

# AUSTRALIAN AID FIVE YEARS ON

## THE 2018 AUSTRALIAN AID STAKEHOLDER SURVEY

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**DEVELOPMENT  
POLICY CENTRE**

We would like to thank Raewyn Lans and Moti Goode at the Australian Council for International Development for their advice on NGOs. We are similarly grateful to Therese Faulkner and Richard Moore for their advice on aid contractors. We are also very grateful to Sharon Bessell and Mel Dunn for their help with contacts. We are grateful to Ashlee Betteridge for all her advice and assistance. And we wish to thank Camilla Burkot, Ben Day, and Amanda Watson for their input on survey questions.

We are grateful to our team of colleagues and friends who trialled the survey for us. And, most of all, we wish to say thank you to everyone who took part in the 2018 Australian Aid Stakeholder Survey – your input was crucial.

We also wish to acknowledge the support that the Bill & Melinda Gates Foundation provides to the Development Policy Centre for its research.

The views expressed in this publication are our own and do not necessarily reflect the views of our funders, Crawford School of Public Policy or The Australian National University.

Any remaining errors are our responsibility.

## Executive summary

**The Development Policy Centre has run stakeholder surveys of aid experts in 2013, 2015 and 2018. These surveys provide a detailed picture of how the quality of the Australian Government aid program is perceived by expert aid practitioners.**

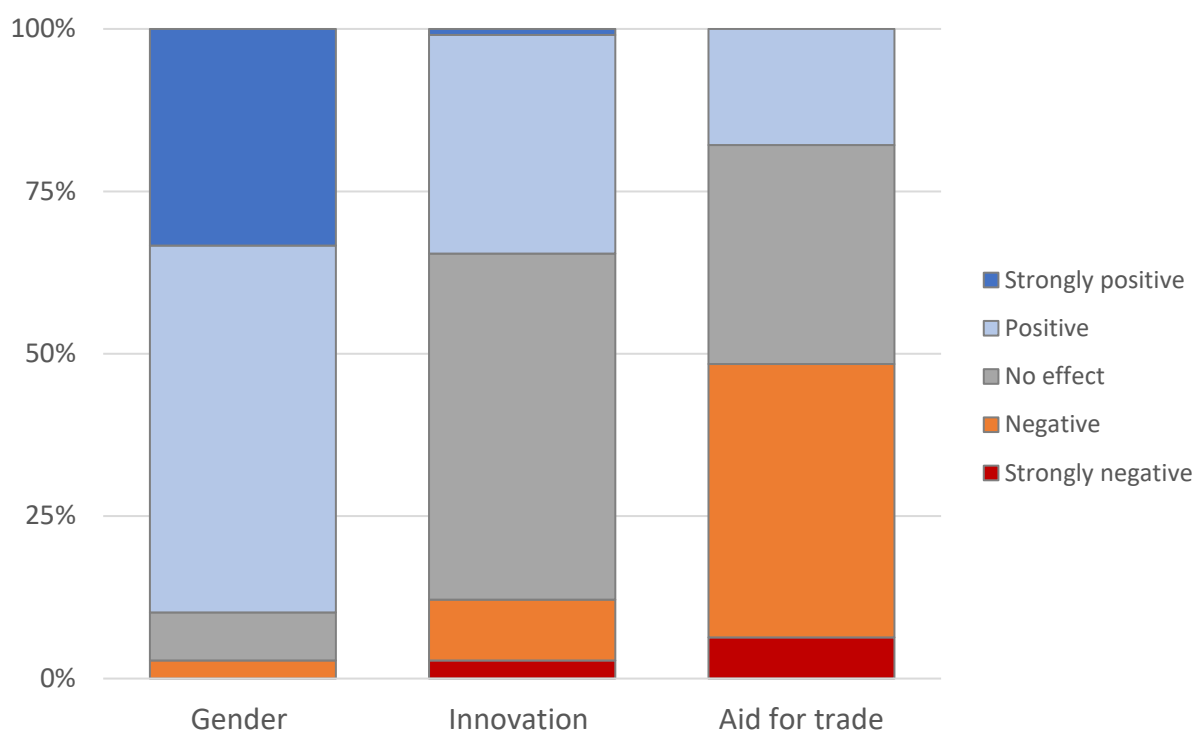
Stakeholder surveys have two phases. Phase 1 (with 114 respondents in 2018) targets senior staff from Australian NGOs and aid contracting firms. Phase 2 (with 233 respondents in 2018) is open to anyone with a good knowledge of Australian aid. Data from both phases are available online and in the body of this report. Our findings here stem from responses to Phase 1 of the survey. In 2018, Phase 2 respondents were, on average, marginally more pessimistic in their assessments in most areas.

The 2013 Stakeholder Survey basically established a benchmark. The 2015 Stakeholder Survey delivered a clear set of findings: Australian aid was getting worse. The 2018 Stakeholder Survey is more complex to interpret, but brings with it a range of important findings.

**Julie Bishop was clearly appreciated by the Australian aid community.** She was appraised positively by most stakeholders, and her popularity increased over time.

Of the big ideas that Bishop championed or introduced while in charge of the aid program, **a focus on women's empowerment was viewed as beneficial** by stakeholders. The rise of **an innovation agenda was viewed less positively**. And an **aid for trade focus was viewed in a negative light by most stakeholders**.

### *Gender, innovation and aid for trade*



**On the sectoral focus of Australian aid, there was a clear concern that too little aid was devoted to health.**



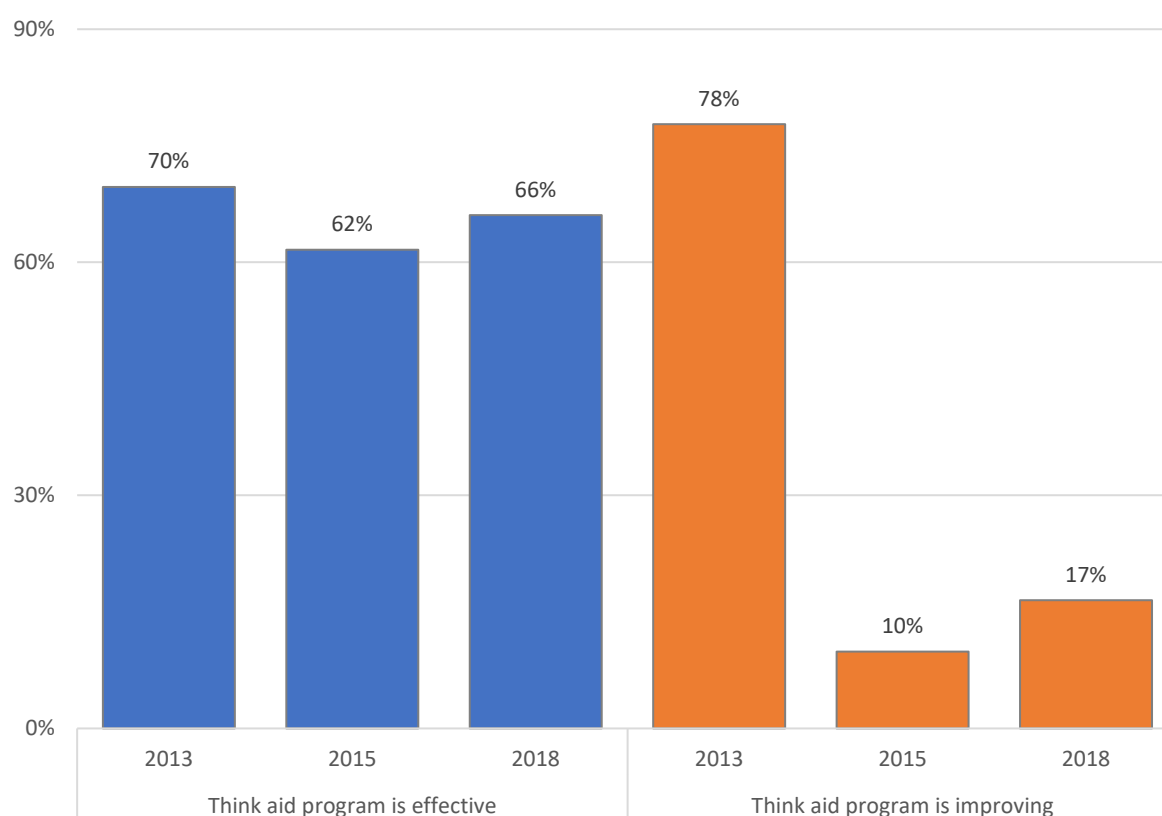
The 2013 integration of AusAID into DFAT was associated with a substantial fall in the extent to which stakeholders thought Australian aid was focused on promoting development. This fall was accompanied by a commensurate rise in the extent to which stakeholders thought Australian aid was focused on advancing Australia's short term strategic and commercial interests. **The decrease in development focus that occurred between 2013 and 2015 was not reversed in the years between 2015 and 2018. Australian aid is still viewed foremost as being oriented around advancing Australia's interests.**

#### *Perceived objectives of Australian aid (mean response, 1-100)*

Year	Promote development	Advance Australian interests
2013	48	52
2015	32	68
2018	33	67

**Stakeholders offered a more positive assessment of overall Australian aid effectiveness in 2018 than in 2015.** Effectiveness has not returned to 2013 levels, but in 2018 most stakeholders thought the aid program was effective or very effective. However, stakeholders are still, as they were in 2015, pessimistic about the direction of the aid program: a stark contrast to the optimism of 2013.

#### *Views on effectiveness*



**Stakeholder responses to questions about specific aspects of the aid program in 2018 were more positive than they had been in 2015.** Comparisons between 2018 and 2013 were mixed. The greatest improvements have been felt by NGOs, who often have a strongly positive view of the Australian NGO Cooperation Program in particular.

**Staff continuity and timely decision making are two specific areas which have improved substantially from 2013 to 2018 according to both NGOs and contractors.** However, while DFAT may have become a nimbler aid manager than AusAID was at the peak of the scale up of aid spending, there remains a clear need for further improvement in these areas.

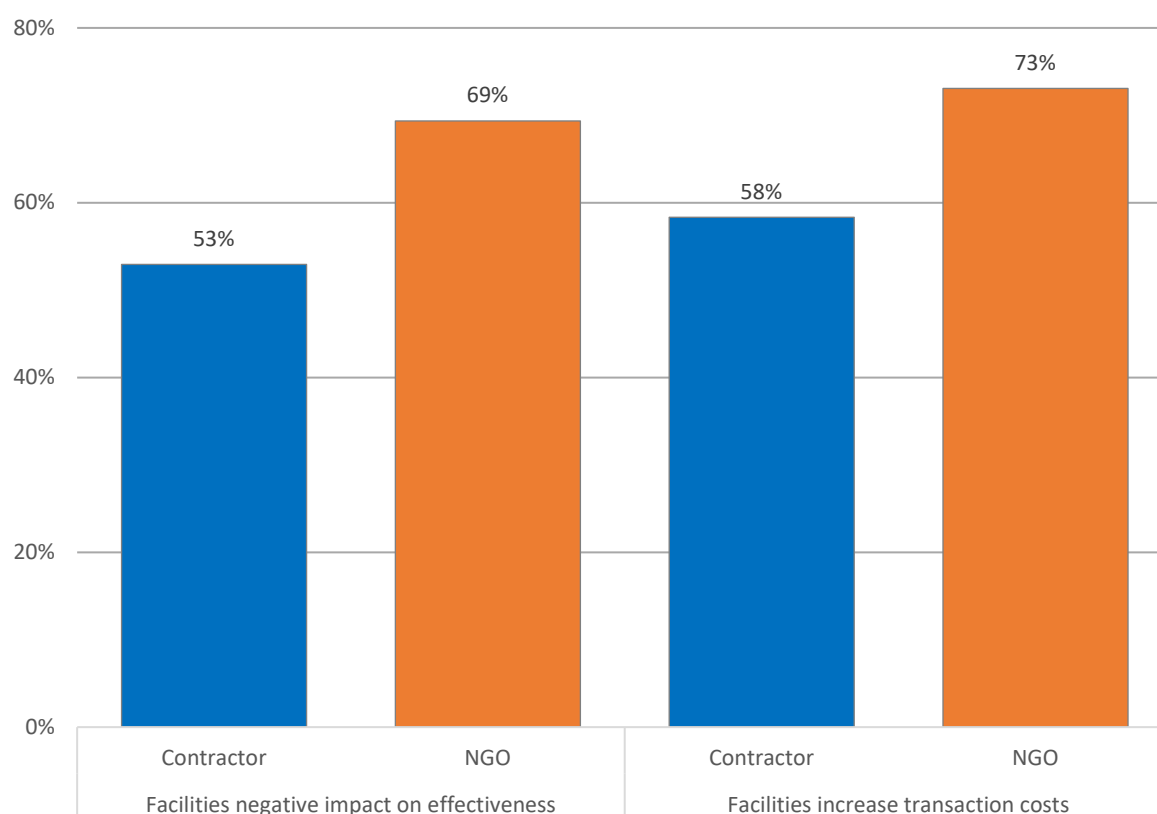
In 2015, we reported that “a loss of expertise is viewed by the sector as a clear cost of the AusAID-DFAT merger.” While staff expertise remains a problem, the sector recognises that DFAT has taken action to remedy the situation.

Although stakeholders see less fragmentation than in 2015, there is no improvement in this dimension relative to 2013, suggesting deeper reforms are needed than simply reducing the number of projects. Funding predictability, transparency, communications and strategic clarity stood out as four attributes that both NGOs and contractors rated much worse in 2018 than they had in 2013.

New issues have arisen since the last stakeholder survey. **The rise of facilities – large contractor-managed entities comprising many aid projects – is the most notable of these.** How important facilities have become is indicated by the fact that slightly more than 40 per cent of survey respondents were funded or managed through a facility.

**A majority of respondents think that facilities are reducing the effectiveness of Australian aid. A bigger majority thinks that they are adding to transaction costs.**

#### *Views on facilities*



**On aid quantity** there was in 2018, as in 2015, a very clear break between what almost all stakeholders wanted – aid to rise substantially as a share of GNI – and what they thought they would get. However, stakeholders were somewhat more optimistic about the prospects for aid increases should Labor form the next government.

**In summary, the 2018 survey shows a rebound on aid effectiveness since 2015, but not to the levels achieved in the 2013 survey, which was carried out just prior to the current government taking responsibility for the aid program.**

These findings lead to a series of **recommendations**:

**Focus aid on development.** Absent a development focus, aid is less likely to help those in need. Promoting development also brings benefits to Australia.

**Review and reform facilities.** Facilities can add value in certain situations, but at present they are often failing to do so. Reform is needed.

**Continue to build on improvements in staff continuity and staff expertise.** While significant gains have occurred, much needs to be done. Staff continuity is assessed as the second worst of all the individual attributes, and staff expertise the fifth worst.

Similarly, **prioritise improving aid program transparency and communications – areas where performance continues to lag.** Transparency should be made one of the official benchmarks by which quality of aid is assessed.

**Maintain the gender focus of the aid program, ensure that innovation in aid is properly scrutinised and drop the 20 per cent aid for trade focus.** A preoccupation with innovation and aid for trade simply distracts from the important task of carefully tailoring aid to needs and focusing aid on what is actually likely to work.

Our **final recommendation is for the broader Australian aid community, which needs to grow its advocacy capacity and resourcing** if it is to ever to reverse the cuts Australian aid has suffered over the last decade.

**Not long after this report is released, Australians will go to the polls.** The government that emerges from the elections, regardless of its political stripes, will have plenty of scope to promote positive change in Australian aid if that is its desire.

**We plan to survey stakeholders again in three years' time to gather views on what has changed – for better or for worse – in Australian aid.**

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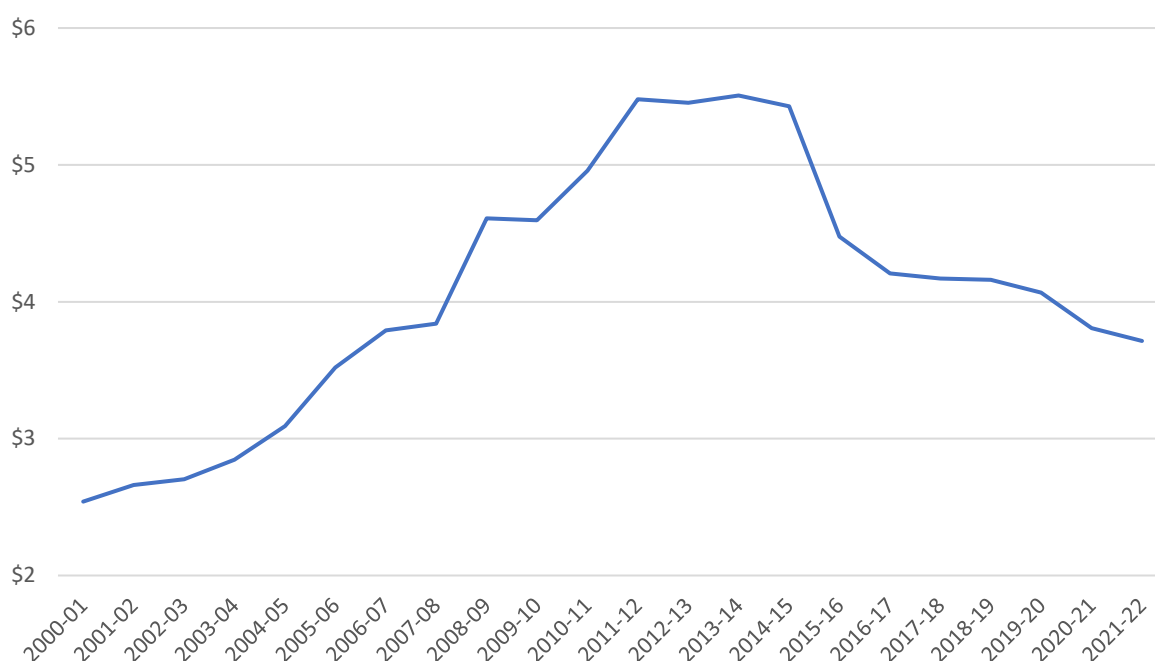
## 1. Introduction

The last decade brought major changes to Australian aid. The aid budget was scaled up, then cut dramatically. AusAID was made an executive agency in 2010, only to be fully reintegrated into the Department of Foreign Affairs and Trade (DFAT) three years later.<sup>1</sup> While these high-level changes have been reported on and debated, their practical ramifications have received little serious empirical study.

In 2013, the Development Policy Centre ran its inaugural Australian Aid Stakeholder Survey. This survey asked questions about detailed aspects of the Australian Government aid program. It was targeted at specialists: people whose knowledge of Australian aid was high and who frequently worked alongside the government aid program. The purpose of the survey was to gather fine-grained information on which aspects of the Australian aid program were working, and which were not. In 2015 and 2018, the survey was repeated, enabling us to track changes over time.

The 2013 survey was run prior to the election that year and captured the state of Australian aid as it was at the end of the era of AusAID. The years between the 2013 and 2015 surveys spanned both the major aid cuts, and the demise of AusAID. The years since 2015 have been less tumultuous, although, as Figure 1 shows, there have been further, smaller cuts to aid. 2018 affords the chance to survey how the aid program has settled into its new administrative and political environment.

*Figure 1 – Inflation adjusted Australian aid flows over time (billion AUD, 2018)*



*Notes: Data from 2018-19 financial year onwards are estimates based on budget documents. Values are inflation adjusted and in billion dollars. All data come from <http://devpolicy.org/aidtracker/trends/>.*

All three stakeholder surveys included both closed-ended and open-ended questions. The closed-ended questions generate data for the quantitative analysis used throughout this report, while the open-ended questions are a source of rich insight and telling quotes.

<sup>1</sup> For details on executive agency status see page 3 of: <https://dfat.gov.au/about-us/publications/corporate/annual-reports/ausaid-annual-report-2010-2011/pdf/anrep10-11overviews.pdf>.



As with the previous surveys, the 2018 survey was comprised of two phases. Phase 1 was targeted, involving senior staff from Australian NGOs and development contracting companies. Overall, 114 people responded to the survey in Phase 1 – a 62 per cent response rate. (In 2015, 110 people responded to Phase 1 of the survey).

In Phase 2 we asked the same questions, but the survey was publicly accessible and we encouraged all members of Australia's aid community who were knowledgeable about the government aid program to participate. In 2018, 233 people completed the second phase of the survey. This was fewer than in 2015 but similar to the number of people who completed Phase 2 in 2013. The strength of the second phase of the survey is that it collects the views of a wide range of people associated with development work. It provides a broad picture of experiences across the sector. The weakness of Phase 2 is that it involves self-selection. For this reason, we have not let Phase 2 data drive our findings. However, we have made Phase 2 data available throughout much of this report so that readers can draw their own conclusions from it. As we show in Appendix 1, Phase 1 respondents gave marginally more positive answers on average, but there is a strong correlation between Phase 1 and Phase 2 responses to individual questions. Had we based this report on Phase 2 data, our overall conclusions would have been similar. This should be borne in mind in those parts of the report where, for brevity, we focus solely on Phase 1 data.

We have not reported on every question that was asked in this year's survey. However, you can access all the closed-ended questions, charts of responses to them, and underlying quantitative data for 2018 and previous years, online at: <https://devpolicy.crawford.anu.edu.au/aid-stakeholder-survey/2018>. We encourage you to use the data in your own work.

In Appendix 1 we provide detailed information on our sample frame, participation rates, and types of respondents. A copy of the survey questions is available online with the [online dataset](#).

Stakeholder surveys suffer the potential limitation that they report on stakeholders' perceptions of the aid program. Subjective opinions are not guaranteed to correspond with facts. This limitation is offset to an extent by the fact that participants in the surveys are experienced aid practitioners who typically know the aid program well. In 2018, 88 per cent of Phase 1 respondents and 78 per cent of Phase 2 respondents had worked in international development for five years or more.

Another potential limitation stems from the questions asked in the survey. We solicited stakeholder input when developing the survey, and have avoided obvious issues such as leading questions. However, we have encountered other challenges. It has been hard to ensure questions cover all relevant areas – important topics can be missed, which makes subsequent analysis harder. Clearly worded questions are crucial: unclear questions lead to unclear data. As we have re-run the survey, we have learnt which questions are clear and which are not. It is possible to improve on question wording over time, but changing the wording of questions between surveys makes it hard to separate genuine trends from apparent trends brought merely by differently worded questions.

Because comparing data over time is essential to the stakeholder survey endeavour, in 2018 we kept most questions identical to those used in previous years. However, we changed the wording of a small number of questions in order to improve question clarity.<sup>2</sup> In instances when wording changes looked as if they might influence responses to particularly important questions, we used A/B testing to identify the effects of wording changes. Where wording effects were significant, we modified

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<sup>2</sup> We also added new questions and removed some old questions in 2018, reflecting the changing issues facing the aid program.

previous years' results to allow comparability over time. In Appendix 2 we explain how we used A/B testing to identify wording effects.

Even with carefully prepared questions and with innovative tools such as A/B testing, there remains the possibility – present in all surveys – that the questions we have asked have contributed to the responses we received. This is a limitation of the method.

The limitations associated with opinion-based data, and the challenges of surveys, are real and should be borne in mind while reading the report. At the same time, it should also be emphasised that we have minimised the limitations outlined above. What is more, all approaches to assessing aid quality have limitations. Qualitative approaches such as the peer reviews of the OECD's Development Assistance Committee are also based on subjective interpretation and data from small samples. Quantitative approaches that draw on aid flow and related data, such as the Quality of ODA index, can produce counter-intuitive results and struggle to accurately capture changes in aid program performance, due to the nature of their source data (for more discussion see: Muller & Wood 2018; Wood 2018c; Wood et al. 2017).

In summary, limitations notwithstanding, stakeholder surveys also have clear strengths of their own. Most importantly, they are able to provide detailed assessments of aid quality that cover many different aspects of aid program performance.

We start this report by looking at the political leadership of the aid program, followed by the overall focus and objectives of Australian aid. We continue by asking: is Australian aid effective, and is it becoming more or less effective. Then we look in detail at trends and variations in specific aspects of the aid program's functioning. This is followed by analysis of aid management and staffing, alongside several specific areas of concern. We then present stakeholders' views on aid volume. We close our analysis with a summation and a set of recommendations.

## 2. Political leadership and politicians

In 2018, as in the previous two surveys, we asked stakeholders a generic question about the political leadership of the aid program. Responses from Phase 1 respondents can be seen in Figure 2.

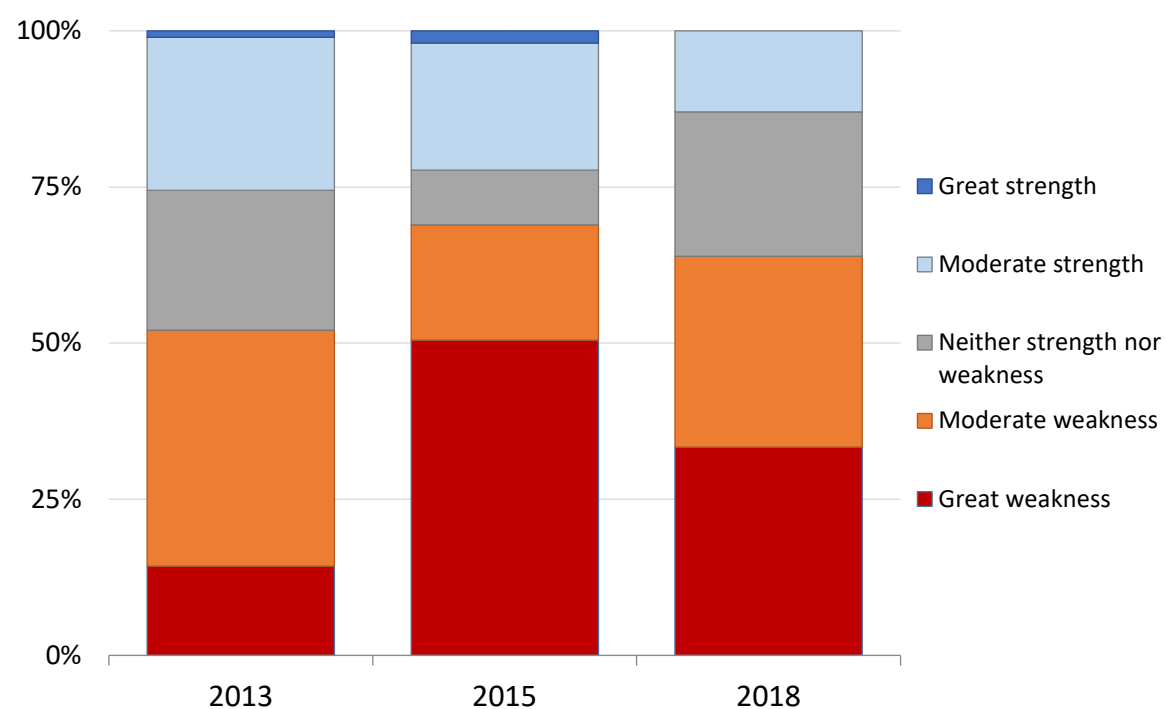
Negative responses have always outweighed positive responses but responses became much more negative in 2015. Negative responses fell post-2015 but political leadership is still seen as weaker than it was in 2013. Even now, only a very small subset of stakeholders have favourable views of the political leadership of the aid program. We have not charted it here, but Phase 1 NGOs and contractors had very similar views of political leadership. Views of political leadership were slightly less favourable amongst Phase 2 respondents.

In 2015 and 2018 we asked for respondents' views about now-former Foreign Minister Julie Bishop, who was in charge of the aid program from 2013 to 2018.<sup>3</sup> Responses to this question are shown in Figure 3. Former Minister Bishop was much more positively appraised than the aid program's overall political leadership. Appraisals of Bishop also improved notably between 2015 and 2018. (Although not shown here, the 2018 responses of NGOs and contractors in Phase 1 were very similar; Phase 2 respondents were slightly less favourable.)

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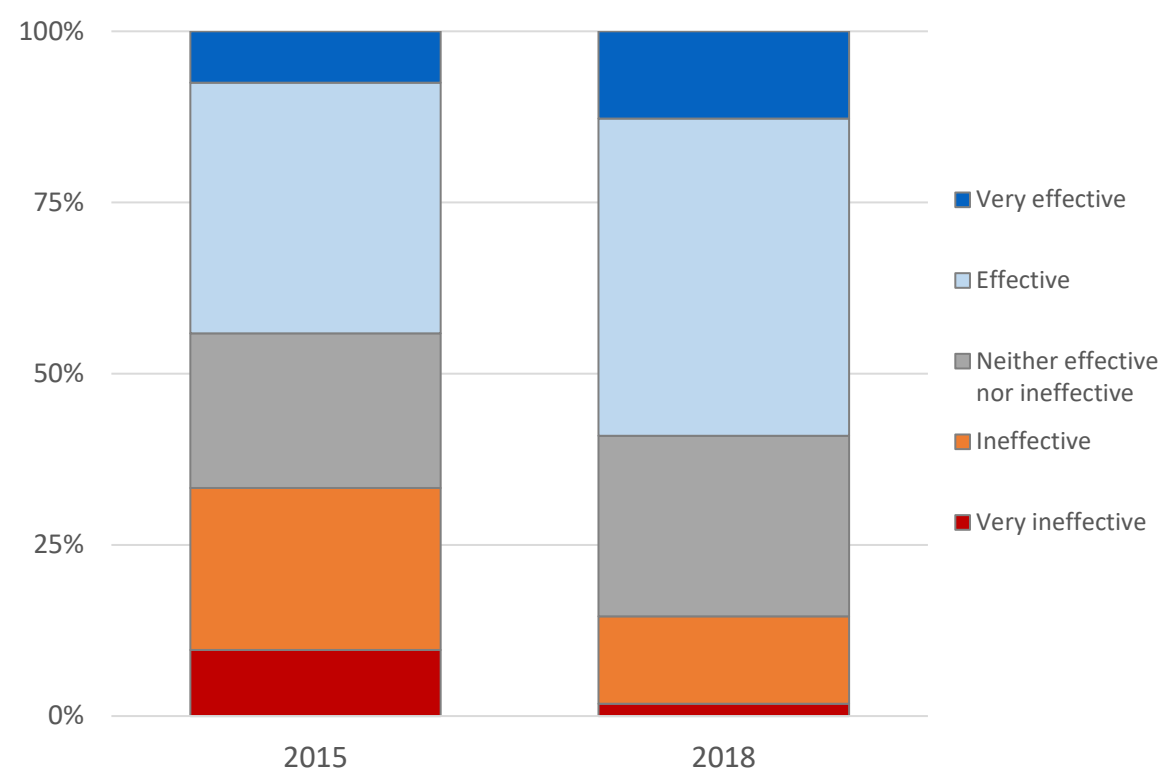
<sup>3</sup> Julie Bishop resigned while the survey was in the field in 2018; we changed the question wording slightly to reflect this after her replacement, but the question remained about Bishop.

Figure 2 – Political leadership over time (Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe the Australian aid program as it currently stands possesses political leadership."

Figure 3 – Julie Bishop (Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "How effective do you think Australia's Foreign Minister Julie Bishop was in managing Australia's aid program up until 25th August this year?"

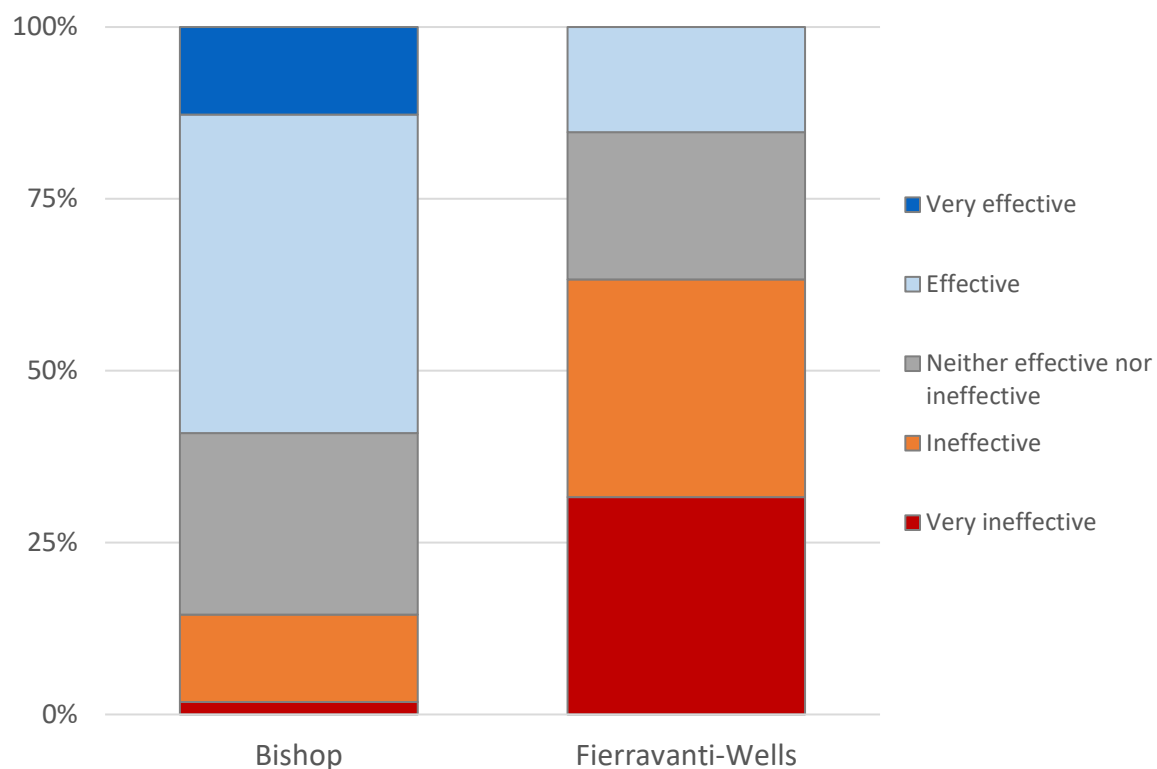
In open-ended questions some respondents took the opportunity to elaborate on their assessments of the former Foreign Minister. Bishop’s focus on gender was clearly appreciated by a significant number of stakeholders. Some of qualitative responses also offered insights as to why Bishop was more positively appraised than political leadership was in general. One respondent stated that:

Whilst I believe Julie Bishop to be an effective leader for Australia's aid program, she suffered through not having the support of her party for maintaining or increasing the aid budget.

We also asked respondents about then-Minister for Development and the Pacific, Concetta Fierravanti-Wells, who also resigned in 2018, was only in the job for two and a half years, and had substantially less authority than Bishop. As can be seen in Figure 4, Fierravanti-Wells was not appraised as favourably as Bishop. (Once again, Phase 1 NGO and contractor responses were very similar, while Phase 2 responses were slightly more negative.)

If responses to open-ended questions are anything to go by, Fierravanti-Wells was less favourably appraised both because she was perceived to be less committed to aid, and less knowledgeable about aid. One respondent said, for example, that the Senator was, “placed in a portfolio she didn’t understand or even philosophically support”.

*Figure 4 – Julie Bishop and Concetta Fierravanti-Wells (2018, Phase 1)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “How effective do you think...was in managing Australia's aid program up until 25th August this year?”*

### 3. The objectives of Australian aid

As in earlier years, in 2018 we asked stakeholders' views about the objectives of Australian aid. Specifically, we inquired about the extent to which they thought Australian aid was given to boost development outcomes versus the extent to which aid was given to advance Australia's strategic and commercial interests. In 2018 we modified question response categories to be more specific than in the past. To test the impact of this wording change we used A/B testing. The charts you see in this section are modified to take into account wording effects. A/B testing is explained in Appendix 2. In 2018 we asked stakeholders:

*Adding to 100, what weight do you think the following objectives actually have in guiding the work of the Australian aid program?*

*Promoting development in developing countries*

*Promoting Australia's direct strategic interests*

*Promoting Australia's commercial interests*

*Don't know*

We then asked stakeholders the same question but focused on the weight the objectives *should* have in guiding Australia's aid work.

Phase 1 responses to these questions are plotted in Figure 5. The chart has three panels, one showing views about development focus, one showing views about strategic focus, and one showing views about commercial focus. In each panel the blue line plots stakeholders' responses to the questions about the actual emphasis placed on each objective and the pink line plots responses to the question about desired emphasis. The lines are derived from histograms of responses. The x-axis of each panel ranges from 0 (no focus) to 100 (an exclusive focus). The y-axis of the chart shows the percentage of respondents, and the highest point of each line reflects the response most frequently given by stakeholders. Peaks in the lines that are further to the right indicate more emphasis, peaks to the left indicate less.

The charts show that most stakeholders want Australian aid to be heavily focused on development, with much less of a focus on strategic objectives, and less still on commercial objectives. The charts also show that stakeholders view the actual objectives of Australian government aid as being quite different. Most stakeholders view strategic objectives as being the main focus of Australian aid, followed by commercial and development objectives.

Table 1 shows the mean actual focus on each objective as perceived by Phase 1 stakeholders in 2018 as well as the mean desired focus.

*Table 1 – Objectives of Australian aid (mean responses, 2018, Phase 1)*

	Perceived focus	Desired focus
Development	33	62
Strategic interests	41	27
Commercial interests	26	11

In the [online data](#), we show the breakdown of views by Phase 1 NGOs and contractors, and Phase 2 respondents. NGOs perceived a slightly higher focus on commercial objectives than the other groups. NGOs also desired a higher focus on development, but the differences were not dramatic.



Figure 5 – Objectives of Australian aid (2018, Phase 1)

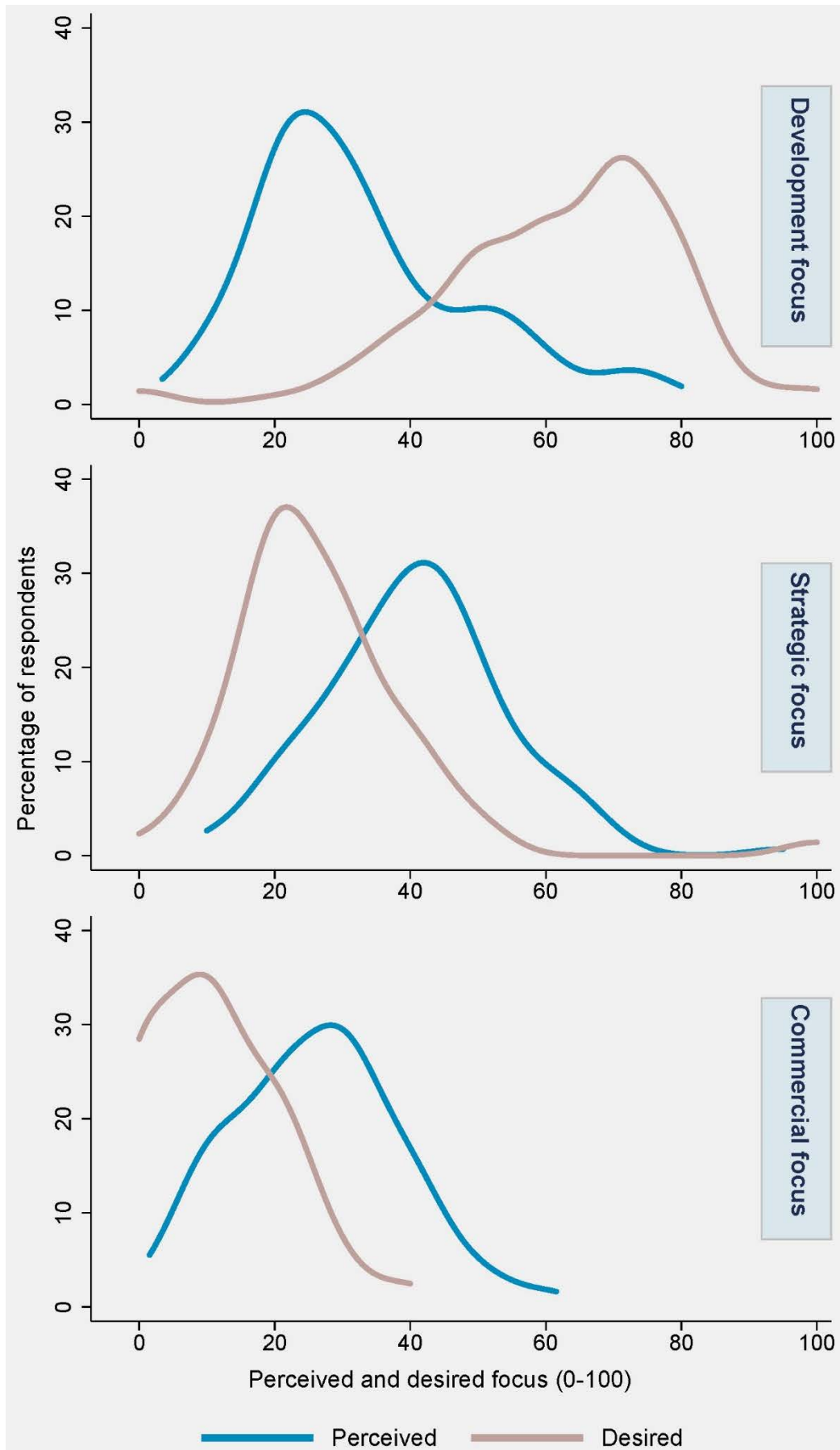


Figure 6 shows 2018 Phase 1 responses compared to 2015 and 2013 responses. The chart focuses solely on what respondents thought the actual focus on development was in each year of the survey.

The light blue line on the chart plots responses from 2013, prior to the reintegration of AusAID into DFAT. The two darker lines plot responses from 2015 and 2018.

2018 and 2015 responses are very similar, and indicate that many stakeholders believe the actual development focus of Australian aid is quite low. The 2013 line stands alone: in 2013, stakeholders thought Australian aid was much more heavily oriented towards development objectives than it is now. Table 2 shows the mean actual focus on each on development as perceived by Phase 1 stakeholders in each year, and reveals a similar change.

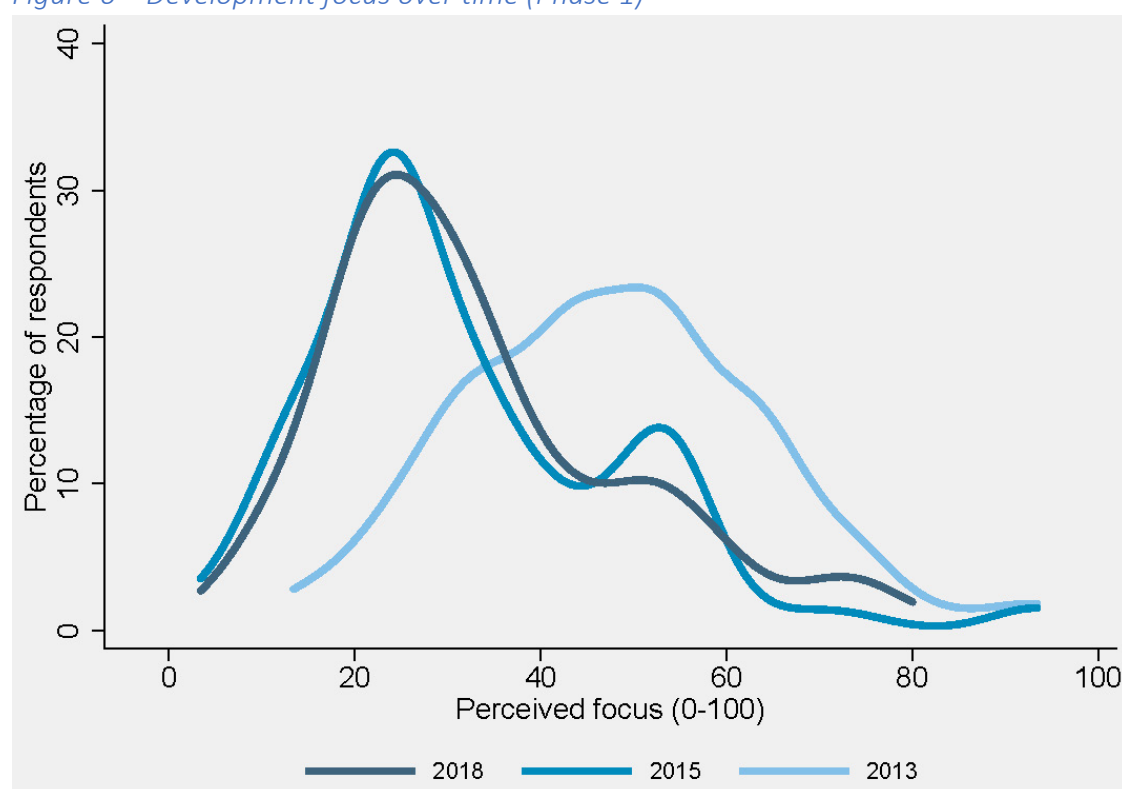
*Table 2 – Perceived development focus of aid over time (mean responses, Phase 1)*

Year	Perceived development focus
2013	48
2015	32
2018	33

In summary, in the eyes of aid stakeholders, the objectives of Australian aid have been transformed since 2013, with there now being a much lower development focus than there once was. Almost all of these changes occurred between 2013 and 2015. Little change has occurred since.

In contrast to views about how much aid is actually focused on development, views about how much focus should be given to development have hardly changed, giving rise to a persistent disconnect. (A chart of views from different stakeholder surveys about how much focus should be placed on development is included in the [online dataset](#).)

*Figure 6 – Development focus over time (Phase 1)*



The perceived focus of Australian aid on advancing Australia's interests was clearly a matter of concern to stakeholders. One stakeholder, for example, commented that:

There is no shame in focusing aid into our direct region and countries that we need to support, but blatantly focusing on political gain and not the beneficiaries is a moral issue the country needs to face head on.

Other stakeholders emphasised that aid could advance all three objectives but only if given with a view to the long term. In the views of one stakeholder:

Promoting development in our Asia-Pacific neighbours is automatically in Australia's national interest. But that requires consistent attention to longer term aid strategies, and consistent funding. Chopping around for short-term political gain is not constructive. And using aid to pursue domestic political agendas such as deterring refugees is counter-productive and deleterious to Australia's brand as a development partner.

Another stakeholder wrote that:

To my view, reduction of poverty in an equitable manner will play a major role in decreasing regional insecurity and achieve Australia's strategic interests far more effectively than current development programs that focus more specifically on Australia's strategic and commercial interests.

One stakeholder made the intriguing suggestion that while high-level objectives had changed, aid workers on the ground ensured that some degree of development focus continued.

I think the trend is around increasing focus on national interest and that the amount spent on poverty priorities may reduce over time but there are many funded agencies like NGOs that still put the focus of aid on poverty reduction.

## 4. Aid focus

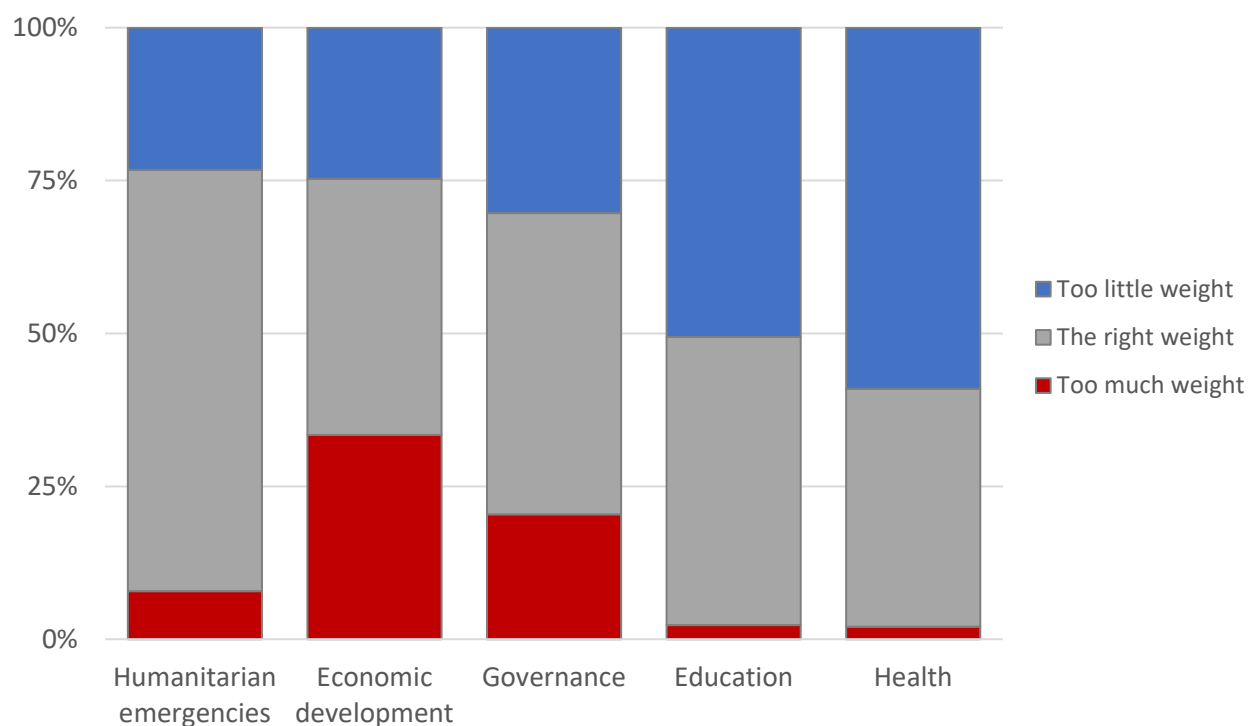
### 4.1 Sectoral focus

In addition to asking about the objectives of Australian aid, we also asked questions about the sectoral focus of Australian aid. Phase 1 responses are charted in Figure 7.

The clearest messages to emerge from the chart are considerable satisfaction with the level of emphasis placed on humanitarian emergencies, and a clear concern with too little aid being devoted to health. A small majority of stakeholders also thought too little emphasis was placed on education, although the share who thought this was only slightly greater than that who thought the right amount was being placed on education. Economic development was the one sector that more than a quarter of respondents thought was receiving too much emphasis. However, those who thought too much emphasis was placed on economic development were still easily outnumbered by those who thought the right amount of emphasis was placed on it.

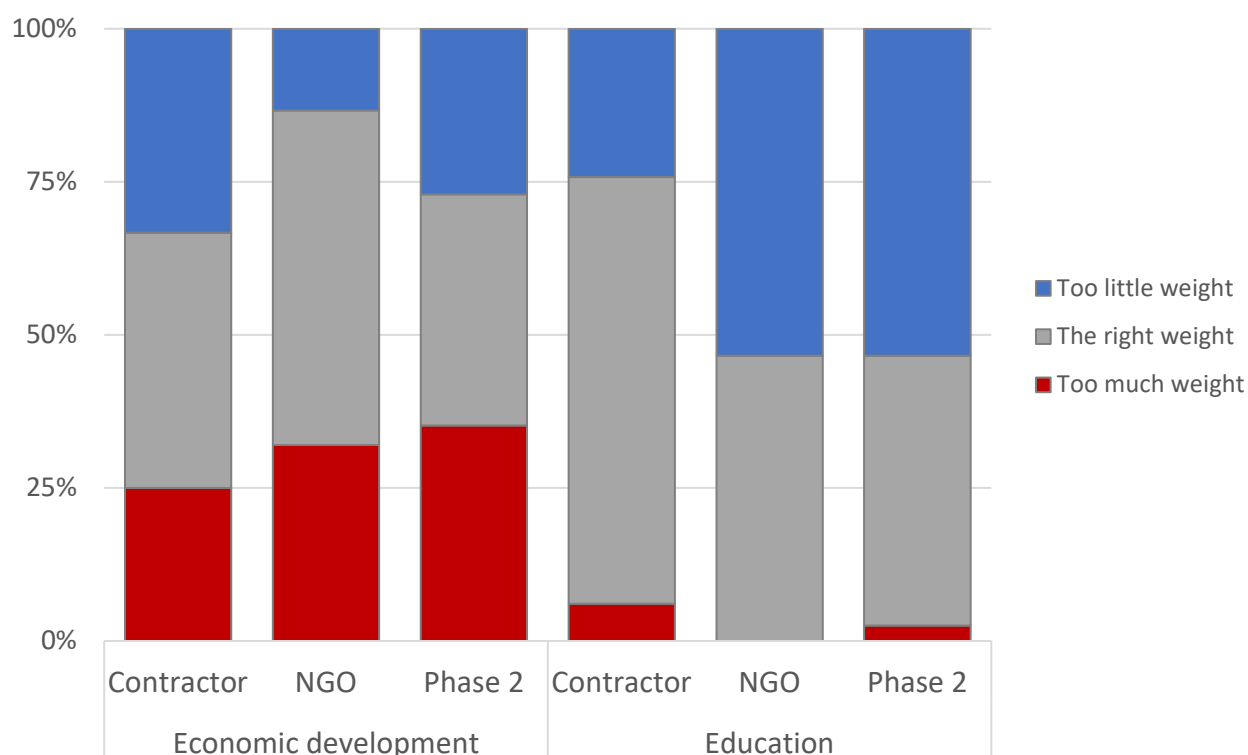
Views about most of the sectors were fairly similar between Phase 1 NGO and contractor respondents, and Phase 2 respondents. The two sectors where there were significant differences were economic development and education. These are charted in Figure 8. Contractors were more likely to believe there was too little focus on economic development, whilst at the same time being less likely to believe that education was receiving insufficient attention.

Figure 7 – Views on the sectoral focus of Australian aid (2018, Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “Five key sectors are listed below. Please indicate the extent to which you believe the right emphasis is being placed upon each area.”

Figure 8 – Views on economic and education focus by respondent type (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “Five key sectors are listed below. Please indicate the extent to which you believe the right emphasis is being placed upon each area.”

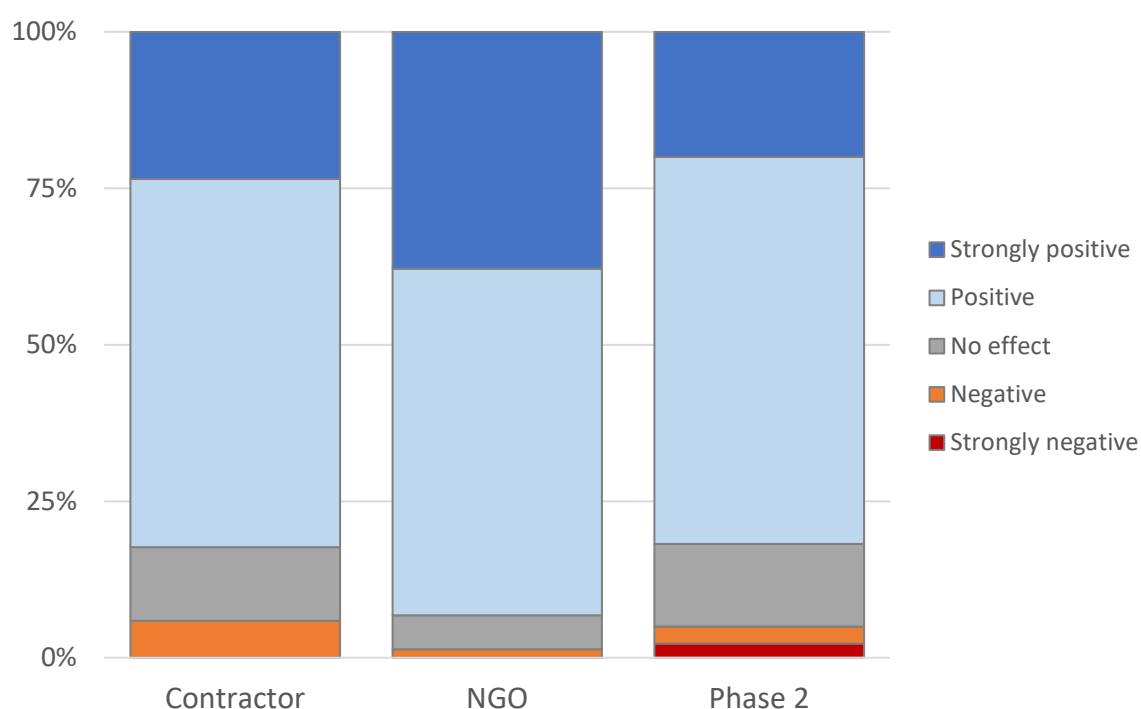
We asked about sectoral focus in previous surveys. However, in earlier iterations we made use of the government’s own sectoral descriptions. These descriptions kept changing, making intertemporal comparisons impossible. In 2018 we opted to use our own sectors, which we derived from OECD reporting. We plan to use these categories in the future. However, the change of sectors between 2018 and 2015 prevented us from comparing views with the previous survey. What can be said by the way of comparison is as follows:

- In 2015 there was some concern with too little emphasis being placed on health and education. This was similar to 2018.
- In 2015 there was also a clear belief that too great a focus was being placed on aid for infrastructure and trade, a category that is loosely analogous to economic development. Concern about an undue emphasis being placed on economic development was lower in 2018 than was the case for infrastructure and trade in 2015. This may represent a shift in stakeholder views. Or, consistent with the analysis in the next section, it could be a product of changed question wording, with stakeholders more positively disposed to economic development as a broad concept than to the specific areas of infrastructure and trade.

## 4.2 Gender, innovation and aid for trade

For the first time in 2018 we also asked specific questions about three areas emphasised by the current government: gender, innovation, and aid for trade. We asked whether the focus on these areas was making the aid program more or less effective. Responses are charted in Figures 9, 10 and 11.

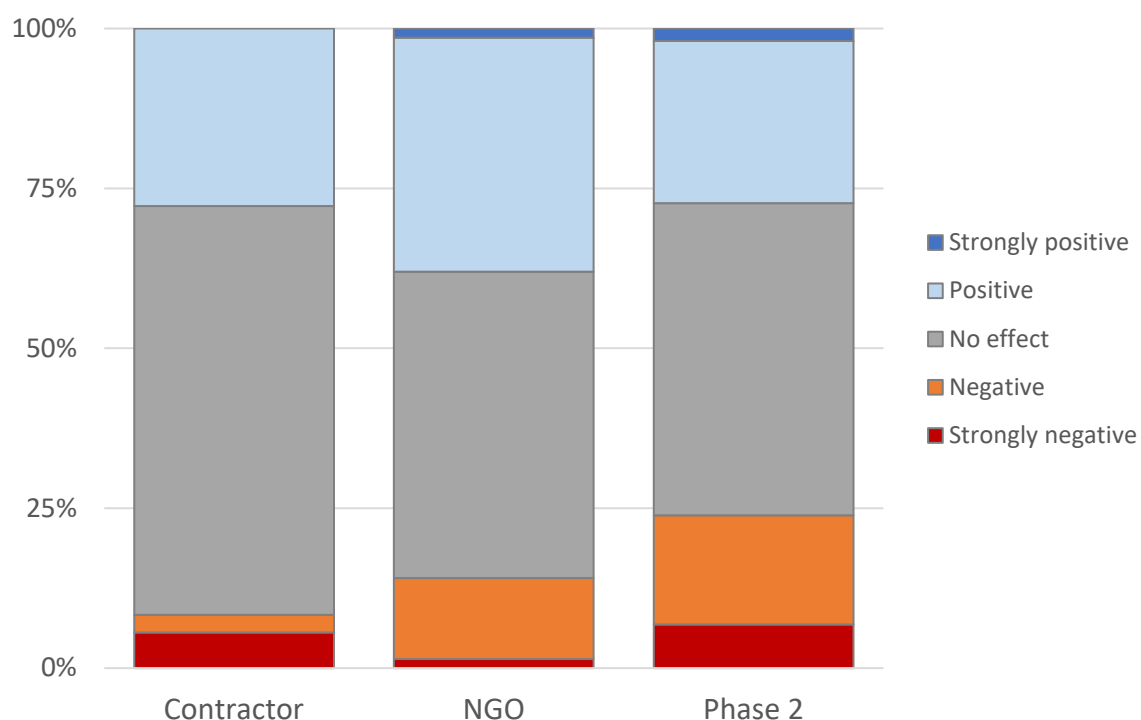
*Figure 9 – Views on the effect of the gender focus on Australian aid (2018)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “In recent years the aid program has placed an emphasis on gender. What effect would you say this has had on the quality of Australian aid?”*

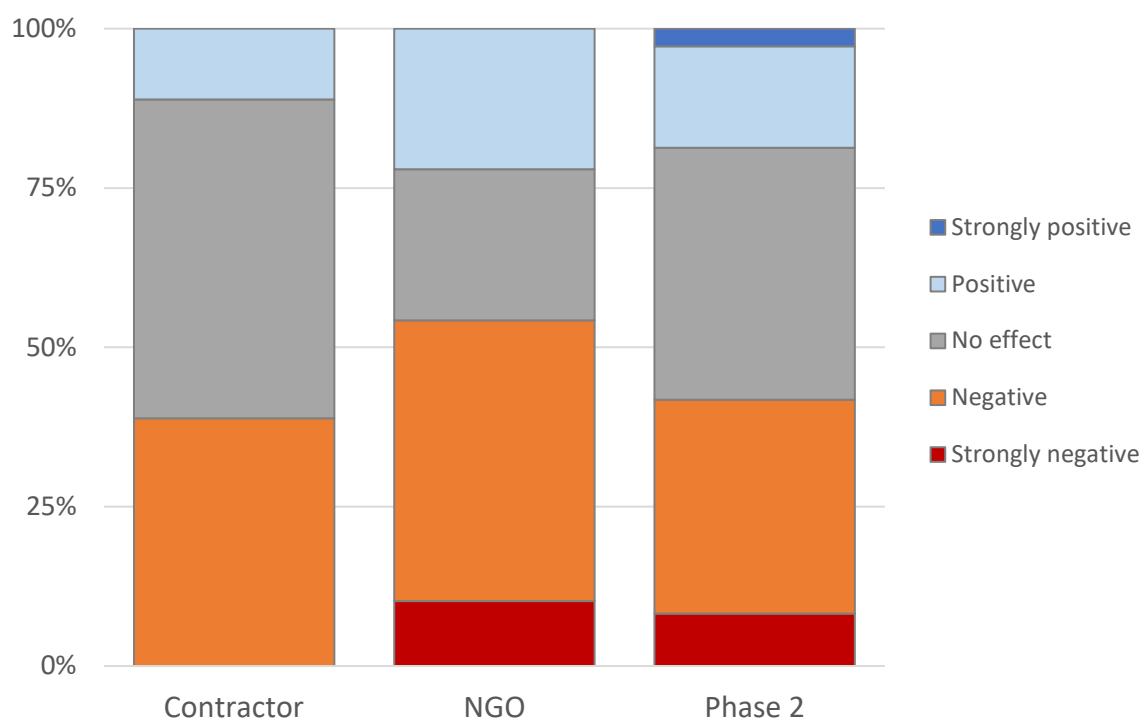


Figure 10 – Views on the effect of the innovation agenda on Australian aid (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “In recent years the aid program has placed an emphasis on innovation. What effect would you say this has had on the quality of Australian aid?”

Figure 11 – Views on the effect of the aid for trade focus on Australian aid (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “In recent years the aid program has placed an emphasis on aid for trade. What effect would you say this has had on the quality of Australian aid?”

As can be seen in the charts, the gender focus was popular with almost all of the stakeholders, and particularly popular with NGOs from Phase 1 of the survey.

Stakeholders were less positive in their assessments of the innovation agenda. Yet, even here, only a small minority of stakeholders thought the innovation agenda had made the aid program worse. Rather, the most common answer from all groups was that it had simply had no effect.

Stakeholders viewed aid for trade least positively. The majority of Phase 1 NGO respondents viewed the emphasis placed on aid for trade as having had a negative impact. Contractors were less likely to have a negative view, but still some 40 per cent viewed aid for trade as having negatively impacted aid quality.

At least some of the scepticism towards aid for trade seems to have stemmed from a belief that associating aid with trade was motivated by a desire to bring benefits to Australia. One stakeholder, for example, stated that aid for trade would improve if it was, “positioned as a process rooted in partnership and mutual benefit, rather than an exercise in extending influence”.

The negative views of aid for trade are also likely linked to concerns expressed in the 2015 survey that the aid for trade aid allocation is excessive. Aid for trade is the only part of the aid program with a floor: at least 20 per cent of the program has to be spent on it. In recent years, aid for trade allocations have continued to increase as a share of the aid program, in excess of the 20 per cent target.

## 5. Overall aid effectiveness

In 2018 we asked stakeholders for their appraisal of the overall effectiveness of Australian aid. The question we asked was similar to that asked in previous surveys, but not identical. In 2018 we changed the wording to make it clear that the type of effectiveness we were interested in was that of aid in promoting development. We used A/B testing to allow us to make this change and yet still compare responses over time. The testing is explained in Appendix 2. Testing showed that the wording change to the question about effectiveness had no clear effect. As a result, we did not adjust for wording effects in our analysis.

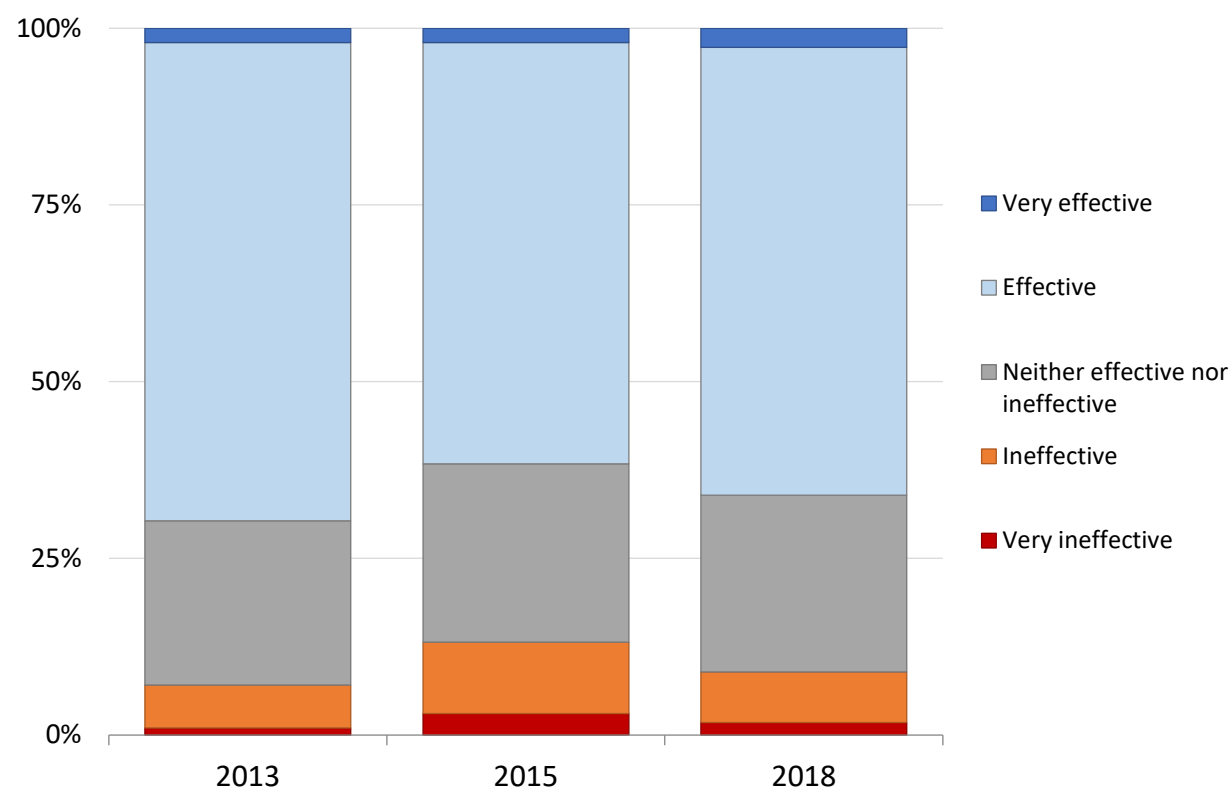
Phase 1 responses to the question about aid effectiveness from 2013, 2015 and 2018 can be seen in Figure 12. Responses to this question show an improvement since 2015, although effectiveness has not yet returned to 2013 levels. Figure 13 shows responses to the effectiveness question in 2018, broken down by respondent type. Of the three groups, NGO respondents are clearly the most positive in their assessment.

In open-ended questions, a number of stakeholders emphasised that it was hard to assess how effective the aid program was, due to issues of transparency. One respondent, for example, stated that, “it is harder now than in 2015 to understand effectiveness due to reduced transparency of the aid program”.

Others said that it was hard to provide an estimate of overall effectiveness owing to considerable variation in performance within the aid program. For example, one stakeholder wrote, “overall [it is] effective but different programs vary significantly with regards to effectiveness”.

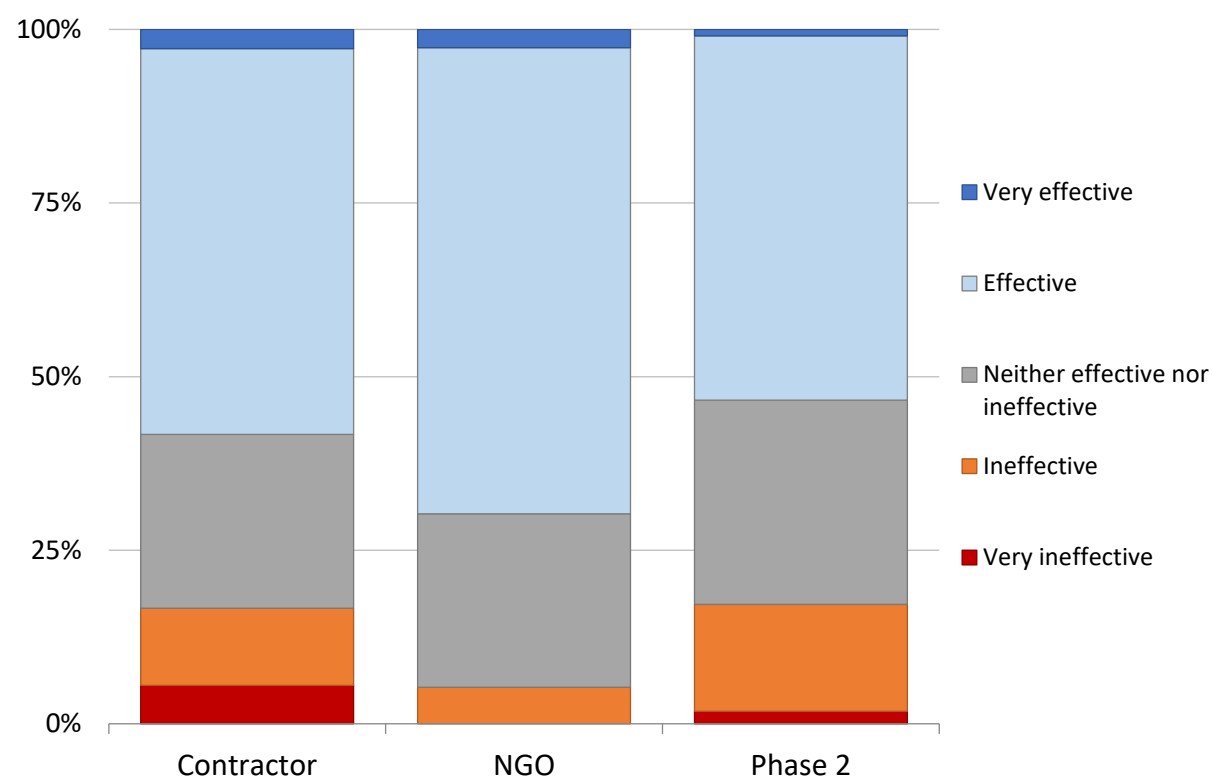
In a similar vein, one stakeholder commented that, “I feel as though these are difficult to answer overall. Some parts of the aid program are very effective, some parts are ineffective”.

Figure 12 – Overall aid program effectiveness (Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, "How would you rate the effectiveness of the Australian aid program in promoting development in developing countries?"

Figure 13 – Aid program effectiveness by respondent type (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording as above.

Other stakeholders emphasised both the positive, and room for improvement:

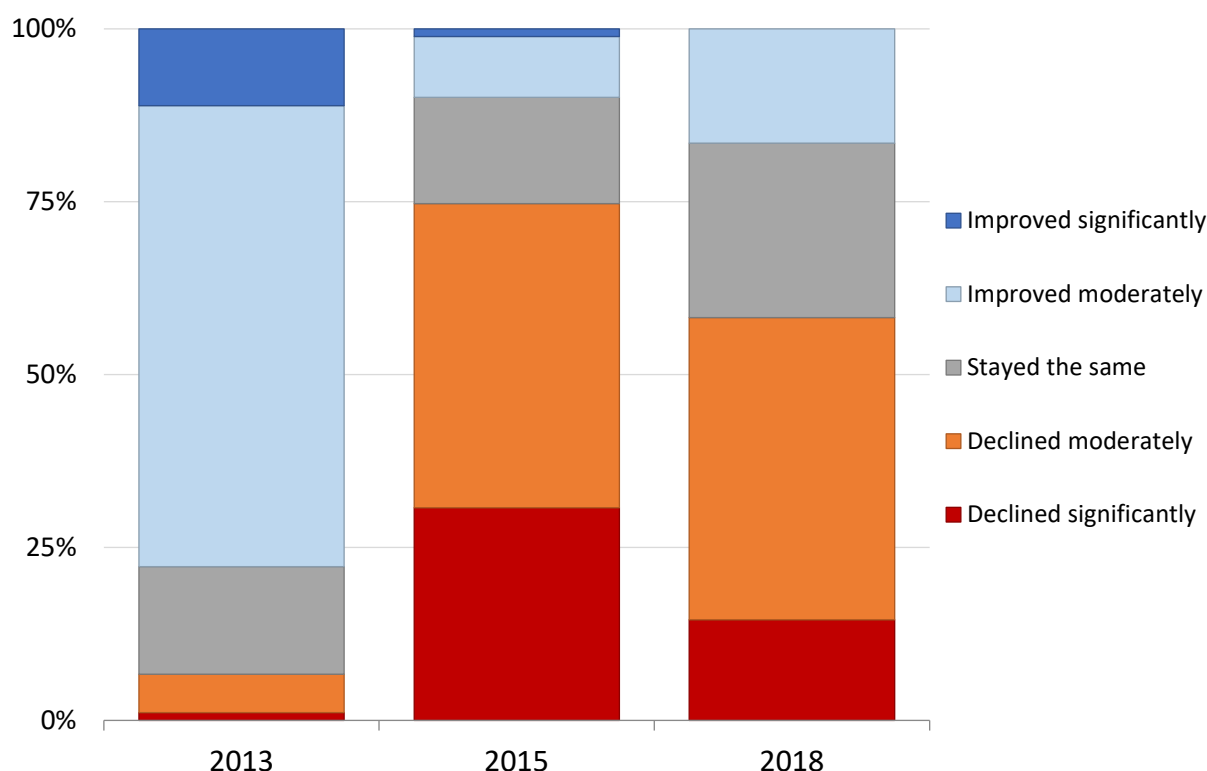
While the aid program is effective in promoting development, it could be much more effective. There is too much ideology and too little evidence in determining investment, and DFAT's capability to oversee the aid program is weak.

An interesting feature of the data is that there has been comparatively little change over time in assessments of effectiveness. Despite the dramatic changes to the aid program, and significant intertemporal variation in responses to other questions, the proportion of respondents finding the aid program to be effective or very effective has only ranged between 62 and 70 per cent. Although a non-trivial minority are more sceptical, most stakeholders are loyal to the aid program, and views seem difficult to budge.

In addition to asking stakeholders how effective they thought the aid program was, we also asked whether they thought it had become more or less effective in promoting development over the last three years.<sup>4</sup> In 2015 we asked a similar question but with reference to change from 2013 to 2015. In 2013 we asked about change over the previous decade.

Phase 1 responses to this question from the three stakeholder surveys can be seen in Figure 14. In 2018, 58 per cent of the surveyed stakeholders thought that effectiveness was deteriorating. Although this is fewer than in 2015, when the proportion was 75 per cent, this is still radically different from 2013, when only seven per cent thought that the aid program was going in the wrong direction.

*Figure 14 – Trends in overall aid program effectiveness (Phase 1)*



Notes: Exact percentages for each category are provided in Appendix 3. Question wording in the text above.

<sup>4</sup> For the first time in 2018 we made it clear we were interested in change in effectiveness *in promoting development*. As with the question about how effective the aid program was, we used A/B testing to determine whether making specific reference to the word development in 2018 had any effect on responses. The experiment provided no clear evidence of any wording effect.

The 2018 results are surprising considering the findings of the previous question about the level of effectiveness. When we asked how effective the aid program was and compared levels across years (see Figure 12), replies were more positive in 2018 than they were in 2015, suggesting an improvement in effectiveness. Yet when stakeholders were asked directly about trends, most stated they thought the aid program was getting worse.

One possible explanation of the perceived trend of deterioration may be ‘rosy retrospection’, a form of psychological bias which leads people to view the past as more positive than it actually was (Mitchell et al. 1997). While it is possible such a bias is present, we do not think it is driving our results. Rosy retrospection may shape people’s appraisals of trends in aid effectiveness somewhat. However, the phenomenon did not prevent more than three quarters of respondents from stating the aid program was becoming more effective when asked about trends in effectiveness in 2013. Stakeholders have proven themselves capable of divining positive trends in aid effectiveness despite rosy retrospection in the past.

Another possible explanation is that stakeholders are divided. A small number, who rated the aid program as ineffective in 2015, perhaps in response to the massive aid cuts, are now less outraged, and are now rating the aid program as effective or very effective (the combined total of these two categories has increased, but only marginally from 62 to 66 per cent). However, the majority think there has been further deterioration, but have not changed their overall categorisation of the program. In all three years 60 per cent or more of respondents have thought that aid effectiveness is satisfactory. Since the majority of respondents answer the effectiveness question with the same answer over time, this question provides a blunt tool to assess degree of effectiveness. The answer to the comparisons over time question suggest that some might still rate the aid program as satisfactory, but not as satisfactory as it used to be.

Another possible explanation is that many stakeholders’ responses to the question about trends in effectiveness reflected their views about changes in aid quality since the demise of AusAID and the integration of the aid program into DFAT. The question we asked in 2018 was explicit in asking for trends “over the last three years”, yet a number of responses to the qualitative questions associated with aid effectiveness made reference to AusAID, suggesting the old aid agency remains a central reference point when thinking about past aid effectiveness and trends in aid effectiveness.

In summary, at the aggregate level there has been a clear deterioration in perceived effectiveness between 2013 and 2018. This is the case regardless of whether we ask about levels of effectiveness or about trends in effectiveness. Between 2015 and 2018, the two questions give different answers.

We return to the issue of overall aid effectiveness at the end of the next section, once we have analysed differences and trends in individual aid attributes covered by the survey.

## 6. Aid effectiveness in detail

In addition to asking about the overall effectiveness of the aid program, we asked detailed questions about many aspects of its performance. Most of the questions we asked in 2018 were the same questions we had asked in previous surveys. They consider dimensions of performance that are widely accepted to be important for aid effectiveness.

### 6.1 Change over time

Figure 15 shows two scatterplots. These are based on a series of questions we asked about specific aid program attributes.



Some questions were about stakeholders' own direct interactions with the aid program in the course of managing their aid program-funded projects. Data from responses to these questions are referred to as 'project attributes' in the text, and have the suffix '(project)' in labels on scatterplots and in tables. Other attributes come from more general questions that were not specifically focused on stakeholders' aid-funded projects. Data from responses to these questions are not referred to using the word 'project'. A table linking attribute labels to the actual questions we asked can be found in Appendix 4.

The first scatterplot in Figure 15 compares responses to all attribute questions between 2018 and 2015. The second compares responses between 2018 and 2013. The attributes themselves, as well as their scores in 2018 and 2013, are listed in Table 3.

Each point on the chart is associated with an attribute. The height of each point on the y-axis is determined by how positively the associated attribute was appraised on average in 2018. In the first chart, the position of the point along the x-axis reflects how positively the associated attribute was appraised in 2015. In the second chart, the position of the point along the x-axis reflects how positively the associated attribute was appraised in 2013.

Each chart contains a diagonal line. Points above this line are coloured blue and are associated with attributes that were appraised more positively on average in 2018 than in the year they are being compared with. Points below the line, coloured red, were appraised more negatively on average.

The charts also contain horizontal and vertical lines at the mid-point of each axis. These lines correspond to neutral assessments of attributes. (An assessment of three on a one to five scale.) Attributes above these lines were appraised positively by stakeholders on average in 2018 and attributes below the lines were appraised negatively. Attributes to the right of the vertical line in the first chart were appraised positively in 2015. Attributes to the right of the vertical line in the second chart were appraised positively in 2013.

Attributes which have changed the most between years, or which have particularly high or low scores in 2018, are labelled.

In both charts, more points (ten) are below the horizontal midpoint than are above it (nine). This reflects the fact that in 2018, slightly more attributes were assessed negatively, on average, by stakeholders than were assessed positively.

However, all the points are above the diagonal line in the chart comparing 2018 and 2015. This indicates that all attributes were assessed more positively in 2018 than they were in 2015 (although in one case the improvement was so small as to be negligible).

Meanwhile, 12 attributes are above the diagonal line in the chart comparing 2018 and 2013, indicating an improvement since 2013, although for four attributes the improvement is negligible or very small. Seven attributes are below the diagonal line (two attributes are in the same location, which is why it appears as if there are only six points). Two of the attributes below the line are close enough to it to effectively be on the line.

The rebound since 2015 is not surprising. DFAT has had time to work on its aid management, and, as we noted at the time, stakeholders were particularly unhappy in 2015 – when AusAID had been recently abolished and the aid budget massively cut. But the finding that more attributes are perceived to have improved than deteriorated since the demise of AusAID in 2013 is more surprising. Stakeholders' assessments of the aid program's overall effectiveness were worse in 2018 than 2013 (see Figure 12). Further analysis is needed to understand what is going on.

Figure 15 – Attributes, 2018 compared with previous surveys (Phase 1)

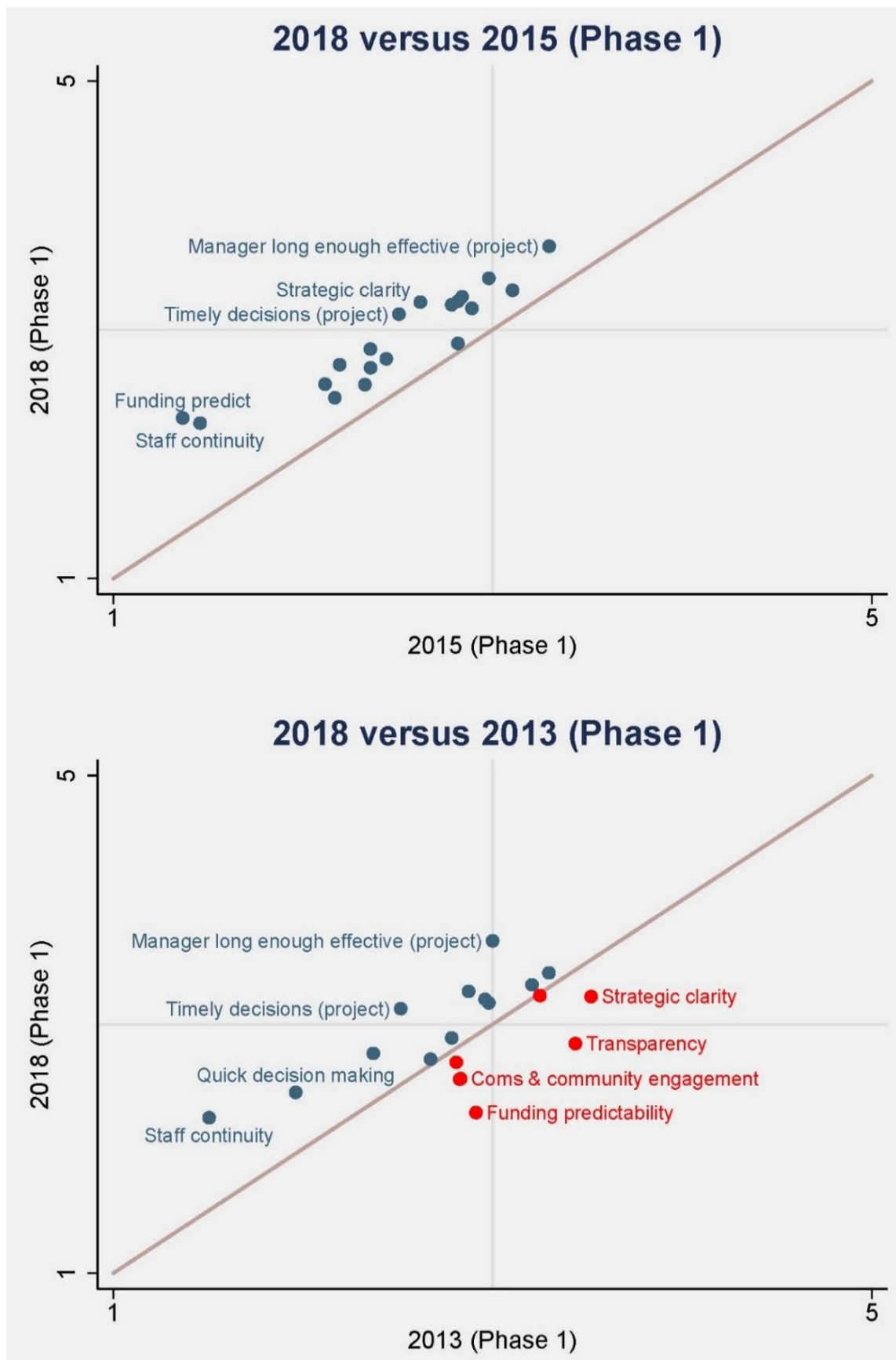


Table 3 is sorted by improvement between 2013 and 2018. Those attributes that improved the most are at the top. Notably, other than staff continuity, the biggest improvers are either project attributes or have to do with procedural matters more generally. Staff continuity improved the most from 2013 to 2018, but its average score in 2018 was still low.

*Table 3 – Attributes, 2018 compared with previous surveys (Phase 1)*

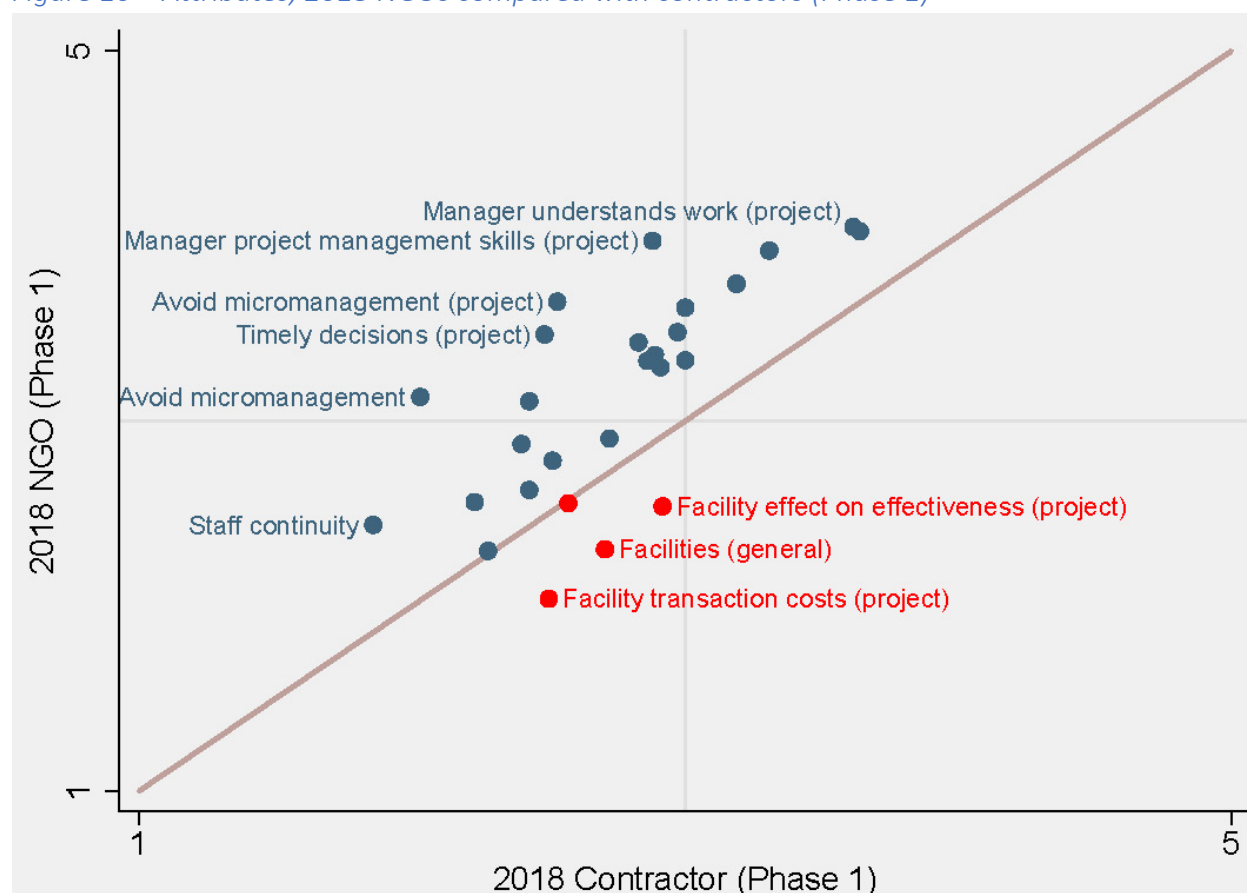
<b>Attribute</b>	<b>Average 2018</b>	<b>Average 2015</b>	<b>Average 2013</b>	<b>Change 18-15</b>	<b>Change 18-13</b>
Staff continuity	2.25	1.46	1.51	0.79	0.74
Manager long enough to be effective (project)	3.67	3.30	3.00	0.37	0.67
Timely decisions (project)	3.13	2.51	2.52	0.62	0.61
Quick decision making	2.45	2.17	1.96	0.29	0.49
Avoid micromanagement	2.77	2.44	2.37	0.33	0.40
Avoid micromanagement (project)	3.27	2.84	2.87	0.43	0.39
Evaluation	3.20	2.78	2.96	0.42	0.24
Partnerships	3.17	2.89	2.98	0.28	0.19
Monitoring	3.41	2.98	3.30	0.43	0.12
Focus on results	3.32	3.11	3.21	0.21	0.11
Appropriate attitude risk	2.89	2.82	2.78	0.07	0.11
Staff expertise	2.72	2.19	2.67	0.53	0.05
Performance management reporting	3.23	2.82	3.25	0.41	-0.02
Selectivity/fragmentation	2.70	2.36	2.81	0.34	-0.11
Realistic expectations	2.56	2.33	2.83	0.23	-0.27
Coms & community engagement	2.56	2.12	2.83	0.45	-0.27
Strategic clarity	3.22	2.62	3.52	0.60	-0.30
Transparency	2.85	2.36	3.44	0.49	-0.59
Funding predictability	2.29	1.37	2.91	0.93	-0.62

*Notes: A table linking labels to questions can be found in Appendix 4. Attributes with the word 'project' in brackets pertain to project attributes, and come from questions stakeholders were asked about interactions with DFAT stemming from their own DFAT-funded aid projects. All other attributes come from questions about the aid program not directly related to stakeholders' projects. Because sample sizes are very close to the size of the target populations, we haven't included p-values in tables as, in effect, with finite population corrections, any substantive change will be statistically significant.*

## 6.2 The contrast between NGOs and contractors

One key contributing factor in changes over time in many attributes is changing appraisals from NGOs, who make up about two-thirds of the Phase 1 sample. Figure 16 compares responses from Phase 1 NGOs and contractors in 2018. Associated attribute scores are shown in Table 4. There are more points on this chart than the previous one because we asked a number of new attribute-related questions in 2018. New questions can be compared across respondent types in 2018 but cannot be compared with previous years.

Figure 16 – Attributes, 2018 NGOs compared with contractors (Phase 1)



NGOs offered more positive assessments than contractors did on average for all attributes except three, all relating to facilities. The facilities questions are discussed later (Section 10) but given that contractors tend to run facilities, and NGOs be managed by them, this divergence is not surprising. Two other attributes were appraised more or less equally by NGOs and contractors.

More than half of the attributes can be found situated above the horizontal line midway up the y-axis. This reflects the fact that NGOs' average assessment of most attributes in 2018 was positive. On the other hand, many more points can be found to the left of the vertical line. In 2018, contractors assessed many more attributes negatively than they did positively.

Table 4 is sorted from the most highly appraised attribute by NGOs to the least highly appraised attribute. Notably, the six attributes that NGOs appraised most positively were all attributes associated with those questions that focused on DFAT's performance in relation to stakeholders' own DFAT-funded projects (project attributes – these attributes have the word 'project' in brackets at the end of their labels).

### 6.3 The changing views of NGOs and contractors over time

NGOs also offered more positive assessments of aid program attributes in 2013 and 2015 than contractors did. However, the difference between the two respondent types became considerably more pronounced in 2018. We provide what we think to be the most likely explanation for this growing divergence below.

*Table 4 – Attributes, NGOs compared with contractors (2018, Phase 1)*

<b>Attribute</b>	<b>Average NGO 2018</b>	<b>Average contractor 2018</b>	<b>NGO - Contractor</b>
Manager understands work (project)	4.05	3.62	0.43
Manager understands country (project)	4.03	3.64	0.39
Manager project management skills (project)	3.97	2.88	1.09
Manager long enough to be effective (project)	3.92	3.31	0.61
Clear communications (project)	3.74	3.19	0.55
Avoid micromanagement (project)	3.65	2.53	1.11
Monitoring	3.61	3.00	0.61
Focus on results	3.48	2.97	0.51
Timely decisions (project)	3.47	2.48	0.98
Performance management reporting	3.42	2.83	0.60
Evaluation	3.36	2.89	0.47
Strategic clarity	3.33	3.00	0.33
Partnerships	3.32	2.86	0.46
Predictable funding (project)	3.29	2.91	0.38
Avoid micromanagement	3.13	2.03	1.10
Appropriate attitude risk	3.11	2.43	0.68
Transparency	2.91	2.72	0.18
Staff expertise	2.88	2.40	0.48
Selectivity/fragmentation	2.79	2.51	0.27
Coms & community engagement	2.63	2.43	0.20
Quick decision making	2.56	2.23	0.33
Realistic expectations	2.55	2.57	-0.02
Facility effect on effectiveness (project)	2.54	2.92	-0.38
Staff continuity	2.44	1.86	0.58
Facilities (general)	2.31	2.71	-0.40
Funding predictability	2.30	2.28	0.02
Facility transaction costs (project)	2.04	2.50	-0.46

*Notes: A table linking labels to questions can be found in Appendix 4. Attributes with the word 'project' in brackets pertain to project attributes, and come from questions stakeholders were asked about interactions with DFAT stemming from their own DFAT-funded aid projects. All other attributes come from questions about the aid program not directly related to stakeholders' projects.*

Figure 17 shows how NGOs and contractors' appraisal of aid program attributes changed between 2015 and 2018. Figure 18 is the same graph, but for 2013 and 2018. The first half of each of the two charts compares average assessments from Phase 1 NGOs, and the second half of each compares average assessments from Phase 1 contractors.

In the 2015-2018 comparisons, NGOs assessments show a particularly clear improvement, but the message from the contractor chart is similar: there have been improvements in almost all attributes.

2013-18 comparisons reveal a more striking divergence between the two groups. NGOs appraised most attributes more positively on average in 2018 than they did 2013. Some appraisals were substantially more positive. Contractors, on the other hand, appraised more attributes less favourably in 2018 than they did in 2013. (Tables showing the exact values for NGO and contractor appraisals in 2013, 2015 and 2018, as well as differences between years, can be found in the [online dataset](#).)



Figure 17 – 2018 and 2015 attribute scores from NGOs and contractors (Phase 1)

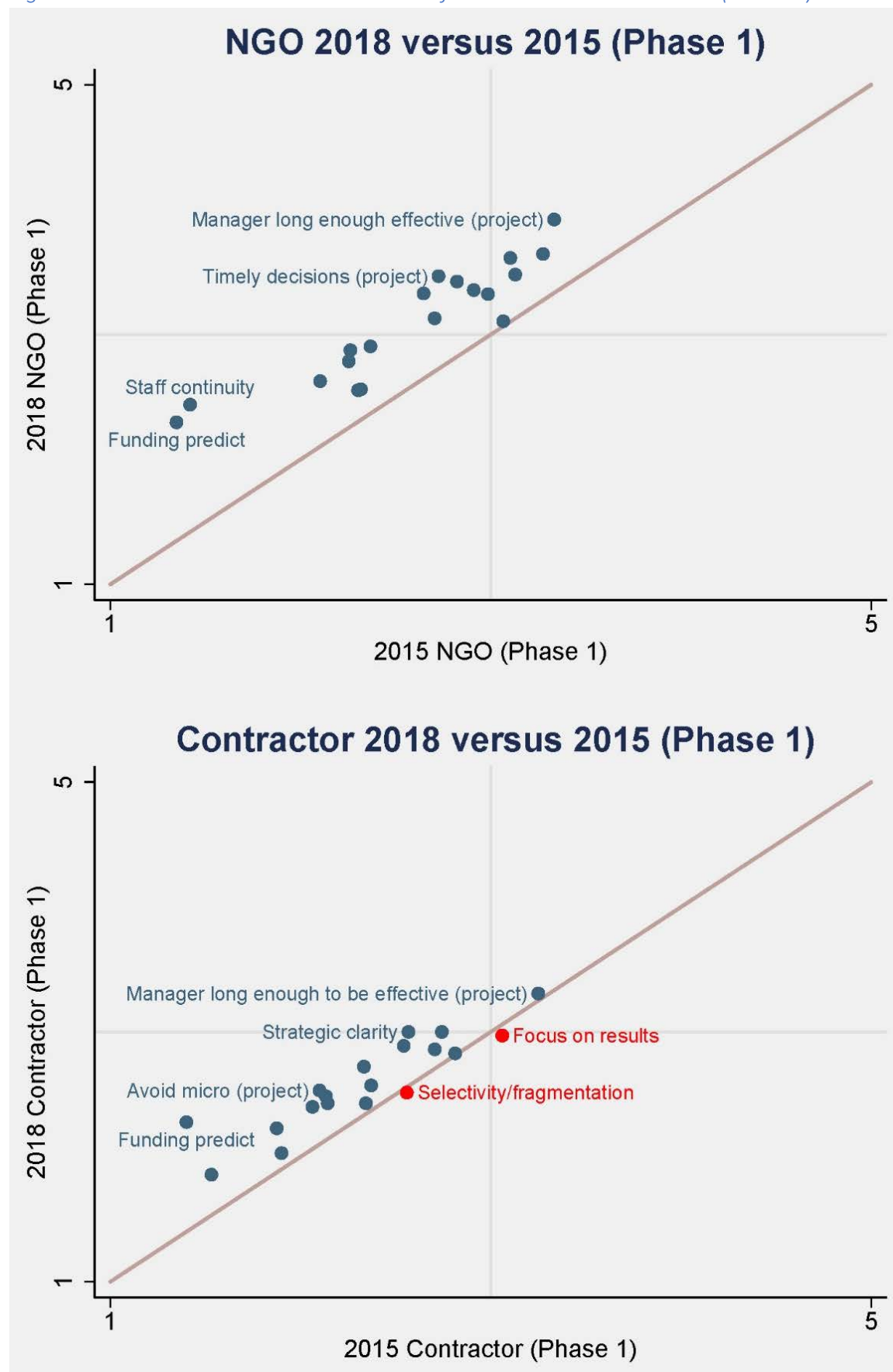
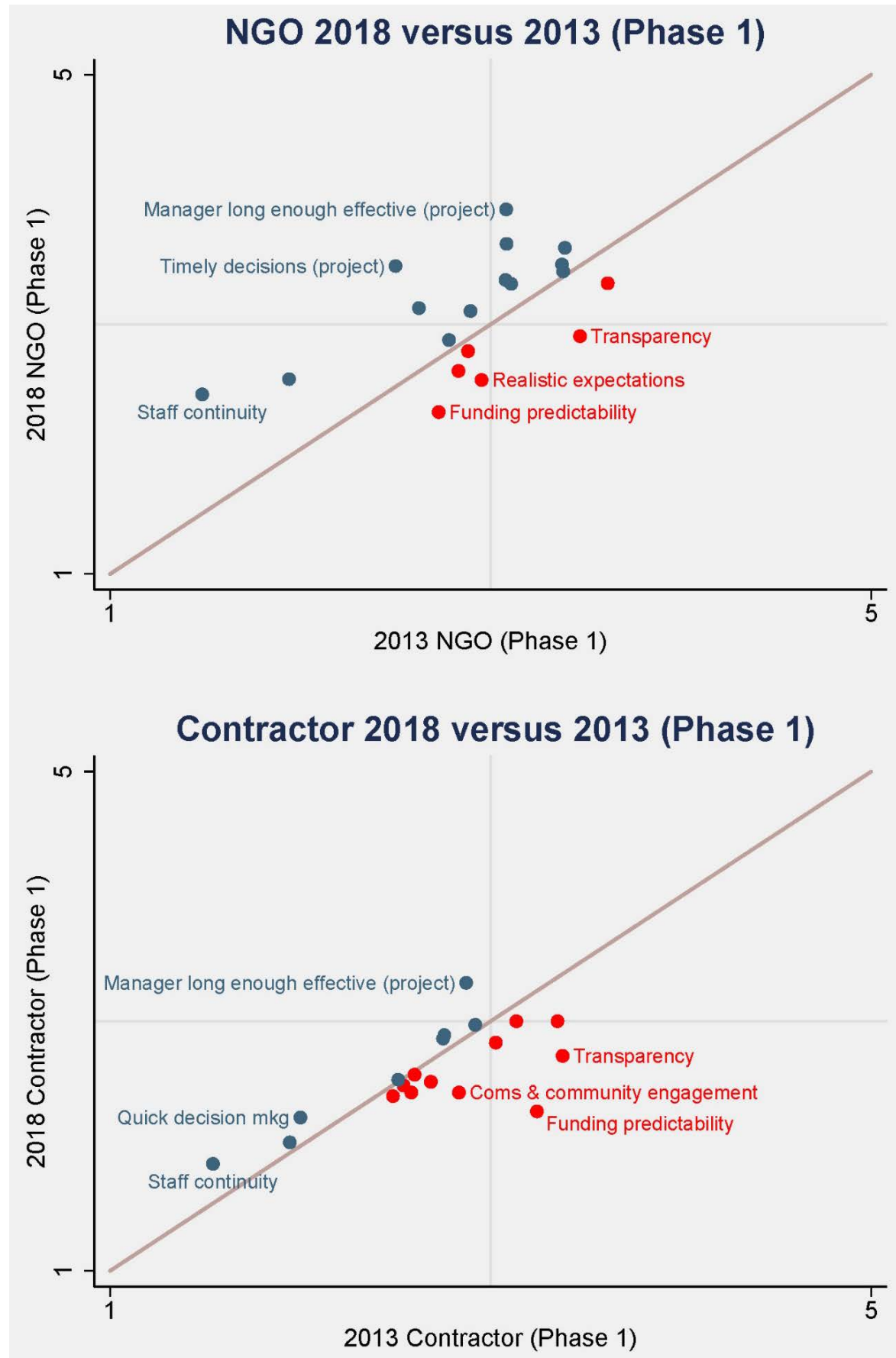


Figure 18 – 2018 and 2013 attribute scores from NGOs and contractors (Phase 1)



The six greatest improvements for NGOs between 2013 and 2018 all stem from staffing questions, project attributes or procedural matters.

The comparatively positive picture in 2018 is being driven foremost by NGOs, and is most readily apparent in staffing and procedural attributes. Responses to the open-ended questions shed considerable light on these findings.

In particular, NGO respondents went out of their way to praise the functioning of the Australian NGO Cooperation Program (ANCP), which for many of the NGOs is one of the main sources of the government aid funding they receive. One respondent, for example, stated that,

The ANCP team are wonderful to work with and deserve a lot of credit for maintaining their positive can-do attitude and patience dealing with...NGOs! Thank you very much!!

While another wrote that,

The answers above are specifically related to the DFAT ANCP program whose staff/managers are incredibly responsive, and pro-active with ANGO partnerships.

Other NGO respondents contrasted the functioning of the ANCP with other aspects of the aid program:

If I were to split out our ANCP-funded work from our direct grant work, the answers above would be distinctly different. ANCP funding is relatively predictable, the ANCP team are excellent communicators and timely in responses and decisions. Our direct grant funded work...is maverick, un-predictable, difficult to navigate, torturously slow, and requires considerable leg work and relationship-building to get anywhere.

A number of NGO respondents emphasised in qualitative comments that their answers to questions about attributes pertained only to the ANCP team, which was their main interface with DFAT.

Such qualitative data suggest NGOs' favourable appraisals of aid program attributes are being driven by their experiences dealing with staff from the ANCP.

In line with qualitative data, when we compared the responses to questions on aid program attributes between NGOs that were part of the ANCP scheme in 2018 and those that were not part of ANCP, we found responses from ANCP participants to be more positive on average.

We also tested whether there was a relationship between NGO stakeholders' responses to questions on aid program attributes in 2018 and the extent to which they received their aid program funding via the ANCP, as opposed to from other parts of the aid program. When we did this, we found that stakeholders from NGOs that received a larger share of their funding via the ANCP provided more positive average appraisals of almost all aid program attributes. This finding fits well with the argument that NGOs' positive experiences with the ANCP have contributed significantly to their generally positive responses to the questions on aid program attributes, particularly in 2018.

#### 6.4 Similarities between NGOs and contractors

While there are differences in how NGO and contractor responses have changed over time, there are also important similarities. Changes that can be seen in both NGOs' and contractors' responses cannot simply be attributed to a well-functioning ANCP program.

The attributes which changed in similar ways for both NGOs and contractors between 2013 and 2018 are shown in Table 5. Table 5 shows:

- Attributes that had improved substantially on average for both NGOs and contractors. Specifically, these were attributes where average Phase 1 NGO scores had increased by more than 0.2 (on a scale of 1–5) from 2013 to 2018 and where contractor scores had also increased by more than 0.2 over the same period.
- Attributes that had not changed much on average either for NGOs or contractors. These were attributes where the change in average Phase 1 NGO scores between 2013 and 2018 was between 0.2 and -0.2 and the change in Phase 1 contractor scores between 2013 and 2018 was also between 0.2 and -0.2.
- Attributes that had deteriorated substantially on average for both NGOs and contractors. Specifically, these were attributes where average Phase 1 NGO scores had fallen by more than 0.2 from 2013 to 2018 and where contractor scores had also fallen by more than 0.2

*Table 5 – Attributes that have changed in similar ways for contractors and NGOs (Phase 1, 2013-18)*

<b>Substantial increase</b>	<b>Little change</b>	<b>Substantial decrease</b>
Staff continuity	Focus on results	Coms & community engagement
Manager long enough effective (project)	Staff expertise	Strategic clarity
Quick decision making	Performance mgt reporting	Funding predictability
	Selectivity/fragmentation	Transparency

Three attributes show significant agreed improvement since 2013: quick decision making; overall staff continuity; and whether the DFAT manager working on stakeholders' own projects has been in their role long enough to be effective. Four attributes show significant agreed deterioration: communications and community engagement; strategic clarity; transparency; and predictability of funding. And both average NGO and contractor assessments changed little for three attributes: focus on results, performance management reporting, and selectivity/fragmentation.

In the 2013 Stakeholder Survey report, we noted that staff continuity and quick decision making were perceived to be the two biggest weaknesses of the aid program. At the time, the aid budget was increasing rapidly. There was lots of hiring, and lots of shuffling of staff. It is not surprising that staff continuity was lacking. It was also a time when AusAID was becoming more bureaucratic as it struggled to manage increased funding, resulting in delays in decision making. Now, five years on, with a more stable budgetary environment, and an effort from DFAT to simplify aid processes, it makes sense that performance in associated attributes has improved.

At the same time, in 2013, transparency and strategic clarity – two of the areas that show significant agreed declines in 2018 – were identified as the aid program's two greatest strengths. The other two attributes – predictability of funding and communications – were in the middle of the pack in 2013. That fact that both NGOs' and contractors' responses indicate significant decreases in these areas suggests they have suffered significantly through the integration process. We return to these issues in Section 9.

## 6.5 Relating individual attribute changes with changes in overall effectiveness

In Section 5 we considered two indicators of overall effectiveness. Now that we have examined change and patterns in individual effectiveness attributes, we return to the aggregate level.

Comparing first 2015 and 2018, the proportion of respondents saying that the aid program is effective has increased, and all of the individual attributes we surveyed also improved across this period. The contrary indicator is the overall trend indicator, with most respondents saying that aid effectiveness has continued to decline post-2015. It is not easy to summarise these conflicting findings, but we would surmise that the negative view reflected in responses to the question on overall trends stems from other high-level issues such as stakeholders' perceptions that much Australian aid is not focused on development, or that aid is continually being cut.

Comparing 2013 and 2018, which we would argue is the more important comparison, we see that overall aid effectiveness is still perceived to be lower than it was in 2013. Moreover, in both the 2015 and 2018 surveys the majority of stakeholders reported negative trends in overall effectiveness. Meanwhile, the story at the individual attribute level is mixed. Our conclusion is that although there is evidence of reduced overall perceived effectiveness between 2013 and 2018, some specific areas have clearly improved.

In general, then, stakeholder survey data suggest a clear return from the 2015 low in effectiveness, but that there is still some way to go before the aid program is seen, and can be said, to be as effective now as it was when the Coalition took charge of it.

While these findings at the aggregate level are of interest, the real value of the survey lies at the more detailed attribute-level analysis. The next three sections of this report dive deeper into specific areas. Section 7 focuses on aid management, Section 8 on staffing, Section 9 on some identified areas of concern, and Section 10 on facilities.

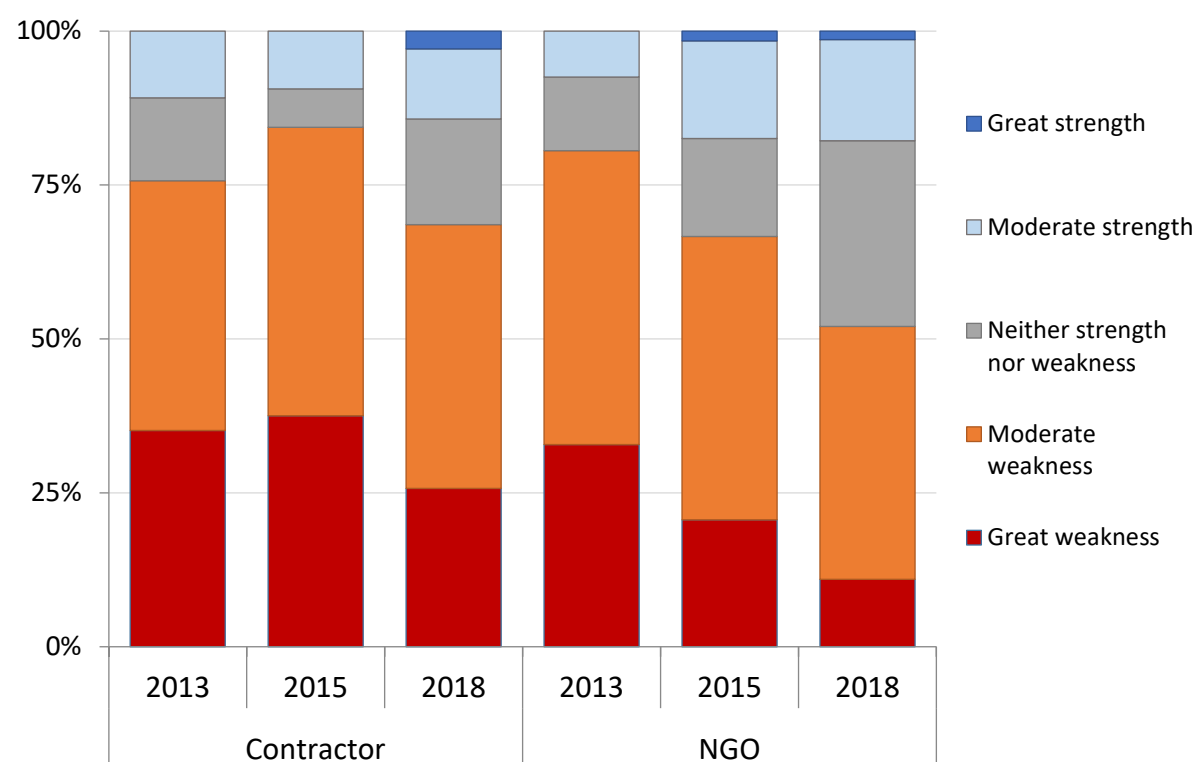
## 7. Aid management

Stakeholder survey data provide some evidence that DFAT has become a nimbler aid manager than AusAID was at the peak of the scale up of aid spending.

In every stakeholder survey we have asked two questions about the speed of DFAT decisions. One question was to do with decision making in general. The second question was in relation to the project attribute associated with timely decisions from the aid program on projects that stakeholders operated.

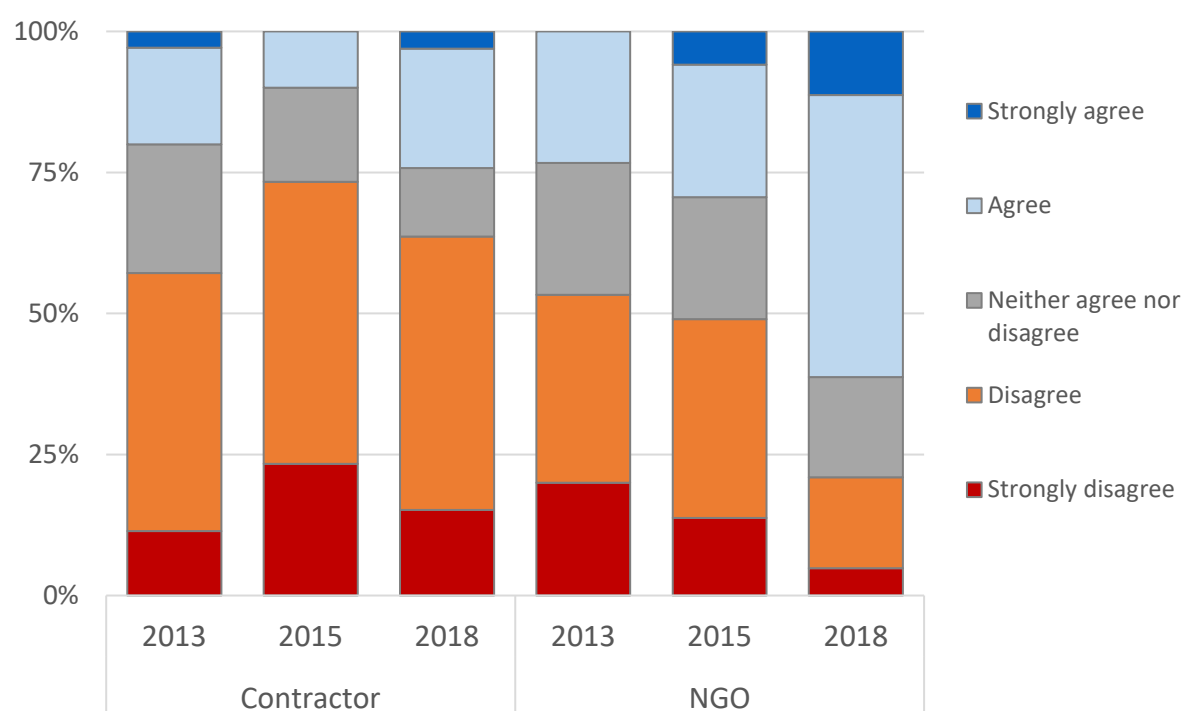
NGOs' responses to both questions reveal a clear trend of improvement from 2013 to 2018. Their responses to the question about project-related decision making improved particularly dramatically. In the case of contractors, responses suggest deterioration between 2013 and 2015, but a subsequent improvement – an improvement which was, for the general question at least, sufficient to lead to an overall improvement from 2013 to 2018. These changes can be seen in Figures 19 and 20.

Figure 19 – General speed of aid program decision making (Phase 1, over time)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses quick decision making".

Figure 20 – Speed of aid decision making for stakeholders' own projects (Phase 1, over time)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "To what extent do you agree with the following statement: DFAT usually makes timely decisions about the aid program-funded work that my organisation undertakes".

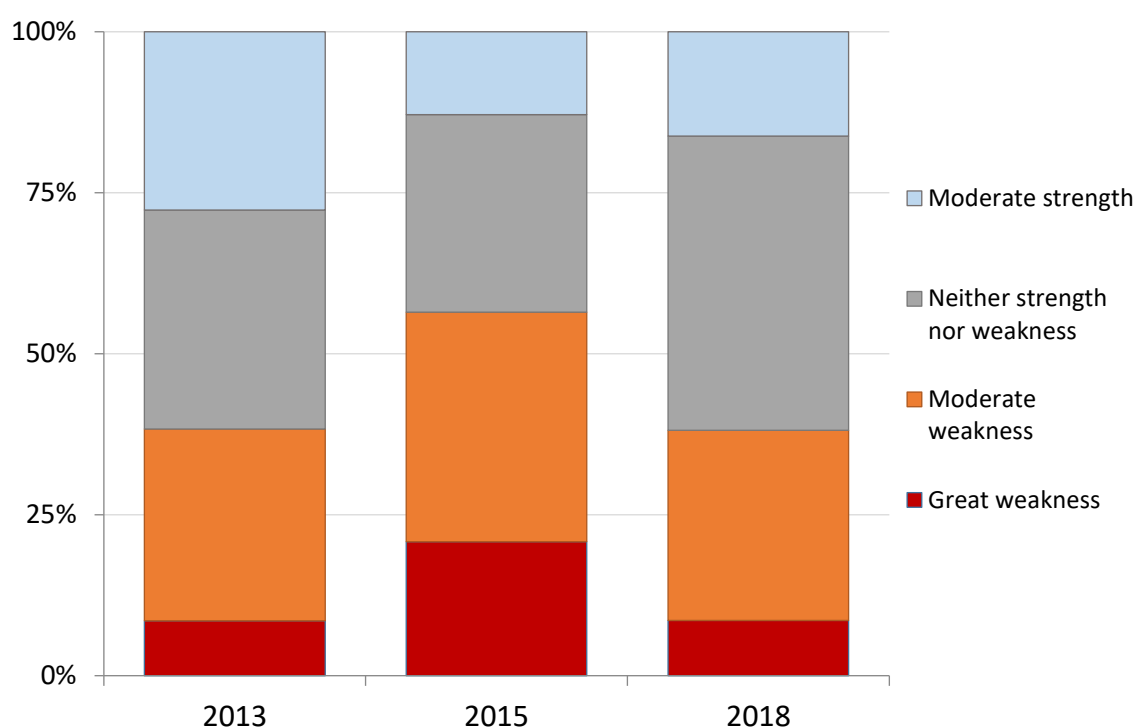
The 2011 Aid Review highlighted the need for “streamlining business processes and reducing paperwork” (Hollway et al. 2011, p. 29). Since taking carriage of the aid program, DFAT has implemented such a streamlining program. The survey provides some evidence that this has reduced decision-making times. However, it should be noted that the gain is only a relative one. With the exception of the timeliness of decision making on NGOs’ own projects, the majority of NGOs and contractors still gave negative appraisals in 2018.

Another area where DFAT has pursued a deliberate policy of reform is in relation to the reduction of aid fragmentation. One of the ten benchmarks used to judge aid performance detailed in the aid program’s new development policy and performance framework is to “reduce the number of individual investments by 20 per cent by 2016-17 to focus efforts and reduce transaction costs” (DFAT 2018, p. 22). DFAT’s own reporting indicates that, in terms of nominal project numbers, this goal has been met (DFAT 2018, p. 22). However, stakeholders’ appraisals of selectivity and fragmentation suggest that underlying issues may continue to exist.

Figure 21 shows responses to the stakeholder survey question on fragmentation from 2013, 2015 and 2018. The figure shows some improvement from 2015 to 2018, but the stakeholders’ responses do not point to an improvement from 2013 to 2018. The figure is not broken down by NGOs and contractors, but neither type of stakeholder provided more positive responses in 2018 than it did in 2013.

One possible explanation for the contrast between DFAT’s reported reduction of aid project numbers and stakeholders’ perceptions of fragmentation may be the increased use of facilities (as discussed below). Potentially, the number of individual aid activities has not actually been reduced, but rather consolidated into larger packages through reliance on facilities.

*Figure 21 –Selectivity/fragmentation (Phase 1, over time)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “To what extent do you believe the Australian aid program possesses selectivity and the avoidance of fragmentation.”*

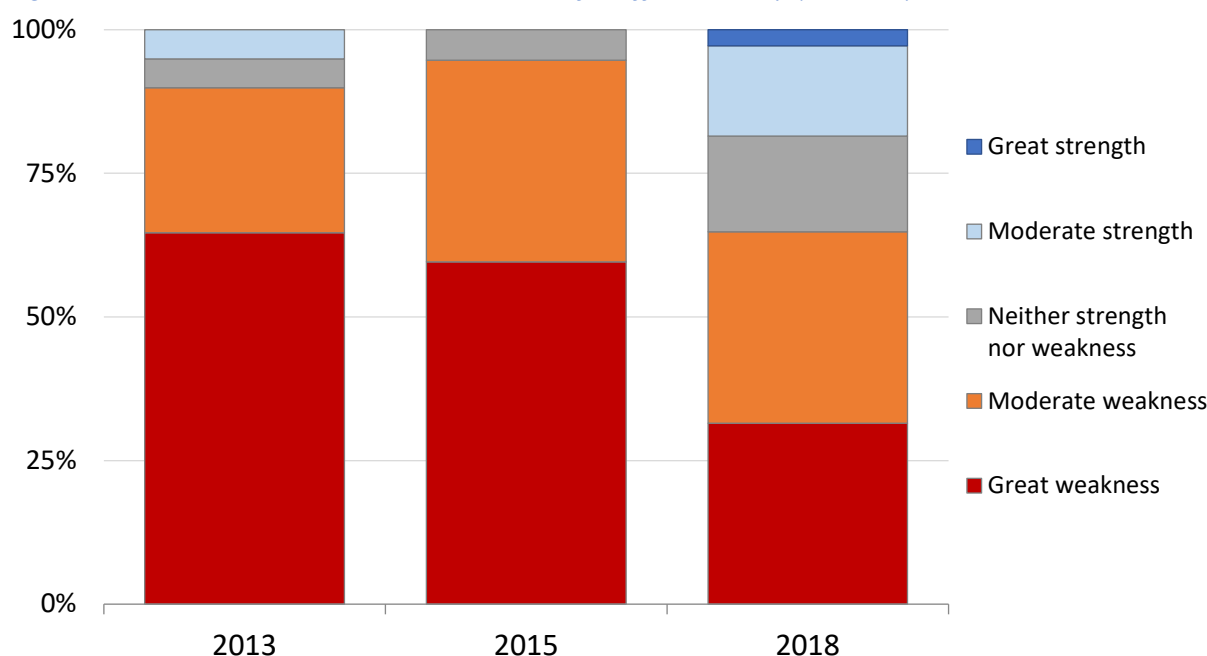
## 8. Staffing

As noted above, staff continuity is one area where DFAT is seen to be doing better in 2018 than AusAID was in 2013. Staff expertise was regarded as a casualty of integration in 2015, but in 2018 it is perceived as being back at 2013 levels. This section examines these two important contributory factors to aid effectiveness.

### 8.1 Staff continuity

Figure 22 shows Phase 1 responses to the general question asked of all stakeholders about their perceptions of staff continuity in the aid program. As noted above, staff continuity was an area where both NGOs and contractors reported improvements between 2013 and 2018. As Figure 22 shows, improvements in continuity are most clearly apparent post-2015. Although the NGO/contractor breakdown is not shown here, improvements, whilst also real for contractors, were greatest for NGOs.

*Figure 22 – Trends over time in assessment of staff continuity (Phase 1)*



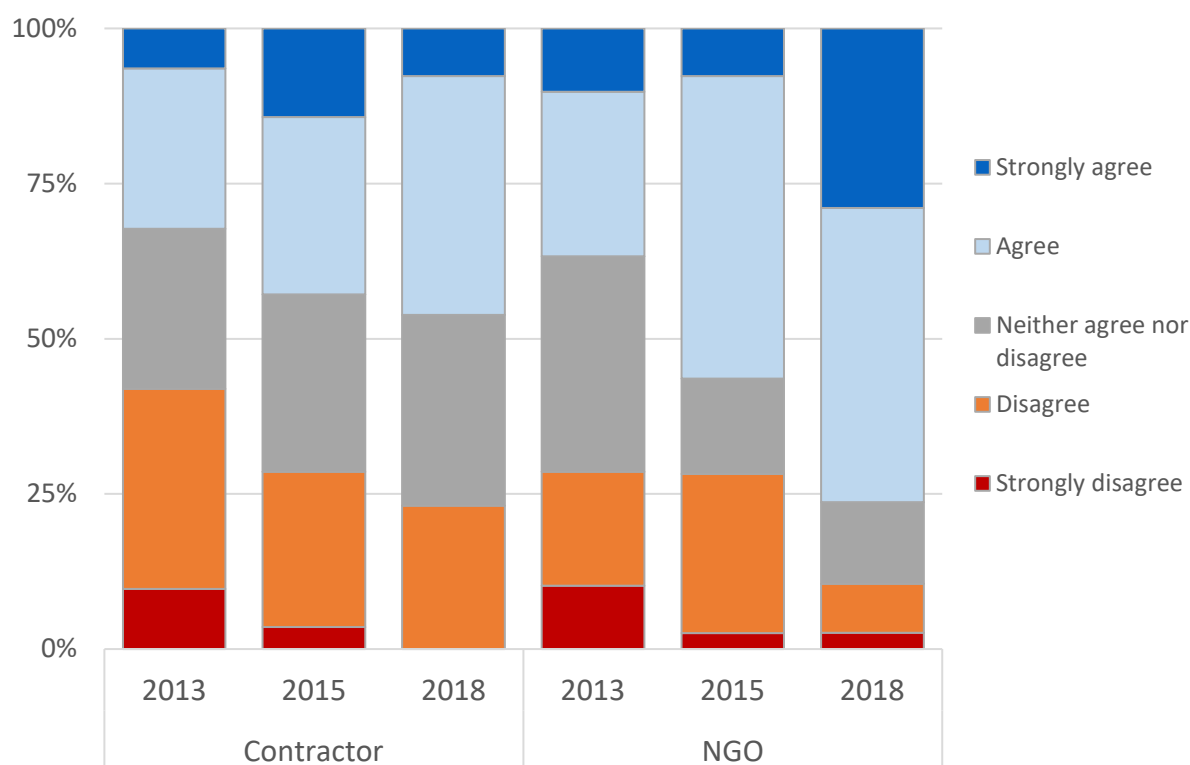
*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe the Australian aid program as it currently stands possesses staff continuity."*

Figure 23 shows Phase 1 responses over time to the more specific question of whether stakeholders' key point of contact/manager for their projects within DFAT had been in their role long enough to be effective. Phase 1 NGOs and contractors are shown separately in the chart. As can be seen, contractors have seen modest but steady improvements. NGOs have seen more substantial improvements, although a large fall in negative responses only comes between 2015 and 2018.

Figure 24, is based on responses to a closely-related question pertaining to how long stakeholders' key DFAT points of contact had been in their role. It also shows a trend of improvement.

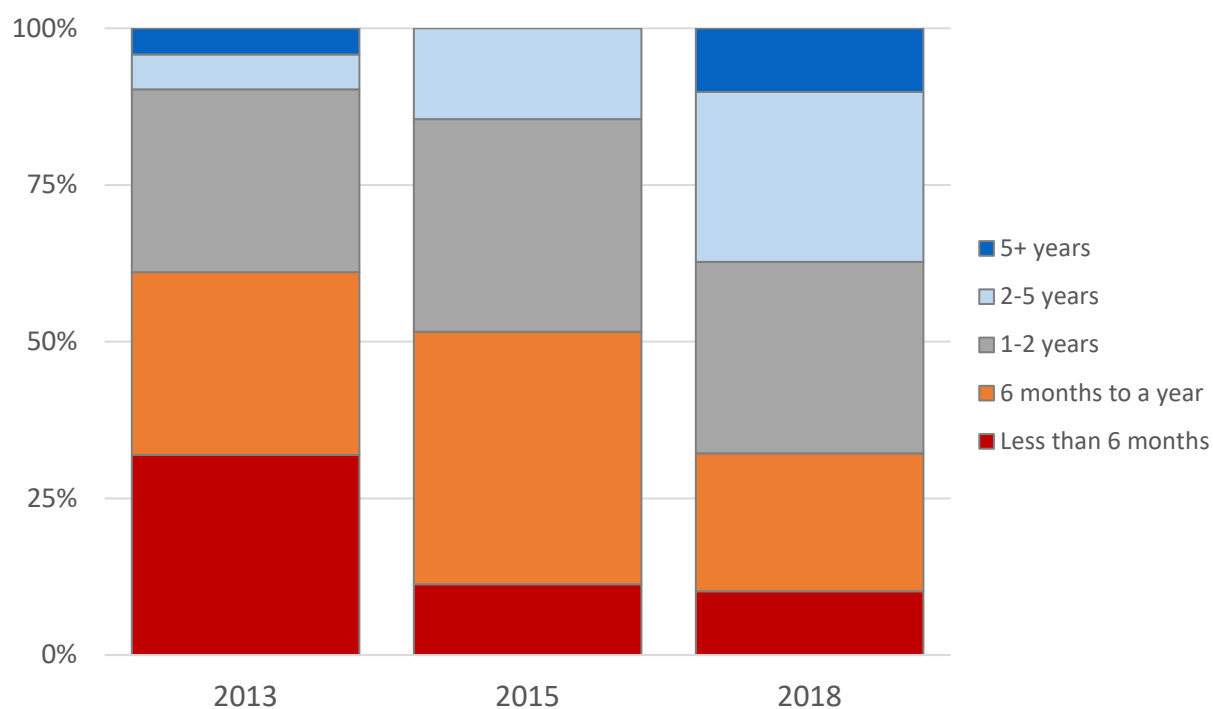


Figure 23 – Manager in place long enough to be effective (Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “To what extent do you agree that the ‘manager’ appointed to your project/your organisation’s aid program-funded work has been in place long enough to be effective?”.

Figure 24 – Trends, key point of contact’s duration in role over time (Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “How long has the current ‘manager’ been in their current position?”

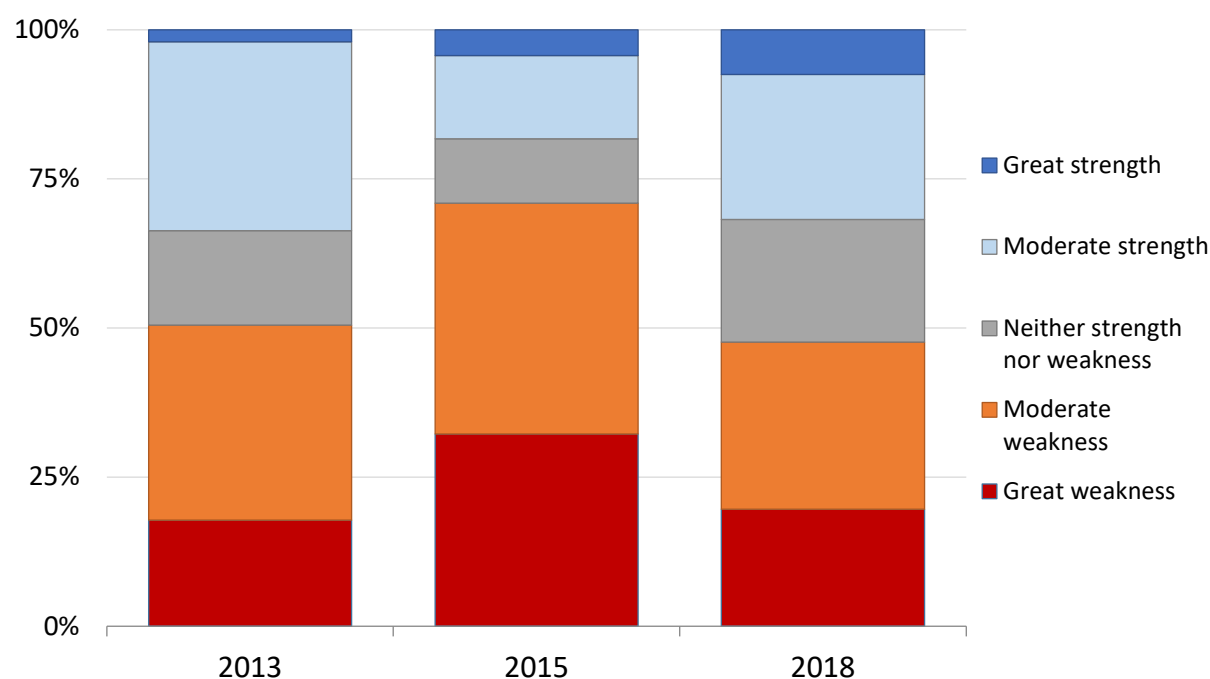
While trends are in the right direction in each of the three previous charts, it needs to be emphasised that even in 2018 most key points of contact for Phase 1 stakeholders had been in their roles for only two years or less, and that a clear majority of stakeholders still thought staff continuity remained a weakness.

That said, while there is clearly still much scope for further positive change, there is nevertheless evidence from a range of indicators that issues associated with staffing stability are improving in the aid program.

## 8.2 Staff expertise

As in previous surveys, in 2018 we asked stakeholders their views of staff expertise in the aid program. Responses can be seen in Figure 25. Responses in 2018 were considerably more positive than 2015 and similar to those in 2013. Nevertheless, despite the improvement from 2015, nearly half of Phase 1 stakeholders thought expertise was a weakness.

*Figure 25 – Trends over time in assessment of staff expertise (Phase 1)*

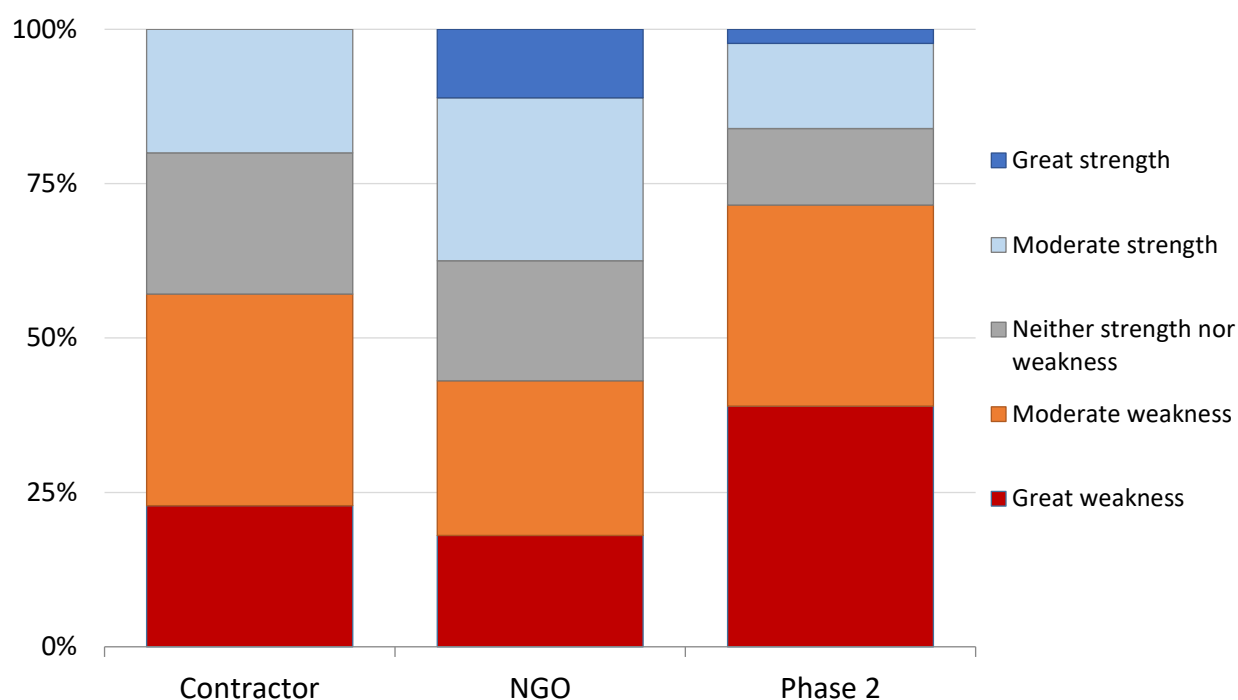


*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe the Australian aid program as it currently stands possesses staff expertise."*

Figure 26 shows responses broken down by stakeholder type. Phase 2 participants stand out in how negatively they assessed staff expertise. Of the two Phase 1 groups, NGOs offered a more positive take than contractors, although the difference between the two groups was less than for some other attributes.

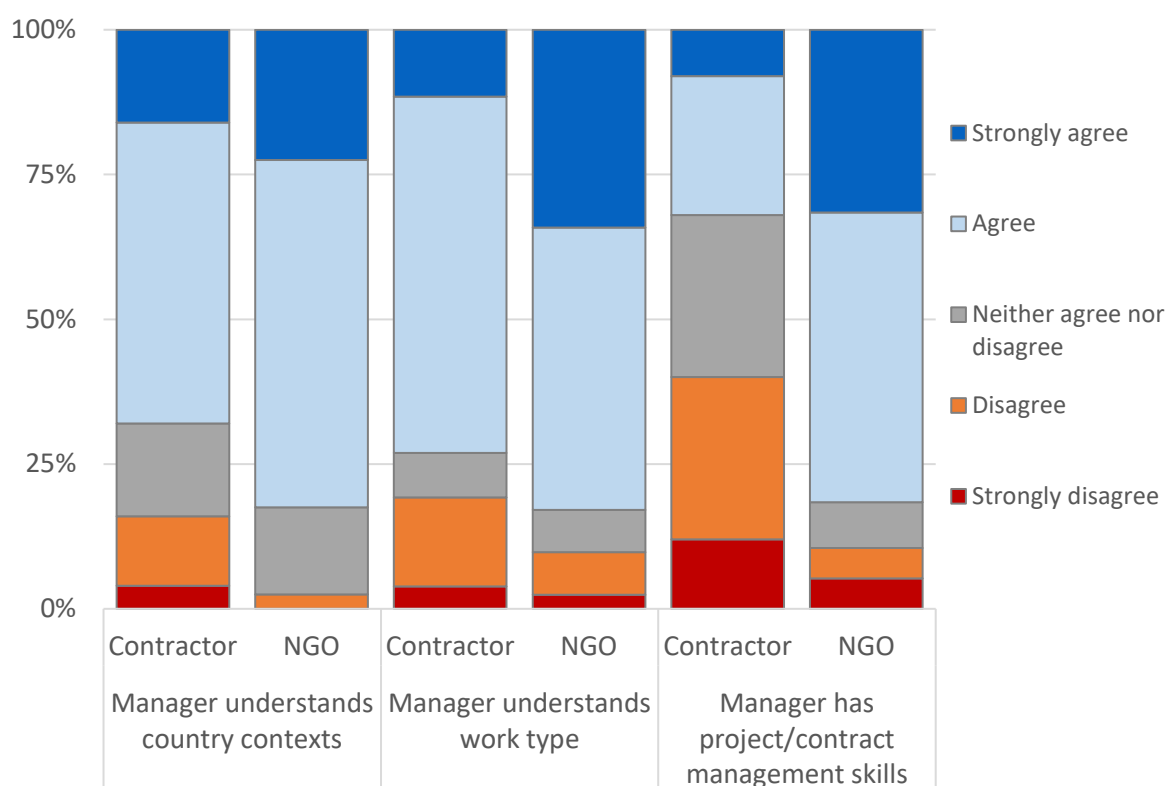
Because staff expertise was assessed so poorly in 2015, we took the opportunity in 2018 to probe into the issue in more depth. We did this by asking questions about specific aspects of the skillset of aid program staff. We only asked these questions to those stakeholders who were directly involved in managing DFAT-funded projects, and we asked them with respect to the skillset of their key DFAT point of contact. We asked about the knowledge these DFAT staff possessed of the country context in which aid projects were undertaken, the type of work involved, and their project management skills. Results for Phase 1 NGOs and contractors can be seen in Figure 27.

Figure 26 – Assessment of staff expertise by type (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe the Australian aid program as it currently stands possesses staff expertise."

Figure 27 – Staff skillset NGOs v contractors (2018, Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, 'To what extent do you agree with the following statements about the 'manager' appointed to your project/your organisation's aid program-funded work...?'.

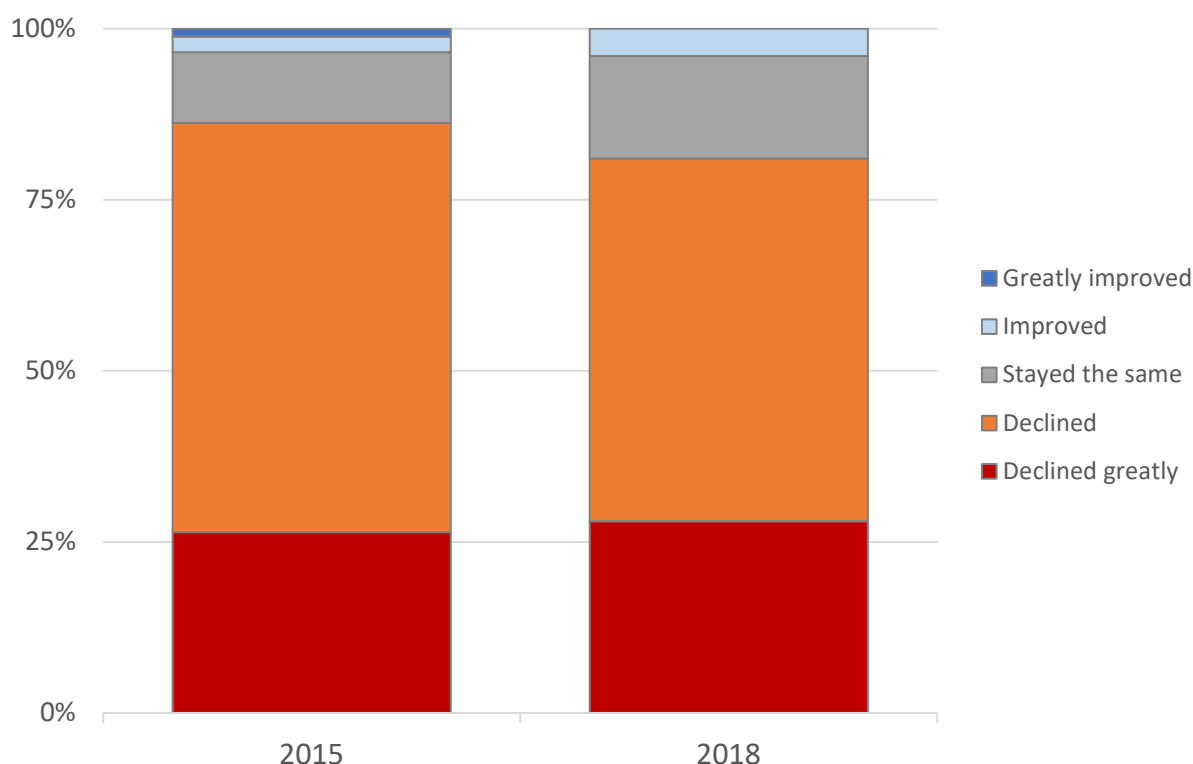
On average, responses to these questions were much more positive than responses to the general question about expertise were.

The difference between the mostly-negative responses to the general question about staff expertise and the more positive responses to the questions about specific staff skillsets appears contradictory. However, it may well be the case that stakeholders' responses to the general question are being driven by their views about broader policy expertise, rather than the types of expertise needed to function as an effective project manager.

In 2015, we reported that, "a loss aid of expertise is viewed by the sector as a clear cost of the AusAID-DFAT merger" (Wood et al. 2016, p. iv). While staff expertise remains a problem, the sector recognises that DFAT has taken action to remedy the situation. However, we should not conclude that the problem is solved. In 2013, the aid program was scaling up, AusAID was full of new staff, and staff expertise was a recognised problem. Despite the post-2015 improvement, it still is.

Although stakeholders appraised the staff they worked with positively for the most part, few stakeholders were ready to credit the integration of AusAID into DFAT as a source of increased staff capacity. Responses to a specific question on the impact of the merger on staff effectiveness can be seen in Figure 28. Figure 28 compares Phase 1 responses from when we first asked the question in 2015 with responses to the 2018 survey. (Although the comparison is not shown here, NGOs, contractors and Phase 2 respondents provided similar responses in 2018. NGO responses were slightly more positive than the other groups, but the difference was not great.)

*Figure 28 – Effect of merger on staff effectiveness 2018 and 2015 (Phase 1)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, "What has been the impact of the merger of AusAID and DFAT on the effectiveness of staff primarily engaged in the Australian aid program?"*

## 9. Areas of concern: transparency, strategic clarity, communications and funding predictability

In the 2015 Stakeholder Survey the four attributes that had deteriorated the most between 2013 and 2015 were, from the largest: transparency, strategic clarity, communications and community engagement, and funding predictability (Wood et al. 2016, p. 36). As shown in Table 3 above, while all four attributes have all improved relative to 2015, in 2018 their average assessments from both NGOs and contractors were still well below those offered in 2013.

In the first half of this section we cover transparency, strategic clarity and communications, which in 2015 we said “stand out as being in particularly urgent need to attention” (Wood et al. 2016, p. 36). In the second half of this section we review trends in funding predictability.

Figure 29 shows charts for transparency, strategic clarity, and communications and community engagement, updated to include 2018 data. All three attributes have improved since 2015, but no attribute has returned to 2013 levels.

Strategic clarity is now appraised comparatively well in an absolute sense, with about half of all Phase 1 stakeholders viewing it as a strength or a great strength.

Transparency, on the other hand, has improved the least since 2015. The aid program was heavily criticised for its reduction in transparency in the early years of the Coalition government. The Transparency Charter was dropped, and never replaced. And availability of information on the website fell considerably. There have been significant improvements in response to these criticisms, but there is still a perception of much less transparency: the proportion who think transparency is a moderate or great strength of the aid program has fallen from 62 per cent in 2013 to 38 per cent in 2018. Minister Bishop’s promise at the start of her period as Foreign Minister to make the aid program more transparent lies unfulfilled.

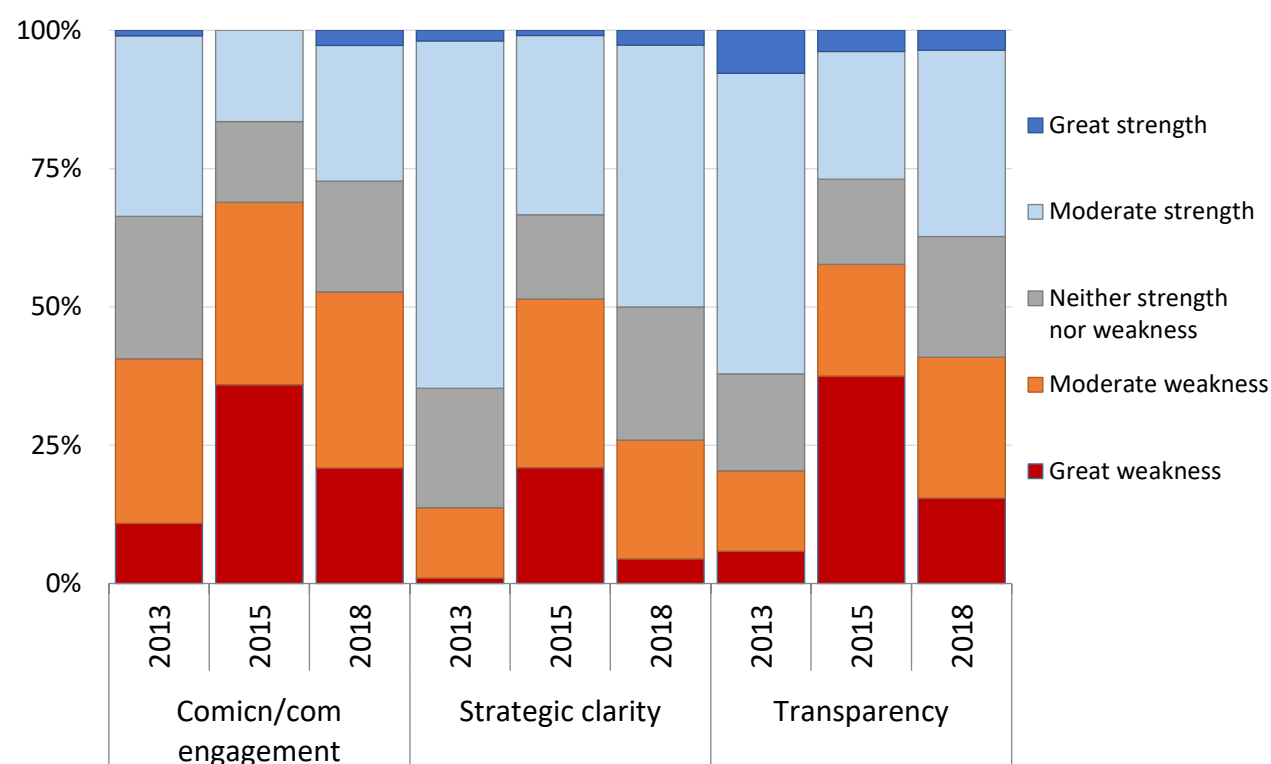
Communications and community engagement has improved since 2015, but it was never viewed as a strength to start with. Even in 2013, only 34 per cent of stakeholders viewed this attribute as a moderate or great strength. This proportion fell to 17 in 2015, and increased to 28 per cent in 2018. Around 2015 the government started talking more about the need to communicate, and these efforts appear to have paid off somewhat. However, communications and community engagement is the fourth lowest of the 19 attributes we surveyed in 2018. There is still significant room for improvement.

Figure 30 shows 2018 data broken down by respondent type. NGOs provided the most positive appraisals of all three attributes, although differences are not always great.

In the 2015 survey, the aid attribute that was appraised least favourably by stakeholders was associated with a general question about predictability of aid funding. Aid predictability was also the attribute that deteriorated the most between 2013 and 2015.

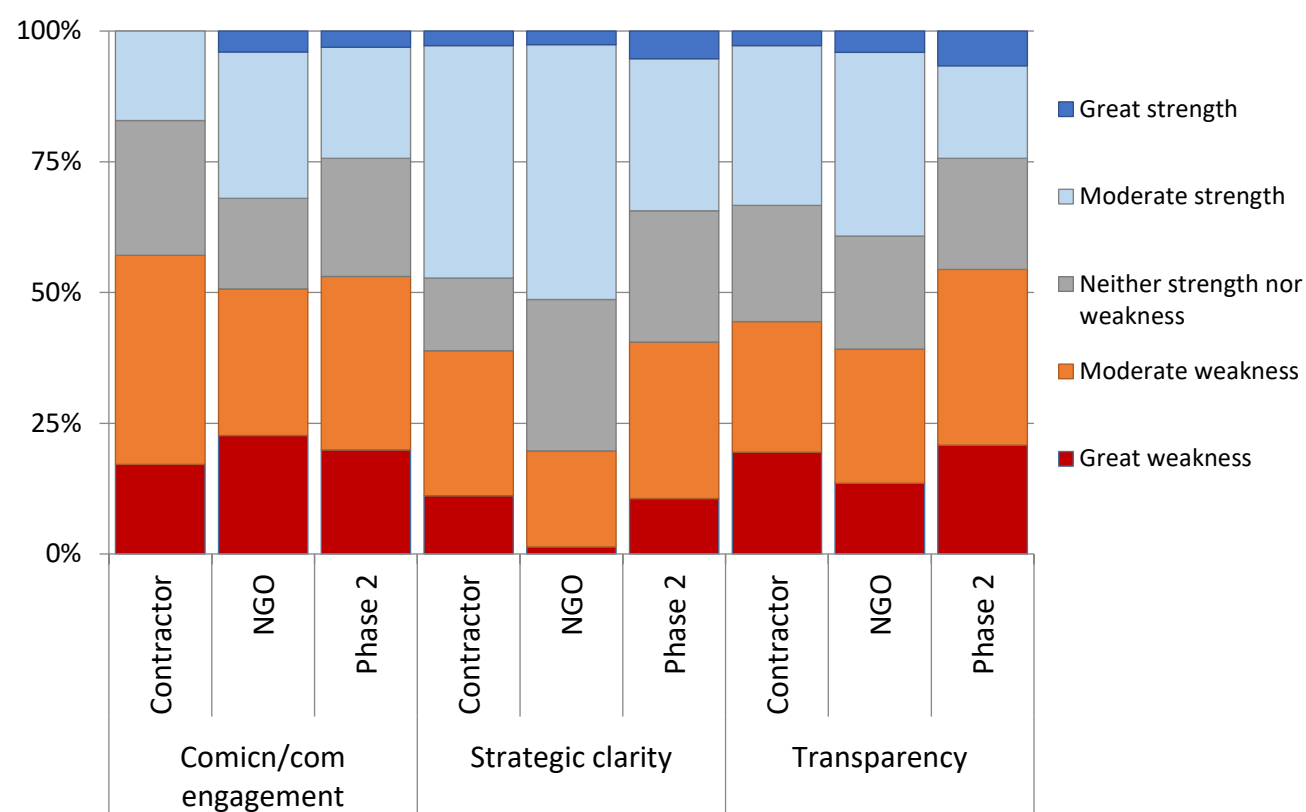
Figure 31 shows aid funding predictability as appraised in the 2013, 2015 and 2018 Stakeholder Surveys. Figure 32 shows 2018 responses broken down by respondent type.

Figure 29 – Transparency, strategic clarity and communication (Phase 1)



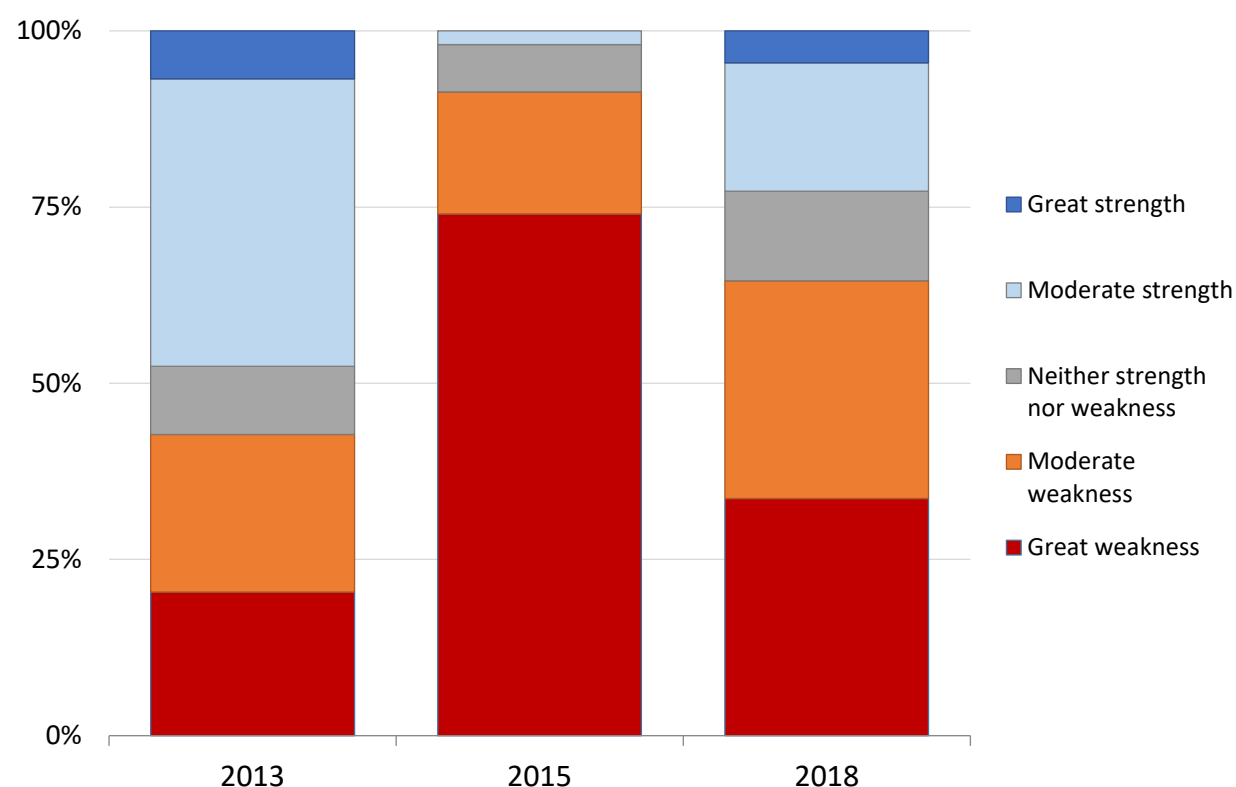
Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe the Australian Aid Program as it currently stands possesses each attribute:"

Figure 30 – Transparency, strategic clarity and communication (2018)



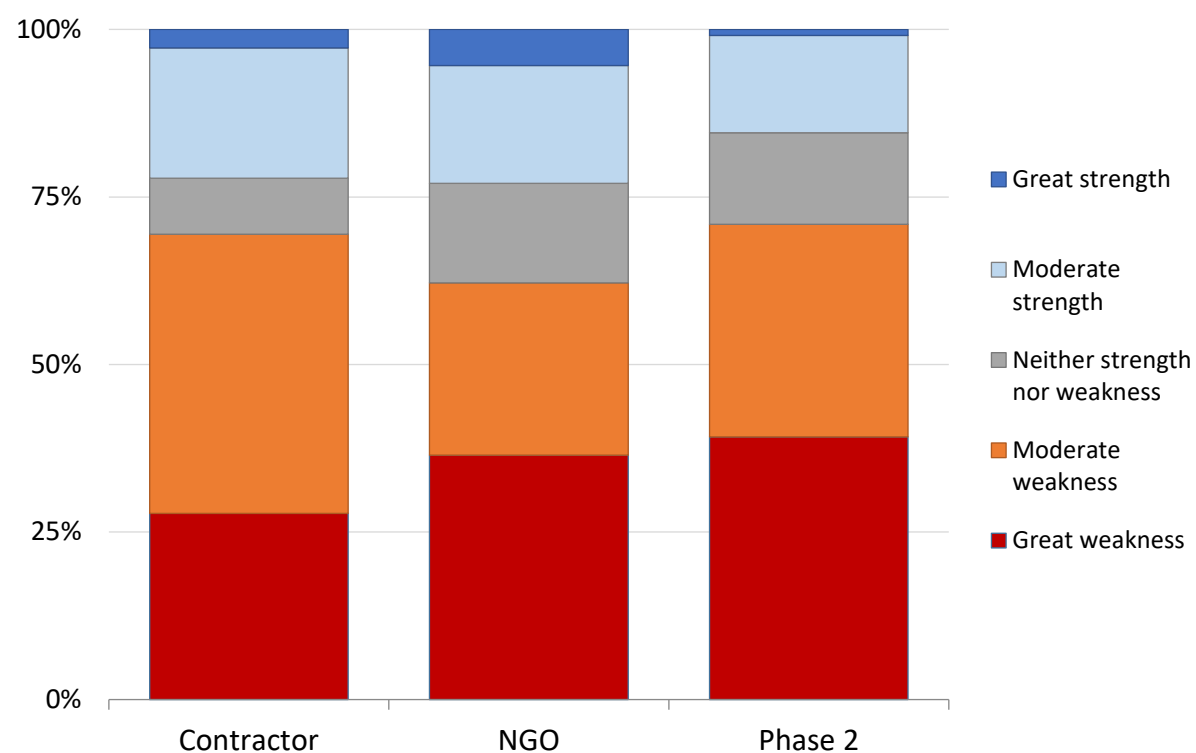
Notes: Exact percentages for each category are provided in Appendix 3. Question wording as above.

Figure 31 – Predictability of funding over time (Phase 1)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, "Please indicate the extent to which you believe the Australian aid program as it currently stands possesses predictability of funding".

Figure 32 – Predictability of funding by type (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording as in previous question.

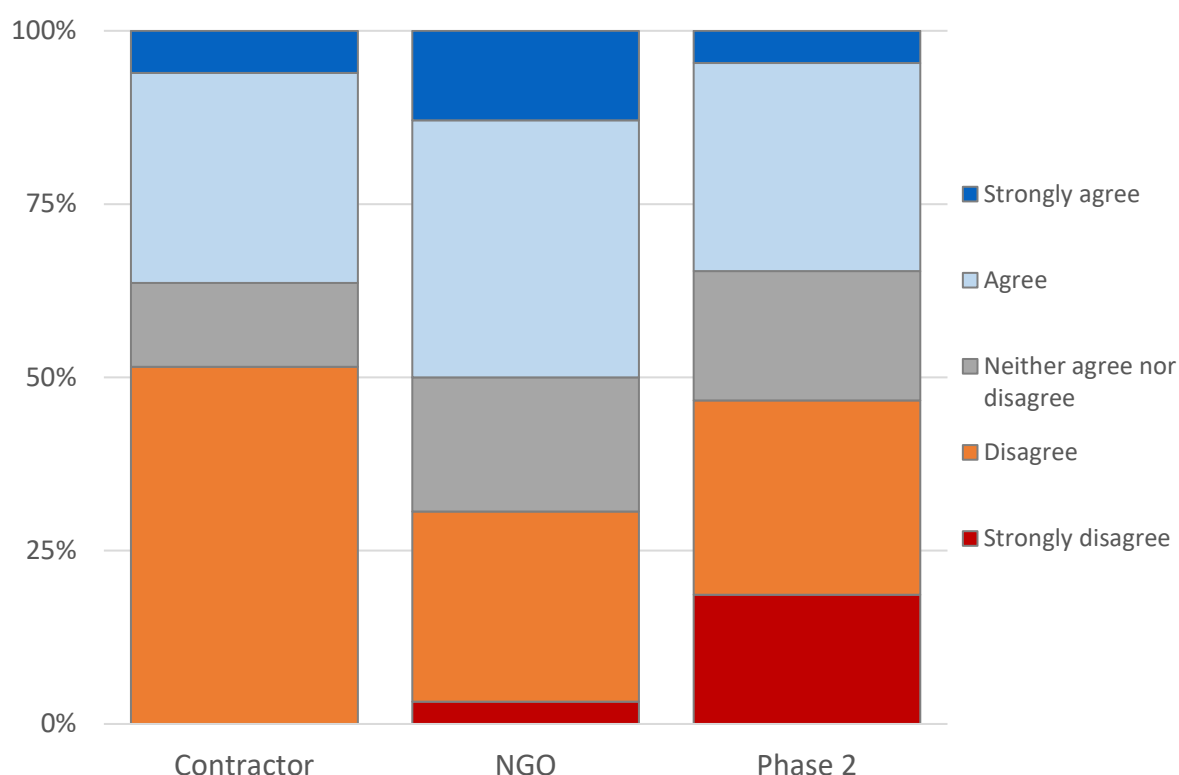
Stakeholders' perceptions of funding predictability have improved considerably since 2015. And yet they are still markedly worse than they were in 2013. In 2018, 65 per cent of Phase 1 stakeholders considered funding predictability a moderate or great weakness. And the 2018 rating for predictability of funding is the third lowest of any of the 19 comparable indicators in that year.

NGO's responses are marginally less negative than those from contractors, but the difference is not great.

Why does predictability of funding remain such a weakness for the aid program? It is perhaps linked to the ongoing aid cuts. The possibility that it may also be associated with the rise of facilities is worth further investigations. Facilities are provided with large sums of funds and a high level of spending discretion. By definition, discretion and predictability are negatively related. Facilities are also typically time-bound, but spawn projects throughout their life. A three-year project created in the last year of a facility will almost inevitably face funding unpredictability.

In 2018, we also asked those stakeholders who directly managed aid program-funded projects a separate question about the predictability of funding for their aid program-funded work. Responses to this question are shown by respondent type in Figure 33.<sup>5</sup>

*Figure 33 – Predictability of funding for stakeholders' own projects by type (2018)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, "To what extent do you agree with the following statements: Funding from DFAT for my organisation's aid program-funded work is predictable."*

The difference between NGOs and the other groups is greater when the question of funding predictability is asked about stakeholders' own aid program-funded projects. 50 per cent of Phase 1 NGOs provided a positive response to this question, while 53 percent of contractors provided a

<sup>5</sup> A similar question was asked in previous years. However, in previous years we asked stakeholders about the 'predictability and adequacy' of funding. Because of the wording change we have not compared responses over time here. When a comparison over time is made, a sharp deterioration can be seen between 2013 and 2015, followed by a less dramatic improvement between 2015 and 2018.



negative response. At least in part, the difference between the two Phase 1 groups may be caused by the funding reliability associated with the ANCP pool of funding.

Analysis of ANCP funding data fits with this explanation. When we analysed DFAT data on ANCP funding covering 2015-16 to 2018-19 we found more than half of participating NGOs saw their ANCP funding change only a modest amount over the period. Only eight per cent of participating NGOs saw their funding drop by more than 10 per cent and only three lost ANCP funding altogether.

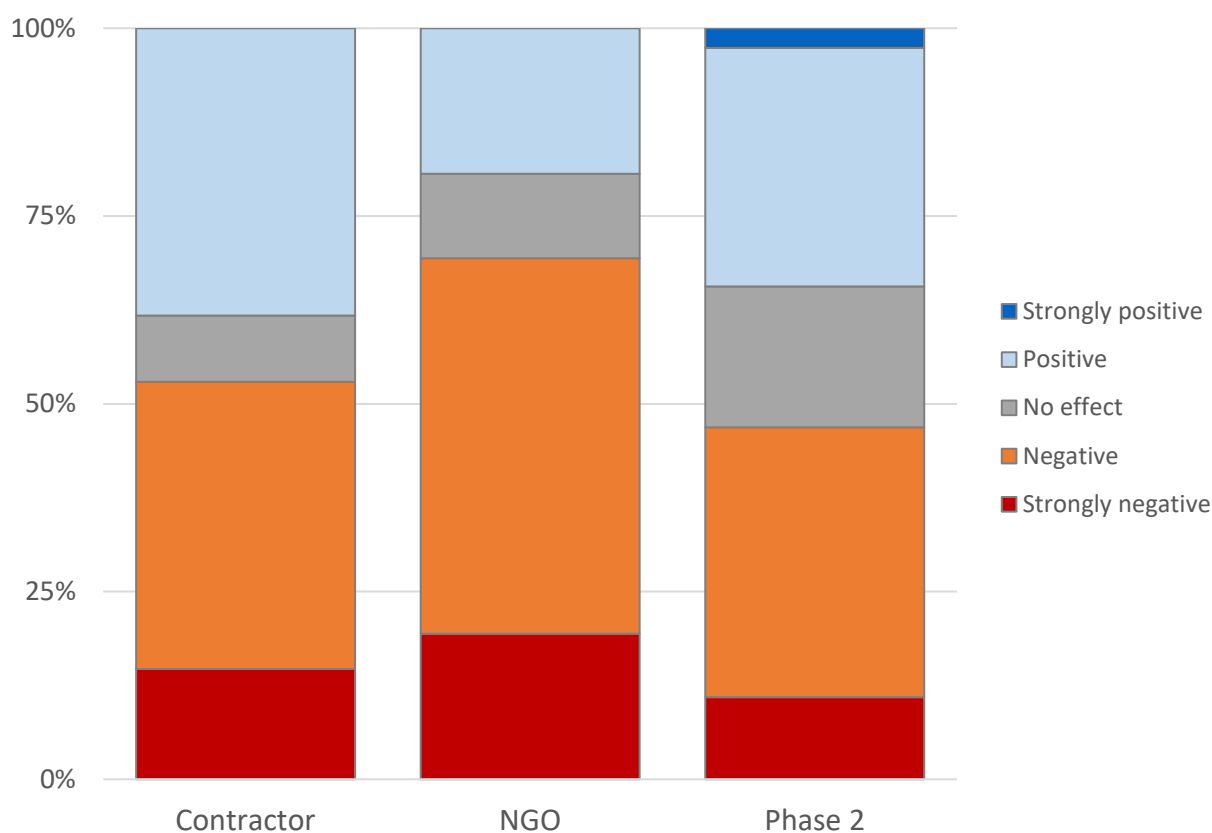
## 10. Facilities

The period since the 2015 Stakeholder Survey has seen the rise of the ‘facility’ – large entities run by contracting firms that manage numerous Australian aid projects in a particular country. While facilities oversee these projects, they do not always implement them. Often, implementation falls to other parties, including other contractors or NGOs.

Facilities have been contentious. As a result, we asked stakeholders their views. We asked a broad question to all stakeholders about facilities’ impact on the effectiveness of Australian aid. We also asked those stakeholders who directly interacted with DFAT on aid program-funded projects whether any of their work was managed through a facility. Those who answered yes were asked about the impact of the facility on their projects and about facility transaction costs.

Figure 34 shows responses to the broader question, asked of all stakeholders, about the impact of facilities on Australian aid. It is broken down by respondent type.

*Figure 34 – Facilities’ impact on Australian aid by type (2018)*

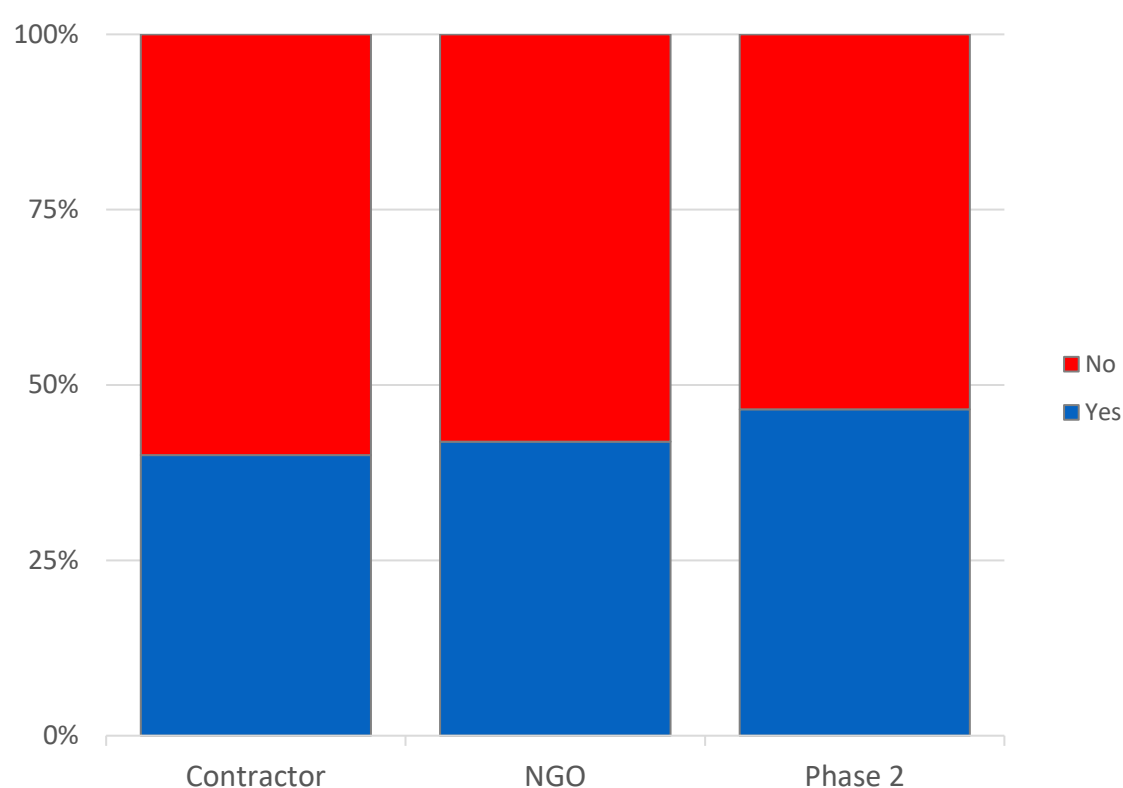


*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “In recent years the aid program has placed an emphasis on using facilities in the management of Australian aid. What would you say that the effect of this on the quality of Australian aid has been?”*

NGOs were significantly less positive in their assessment of facilities than contractors were (which is not surprising given that some of the contractors that we sampled run facilities, whereas several surveyed NGOs are managed by them). However, even when it comes to contractors, slightly more than 50 per cent of Phase 1 respondents assessed facilities negatively.

Figure 35 shows the breakdown of responses by respondent type to the question about whether stakeholders undertook any work that was funded via a facility. More than 40 per cent of respondents in each category answered yes, which gives a sense of just how widespread facilities have become. When asking this question, we asked people who worked for organisations that actually ran facilities to answer ‘no’. This was so that we could exclude them from subsequent questions about facilities. Doing this likely led to a slight understatement in the proportion of contractors involved with facilities. If anything, engagement with facilities may actually be higher than the chart suggests.

*Figure 35 – Does organisation run projects managed through a facility (2018)*



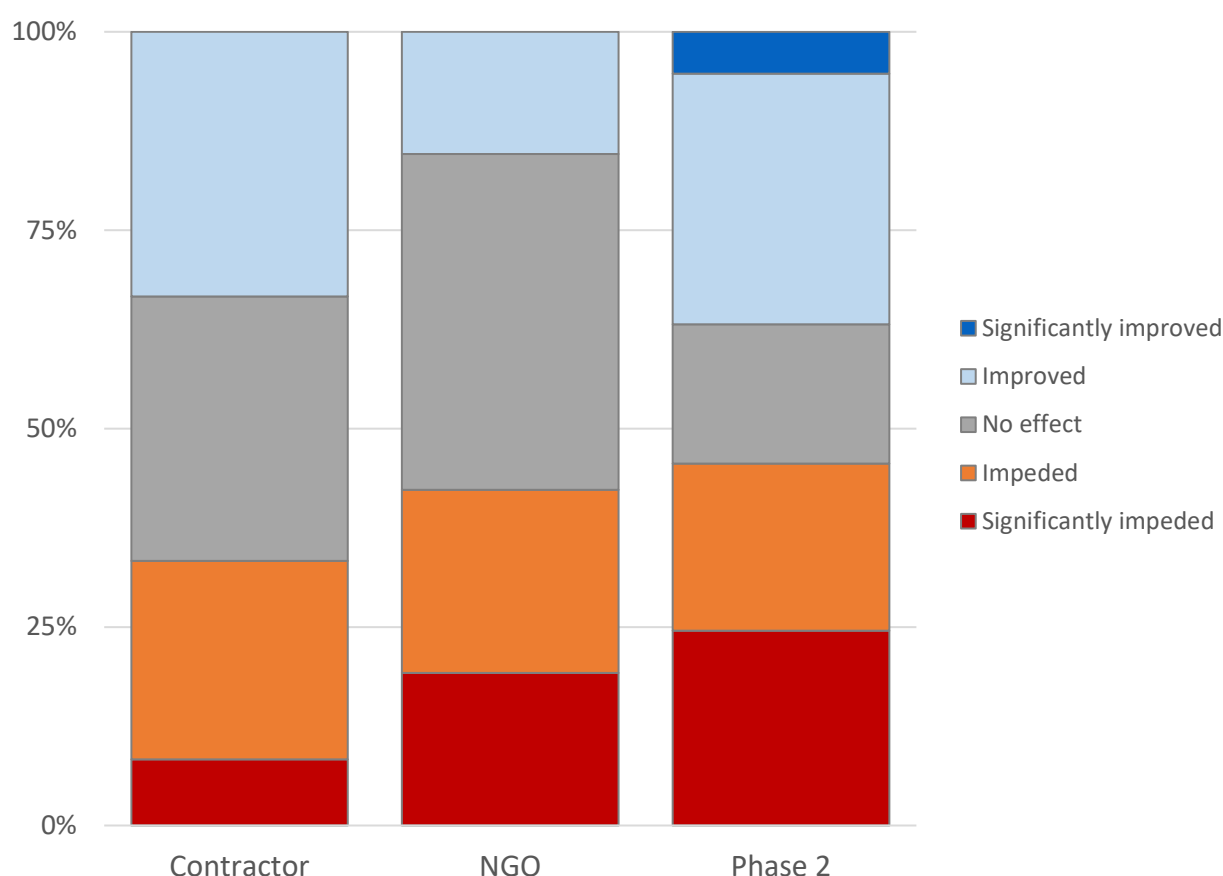
*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “Does your organisation run projects that are funded or managed through a facility (that is not your own organisation)? If your organisation runs a facility or you work for one, please answer ‘no’.”*

Those stakeholders that answered ‘yes’ to the question on facilities were then asked follow-up questions on project functioning and transaction costs. Responses to these questions, broken down by respondent type, are shown in Figures 36 and 37.

The most positive responses to the question on functioning came from contractors. Contractors’ were equally divided between those who saw improvements, those who saw deterioration, and those who saw no change. As can be seen in Figure 36, NGOs and Phase 2 respondents offered more negative takes. Negative responses outweighed positive responses amongst both groups, although a large share of NGOs stated that facilities had simply had no effect.

A positive read of these facts might be that facilities are not having a disastrous impact, at least as experienced by the majority of stakeholders. On the other hand, more stakeholders perceive negative effects than perceive positive effects – hardly a glowing endorsement.

*Figure 36 – Facilities’ impact on project functioning by type (2018)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “What would you say the effect of the facility has been on the functioning of your project(s)?”*

What is more, majorities in all respondent types stated that facilities had increased transaction costs. Of all the attributes we asked about in 2018, the impact of facilities on transaction costs elicited the most negative responses from Phase 1 stakeholders.

Although some stakeholders did offer defences of facilities in responses to open-ended questions, these were heavily outnumbered by negative comments. One contractor, for example, wrote that,

Facilities add another layer of management and overheads, reducing access more directly to implementing organisations who have more refined competencies to provide solutions. [This] reduces responsibility of delivery on the Australian development program.

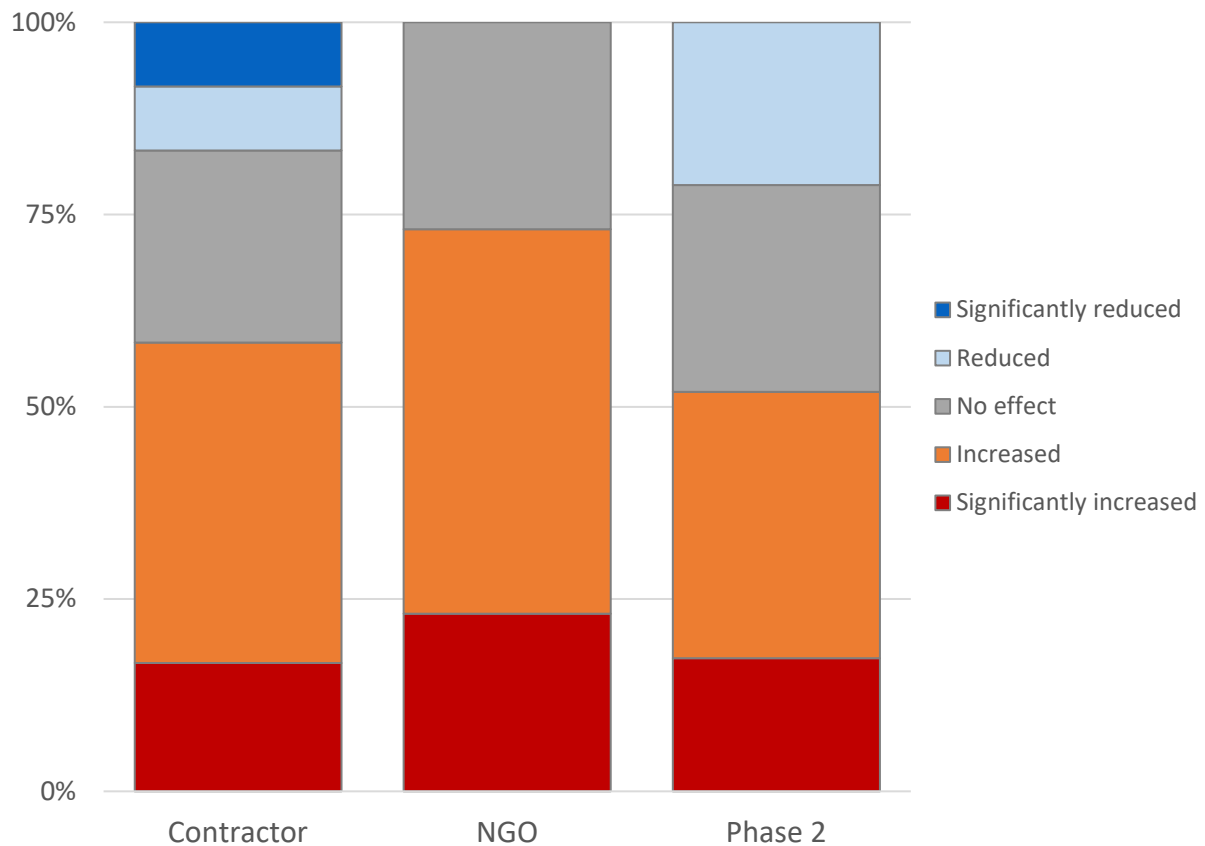
Another stakeholder claimed,

Use of such facilities, usually for-profit companies, adds to bureaucracy and inefficiency. While reducing DFAT workload and costs it simply pushes those costs down to a third party, masking the real cost of aid.

Some stakeholders emphasised variation in quality between facilities. One, for example, said it was hard to “rate the facilities question”, owing to their varied experiences of different facilities.

These adverse findings regarding facilities should lead to a rethink of the substantial increase in reliance on them.

*Figure 37 – Facilities’ impact on transaction costs by type (2018)*

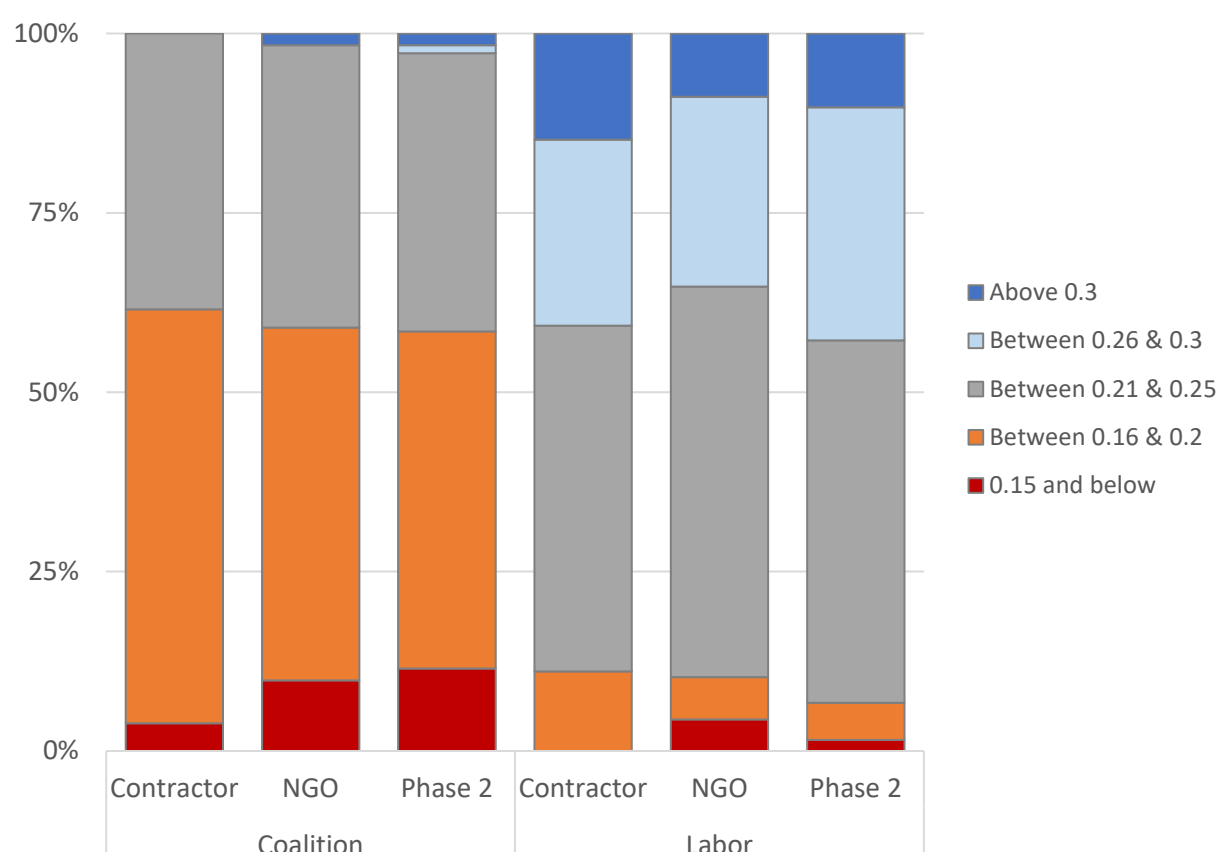


*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, “What impact has funding or managing your project(s) through a facility had on transaction costs?”*

## 11. Aid volume

As shown in the chart in the introduction, once inflation is accounted for, aid has fallen every year since 2014-15 and is scheduled to continue to fall until at least 2021-22. We asked stakeholders how they thought Australian aid as a share of gross national income (GNI) was likely to change in coming years under both Coalition and Labor governments. Responses by respondent type are shown in Figure 38. Responses in the range 0.21 to 0.25 represent little change to current aid over GNI levels, less than 0.2 represent a significant fall, and above 0.26 a notable increase.

Figure 38 – Predicted government aid budget by type (2018)



Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, in effect, “What percentage of GNI (gross national income) do you think the aid budget will be three years from now if: The [the stated party] is elected in the next election?”

Responses differed very little between NGOs, contractors and Phase 2 respondents. However, there was a clear difference between parties. Although a non-trivial minority of stakeholders thought aid might stabilise or only fall slightly as a share of GNI in coming years under the Coalition, more than half of all stakeholder groups believe that aid would fall below 0.2 per cent of GNI should the Coalition be re-elected in the next general election – a belief that is in line with projected aid/GNI trends.<sup>6</sup> Stakeholders took a more positive view about aid budgets under Labor. Sizeable minorities of all stakeholder groups thought aid would rise above 0.26 per cent of GNI under Labor. And the most common response under Labor was that aid would stay between 0.21 and 0.25 per cent of GNI.

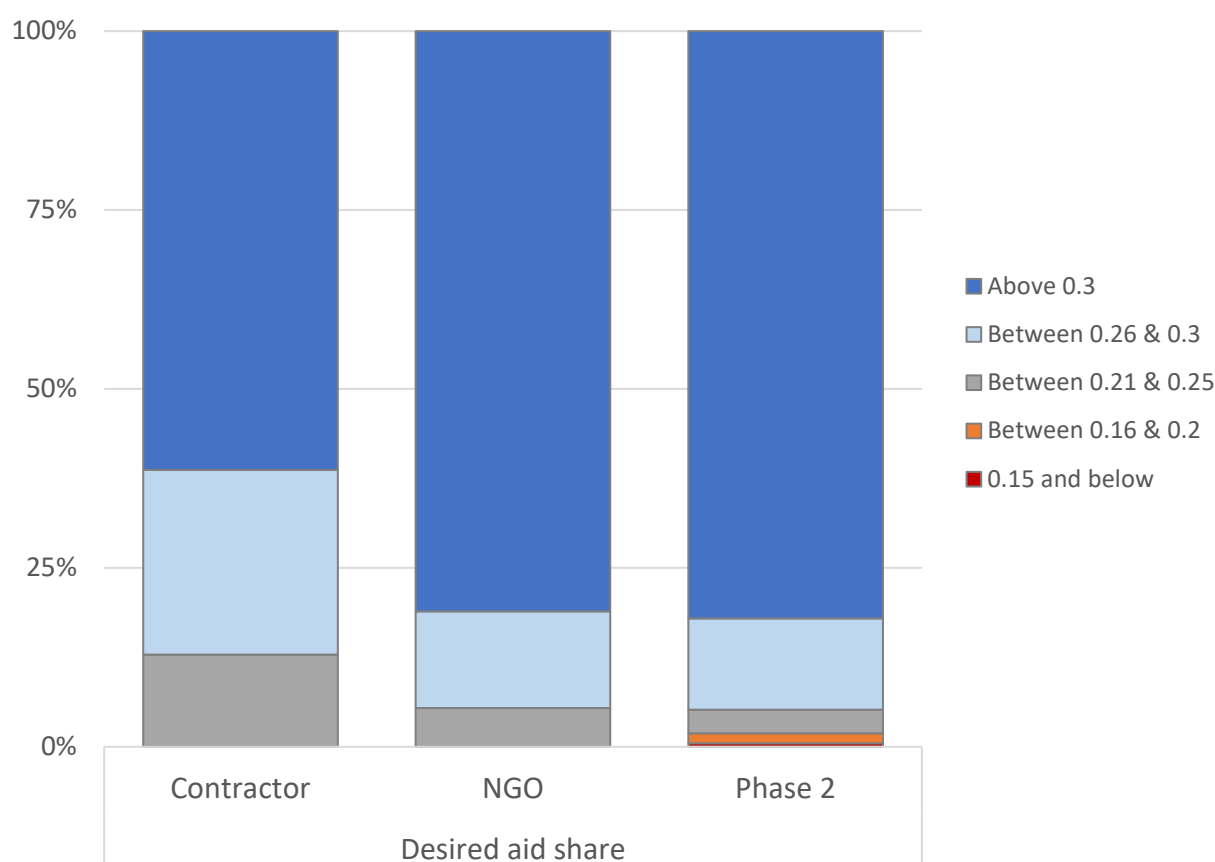
The most dramatic difference to be found in responses to the questions we asked about the aid budget lay between what stakeholders predicted would happen to Australian aid and what they wanted to happen. Figure 39 shows responses to a question about desired aid budgets.

Most stakeholders want aid to substantially increase as a share of GNI – above 0.3 per cent. Prompted by feedback received during Phase 1 of this year’s survey, we allowed Phase 2 stakeholders to indicate how high they wanted aid to be up to a limit of ‘0.7 per cent or more’. When we did this, the median response was 0.5 per cent. The modal (or most common) response

<sup>6</sup> For aid projections see: <http://devpolicy.org/aidtracker/trends/>.

was '0.7 per cent or more'. The difference between what stakeholders want and what they think they will get is striking. This fact has not changed since 2015 when we asked a similar question.

*Figure 39 – Desired government aid budget by type (2018)*



*Notes: Exact percentages for each category are provided in Appendix 3. Question wording was, "What percentage of GNI (gross national income) do you think the aid budget should be three years from now?"*

## 12. Discussion and recommendations

The 2013 Stakeholder Survey established a benchmark. The 2015 Stakeholder Survey delivered a clear set of findings: Australian aid was getting worse. The 2018 Stakeholder Survey is more complex to interpret, but brings with it a range of important findings.

Overall, we would summarise the 2018 survey as saying that there has been a rebound since 2015, but not to the levels achieved in 2013, which is when the current government took responsibility for the aid program.

There are some specific areas which have improved substantially from 2013 to 2018 (according to both NGOs and contractors) – particularly staff continuity and timely decision making – but often these remain among the weakest areas of performance, and such management gains as there have been are at least partly offset by the introduction of new problems relating to the introduction of facilities. And there were four important attributes that both NGOs and contractors rated much worse in 2018 than they had in 2013. These were funding predictability, transparency, communications and strategic clarity.

Although there is some common ground between NGOs and contractors, patterns of change have often not been the same between the two groups. The greatest improvements have been felt by NGOs, who often have a strongly positive view of the ANCP funding program in particular.

Reactions to new features of Australian aid have been mixed. A focus on gender is popular, but aid for trade and facilities are viewed much less positively.

In terms of aid quantity, in 2018 there was, as in 2015, a very clear break between what almost all stakeholders wanted – aid to rise substantially as a share of GNI – and what they thought they would get.

From the 2018 survey findings, a set of recommendations follow.

### 12.1 Focus aid foremost on promoting development

In the eyes of aid stakeholders, Australian aid is only given in part with the objective of promoting development. Commercial and strategic objectives guide its giving to a considerable degree, and certainly a much greater degree than in 2013.

There is good international evidence that aid is less effective at promoting development when given for other reasons (Bermeo 2018; Dreher et al. 2016). The Australian public want aid focused on promoting development (Wood 2018a; Wood & Burkot 2017). And – as a number of stakeholders pointed out – it will be to Australia's long-run gain if developing countries, particularly its Pacific neighbours, become more prosperous and stable.

Amidst increasing talk of China's rising influence in the Pacific and the need to counter it with Australian aid, there is a real risk that confusion over what the aid program is about is likely to mount, and that still greater weight will be given to commercial and strategic objectives.

How, in this context, can we ensure that a strong emphasis is retained on what should be the fundamental goal of foreign aid – development? There is no appetite for recreating a separate development agency, but the appointment of a development 'tsar' within the Department of Foreign Affairs – as advocated by Howes (2018a) and Pryke (2018a) – might increase the focus on development and perhaps increase the strategic clarity around aid. Legislation about the purpose of aid might also plausibly assist. If the government of the day is not willing to legislate, a private member's bill could at least raise the profile of the problem.

### 12.2 Facilities

The overall view of facilities that emerges from the 2018 Stakeholder Survey is not particularly positive. Many stakeholders are now doing at least some work through a facility, but a majority of both NGO and contractor respondents from Phase 1 viewed facilities as having a negative effect on aid overall. Only small minorities stated that facilities had improved their own projects, and the majority stated that facilities had increased transaction costs. Taken together, these findings suggest facilities are making Australian aid less effective and less efficient.

Such negative findings suggest the use of facilities in Australian aid work needs to be carefully reassessed. Some facilities appear, on the basis of stakeholder comments, to be functioning better than others. As a result, it cannot be said that stakeholder survey data suggest facilities should be abandoned outright. However, the negative appraisals offered by stakeholders are a cause for considerable concern.

In mid-2018, DFAT released a review of its use of facilities based on the qualitative study of six specific facilities (Pieper 2018). Although the upbeat headline findings of this review are not supported in any way by our stakeholder data, the body of the review report contains useful analysis of the challenges associated with running facilities well. As such, the review could serve as a starting point for subsequent work. However, stakeholders' concerns regarding facilities clearly indicate that

it would be a mistake to take the positive headline findings of the review as evidence that all is well with the facility model of aid delivery. There is an obvious need for future reform, and for future analysis to guide this reform.

### 12.3 Staffing

All of the trends in the staffing-related questions that we asked in both 2015 and 2018 are positive. Expertise has risen, and staff continuity has improved, as has the period of time that stakeholders' key points of contact have been in place. Staff continuity and related indicators were assessed more positively than they were in 2013. Moreover, stakeholders appraised the skillsets of their key points of contact positively on average in 2018. Differences in the responses given by contractors and NGOs suggest some of these improvements may have been driven by the performance of ANCP staff. But even if we restrict our analysis only to contractors, positive trends exist. These are significant achievements. We emphasised the importance of staffing in the 2015 Stakeholder Survey report, and it is reassuring to see improvements in this area.

Yet issues with staff continuity and overall expertise remain. Although both areas have improved, they were still assessed negatively on balance in 2018. Staff continuity is assessed as the second worst of all the individual attributes, and staff expertise the fifth worst. Further improvement is needed.

### 12.4 Transparency, and communication and community engagement

Transparency and communications and community engagement are two areas in which performance still falls well below 2013 levels, despite some progress since 2015. Analysis by Camilla Burkot and Virginia DeCourcy confirms a deterioration in transparency between 2012 and 2016 (Burkot & DeCourcy 2017). These authors had called earlier for transparency to, "be made one of the official benchmarks by which the Australian Government assesses the quality of its official aid" (Burkot & DeCourcy 2016). 2018 Stakeholder Survey findings reinforce the case for this.

Work undertaken by Ashlee Betteridge studying communications produces findings in line with those of the 2018 Stakeholder Survey (Betteridge 2016). Betteridge's work shows recent improvements but still finds that the current state of affairs compares unfavourably with the pre-integration period. Betteridge also finds that the Australian aid program compares unfavourably with some other aid agencies, and concludes with a number of recommendations that remain relevant today.

Reflecting the Stakeholder Survey's findings and the findings from other empirical work conducted by Development Policy Centre researchers, a central recommendation of this report is that the aid program needs to redouble its efforts to promote transparency and to improve its communications and community outreach.

### 12.5 Gender, innovation, aid for trade

The emphasis on gender in Australian aid is viewed positively by most stakeholders. From 2013 to 2018, the now-former Foreign Minister Julie Bishop played an important role in driving this at a political level. Although Bishop is no longer Foreign Minister the momentum she helped generate should be maintained.

A continued focus on innovation is much less important. While stakeholders were not necessarily hostile to it, few thought innovation was having a positive effect. Moreover, a review of iXc – the aid program's flagship innovation initiative – suggests change is needed (Howes 2018b). Innovation is a seductive term, but the real task of improving aid is best brought through careful learning from



evaluations, and growing knowledge of what works. In the future, the aid program should at the very least couple the innovation agenda with a rigorous program of evaluation and evidence-based improvements.

Even though stakeholders are supportive of the focus on economic development, more respondents thought that the emphasis on aid for trade had had a negative effect than thought its impact was positive. At present, aid for trade is the only part of the aid program which has an expenditure target (20 per cent). It is unclear if there was ever a rationale for an aid for trade expenditure target, but given stakeholders' concerns about the current focus on aid for trade, dropping the target would provide the aid program with more flexibility to focus on actual needs at the country level.

## 12.6 Aid volume

Finally, there is the issue of Australia's waning generosity as an aid donor. The aid/GNI ratio has fallen significantly over the last few years, from 0.32 per cent in 2012-13 to 0.23 per cent in 2018-19. Moreover, it is projected to fall further, to 0.19 per cent by 2021-22. Very few stakeholders want aid/GNI to continue to fall. At the same time, only minorities think the current decline will be reversed, although most stakeholders think that if Labor is elected it will prevent further falls. This itself would be a very challenging task, estimated to cost \$1 billion over the next four years (Howes 2018c).

Rebuilding the aid program is not simply a challenge for DFAT; it needs to be tackled by the entire aid community. The community has engaged with the issue of aid volumes post-2013, but success requires a long and concerted effort, as well as a willingness to learn about how campaigning can be made as effective as possible. Nothing less will guarantee improved generosity from the Australian Government. The recommendation here lies for the Australian aid community, which needs to become as effective a force as possible in pressing the government to increase aid levels.

Efficacy will require selective engagement with the policy actors most likely to have an influence in decision making around aid (for useful discussion see: Day 2018; Spratt 2017; Wells 2018). It will also require optimising messaging for audiences that do not necessarily share the beliefs and values of the aid community (see discussion in: Burkot & Wood 2017; Wood 2018b; Wood & Hoy 2018). Sustained collective action and commitments from the community will also be needed (for discussion of resourcing advocacy see: Pryke 2018b; Wood 2016).

The aid community has already produced much good work, as it has advanced the case for aid, and building on what has already been done will not necessarily be easy; however, it will be needed if aid volumes are to approach the levels desired by most aid stakeholders.

## 13. Conclusion

When the last Stakeholder Survey was produced in 2015 much remained to be seen about how Australian aid would be delivered through an aid program that was fully integrated into DFAT. The answer that emerges from the data produced by the 2018 Stakeholder Survey is more positive than many would have anticipated three years ago. Australia still has an aid program that is perceived by most stakeholders to be effective.

It would be mistaken, however, to conclude at this point that all is well in Australian aid. There have been real improvements in some important areas. But as we have detailed in this report, many issues remain.

Not long after this report is released, Australians will go to the polls. The government that emerges from the elections, regardless of its political stripes, will have plenty of scope to promote positive change in Australian aid if that is its desire.

We plan to survey stakeholders again in three years' time to gather views on what has changed – for better or for worse – in Australian aid.

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## Appendix 1: Methodology and respondent details

### Methodology

To the greatest extent possible, both in terms of sampling and the questions used, the 2018 survey followed the same methodology used to conduct the 2015 and 2013 Australian aid stakeholder surveys. Where survey questions differed, this typically reflected changing circumstances such as the changing priorities of the government. In some instances, wording changes were made to improve question focus. At times, where we thought that wording changes might change responses, we used A/B testing to identify the effects of wording changes (see Appendix 2). Some new questions were also added in order to reflect changes in the Aid Program, such as the use of facilities.

The 2018 Stakeholder Survey was conducted in two phases. In the first, which ran from 3 August to 11 October, links to an online survey questionnaire were emailed to 185 senior managers of Australian NGOs and development contractors.

NGOs were divided into two groups. The NGOs that have the most to do with the Australian aid program are the nearly 60 Australian NGO Cooperation Program (ANCP) NGOs. The ANCP is an Australian Government scheme that accredits and provides support to established Australian development NGOs. We identified the most senior manager (CEO or equivalent) and his or her deputy most actively engaged with the aid program (though this was not possible in all cases), and invited 108 of these representatives of ANCP NGOs to take the survey.

Non-ANCP NGOs are more numerous than the ANCP NGOs, but are typically smaller organisations and are usually less closely engaged with the government aid program. Reflecting this, only a sample of non-ANCP NGOs were invited to participate in Phase 1 of the survey. To provide for comparability, our 2018 non-ANCP list included as many of the same non-ANCP NGOs included in the 2015 survey as possible, although challenges contacting some non-ANCP NGOs meant the sample had to be changed somewhat. In total, 30 representatives of non-ANCP NGOs were invited to participate in the survey.

Development contractors were also invited to participate in the first phase of the survey. As with the smaller NGOs, the sample of development contractors invited to participate in the survey was designed around contractors who were approached for the 2015 survey. As with ANCP NGOs, wherever possible, we sent questionnaires to both the most senior manager (CEO or equivalent) of each development contracting organisation and his or her deputy most actively engaged with the aid program. A total of 47 development contractor senior executives were identified and invited to participate.

In all, 78 development NGO representatives and 36 development contractor representatives took part in Phase 1 of the survey. The response rate was 58 per cent for ANCP NGOs, 50 per cent for non-ANCP NGOs and 77 per cent for development contractors. The overall response rate for Phase 1 of the survey was 62 per cent, compared to 71 per cent in the 2015 survey.

Phase 2 of the survey, which ran from 18 September to 23 October, was open to all interested individuals to complete online. There were 233 respondents in 2018, compared to 351 in 2015. The largest proportion of respondents to this phase of the survey were from NGOs or were contractors/consultants. Academics, public servants (from both Australia and developing countries), employees of multilateral and regional organisations, and other interested individuals (such as students, retirees and volunteers) also responded.

Table A1 provides a breakdown of the survey respondents and response rates. Response rates in Phase 1 were broadly similar to those in 2015, as were the proportions of respondents in various categories in Phase 2.

*Table A1 – Survey respondents*

<b>PHASE I (pre-selected)</b>	<i>Target</i>	<i>Responses</i>	<i>Response rate</i>
ANCP NGO representatives	108	63	58%
Non-ANCP NGO representatives	30	15	50%
<b>Total NGO representatives</b>	<b>138</b>	<b>78</b>	<b>57%</b>
<b>Total development contractor representatives</b>	<b>47</b>	<b>36</b>	<b>77%</b>
<b>PHASE I TOTAL</b>	<b>185</b>	<b>114</b>	<b>62%</b>

	<i>Responses</i>	<i>% of those who provided response</i>
<b>PHASE II</b>		
<b>Academics</b>	<b>30</b>	<b>16%</b>
<b>Australian government (federal, state or local)</b>	<b>19</b>	<b>10%</b>
<b>Contractors and consultants</b>	<b>61</b>	<b>32%</b>
Development contractors	<b>27</b>	14%
Independent consultants	<b>34</b>	18%
<b>Multilateral and developing country government</b>	<b>22</b>	<b>12%</b>
Developing country government	<b>3</b>	2%
Multilateral or regional organisation	<b>19</b>	10%
<b>NGOs</b>	<b>53</b>	<b>28%</b>
<b>Other</b>	<b>4</b>	<b>2%</b>
<b>Didn't answer this question</b>	<b>44</b>	
<b>PHASE II TOTAL</b>	<b>233</b>	

<b>SUMMARY</b>	<i>Responses</i>
NGO representatives (Phase I)	78
Development contractor representatives (Phase I)	36
Phase II	233
<b>GRAND TOTAL</b>	<b>347</b>

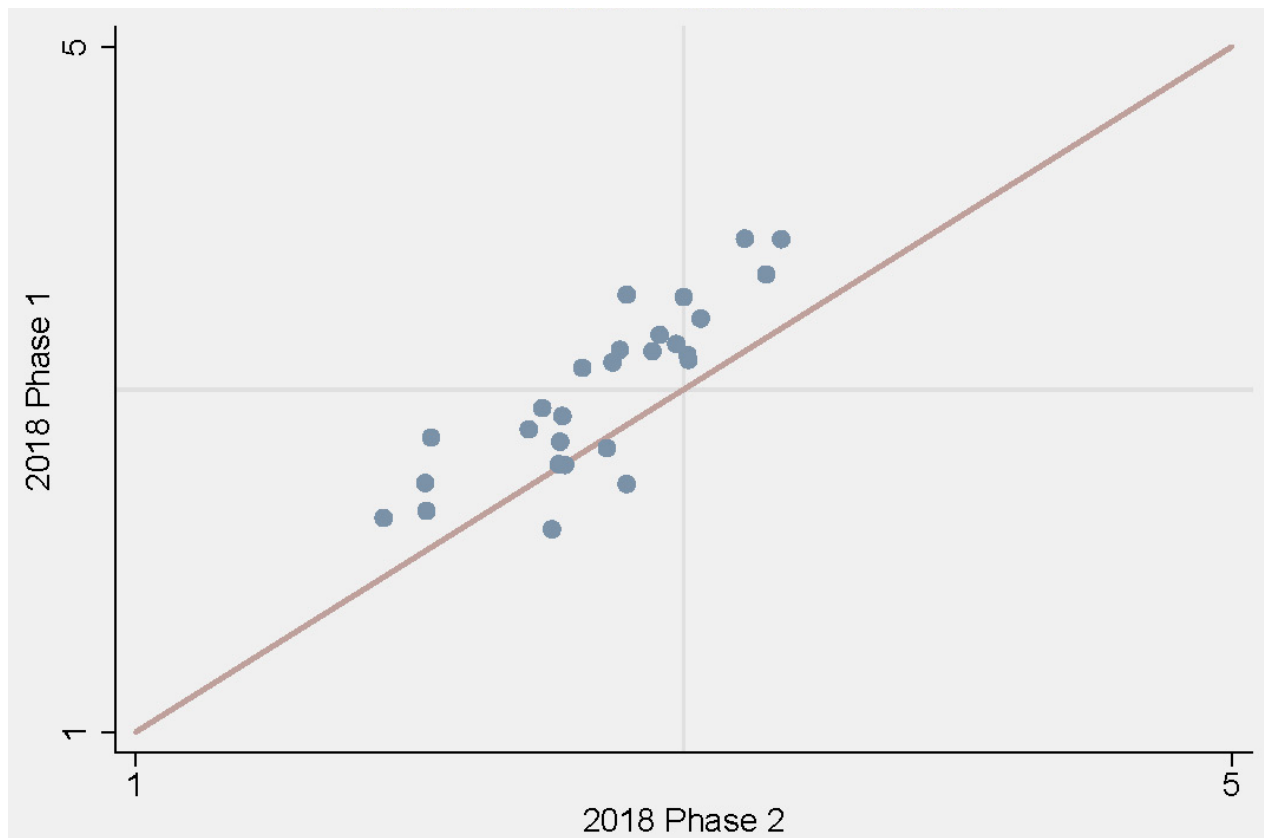
## Phase 1 and Phase 2

Within the report, stakeholders are usually divided into three groups: NGOs, contractors, and Phase 2. The first two categories are drawn solely from responses in Phase 1, while the third captures responses from Phase 2 (including those who self-identified as representatives from NGOs and contractors, but who were not invited to participate as part of Phase 1).

Wherever possible the 2018 Stakeholder Survey reports on both Phase 1 and Phase 2 data. However, in some instances, for reasons of space, only Phase 1 data is reported on. (Both Phase 1 and Phase 2 data are available in the [online dataset](#).) Figure A1 is a scatterplot comparing Phase 1 and Phase 2 responses to individual questions about detailed aid program attributes. The diagonal line is a one to one line. Points above it are associated with questions which received more positive responses on average from Phase 1 respondents. Points below the line are associated with questions

that received more negative average responses from Phase 1 respondents. Two facts are obvious from the chart. First, there is a strong correlation between Phase 1 and Phase 2 responses – those attributes that were assessed positively by Phase 1 stakeholders were almost always assessed positively by Phase 2 stakeholders, and vice versa. Second, as can be seen by the preponderance of dots above the one to one line, Phase 1 stakeholders gave more positive responses to most questions. Interestingly, 2018 is very similar to 2015 in that there was a clear correlation between Phase 1 and Phase 2 responses in that year too. However, in 2015 Phase 1 responses were not obviously any higher on average than Phase 2 responses – this pattern is new.

*Figure A1 – Phase 1 responses compared to Phase 2 responses (2018)*



#### About the respondents

A total of 347 individuals took part in the 2018 Australian Aid Stakeholder Survey, a 25 per cent decrease on the 2015 survey.

Table A2 provides an overview of (self-reported) respondent demographics. The NGO and contractor columns pertain to participants in Phase 1 of the survey.

*Table A2 – About the respondents*

	<b>NGO representatives</b>	<b>Contractor representatives</b>	<b>Phase I</b>	<b>Phase II</b>	<b>All</b>
<b>Percentage female</b>	60%	36%	52%	52%	52%
<b>Average age</b>	49	48	49	48	48
<b>% with very strong or strong knowledge of the aid program</b>	83%	86%	84%	79%	80%
<b>% with five years or more experience in international development</b>	86%	92%	88%	78%	81%
<b>% in Australia</b>	100%	75%	92%	73%	79%
<b>% senior management</b>	81%	81%	81%	37%	51%
<b>% at current organisation for two years or more</b>	83%	86%	84%	53%	63%
<b>% directly engaged with the aid program</b>	79%	89%	82%	67%	72%

In general, respondents are both highly knowledgeable about and closely engaged with the aid program. As expected, this is particularly true of Phase 1 respondents. 84 per cent of respondents in Phase 1 (79 per cent in Phase 2) regarded themselves as having strong or very strong knowledge of the aid program. 88 per cent of Phase 1 respondents (78 per cent of Phase 2) have five or more years of experience working in international development; nearly half of Phase 1 respondents reported more than 15 years' experience in the sector. 82 per cent of Phase 1 respondents manage or implement an activity or activities that are at least in part funded by the Australian aid program.

Though the majority of respondents are based in Australia, individuals from over 21 countries participated in the 2018 survey. Just over 25 per cent of Phase 2 participants are based overseas, with Papua New Guinea, Fiji, Vanuatu and the Philippines being the most common locations of overseas Phase 2 participants.



## Appendix 2: A/B testing

Before we started the 2018 Stakeholder Survey, we decided we wanted to improve the wording of a small number of questions. At the same time, we wished to be able to continue to compare responses over time.

Comparing responses to questions which are not worded identically across different years is potentially problematic: any observed changes may stem from real changes in stakeholder opinions over time; however, changes could also be caused by the use of different words, and their impact on people's interpretation of the question (wording effects).

To address this issue, we used A/B testing for two particularly important groups of questions. The process of A/B testing is identical to that used in survey experiments, and the underlying logic is the same as that used in randomised control trials. All Phase 1 and Phase 2 participants in the 2018 Stakeholder Survey were either asked the original version of the question we wished to change (version A), or a modified version of the question which contained the new wording we will use from 2018 onwards (version B). Random assignment was used to determine the version of the question each participant received.

We tested the wording of the questions we asked on overall aid effectiveness and change in aid effectiveness in this manner.

### **Aid effectiveness, version A – original question**

How would you rate the effectiveness of the Australian aid program?

### **Aid effectiveness, version B – modified question**

How would you rate the effectiveness of the Australian aid program in promoting development in developing countries?

### **Change in aid effectiveness, version A – original question**

Over the last three years (since the last Australian aid stakeholder survey was run in 2015), has the effectiveness of the Australian aid program improved or declined?

### **Change in aid effectiveness, version B – modified question**

Over the last three years (since the last Australian aid stakeholder survey was run in 2015), has the effectiveness of the Australian aid program in promoting development in developing countries improved or declined?

We also tested a change in the response categories to one of the questions about the objectives of Australian aid in the same way. All people were asked the following questions about objectives:

Adding to 100, what weight do you think the following objectives actually have in guiding the work of the Australian aid program?

Adding to 100, what weight do you think the following objectives should have in guiding the work of the Australian aid program?

One of the response categories in the original version of the question (version A) was, "Reducing poverty". In the modified version of this question (version B) this was changed to, "Promoting development in developing countries".

Once the survey data had been gathered, we compared the average response to version A of the question with the average response to version B of the question.<sup>7</sup>

We found no clear evidence of any wording effect associated with the modified wording for the questions about the effectiveness of the aid program or the change in effectiveness of the aid program. For this reason, we left all responses to these questions unadjusted and simply used people's responses directly from survey data. Responses to these questions were not modified when we compared responses across survey years.

However, we found a modest but statistically significant wording effect associated with the change in response categories to the question about aid objectives. This change was only present in responses to the questions about aid's actual objectives. It was not present in responses to the question about what stakeholders thought aid's objectives should be. Because people's responses to this question had to total to 100, changed responses in one response category were reflected in other categories too.

Differences in responses to the question about aid's actual objectives are shown in Table A3.

*Table A3 – Different responses to question about aid's actual objectives*

	Mean – New Question	Mean – Old Question	Difference	P-Value
Development	31	28	3	0.05
Strategic	42	47	-5	0.00
Commercial	27	25	2	0.30

Because we detected a wording effect caused by the changed response category in the question about aid's actual objectives in 2018, we adjusted average responses to past years' questions such that they approximated the value they would have taken had the new question been asked in previous years. We also modified the responses of people who received version A of the question in 2018. Modified data were used in all analysis of these questions. Both modified and unmodified data can be accessed in the [online dataset](#).

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<sup>7</sup> This was done using t-tests in the first instance. Robustness tests were run using OLS regressions that controlled for respondent type. Where tests of proportions were technically preferable to t-tests, these were also used as a robustness test.

## Appendix 3: Details from figures in text

Figure 2 – Political leadership over time (Phase 1)

Year	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
2013	14%	38%	22%	24%	1%
2015	50%	18%	9%	20%	2%
2018	33%	31%	23%	13%	0%

Figure 3 – Julie Bishop (Phase 1)

Year	Very ineffective	Ineffective	Neither	Effective	Very effective
2015	10%	24%	23%	37%	8%
2018	2%	13%	26%	46%	13%

Figure 4 – Julie Bishop and Concetta Fierravanti-Wells (2018, Phase 1)

Politician	Very ineffective	Ineffective	Neither	Effective	Very effective
Bishop	2%	13%	26%	46%	13%
Fierravanti-Wells	32%	32%	21%	15%	0%

Figure 7 – Views on the sectoral focus of Australian aid (2018, Phase 1)

Sector	Too much weight	The right weight	Too little weight
Humanitarian emergencies	8%	69%	23%
Economic development	33%	42%	25%
Governance	20%	49%	30%
Education	2%	47%	51%
Health	2%	39%	59%

Figure 8 – Views on economic and education focus by respondent type (2018, Phase 1)

Question	Type	Too much weight	The right weight	Too little weight
Economic development	Contractor	25%	42%	33%
	NGO	32%	55%	13%
	Phase 2	35%	38%	27%
Education	Contractor	6%	70%	24%
	NGO	0%	47%	53%
	Phase 2	3%	44%	53%

Figure 9 – Views on the effect of the gender focus on Australian aid (2018)

Type	Strongly negative	Negative	No effect	Positive	Strongly positive
Contractor	0%	6%	12%	59%	24%
NGO	0%	1%	5%	55%	38%
Phase 2	2%	3%	13%	62%	20%

Figure 10 – Views on the effect of the innovation agenda on Australian aid (2018)

Type	Strongly negative	Negative	No effect	Positive	Strongly positive
Contractor	6%	3%	64%	28%	0%
NGO	1%	13%	48%	37%	1%
Phase 2	7%	17%	49%	25%	2%

Figure 11 – Views on the effect of the aid for trade focus on Australian aid (2018)

Type	Strongly negative	Negative	No effect	Positive	Strongly positive
Contractor	0%	39%	50%	11%	0%
NGO	10%	44%	24%	22%	0%
Phase 2	8%	34%	40%	16%	3%

Figure 12 – Overall aid program effectiveness (Phase 1)

Year	Very ineffective	Ineffective	Neither	Effective	Very effective
2013	1%	6%	23%	68%	2%
2015	3%	10%	25%	60%	2%
2018	2%	7%	25%	63%	3%

Figure 13 – Aid program effectiveness by respondent type (2018)

Type	Very ineffective	Ineffective	Neither	Effective	Very effective
Contractor	6%	11%	25%	56%	3%
NGO	0%	5%	25%	67%	3%
Phase 2	2%	15%	29%	52%	1%

Figure 14 – Trends in overall aid program effectiveness (Phase 1)

Year	Declined significantly	Declined moderately	Stayed the same	Improved moderately	Improved significantly
2013	1%	6%	16%	67%	11%
2015	31%	44%	15%	9%	1%
2018	15%	44%	25%	17%	0%

Figure 19 – General speed of aid program decision making (Phase 1, over time)

Type	Year	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
Contractor	2013	35%	41%	14%	11%	0%
	2015	38%	47%	6%	9%	0%
	2018	26%	43%	17%	11%	3%
NGO	2013	33%	48%	12%	7%	0%
	2015	21%	46%	16%	16%	2%
	2018	11%	41%	30%	16%	1%

Figure 20 – Speed of aid decision making for stakeholders’ own projects (Phase 1, over time)

Type	Year	Strongly disagree	Disagree	Neither	Agree	Strongly agree
Contractor	2013	11%	46%	23%	17%	3%
	2015	23%	50%	17%	10%	0%
	2018	15%	48%	12%	21%	3%
NGO	2013	20%	33%	23%	23%	0%
	2015	14%	35%	22%	24%	6%
	2018	5%	16%	18%	50%	11%

Figure 21 –Selectivity/fragmentation (Phase 1, over time)

Year	Great weakness	Moderate weakness	Neither	Moderate strength
2013	9%	30%	34%	28%
2015	21%	36%	31%	13%
2018	9%	30%	46%	16%

Figure 22 – Trends over time in assessment of staff continuity (Phase 1)

Year	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
2013	65%	25%	5%	5%	0%
2015	60%	35%	5%	0%	0%
2018	31%	33%	17%	16%	3%

Figure 23 – Manager in place long enough to be effective (Phase 1)

Type	Year	Strongly disagree	Disagree	Neither	Agree	Strongly agree
Contractor	2013	10%	32%	26%	26%	6%
	2015	4%	25%	29%	29%	14%
	2018	0%	23%	31%	38%	8%
NGO	2013	10%	18%	35%	27%	10%
	2015	3%	26%	15%	49%	8%
	2018	3%	8%	13%	47%	29%

Figure 24 – Trends, key point of contact’s duration in role over time (Phase 1)

Year	Less than 6 months	6 months to a Year	1-2 Years	2-5 Years	5+ Years
2013	32%	29%	29%	6%	4%
2015	11%	40%	34%	15%	0%
2018	10%	22%	31%	27%	10%

Figure 25 – Trends over time in assessment of staff expertise (Phase 1)

Year	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
2013	18%	33%	16%	32%	2%
2015	32%	39%	11%	14%	4%
2018	20%	28%	21%	24%	7%

Figure 26 – Assessment of staff expertise by type (2018)

Type	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
Contractor	23%	34%	23%	20%	0%
NGO	18%	25%	19%	26%	11%
Phase 2	39%	33%	12%	14%	2%

Figure 27 – Staff skillset NGOs v contractors (2018, Phase 1)

Question	Type	Strongly disagree	Disagree	Neither	Agree	Strongly agree
Manager understands country contexts	Contractor	4%	12%	16%	52%	16%
	NGO	0%	3%	15%	60%	23%
Manager understands work type	Contractor	4%	15%	8%	62%	12%
	NGO	2%	7%	7%	49%	34%
Manager has project... skills	Contractor	12%	28%	28%	24%	8%
	NGO	5%	5%	8%	50%	32%

Figure 28 – Effect of merger on staff effectiveness 2018 and 2015 (Phase 1)

Year	Declined greatly	Declined	Stayed the same	Improved	Greatly improved
2015	26%	60%	10%	2%	1%
2018	28%	53%	15%	4%	0%

Figure 29 – Transparency, strategic clarity and communication (Phase 1)

Question	Year	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
Coms/com engagement	2013	11%	30%	26%	33%	1%
	2015	36%	33%	15%	17%	0%
	2018	21%	32%	20%	25%	3%
Strategic clarity	2013	1%	13%	22%	63%	2%
	2015	21%	30%	15%	32%	1%
	2018	4%	21%	24%	47%	3%
Transparency	2013	6%	15%	17%	54%	8%
	2015	38%	20%	15%	23%	4%
	2018	15%	25%	22%	34%	4%

Figure 30 – Transparency, strategic clarity and communication (2018)

Question	Type	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
Coms/com engagement	Contractor	17%	40%	26%	17%	0%
	NGO	23%	28%	17%	28%	4%
	Phase 2	20%	33%	23%	21%	3%
Strategic clarity	Contractor	11%	28%	14%	44%	3%
	NGO	1%	18%	29%	49%	3%
	Phase 2	11%	30%	25%	29%	5%
Transparency	Contractor	19%	25%	22%	31%	3%
	NGO	14%	26%	22%	35%	4%
	Phase 2	21%	34%	21%	18%	7%

Figure 31 – Predictability of funding over time (Phase 1)

Year	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
2013	20%	22%	10%	41%	7%
2015	74%	17%	7%	2%	0%
2018	34%	31%	13%	18%	5%

Figure 32 – Predictability of funding by type (2018)

Type	Great weakness	Moderate weakness	Neither	Moderate strength	Great strength
Contractor	28%	42%	8%	19%	3%
NGO	36%	26%	15%	18%	5%
Phase 2	39%	32%	14%	15%	1%

Figure 33 – Predictability of funding for stakeholders' own projects by type (2018)

Type	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Contractor	0%	52%	12%	30%	6%
NGO	3%	27%	19%	37%	13%
Phase 2	19%	28%	19%	30%	5%

Figure 34 – Facilities' impact on Australian aid by type (2018)

Type	Strongly negative	Negative	No effect	Positive	Strongly positive
Contractor	15%	38%	9%	38%	0%
NGO	19%	50%	11%	19%	0%
Phase 2	11%	36%	19%	32%	3%

Figure 35 – Does organisation run projects managed through a facility (2018)

Type	Yes	No
Contractor	40%	60%
NGO	42%	58%
Phase 2	47%	53%

Figure 36 – Facilities' impact on project functioning by type (2018)

Type	Significantly impeded	Impeded	No effect	Improved	Significantly improved
Contractor	8%	25%	33%	33%	0%
NGO	19%	23%	42%	15%	0%
Phase 2	25%	21%	18%	32%	5%

Figure 37 – Facilities' impact on transaction costs by type (2018)

Type	Significantly increased	Increased	No effect	Reduced	Significantly reduced
Contractor	17%	42%	25%	8%	8%
NGO	23%	50%	27%	0%	0%
Phase 2	17%	35%	27%	21%	0%

Figure 38 – Predicted government aid budget by type (2018)

Question	Type	0.15 and below	Between 0.16 & 0.2	Between 0.21 & 0.25	Between 0.26 & 0.3	Above 0.3
Coalition	Contractor	4%	58%	38%	0%	0%
	NGO	10%	49%	39%	0%	2%
	Phase 2	11%	47%	39%	1%	2%
Labor	Contractor	0%	11%	48%	26%	15%
	NGO	4%	6%	54%	26%	9%
	Phase 2	2%	5%	51%	32%	10%

Figure 39 – Desired government aid budget by type (2018)

Question	Type	0.15 and below	Between 0.16 & 0.2	Between 0.21 & 0.25	Between 0.26 & 0.3	Above 0.3
Desired aid share	Contractor	0%	0%	13%	26%	61%
	NGO	0%	0%	5%	14%	81%
	Phase 2	0%	1%	3%	13%	82%



## Appendix 4: Labels from scatterplots and tables

This table links attribute labels used in tables and scatterplots to the survey questions that generated the data. Most of these questions were asked in blocks (the same question about a number of different attributes). We have trimmed some words from the questions to enable the table to fit. Full question wording can be found in the copy of the survey in the [online dataset](#).

Label in tables and charts	Question number	Question wording (trimmed)
Strategic clarity	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Strategic clarity.
Funding predictability	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Predictability of funding.
Selectivity/fragmentation	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Selectivity and avoidance of fragmentation.
Monitoring	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Strong monitoring.
Evaluation	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Rigorous evaluation.
Partnerships	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Effective use of partnerships.
Transparency	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Transparency.
Coms & community engagement	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Effective communication and community engagement
Realistic expectations	21	Please indicate the extent to which you believe the Australian aid program as it currently stands possesses: Realism of expectations.
Facilities (general)	26	In recent years the aid program has placed an emphasis on using facilities in the management of Australian aid. What would you say that the effect of this on the quality of Australian aid has been?
Appropriate attitude risk	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Appropriate attitude to risk.
Quick decision making	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Quick decision making.
Staff continuity	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Staff continuity.
Staff expertise	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Staff expertise.
Avoid micromanagement	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Avoidance of micromanagement.
Focus on results	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Focus on results.
Performance management reporting	28	Please indicate the extent to which you believe DFAT, in its management of the aid program, possesses: Strong aid program performance management and reporting.
Manager long enough to be effective (project)	38	To what extent do you agree with the following statement about the 'manager' appointed to your project/your organisation's aid program-funded work: They have been in place long enough to be effective.
Manager understands work (project)	38	To what extent do you agree with the following statement about the 'manager' appointed to your project/your organisation's aid program-funded work: They have a good understanding of the type of work you do.

<b>Label in tables and charts</b>	<b>Question number</b>	<b>Question wording (trimmed)</b>
Manager understands country (project)	38	To what extent do you agree with the following statement about the 'manager' appointed to your project/your organisation's aid program-funded work: They have a good understanding of the relevant country context(s).
Manager project management skills (project)	38	To what extent do you agree with the following statement about the 'manager' appointed to your project/your organisation's aid program-funded work: They have sufficient project management/contract management expertise.
Timely decisions (project)	39	To what extent do you agree with the following statement: DFAT usually makes timely decisions about the aid program-funded work that my organisation undertakes.
Avoid micromanagement (project)	39	To what extent do you agree with the following statement: DFAT does not micromanage the aid program-funded work that my organisation undertakes.
Predictable funding (project)	39	To what extent do you agree with the following statement: Funding from DFAT for my organisation's aid program-funded work is predictable.
Clear communications (project)	39	To what extent do you agree with the following statement: DFAT has been proactive and clear in communications associated with the aid program-funded work that my organisation undertakes.
Facility effect on effectiveness (project)	43	What would you say the effect of the facility has been on the functioning of your project(s)?
Facility transaction costs (project)	44	What impact has funding or managing your project(s) through a facility had on transaction costs?