

Development Policy Centre
Report for January-June 2014

Highlights

- We held the first Australasian Aid and International Development Policy Workshop in February, in conjunction with The Asia Foundation. The event was a sell-out success and will now be an annual Conference. Foreign Minister Julie Bishop opened the workshop with a comprehensive speech on aid.
- We secured \$3 million of funding from the Department of Foreign Affairs and Trade for the establishment of the Family and Sexual Violence Case Management Centre in Lae. This was announced by the Foreign Minister in February during her trip to PNG.
- We made a detailed submission to the Senate inquiry on overseas aid, with Robin Davies travelling to Sydney to present evidence to the inquiry; Devpolicy's contributions were heavily cited in the report of the inquiry.
- We also made submissions to parliamentary inquiries into the role of the private sector in development, and into human rights issues affecting women and girls in the Indo-Pacific; and to DFAT in response to the government's call for public submissions on the new Government's aid benchmarking process.
- We hosted our first Greg Taylor Pacific Scholar in January 2014, resulting in a paper comparing academic with public sector pay in PNG.
- We held a half-day forum looking at the most recent evaluations from DFAT's Office of Development Effectiveness.
- The Promoting Effective Public Expenditure project held the first of its two 2014 budget fora in April.
- We held our PNG and Pacific Updates. Both were well received. Holding the PNG Update in Port Moresby (hosted by UPNG) was a major breakthrough and achievement.
- We analysed the 2014 aid budget and held our second annual aid budget breakfast, which had 200 attendees. Our analysis was widely circulated and picked up by media.
- In June, we analysed the government's newly released aid policy and performance framework.
- We published a curated collection of blog posts on the Regional Assistance Mission to Solomon Islands (RAMSI), as well as publications showcasing some of the best analysis on the Pacific and PNG on the Devpolicy Blog.
- We were invited by the OECD's Development Co-operation Directorate to undertake a global survey of 40 developing countries as part of their 'Aid agency of the future' project, which was completed during May and June.
- We published our 2013 Annual Report in May.

Media

Stephen Howes on Australia-PNG relationship

- [The Australian](#)
- [ABC PM](#)

- [ABC News](#)
- [Radio Australia](#)
- [PNG Attitude](#)
- [Australian Financial Review \(1\)](#)
- [Australian Financial Review \(2\)](#)

Stephen Howes on Pacific aid

- [ABC](#)
- [Radio Australia](#)
- ABC 666 Drive

Stephen Howes on asylum seekers in PNG

- [Sydney Morning Herald/The Age](#)

Stephen Howes on PNG Oil Search loan & SWF

- [Australian Financial Review \(1\)](#)
- [Australian Financial Review \(2\)](#)
- [The Australian](#)

Stephen Howes on volunteer program evaluation

- [Radio Australia](#)

Stephen Howes on aid workshop and FM speech

- [2ser AidWorks](#)

Stephen Howes on aid budget

- [SBS news](#)
- [RN Breakfast](#)
- [Devex](#)
- [The Age/SMH](#)
- [Radio NZ](#)
- [Radio Australia](#)
- [Canberra Times](#)
- [ABC's The World](#)
- [ABC](#)
- [AidWorks](#)
- [Dateline Pacific](#)
- [ANU Newsroom](#)
- [PNG Loop](#)
- [Islands Business](#)
- [PNG Business Advantage](#)
- [PNG Attitude](#)

Citing of Devpolicy's aid budget analysis

- [Fairfax](#)
- [The Conversation](#)
- [Lowy Interpreter](#)

Stephen Howes on government's new aid policy

- [SBS news](#)
- [Radio NZ](#)
- [RN Drive](#)
- [Dateline Pacific](#)
- [Australian Associated Press](#)
- [Australian Institute for International Affairs](#)

Robin Davies on benchmarking and aid in Pacific

- [Islands Business](#)

Robin Davies on aid cuts

- [The Conversation](#)

Robin Davies interview and coverage of Julie Bishop speech

- [Australia Network](#)
- [Radio Australia](#)

Robin Davies on Australian aid

- Mornings with Phil Kafcaloudes

Robin Davies on aid and the national interest

- [AidWorks](#)

Robin Davies on aid agency mergers

- [SciDevNet](#)
- [The Guardian](#)
- [Right Now](#)

Matthew Dornan on electrification in the Pacific

- [SciDevNet](#)
- [Islands Business \(1\)](#)
- [Islands Business \(2\)](#)

Matthew Dornan on regional service delivery in the Pacific

- [Radio NZ- Dateline Pacific](#)

- [Islands Business](#)

Matthew Dornan on Framework for Pacific Regionalism

- [SciDevNet \(1\)](#)
- [SciDevNet \(2\)](#)
- [Radio Australia](#)

Margaret Callan on private sector and development

- [AidWorks](#)

Visiting Fellow David Osborne on PNG Sovereign Wealth Fund

- [PNG Loop \(1\)](#)
- [PNG Loop \(2\)](#)
- [EMTV](#)
- [The National](#)

PNG Update mentioned

- PNG Post Courier editorial

Grant Walton on PNG nationalism

- [The Australian](#)
- [PNG Post-Courier \(25 Feb\)](#)

Anthony Swan and Grant Walton on PEPE education findings

- [PNG Post-Courier \(11 April\)](#)

Stephen Howes on PNG visas

- [Radio Australia](#)

Stephen Howes on climate change

- [The World Today, RN](#)
- [ABC Online](#)

Coverage of Case Management Centre funding announcement

- [Guardian Australia](#)
- [AAP syndicated wire story](#)
- [Foreign Minister press release](#)
- [Foreign Minister syndicated International Women's Day op-ed](#)
- [Radio Australia \(1\)](#)
- [Radio Australia \(2\)](#)
- [Radio Australia \(3\)](#)

- [Radio Australia](#) (4)
- [Islands Business/PacNews](#)
- [ABC News](#)
- PNG Post Courier
- [ANU/Crawford School](#)
- [PNG Today](#)
- [Oxfam](#)
- [PNG Attitude](#)
- [7.30 Report](#)
- [PS News](#)
- [Ruby Connection](#)

Devpolicy Blog and social media

Following quieter numbers during the January holiday period, traffic on the Devpolicy Blog has returned to the high levels achieved in the second half of 2013. The blog averaged 28,000 visits per month between February and June, a ninety percent increase on the same period last year, with spikes at the times of the aid budget and release of the government's aid policy.

Social media and email subscribers have steadily continued to grow. Twitter followers increased to 4,490, up by 800 since January 1. Facebook followers increased by 265 to 1,367 over the same period. Subscribers to the daily blog email increased by 430 to 1,705 and newsletter subscribers increased to 4,541, a jump of 280.

Top blogs

[Does foreign aid really work?](#) By Roger C. Riddell

[Australia's overseas aid program: a post-surgical stocktake](#) by Robin Davies

[The new aid paradigm: is it new, and what does it do for aid reform?](#) By Stephen Howes and Joel Negin

[Less aid, less transparency: the 2014-15 aid budget and the 10% aid cut](#) by Stephen Howes

[Understanding Aid for Trade part one: a dummy's guide](#) by Joel Negin

[Winners and losers in the 2014-15 aid budget](#) by Matthew Dornan

[The Oil Search loan: implications for PNG](#) by Charles Yala, Osborne Sanida and Andrew Mako

[Five things to like about the Foreign Minister's aid speech; and two concerns](#) by Stephen Howes

[AusAID integration: the common-sense upside](#) by David Guy

['World's best' development NGO knocked off its perch](#) by Jonathan Pryke

[The Australian volunteer evaluation and the capacity building straitjacket \(part 1\)](#) by Stephen Howes

Top briefs

[Africa, the environment and disaster relief bear the brunt of Coalition aid cuts](#) by Stephen Howes

[DFAT to deregulate aid delivery](#) by Stephen Howes

[DFAT to consult on aid benchmarks, ACFID makes its pitch](#) by Ashlee Betteridge

[New evidence on why some development projects fail](#) by Sabit Otor and Jonathan Pryke

[How a journalist reignited the Sachs-Easterly aid war](#) by Jonathan Pryke

[Back to Downer Mark I with the aid objective](#) by Stephen Howes

[Commission of Audit recommends flat aid and independent ODE](#) by Ashlee Betteridge

Meetings, talks, training, assignments

- In March, we briefed a visiting delegation from the Gates Foundation on recent developments in the aid program.
- Stephen Howes
 - Gave two guest lectures to: Melbourne University International Development students on aid (April 1 and 3).
 - Was invited to an Asia Foundation conference (May 22-23) in New Delhi on Indian aid. His paper (jointly with Jonathan Pryke) will be published as part of the conference volume.
 - Visited Manila on his way back from Delhi to participate as a peer-reviewer in an ADB seminar (May 26-27) related to their project on energy subsidies in Asia.
 - Participated in panels at ANU for students on aid (March 25) and climate change (June 25).
 - Presented on the PNG budget at the PNG Budget Forum (April 10) and on PNG economic challenges at the PNG and Pacific Update in June (June 12-13 and 16-17).
 - Presented on Australian initiatives to improve labour mobility at the Australia-Vanuatu Business Forum in Brisbane (June 26).
 - Presented on the ODE Australian volunteer evaluation at the ODE Evaluation Forum (March 21).
 - Participated in a panel (May 15) on the G20 in 2014.
 - Presented on the aid budget at the aid forum (May 14).
 - Presented to CARE Country Directors on developments in Australian aid (March 24).
 - Ran a one-day executive training program on aid (May 16).
- Robin Davies and Stephen Howes spent a week in Indonesia at the end of April to undertake research for the August 2014 'Survey of recent developments', the flagship article of the *Bulletin of Indonesian Economic Studies*. Stephen gave talks based on the survey at ANU in May and to Australian Government officials working on Indonesia in early July.
- Robin Davies:
 - Presented on financing global public goods at the Australasian Aid and International Development Policy Workshop (February 15).

- Presented to the Senate inquiry into overseas aid at its hearings in Sydney (February 21).
- Represented the Think Tank 20 (T20) at the G20 Food Security Review consultation in Canberra (at the request of the Lowy Institute for International Policy) and spoke to a written submission (March 7).
- Presented to the 2014 Indonesian Student International Conference at the ANU on the Millennium Development Goals (March 7).
- Presented on the future of development assistance to the board and senior management of ChildFund Australia in Sydney (March 11).
- Presented on the first Lessons from Australian Aid report at the ODE Evaluation Forum (March 21).
- Participated by videoconference in the first meeting of the Centre for Global Development's Forest Conservation Working Group (10 April).
- Relocated to Geneva, Switzerland, where he will live until May 2017, while continuing in his role as Associate Director (mid-May).
- Robin Davies, Dinuk Jayasuriya and Stephen Howes presented to senior DFAT officials and advisers to Julie Bishop and Parliamentary Secretary Brett Mason as part of the consultative process leading to the development of performance benchmarks for the aid program (January 31)
- Matthew Dornan:
 - Presented on road maintenance in Papua New Guinea at the PNG Update at the University of PNG in June (June 12-13).
 - Spoke on Chinese concessional loans at the Pacific Islands Political Science Association conference in Papeete (June 3-5).
 - Presented on infrastructure development in the Pacific islands to the Global Development Learning Network at ANU (29 April).
 - Gave a guest lecture on developments in the Australian aid program at the School of International, Political and Strategic Studies, ANU (13 February).
 - Outlined the way in which Pacific island governments negotiate Chinese assistance at the Pacific Update at ANU ((June 16-17).
 - Presented a proposal for new research on budget support at the Asian Development Bank office in Sydney (June 18-19).
 - Participated in a roundtable discussion on energy access at the ANU Energy Institute
 - Spoke on Chinese assistance in the region at the aid and development workshop (13-14 February).
- Devpolicy continues its involvement in ANU's Pacific Institute, with Devpolicy represented at board meetings by Matthew Dornan.
- Devpolicy organized a session at the March Asia and the Pacific Policy Society conference on energy subsidies in Asia with presentations from across Asia and the Pacific
- A group of 15 journalists from across the Pacific met with Matthew Dornan, Margaret Callan and Ashlee Betteridge on May 13 to discuss issues around women and economic development in the region. The group were fellows through the Asia Pacific Journalism Centre, funded by the Australia Awards scheme.

- Grant Walton presented research:
 - Comparing anti-corruption actors and citizens perspectives on corruption at the University of PNG's Melanesian and Pacific Studies Centre on March 27.
 - On PNG's new anti-corruption activists, at the Association of American Geographer's Annual Conference in Tampa on April 8.
 - On the geographies of corruption in PNG, for the joint Institute of Australian Geographers and New Zealand Geographers' Society joint conference in Melbourne on June 30.
- On February 4, Stephen Howes, Kamalini Lokuge, Grant Walton, Anthony Swan and Colin Wiltshire met with a DFAT team to discuss opportunities for repositioning the Australian aid program to PNG.
- On 20 March Grant Walton met with representatives of DFAT's governance team to discuss their new strategy.
- On May 12, Grant Walton contributed to day-long round table on transnational crime in the Pacific with Parliamentary Secretary Senator Brett Mason, as well as senior representatives from the Australian Federal Police, diplomatic missions of Pacific island countries, the Attorney General's Office and DFAT. Participants will continue to meet to discuss how to address the threat of transnational crime.
- On June 16 to 20, Grant Walton met with representatives from the Development Leadership Program (a part of the University of Birmingham) to discuss research into corruption in PNG. As a result of these meetings, the DLP will partner with the Development Policy Centre to conduct research on integrity management and corruption in PNG; the two organisations will also develop research papers on collective action and corruption
- Dinuk Jayasuriya provided in-country impact evaluation advice and training to government officials in Mongolia, Tajikistan and the Philippines.
- Dinuk Jayasuriya presented his paper on "Drivers of migration from Sri Lanka" in the Department of Immigration and Border Protection-ANU Collaborative Research Program on Thursday June 12.

Visiting fellows

- Thomas Wangi from UPNG was our first Greg Taylor Pacific Scholar. He worked with Stephen Howes to produce a research paper comparing academic and public sector salaries in PNG, now brought out as a Devpolicy Discussion Paper.
- Ron Sofo undertook his post-study Prime Minister's Pacific Fellowship with Devpolicy, and worked with us on budget and survey analysis. He is now with NRI, one of our key partners.
- Nick Wintle worked with us on the PEPE project. Nick is an ODI Fellow based in PNG, but had a stint in Canberra over summer between assignments.
- David Osborne, formerly Senior Economist with AusAID/DFAT, has joined us as a Visiting Fellow and visited PNG in June to research the Sovereign Wealth Fund.
- Jonathan Pickering, just graduated with his PhD from ANU, has joined us as a Visiting Fellow to work with Robin Davies on the OECD "Aid Agency of the Future" project (see below).

- Jo Hall, formerly a Director within the Office of Development Effectiveness within AusAID/DFAT, has joined us as a Visiting Fellow. Jo's plan is to undertake a PhD in the aid/development area, and she is currently defining her topic.

Events

February 13 & 14 - Australasian aid and international development policy workshop

- 250+ registered attendees
- Foreign Minister Julie Bishop opened the workshop with a comprehensive speech on aid. Keynote speakers included Roger Riddell, Frances Seymour and Sir Fazle Hasan Abed. Panel sessions looked at the emergence of BRIC countries as donors, fragile states, aid effectiveness, changing aid frameworks, global public goods, humanitarian aid and more. [Full details here.](#)

March 6 – Risk and hardship in the Pacific and worldwide

- 70 attendees
- Over 20 per cent of people in Pacific Island Countries (PICS) live in hardship, meaning they are unable to meet their basic needs. Increasing risks from natural and economic shocks also mean many traditional safety nets may not be as effective as they have been in the past. Two new reports shed light on these issues both in the Pacific and worldwide, the World Development Report for 2014, *Risk and Opportunity: Managing Risk for Development* and a new World Bank report, sponsored by the Australian aid program, *Hardship and Vulnerability in the Pacific*. We hosted the Australian launch of these reports.

March 21 – ODE evaluations: volunteers and aid quality

- 90 attendees
- In recent months, ODE released three important reports. One is its evaluation of the Australian aid volunteer program. The other are two reports on aid program quality: its review of aid program performance reports, and its *Lessons from Australian Aid* report. As in past years, the Development Policy Centre hosted a forum to discuss and debate these reports. Presenters included the main authors of the reports and external discussants. Jim Adams, Chair of the Independent Evaluation Committee, was invited to close the forum.

April 4 – Growth prospects in the Pacific: Four challenges driving longer-term prospects

- 40 attendees
- Emma Veve, Principal Economist, Pacific Department, Asian Development Bank (ADB) and Christopher Edmonds, Senior Economist, Pacific Department, ADB presented findings from the latest issue of the *Asian Development Outlook*.

May 13 – Aid budget breakfast

- 200 attendees
- Our second annual aid budget breakfast was a sell-out event, generating significant media coverage and leading the analysis of the aid budget. Presentations were made by Stephen

Howes and Anthony Swan from the Development Policy Centre, Mel Dunn, URS and IDC Australia and Joanna Lindner, Australian Council For International Development.

May 22 -- The age of choice: how are developing countries managing the new aid landscape?

- 70 attendees
- A new 'age of choice' of external financing options for developing countries is dawning, and is set to challenge the primacy of traditional donors as well as the capacity of partner countries to manage the complexity of this new aid landscape. Dr Annalisa Prizzon is a Research Fellow within the Centre for Aid and Public Expenditure at ODI. She presented findings from ODI case studies in the Asia-Pacific region on the effects of changes in the development cooperation landscape on recipient countries.

June 12 and 13 -- 2014 PNG Update

- 400 attendees
- The 2014 PNG Update was co-hosted by the UPNG School of Business and Devpolicy at the University of Papua New Guinea in Port Moresby. The Update discussed and debated the latest economic and social developments in PNG. This event was multidisciplinary in nature. The conference presented papers from academics and practitioners on: PNG's economic outlook; Strategies to convert the resource boom into development; Social issues in a booming economy; Facilitating broad economic development – agriculture, fisheries, tourism; SMEs and economic competitiveness. The Update was supported by the Asian Development Bank's Pacific Economic Management Technical Assistance and Asia and the Pacific Policy Studies Society. Keynote speakers included The Hon Mr. Patrick Pruaitch, Treasurer of the Government of Papua New Guinea, and Mrs Margaret Adamson, Australia's Deputy Head of Mission to Papua New Guinea.

June 16 and 17 -- 2014 Pacific Update

- 150 attendees
- The 2014 Pacific Update consisted of two days of panel discussions, including country updates from around the Pacific and panel sessions on: aid to the Pacific; regionalism and the Pacific Plan Review; fisheries management; and skills and labour mobility. It was supported by the Asian Development Bank's Pacific Economic Management Technical Assistance and Asia and the Pacific Policy Studies Society. Keynote speakers included Emeritus Professor Ron Duncan and Yongzheng Yang, Resident Representative for Pacific Islands Countries, IMF. It was held back-to-back with SSGM's State of the Pacific Conference.

Publications

Discussion papers

DP 33 Does foreign aid really work? An updated assessment

Roger C. Riddell, March 2014

This paper draws widely from the book *Does foreign aid really work?*, building on that discussion to provide an updated answer to the question based on recent evidence and contemporary debates on aid effectiveness. It starts with a brief discussion (Section 2) of the question: 'does emergency aid work?'. The rest of the paper focuses exclusively on development aid. It concludes that, paradoxically, aid's impact may well have been harmed by focussing too narrowly on trying to make short-term aid work better, and that the main focus of attention needs to widen to assess how aid can contribute more to a recipient's own development goals. Additionally, donors need to help build the capacity of developing countries and developing country scholars to enable them to play a bigger role in helping to answer the question of whether aid works; unsettling though their assessments may be.

>> [view publication at SSRN](#)

>> [read blog](#)

DP 34 Skill development and regional mobility: lessons from the Australia-Pacific Technical College

Michael A. Clemens, Colum Graham and Stephen Howes

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

>> [view publication at SSRN](#)

Policy briefs

PB9 Political settlements: old wine in new bottles?

Björn Dressel and Sinclair Dinnen, February 2014

The concept of political settlements has gained considerable traction in development circles in recent years, albeit more as a subject of debate among scholars and development practitioners than as something that routinely informs donor interventions. This policy brief explains the concept of political settlements and examines its potential for development policy and practice.

>> [view publication](#)

>> [read blog](#)

Reports and submissions

Submission to the Senate Inquiry into Australia's overseas aid and development assistance program

Robin Davies and Stephen Howes, February 2014

On 9 December 2013, the Senate referred [Australia's overseas aid and development assistance program](#) to the Foreign Affairs, Defence and Trade References Committee for inquiry and report. This is Devpolicy's submission to the review authored by Robin Davies and Stephen Howes.

>> [view publication](#)

>> [blog summary](#)

Submission to DFAT on performance benchmarks for the Australian aid program

Robin Davies and Stephen Howes, February 2014

Consultations were held with key stakeholders to build on the knowledge and experiences of Australia's development partners and ensure that the process of developing performance benchmarks is open and transparent. A [consultation paper](#) was prepared by DFAT and the Government [called](#) for written submissions. This is Devpolicy's submission, written by Robin Davies and Stephen Howes.

>> [view submission](#)

Submission to G20 Development Working Group Food Security Review

Robin Davies, Lorraine Elliott and Paul Belesky, March 2014

This is a submission to the G20 Food Security Review made on behalf of the [T20](#), one of the G20's 'engagement groups'. The submission was prepared at the invitation of the Lowy Institute for International Policy by Robin Davies, Associate Director, Development Policy Centre, Crawford School of Public Policy, Australian National University; Professor Lorraine Elliott, Department of International Relations, School of International, Political and Strategic Studies, Australian National University; and Paul Belesky, School of Political Science and International Studies, University of Queensland. The views expressed are those of the authors alone.

>> [view submission](#)

Debating ten years of RAMSI

Terence Wood and Stephen Howes (eds), April 2014

RAMSI, the Regional Assistance Mission to Solomon Islands, is the regional policing, peace-keeping and development mission that arrived in Solomon Islands in 2003 in response to the country's civil conflict. In 2013, a number of posts were run on the Devpolicy Blog to mark the 10 year anniversary of RAMSI, and these have now been collected.

>> [View publication](#)

Submission to Joint Standing Committee Inquiry into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region

Robin Davies and Margaret Callan, May 2014

On 4 February 2014, the Minister for Foreign Affairs, the Hon Julie Bishop MP, referred [The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region](#) to the Joint Standing Committee on Foreign Affairs, Defence and Trade for inquiry and report. This is Devpolicy's submission to the review authored by Robin Davies and Margaret Callan. Submissions closed in May.

>> [View submission](#)

Development Policy Centre Annual Report 2013

» [view publication](#)

Economics and governance in PNG: Devpolicy Blog posts in 2013-14

Stephen Howes and Jonathan Pryke (eds), June 2014

>>[View publication](#)

Pacific Stories: Devpolicy Blog posts in 2013-14

Matthew Dornan and Tess Newton Cain (eds), June 2014

>>[View publication](#)

Combating the family and sexual violence epidemic in Papua New Guinea: a submission to the Joint Standing Committee inquiry into the human rights issues confronting women and girls in the Indian Ocean-Asia Pacific region

Ashlee Betteridge and Kamalini Lokuge, May 2014

Under direction of the Foreign Minister, the Human Rights Subcommittee of the Foreign Affairs, Defence and Trade Joint Standing Committee launched an inquiry into the human rights issues confronting women and girls in the Indian Ocean-Asia Pacific region. Given the wide scope of the terms of reference for the inquiry, our submission focused on addressing the family and sexual violence epidemic in Papua New Guinea.

>> [View submission](#)

Financing PNG's free primary health care policy: user fees, funding and performance

Colin Wiltshire and Andrew Mako, June 2014

This is the first major publication to be released from our [Promoting Effective Public Expenditure project](#), with findings presented in June at the 2014 PNG National Health Conference in Port Moresby. The publication uses health financing results from PEPE expenditure tracking surveys to inform the implementation of PNG's free primary health care policy.

>>[View publication](#)

Other publications

A Framework for Understanding Aid Effectiveness Determinants, Strategies and Tradeoffs

Stephen Howes, *Asia and the Pacific Policy Studies* Vol.1(1), pp. 58-74

Prominent reform agendas for aid abound. How do they relate to each other? This article tries to organise the aid reform literature by proposing a general framework for thinking about the determinants of aid effectiveness and strategies for improving the same. It presents three schools of thought on aid effectiveness: the recipient, donor and transaction costs schools. It argues that none of the reform agendas proposed by these schools dominates. Although actual aid reform agendas will combine elements of all three schools, there are in fact important tradeoffs between the recipient and the donor school reform agendas, and between the transaction costs and the donor school reform agendas. Contrary to the clarion calls of prominent aid reform advocates, aid reform in practice is a messy and difficult business.

Survey of Recent Developments

Stephen Howes and Robin Davies, *Bulletin of Indonesian Economic Studies* (forthcoming)

Access to Electricity in Small Island Developing States of the Pacific: Issues and Challenges

Matthew Dornan, *Renewable and Sustainable Energy Reviews*, 31, 726-735

Energy poverty is widespread in Small Island Developing States (SIDS) of the Pacific. It is estimated that 70 percent of Pacific islander households do not have access to electricity, which is equivalent to access rates in sub-Saharan Africa and slightly below the average for low income countries. Pacific SIDS face unique challenges in expanding access to electricity, given that their populations are spread across tens of thousands of islands. This paper argues that traditional approaches to rural electrification which prioritise grid extension are not suited to the Pacific islands region. Increased funding should be directed by both governments and development partners towards rural electrification, especially in off-grid areas where isolated systems are more appropriate. Institutional reform is also important. Regulatory reform is needed for power utilities to extend electricity grids into rural areas. Institutional arrangements that facilitate the sustainable operation and maintenance of off-grid systems also need to be established.

Reform Despite Politics? The Political Economy of Power Sector Reform in Fiji, 1996-2013

Matthew Dornan, *Energy Policy*, 67, 703-712

Attempts to reform the electricity sector in developing countries have achieved mixed results, despite the implementation of similar reforms in many developed countries, and concerted effort by donors to transfer reform models. In many cases, political obstacles have prevented full and effective implementation of donor-promoted reforms. This paper examines the political economy of power sector reform in Fiji from 1996 to 2013. Reform has been pursued with political motives in a context of clientelism. Policy inconsistency and reversal is explained by the political instability of ethnic-based politics in Fiji. Modest success has been achieved in recent years despite these challenges, with Fiji now considered a model of power sector reform for other Small Islands Developing States (SIDS) in the Pacific. The experience demonstrates that reform is possible within difficult political environments, but it is challenging, takes time, and is not guaranteed. The way in which political motives have driven and shaped reform efforts also highlights the need for studies of power sector reform to direct greater attention toward political drivers behind reform.

Chinese Assistance in the Pacific: Agency, Effectiveness and the Role of Pacific Island Governments

Matthew Dornan and Philippa Brant, *Asia Pacific Policy Studies*, 1: 2, 349–363

Chinese development assistance in the Pacific has attracted increasing attention since the 1st China-Pacific Island Countries Economic Development and Cooperation Forum in 2006, at which China announced US\$492 million in concessional loans to the region. Another US\$1 billion in concessional loans was announced at the 2nd China-Pacific Forum in 2013. This article explores how Pacific island governments negotiate and oversee the implementation of Chinese official development assistance in four Pacific Island case study countries where assistance has been significant: Tonga, Vanuatu, Samoa and the Cook Islands. We argue that the way in which governments have pursued, overseen and implemented projects has differed considerably, and is an important determinant of the effectiveness and developmental impact of Chinese assistance.

Defining Corruption where the State is Weak: The Case of Papua New Guinea

Grant Walton, *Journal of Development Studies* (Forthcoming)

FAO's relevance, competence and prospects: some reflections on David Hallam's 'Turbulence and Reform in the United Nations Food and Agriculture Organisation'

Robin Davies, chapter in forthcoming book on the governance of international organisations, edited by Professor Patrick Weller, Griffith University

Major Projects

[Promoting Effective Public Expenditure Project \(PEPE\)](#)

The Promoting Effective Public Expenditure (PEPE) project held its fourth budget forum in April at the National Research Institute in Port Moresby with more than 120 participants in attendance. Our analysis of the 2014 PNG Budget showed that further massive increases in the development budget and slow revenue growth threaten the ability of the government to fund core frontline service delivery functions. PNG's Finance Secretary presented on reforms underway to improve accountability and transparency of expenditure, while the Director of PNG's Institute of National Affairs called for government spending to be better prioritized.

Further analysis of PEPE survey results were presented on PNG's free education and health policies. While the tuition fee-free policy has increased school enrolments, average class sizes are increasingly exceeding government limits, which will require more teachers and classrooms. Health survey data indicates health facilities are mostly starved of funding and user fees are their most reliable source of revenue to deliver basic services. These findings were also presented at the 2014 PNG National Health Conference to inform the implementation of PNG's free primary health care policy.

The next PEPE budget forum is scheduled for late September, 2014 where the project is planning to release its survey findings report from phase 1. Further fieldwork as part of the second phase of the project is also planned for late 2014.

[PNG Family and Sexual Violence Case Management Centre \(CMC\)](#)

In February, Minister for Foreign Affairs Julie Bishop announced \$3 million of funding over three years from the Australian aid program to establish the CMC. Preparations are now moving forward. The Management Committee, including a communications and fundraising subcommittee, has met several times and a governance structure has been formalised. The first AGM was held to elect positions on the Management Committee. The CEO, Director Kamalini Lokuge and the Technical Advisory Group formulated case management guidelines, HR documentation, security policies, and other documents. Agreements between DFAT and Oxfam, and Oxfam and the CMC have been finalised and mobilisation funds received. CEO Daisy Plana has now moved to Lae and established an office and residence for the CMC and is meeting with stakeholders. Training for staff will be undertaken in July, with the goal of commencing services in August.

Aid Agency of the Future

The Development Policy Centre is working with the OECD Development Co-operation Directorate on its 'Aid agency of the Future' project, which aims to gain a clearer view of the development assistance policy and management changes that the twenty-nine member governments of the

OECD's Development Assistance Committee (DAC) will need to consider over the coming five to ten years if their development assistance is to remain fit for purpose in a rapidly changing world.

There is already a growing awareness of some important shifts in the development landscape—most notably shifting wealth patterns, the rising importance of non-DAC and private sources of development financing and the increasing impacts of climate change. To date, however, little attention has been given to the views of partner governments on how their relationships with DAC development assistance providers should evolve over the medium term.

To fill the gap identified above, the OECD commissioned the Development Policy Centre to undertake a global survey of partner country governments. The partner country survey was carried out in forty countries, covering all regions and income groups and representing both fragile and non-fragile states, during May and June. A draft report has been submitted to the OECD and will be refined and finalized in the third quarter of 2014.

[Australian Aid Stories](#)

The Development Policy Centre embarked in late February on a new project to compile stories about Australian aid. Our aim is to put together a body of information on aid activities that have Australian links and that are for some reason notable—because they have achieved something important at a local, national, regional or even global level, or in some cases because they have failed to do so in a way that is instructive.

The aim is to uncover stories in which people actually involved in the development and implementation of aid activities do the talking, and in which it is explained not only what results were brought about, but also how. Our network includes a lot of people who have played central roles over a long period of time in connection with specific aid activities, many of which were very considerable in terms of funding, reach or duration. Most such people have only ever been able to describe the results of their efforts in unpublished reports, owing either to confidentiality restrictions or simply the lack of any appropriate public outlet.

Our aim is partly historical but we also hope that credible stories about what has and has not worked in Australian aid might influence thinking about what should be done now and in the future. Our approach was initially to solicit stories via the Devpolicy blog. We did receive a number of submissions but they did not meet the basic criteria outlined above. It quickly became evident that this project would require a much more active approach, and therefore more resourcing, if its aims were to be met. We intend to reinvigorate it in the second half of 2014, following the recruitment of additional staff. If we can pull together a reasonable number of interesting stories, we shall publish them in a series of blog posts, podcasts and/or short videos. Beyond that, our hope is to organise and polish them, add some broad historical context by way of introduction, then publish the result in booklet and PDF form.

Impact evaluations

Dinuk Jayasuria is undertaking two impact evaluation projects: the first involves undertaking a randomized control trial of a pilot program that involves providing life skills training and internship opportunities for unemployed youth in the Philippines. The baseline survey is currently underway, with a sample size expected of over 4000 people. The second study involves evaluating the impacts

of road rehabilitation undertaken by the Asian Development Bank in Sri Lanka. The sample includes interviewing 2700 households and 300 business in 52 villages surrounding 16 roads. iPad technology was used to collect data and GPS technology used to illustrate respondent position. The baseline survey has been completed, and a report is now being produced.

Attachment 1: Financial statements

The attached financial statements cover the period till 11 May. We are on track with regards to our budget. In addition to the non-cash support received from the ANU, also not shown in the table below funding provided by the Asia Foundation for the 2014 Australasian Aid Conference; the funding provided by the Asian Development Bank's Pacific Economic Management Technical Assistance Project and Asia and the Pacific Policy Society to fund the 2014 Pacific and PNG Updates; and the funding provided by both the University of PNG and the Australian Aid Program to fund the 2014 PNG Update. We are very grateful to

| Budget up to 11 May | Budget for the year | Year to date |
|------------------------------|------------------------|----------------|
| Income | 1,202,558 | 632,761 |
| Harold Mitchell Foundation | 500,000 | 250,000 |
| VC Special Fund | 150,000 | 150,000 |
| Crawford Matching | 100,000 | - |
| CAP | - | - |
| PEPE | 368,737 | 151,555 |
| Other | 63,841 | 73,648 |
| Expenses | 1,216,819 | 463,546 |
| Staff | - | 282,646 |
| Travel | - | 16,868 |
| Events | - | 35,359 |
| PEPE | - | 118,417 |
| Other | - | 10,256 |
| - | - | - |
| Income minus expenses | 14,261 | 169,215 |
| Balance | | |
| Starting balance | | 132,817 |
| End of period balance | | 302,032 |
| <hr/> | | |
| Ratio of expenses/budget | | 0.38 |
| Share of year gone | | 0.38 |

Note: The amounts above only show the cash support provided to the centre. The salary of the Centre's Director and other costs relating to administration and facilities are provided by Crawford School, College of Asia and the Pacific and ANU.

Attachment 2: Progress against milestones

This table reproduces the 2014 milestones in our 2013 annual report and assesses progress against them.

| Objective | Progress | Comments |
|--|-------------|---|
| Australian aid | | |
| Prepare for and convene the Australasian Aid Conference in February 2015. | In progress | The event has been announced for February 2015 |
| Publish and disseminate the Australian aid stakeholder survey. | In progress | The survey results were released at the end of 2014. The next survey will run in 2015. |
| Host the 2014 post-budget aid breakfast. | Completed | Held on May 14 to a full house |
| Publish a policy brief on enterprise challenge funds, drawing on the findings of the expert working group convened in 2013. | In progress | Expected to be completed during July 2014. |
| Monitor and critically analyse Australian aid developments from an aid effectiveness perspective. | Ongoing | We have provided analysis and critique on the aid budget and the Coalition government's new aid framework. |
| Contribute to aid policy development through responses to public calls for submissions and other interactions with DFAT and parliamentary processes. | Ongoing | Robin Davies and Stephen Howes made a submission to the Senate inquiry on overseas aid, and to DFAT on performance benchmarks. Robin Davies and Margaret Callan made a submission to the inquiry on the role of the private sector in development. Ashlee Betteridge and Kamalini Lokuge made a submission to the inquiry on the human rights of women and girls in the Indo-Pacific. |
| Hold an aid evaluation forum. | Completed | This was held on March 21. |
| Launch a new crowd-sourced project: Australian Aid Stories. | Initiated | The project was announced in late February and submissions are being received and reviewed. More resources will be applied to it in the second half of 2014. |
| PNG and the Pacific | | |
| Host the Pacific Update at ANU, and co-host the PNG Update in Port Moresby. | Completed | Both events were held. They have been praised by attendees for their high quality. |
| Publish the main report from our Promoting | In progress | Report is currently being |

| | | |
|--|--------------|---|
| Effective Public Expenditure Report. Launch Phase II of that project. | | written. |
| Collaborate on a second employer survey on the Pacific Seasonal Worker Program. | Initiated | Will commence in second half of 2014. |
| Undertake analysis of budget support in the Pacific. | In progress | The research proposal has been presented for peer review, and research will commence in August. |
| Continue research on infrastructure service delivery in the Pacific and PNG. | In progress | Dissemination of research continues, with a number of presentations given in 2014, and a new paper being prepared. |
| Deepen our collaboration with the UPNG Department of Economics. | Ongoing | We partnered with UPNG to host the PNG Update and hosted a senior lecturer as a Greg Taylor Scholar. We are also working on securing a volunteer lecturer in economics through the Australian Volunteers program. |
| Provide support for, and undertake operational research in relation to, the PNG Family and Sexual Violence Case Management Centre. | Ongoing | The project is well underway and service delivery is scheduled to begin from August. See update on preparatory work above. |
| Global development policy | | |
| Provide perspectives on the G20 development agenda in the lead-up to the 2014 leaders' summit in Brisbane, through G20 engagement groups and through interactions with relevant government agencies. | In progress | Robin Davies made a submission to the G20 Food Security Review and spoke to it in a public consultation in March. He regularly engages with DFAT senior officials and G20 representatives on aspects of the G20 development agenda. |
| Implement the partner country survey component of the OECD DAC "Aid agency of the future" project. | In progress | Survey of 40 countries completed in May and June. Preliminary draft report submitted to the OECD. |
| Produce our annual global aid projections, this time for 2014. | Under review | The value of this exercise has become questionable owing to fluctuations in the reporting of ODA loans, which cannot be predicted. A modified policy brief focusing only on grant aid is being considered. |

| | | |
|--|--------------------|---|
| <p>Contribute from an Australian perspective to the Centre for Global Development's new "Tropical Forests for Climate and Development" Initiative.</p> | <p>In progress</p> | <p>Robin Davies participated in the first meeting of the CGD Forest Conservation Working Group in April, and is writing a background paper for the group on Australia's abortive program to reduce emissions from deforestation in Indonesia.</p> |
| <p>Publish new research on non-OECD aid.</p> | <p>Completed</p> | <p>Research published in Asia Pacific Policy Studies (see publication list above)</p> |