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The 2015 aid stakeholder survey

A MIXED REVIEW FOR NEW ZEALAND AID

Terence Wood and Camilla Burkot

DEVELOPMENT
POLICY CENTRE

A mixed review for New Zealand aid – the 2015 stakeholder survey

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

Any remaining errors are our responsibility.

This report, as well as underlying data and any updates, can be accessed online:

[http://devpolicy.crawford.anu.edu.au/
aid-stakeholder-survey/2015](http://devpolicy.crawford.anu.edu.au/aid-stakeholder-survey/2015)

Comments are welcome and can be sent to
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Executive Summary

In 2008 a change of government brought major changes to the New Zealand government aid programme. It is now more than eight years since this transformation began, and what was once new is now normal for New Zealand aid.

In 2015 the Development Policy Centre conducted the first systematic survey of New Zealand aid stakeholders (contractors, NGOs and other stakeholders that work regularly with the New Zealand government aid programme). A similar survey had been conducted before in Australia, but this was the first time New Zealand aid stakeholders had ever been asked their opinions about the performance of their aid programme in this manner.

The purpose of the New Zealand aid stakeholder survey is to gauge the current state of New Zealand aid by gathering the views of people who have first-hand experience of its performance.

The 2015 New Zealand stakeholder survey was run in two phases. The first targeted senior managers from New Zealand aid NGOs and contracting companies that undertake aid work funded by the aid programme. The second phase involved self-selection and was conducted to obtain the views of a broader group of New Zealand aid stakeholders. Participants in the second phase included less senior NGO and contracting company staff, the staff of multilateral organisations, academics and a small number of employees of developing country governments. 62 people participated in the first phase of the survey. 74 people participated in the second phase of the survey. The response rate for the first phase of the survey was 63 per cent.

This report is based on the data that emerged from the stakeholder survey. **The results are mixed, highlighting both strengths, as well as room for improvement.**

In most of the areas the survey covered, there was also a clear division between respondent groups. On average contractors from the first, targeted, phase of the survey, tended to provide the most positive responses to questions, while NGOs from the first phase were less positive, and the least positive responses tended to come from participants in the second phase of the survey.

The report found a sharp divide in opinion about Foreign Minister, Murray McCully, the minister who has presided over the aid programme since 2008. On average private sector contractors appraised the minister's leadership of the aid programme positively, while NGOs tended to have a negative take on the minister. Overall, participants in the second phase of the survey had the least positive take on the minister.

Worryingly, most stakeholders – whether they were from NGOs, contracting companies, or participants in the second phase of the survey – thought that the main focus of New Zealand aid was not helping poor people in poor countries, but rather advancing New Zealand's interests. The majority of respondents in all groups thought more focus should be placed on tackling poverty.

Stakeholders' opinions were divided about the foreign minister

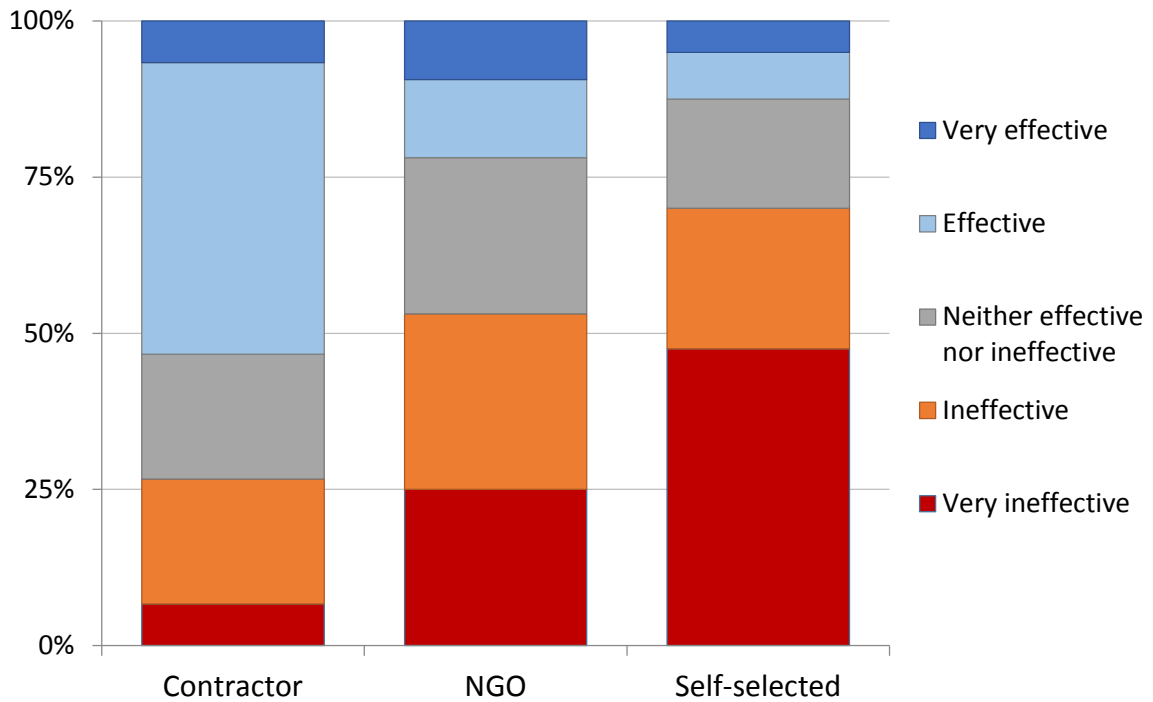


Figure notes: The categories 'Contractor' and 'NGO' come from the first, targeted, phase of the survey. The category 'Self-selected' is derived from responses to the second, open, phase of the survey. The question asked was: "How effective do you think New Zealand's current Minister of Foreign Affairs is in managing New Zealand's aid programme?"

Most stakeholders want the aid programme to focus more on poverty than it currently does

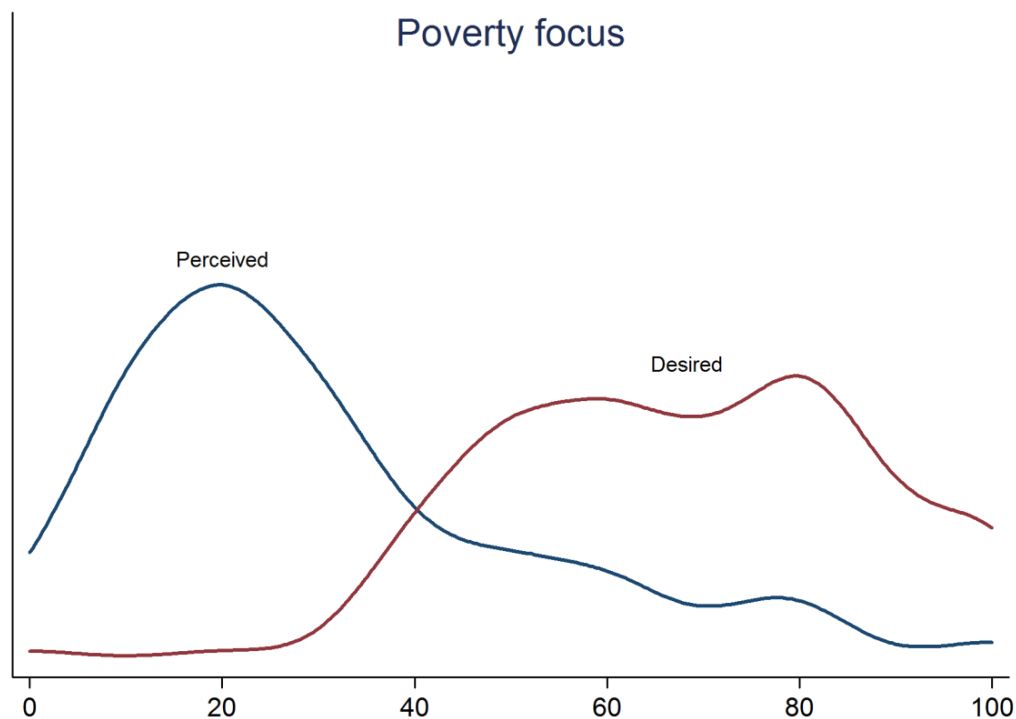


Figure notes: This chart shows the distribution of responses to a question that asked stakeholders to allocate relative weights (out of one 100) for various aid goals. This chart focuses on the extent to which stakeholders thought aid was focused on poverty and the extent to which they thought it should be. The peaks of the lines show where responses were most frequent.

One positive finding was that, when asked how effective they thought the aid programme was functioning, the majority of contractor and NGO respondents from the first phase of the survey thought the aid programme was effective, with contractors being the most positive. Respondents from the second phase of the survey were less upbeat in their assessments, although even amongst these respondents positive responses were more frequent than negative.

Most stakeholders thought the aid programme was effective

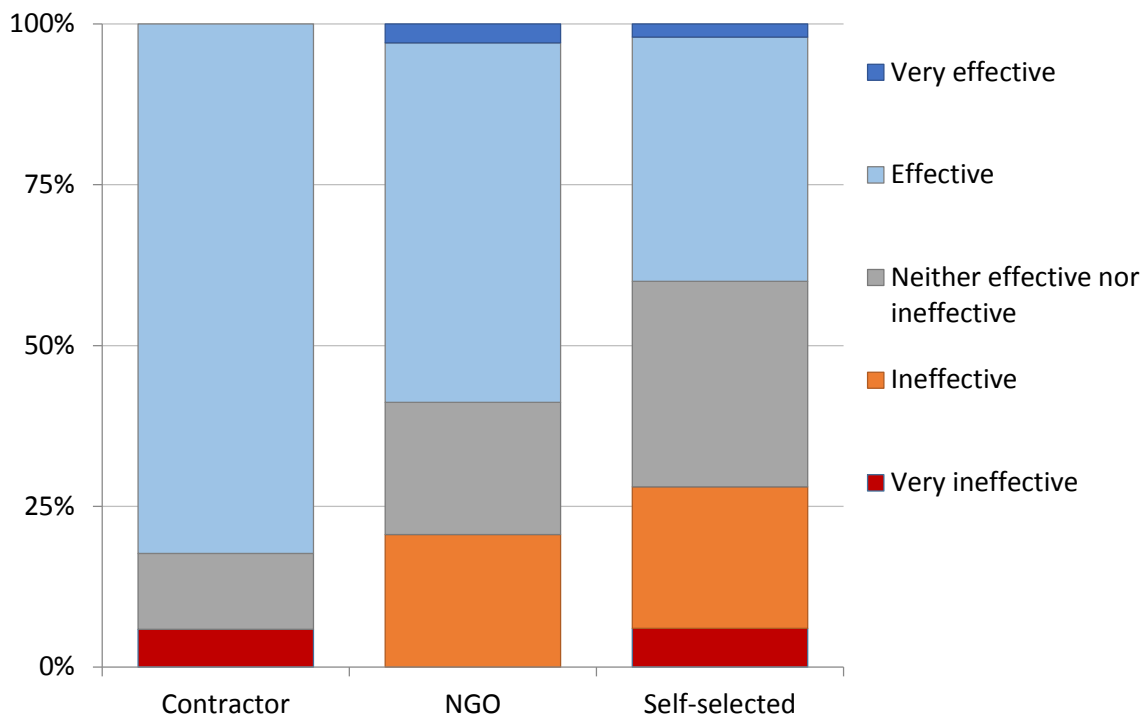


Figure notes: The question asked was, “How would you rate the effectiveness of the New Zealand aid programme?”

We also asked stakeholders about the effectiveness of a range of specific aid programme attributes. By and large those attributes that were rated most highly had to do with high-level aspects of the aid programme’s operation such as its strategic clarity and results focus. The aid programme tended to score worse in procedural areas such as the speed of decision making and the avoidance of micromanagement.

With regards to staffing, the aid programme was appraised poorly with respect to staff continuity, but quite highly with regards to the expertise of its staff.

Contractors were more positive in their appraisal of most of the specific aid programme attributes we asked about. NGOs and Phase 2 stakeholders tended to have a somewhat less positive take. The more negative appraisals offered by NGOs is likely to be partially the product of the problems that have plagued the aid programme’s NGO funding mechanisms since they were overhauled in the wake of the 2008 election.

The chart below shows how NGOs and contractors differ in their assessment of the predictability of New Zealand aid funding.

NGOs are more likely than contractors to see funding predictability as a weakness or great weakness

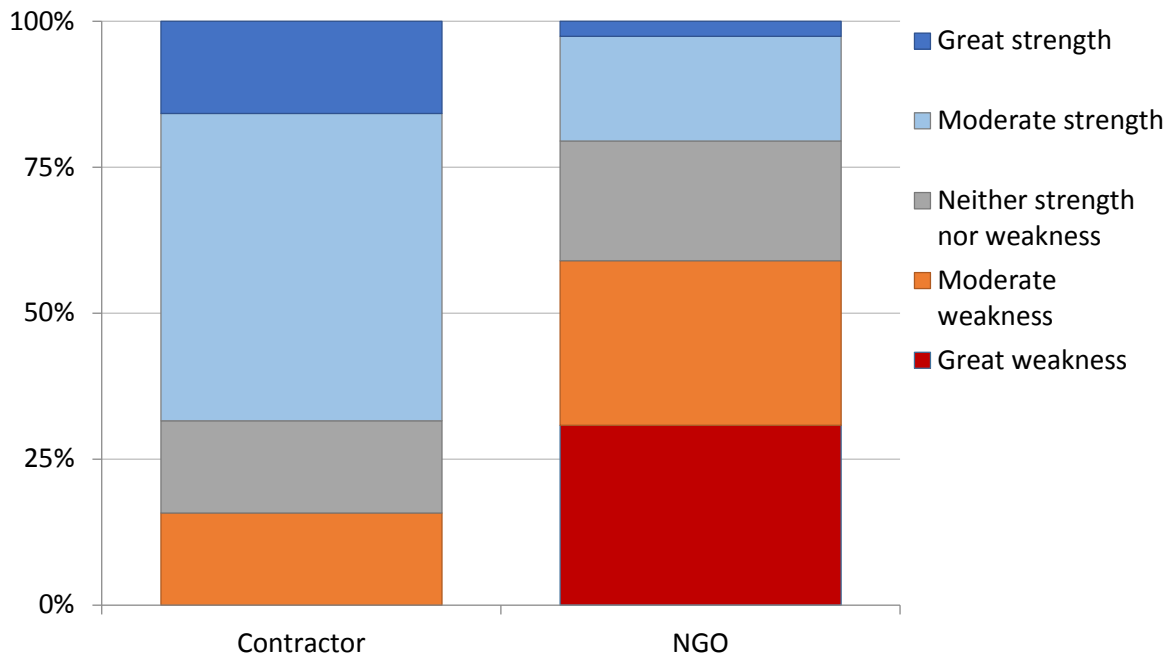


Figure notes: The question asked was effectively, “Please indicate the extent to which you believe the New Zealand aid programme as it currently stands possesses predictability of funding.”

When we restricted our analysis to the first, most robustly sampled phase of the two countries’ surveys, in most of the attributes that we asked about, the New Zealand government aid programme was rated as more effective by New Zealand stakeholders than the Australian government aid programme was by Australian aid stakeholders.

Although part of the difference between the two countries may simply be a product of the Australian aid community still coming to terms with the major changes that have occurred to Australian aid, part of New Zealand’s better performance is likely the result of the New Zealand government aid programme having been spared major budget cuts.

Another probable reason, suggested by the fact that New Zealand scored much higher in areas such as strategic clarity and staff expertise, is that the New Zealand government aid programme has remained a coherent group within the Ministry of Foreign Affairs and Trade, whereas the Australian government aid programme has been much more fully integrated into the Department of Foreign Affairs and Trade.

Aspects of the 2015 New Zealand Aid Stakeholder Survey, such as the generally positive overall assessment of the effectiveness of the New Zealand aid programme, are quite encouraging. New Zealand’s aid programme functions reasonably well in a number of important areas. At the same time there is room for improvement. The challenge now for the New Zealand aid programme, and the New Zealand development community more broadly, is to take advantage of the opportunities that present themselves and to make sure improvement occurs.

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1. Introduction

A change of government in 2008 brought major changes to New Zealand aid. In 2009 the National led coalition government dismantled NZAID, the government aid agency, and reintegrated its functions into the Ministry of Foreign Affairs and Trade (MFAT), turning the old aid programme into a group within the ministry. Policy changes also followed, including an increased emphasis on economic development and increased engagement with the private sector.

These changes and their short-term consequences have been the subject of study (for example, Spratt 2011; Banks et al. 2012; McGregor et al. 2013). Yet it is now over seven years since the 2008 election and the major changes it brought are now thoroughly bedded down.

In 2013 the Development Policy Centre conducted the first Australian Aid Stakeholder Survey. The survey was undertaken as a means of studying the nature and quality of Australian government aid. In 2015, in addition to repeating the Australian study, we also conducted the first stakeholder survey in New Zealand, asking New Zealand's aid stakeholders about the New Zealand government aid programme.¹

This report presents the findings of the 2015 New Zealand Aid Stakeholder Survey, using survey data to describe the state of New Zealand aid as it now stands. The report does this by drawing on the views of the people who know the aid programme best: stakeholders who interact with the aid programme on a regular basis.

The report covers the political leadership of New Zealand aid, its strategic focus and objectives, and its overall effectiveness. In addition to these high level features, the report offers a more fine-grained analysis of the comparative strengths and weaknesses of the New Zealand government aid programme. As it does this the report describes the differing views of different types of stakeholders. It also contrasts New Zealand's performance with that of Australia.

Appendix 1 provides a detailed description of how the New Zealand stakeholder survey was run. However, some aspects of the survey need to be covered briefly here to provide a sense of the nature of the data that we have used. The 2015 New Zealand survey was run in two phases. The first phase involved targeting two senior executives from all the major New Zealand international development NGOs as well as executives from all smaller NGOs that we could obtain contact details for. The first phase also involved contacting representatives from large private sector companies (contractors), which we identified as regularly working on aid programme contracts.² Throughout this report we refer to this first phase as 'Phase 1' and the two different types of Phase 1 respondents as 'NGOs' and 'contractors'. Overall we had a 63 per cent response rate to this first phase of the survey (72 per cent for NGOs and 50 per cent for contractors). The survey's second phase asked the same questions as the first, but was open to the public, and could be completed by anyone online. We advertised this phase through New Zealand development networks. We undertook this second phase as a means of collecting interesting additional insights from a wider range of stakeholders including less senior NGO and contractor staff, academics, government

¹ The 2013 and 2015 Australian stakeholder survey reports can be found at: <https://devpolicy.crawford.anu.edu.au/aid-stakeholder-survey>

² The sampling frames we used are explained in Appendix 1, which details survey methodology. A copy of the survey questions is online at: <http://devpolicy.org/pdf/2015-NZ-aid-stakeholder-survey-questionnaire.pdf>

employees, the interested public, and (to a lesser extent) respondents from developing countries. (A full breakdown of respondent types is provided in Appendix 1.) Throughout the report stakeholders from the second phase are referred to as 'Phase 2' or 'self-selected'.

Because the second phase of the survey involved self-selection, we have treated the data it produced as suggestive rather than definitive. As a result, and because of space constraints, at times in the report we have drawn more heavily on data from Phase 1. However, wherever possible we have included data from both phases, and have highlighted interesting differences between the two.

To allow for cross-country comparisons, the questions we asked in the 2015 New Zealand survey were largely based on the 2013 and 2015 Australian aid stakeholder surveys.

The majority of questions we asked stakeholders were closed-answer (where respondents had to choose between particular responses). These questions produced results that could be quantified and we have reported on these questions using charts. The exact percentages from each chart can be found in Appendix 2. In addition to closed-answer questions, the survey also included open-ended descriptive questions. We have excerpted illustrative responses to these questions throughout the report.

One acknowledged limitation of the Australian and New Zealand stakeholder surveys is that they are based on respondents' perceptions, as opposed to being based on direct evidence of efficacy. This is a limitation; however, there is no perfect means of evaluating the effectiveness of an entire aid programme. Impact evaluations are a powerful tool for studying the effectiveness of individual projects, but they cannot be extended to cover aid programmes in their entirety. And aid programme reviews, such as those conducted by the Organisation for Economic Co-operation and Development (OECD), are themselves driven by the perceptions of the reviewers and the stakeholders with whom they engage. Meanwhile, index-based empirical assessment such as the Quality of Development Assistance (Birdsall and Kharas 2014) and various academic studies (for example, Easterly and Pfutze 2008; Easterly and Williamson 2011) have their own limitations. The indices involved are, by necessity, reductive and exclude much of what matters for well-delivered aid, and overall rankings are highly dependent on subjectively chosen index weightings (Knack et al. 2011). Reflecting these issues, perceptions-based surveys are increasingly being used as a tool for evaluating the strengths of aid agencies (for example, Custer et al. 2015).

A further, partial, limitation of the stakeholder surveys is that, while a small number of representatives of developing country governments took part in the second phases of the surveys, the bulk of the respondents came from Australia and New Zealand. Once again, this is an acknowledged limitation. However, the work of many of the organisations targeted in the surveys involves partnering with people and organisations in developing countries. This may not guarantee that stakeholders' perceptions are shared by recipients, but it increases the likelihood they are. Also, a significant share of Australian and New Zealand aid is delivered through donor country stakeholders. If these stakeholders perceive major problems with this aid, it is hard to see how these problems would be beneficial for the poor people living in recipient countries.

Importantly, the 2015 stakeholder survey drew on the perceptions of experienced members of the aid community. In the 2015 New Zealand survey 76 per cent of participants had five or more years' experience working in international development.

What is more, in the 2015 New Zealand Stakeholder Survey we asked a wide range of questions in order to create a rich, perception-based picture of aid programme performance. In doing this we have produced information that can be drawn upon alongside other work such as OECD reviews and project evaluations as the New Zealand development community works to improve the aid their government aid programme gives.

The report that follows is structured so that it flows from the political leadership of the aid programme, to the high-level parameters that steer the New Zealand aid programme as a whole, before moving to the questions about the overall effectiveness of the programme. Following this it reports on individual aid programme attributes. It then moves to analysis and recommendations.

As we have written up this year's stakeholder survey, rather than include the responses to every question, we have opted to focus on what appear to be the most important findings for New Zealand aid. However, we have put all of the survey data (except for responses to demographic and open-ended questions) online, as well as all the associated charts, to allow interested readers to undertake their own analysis. This information can be accessed at: <http://devpolicy.org/wp-content/uploads/2016/03/2015-NZ-for-upload.zip>.

2. Political leadership

The operation and policy directions of all government departments is guided, at least to some extent, by the politicians who preside over them. Aid programmes, including the New Zealand aid programme, are no exception. While many of the day-to-day decisions made within a government aid programme are made by its staff, the broad parameters shaping the aid programme typically come from the foreign minister's office.

Since 2008 the minister in charge of the New Zealand government aid programme has been the Minister of Foreign Affairs, Murray McCully. Over the years since 2008 a range of opinions about Minister McCully's performance in managing the New Zealand aid programme have been aired in the media (for examples of differing views see: Adams 2011; and Young 2011).

Figure 1 summarises stakeholders' appraisals of his performance. Just as commentators' views of the minister have differed, so did those of New Zealand aid stakeholders. Phase 2 respondents ('Self-selected' in the chart) had a particularly negative opinion of the minister's performance. Fewer than 15 per cent thought the minister 'effective' or 'very effective'. Of the targeted Phase 1 respondents, the majority of NGO stakeholders also had a negative view of the minister's performance (less than a quarter thought him 'effective' or 'very effective'). However, contractors included in Phase 1 were much more positive. Slightly over half thought the minister effective or very effective. As we will discuss later in the report, division along these lines is a common theme of the 2015 New Zealand stakeholder survey: by and large the most negative assessments came from respondents in Phase 2, while the most positive responses come from the contractors included in Phase 1.

Figure 1 – Minister’s performance

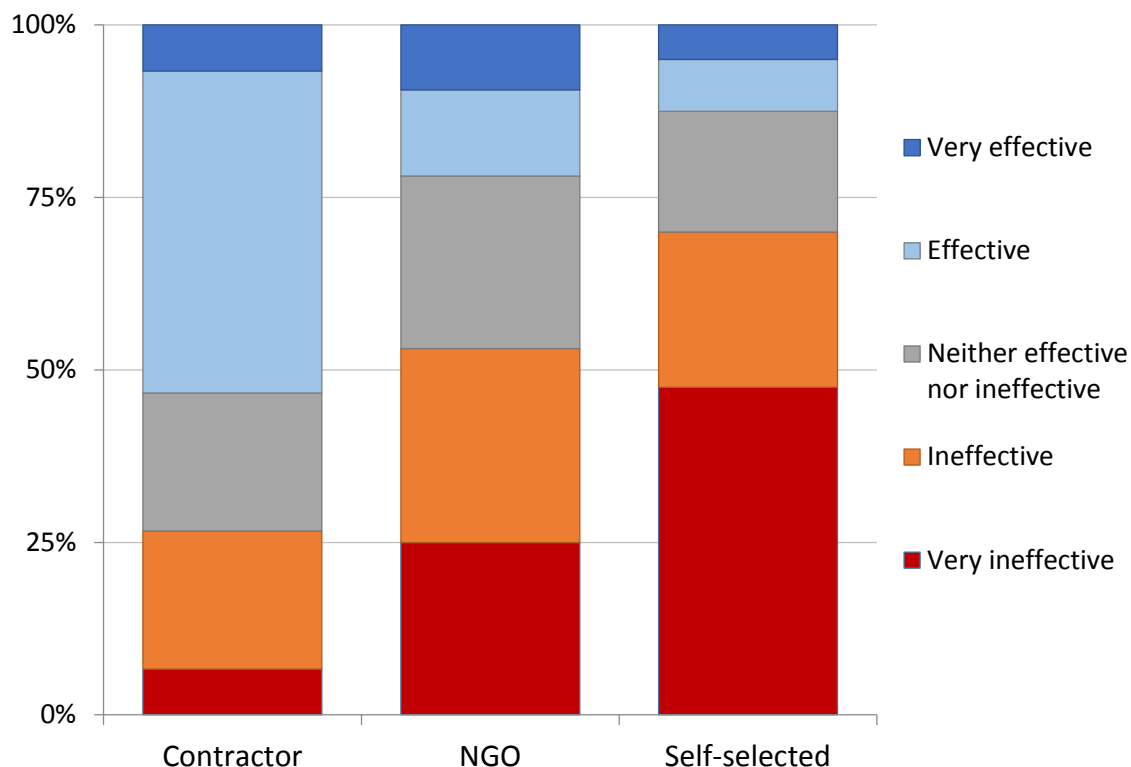


Figure notes: Exact percentages for each category are provided in Appendix 2. The categories Contractor and NGO come from the first, targeted, phase of the survey (Phase 1). The category self-selected is derived from responses to the second, open, phase of the survey (Phase 2). The full wording of this question was: “How effective do you think New Zealand’s current Minister of Foreign Affairs is in managing New Zealand’s aid programme?”

In a number of open-ended questions stakeholders took the opportunity to elaborate on their appraisals of the minister. Praise for the minister was fairly rare, although a few stakeholders did make positive comments. One, for example, wrote that, “aid ‘purists’ may find fault with the Minister and with MFAT, but we find the simple logic to the NZ aid programme and its focus on results to be refreshing.”

And some other stakeholders offered ambiguous assessments, seeing both pros and cons: “Although the Minister makes some poorly informed decisions at least he has been able to protect the development budget.”

Negative comments, however, were more common and, in instances, forcefully offered. For example, one stakeholder stated that:

The performance of the current minister has been appalling, and he has brought NZ’s aid programme into disrepute. NZAID had built a solid reputation overseas for a small but effective programme, but this has been almost entirely wiped out by the current minister’s record of short term opportunistic funding, inconsistency over time, putting NZ interests above partners’, and [through the] undermining of poverty alleviation programmes.

While another stakeholder stated that:

The Minister has effectively shaped the ODA programme in the way he wants it. But in terms of development outcomes, with the possible exception of renewable energy, I suspect most of the things he has driven forward will be white elephants in years to come.

Figure 2 affords a sense of perspective with respect to ministerial performance, contrasting results from the three different stakeholder types in the New Zealand survey with Australian stakeholders' responses to the same question about the Australian Foreign Minister, Julie Bishop. Overall Minister Bishop was appraised more positively than Minister McCully. As can be seen in Figure 2, while Minister McCully was somewhat more positively appraised by New Zealand contractors than Minister Bishop was by Australian contractors, both NGO and Phase 2 appraisals were markedly more negative in New Zealand, with the difference being particularly striking amongst Phase 2 stakeholders.

Figure 2 – Minister McCully compared to Minister Bishop

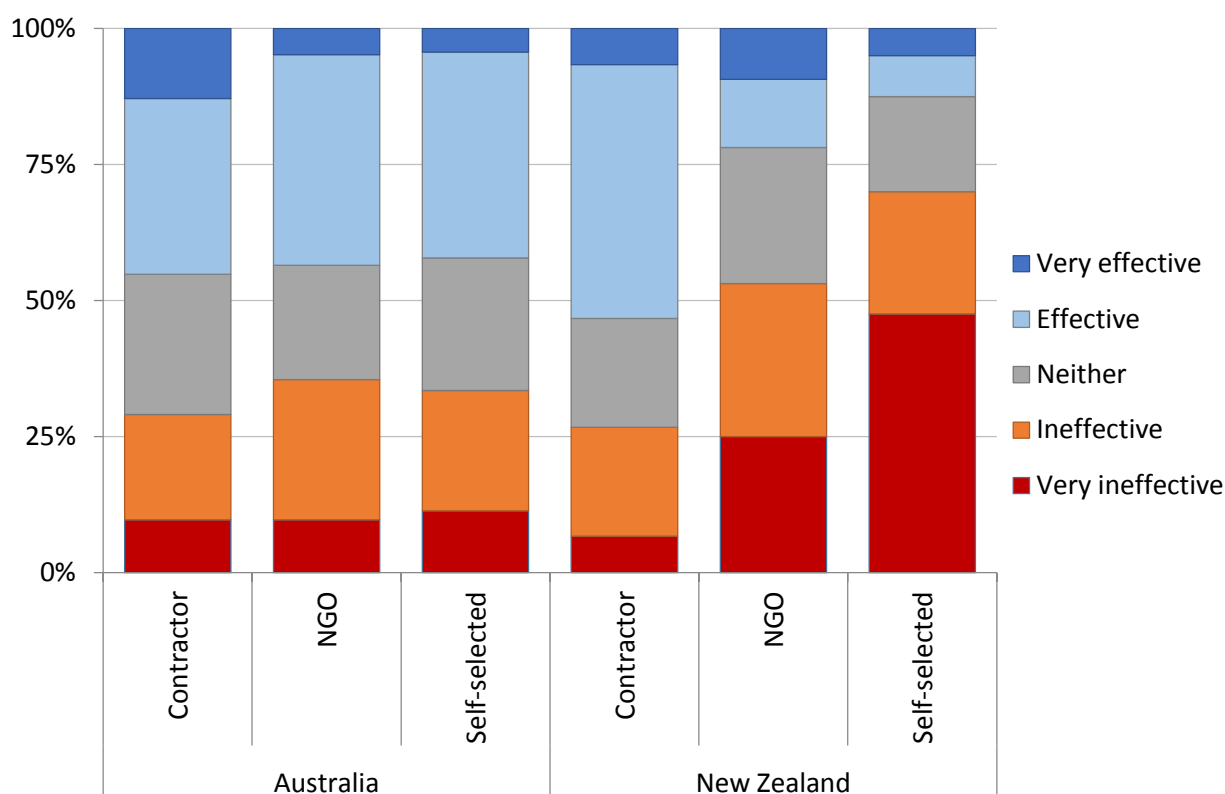


Figure notes: Exact percentages for each category are provided in Appendix 2. The wording of the New Zealand question is provided under Figure 1. The Australian question was identical except 'Australia' was substituted for 'New Zealand'.

The final question we asked stakeholders about political leadership was whether they wanted a minister “with specific responsibility for the aid programme and with no other ministerial responsibilities”. Overall, over 70 per cent of stakeholders favoured having a minister solely tasked with responsibility for aid, although contractors were less enthusiastic than the other two stakeholder groups (just half of contractors favoured an aid minister, compared to over three quarters of NGO and Phase 2 stakeholders).

3. Aid flows

New Zealand's next general election will likely be held in 2017. The years since 2008 have not seen anything meaningful in the way of aid increases (aid is currently higher in nominal terms than it was in 2008, but lower as a percentage of Gross National Income (Wood 2015)). Yet New Zealand has experienced nothing as dramatic as the 2015 cuts to Australian aid, and the National government has budgeted for modest nominal increases to New Zealand aid in coming years.³ Reflecting past experience and future promises, as Figure 3 shows, few stakeholders are worried that aid will fall in nominal terms by 2019–20 if National is re-elected in 2017. By the same token, however, few respondents expect aid to increase rapidly if National is re-elected. Contractors were more positive in their predictions of future aid budgets under National than NGOs or Phase 2 respondents were. All three respondent types were more positive about future aid budgets under a Labour government, although it is still the case that only a small minority of stakeholders believe aid will increase substantially as a share of GNI under a Labour government.

Figure 3 - Anticipated changes to aid levels by 2019–20

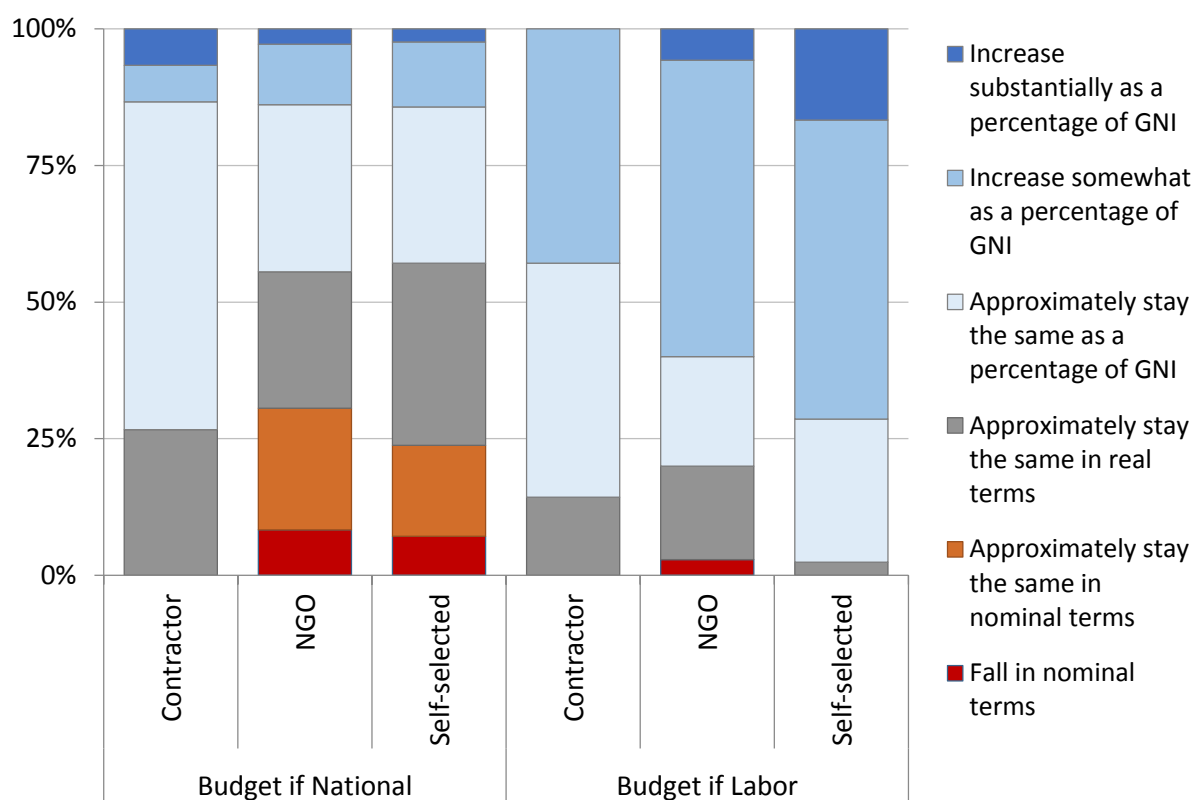


Figure notes: Exact percentages for each category are provided in Appendix 2. Respondents were asked about what they thought would happen under a National government, and one about aid under a Labour government. Both questions were asked about aid levels by 2019–20.

Figure 4 shows desired aid levels by type of respondent. Again there were marked differences by respondent type. While over 90 per cent of Phase 1 NGO respondents and over 90 per cent of Phase 2 respondents wanted aid to increase as a share of GNI, only 44 per cent of Phase 1 contractors did. One Phase 1 contractor actually wanted aid to decrease in nominal terms.

³ Although, as scheduled, once inflation is taken into account the 2019 aid budget will only be 2 per cent larger than the 2015 budget.

Figure 4 – Desired changes to aid levels by 2019–20

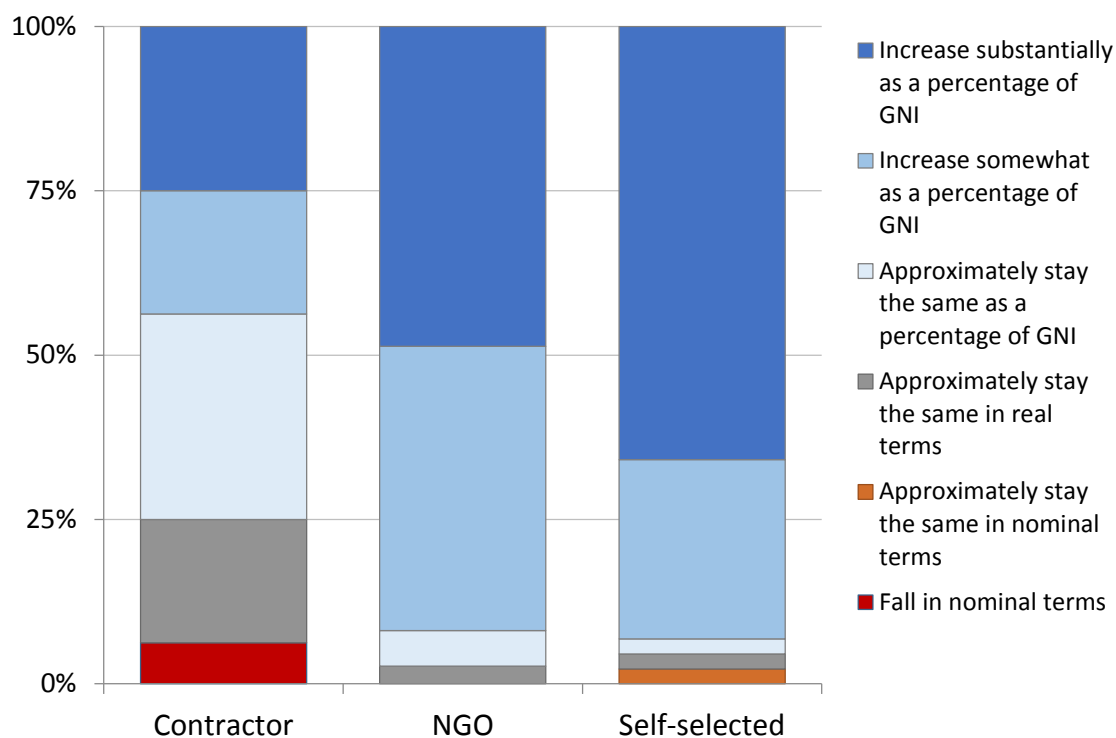


Figure notes: Exact percentages for each category are provided in Appendix 2. Respondents were asked what they thought should happen to aid levels by 2019–20.

While many respondents favoured increasing the aid budget, interestingly, in responses to open-answered questions, a number of stakeholders contended that aid quality mattered more to them than aid volumes. For example, one stakeholder stated that, “volume is one consideration but effective expenditure and management is a better target to track”.

While another commented that New Zealand: “should increase [the] aid budget but try to do it in the context of a firm ... commitment to ensure stability in the aid program”.

In addition to their beliefs about overall aid levels, stakeholders were asked questions about the predictability of aid funding. One question was about the predictability of aid funding as a general attribute of the aid program. Another was about the adequacy and predictability of funding for stakeholders’ own aid activities that were funded (at least in part) by the government aid program.⁴ Figure 5 shows responses by category to the question about the predictability of New Zealand aid funding. Figure 6 shows responses by category to the question about the predictability of funding for stakeholders own aid projects (those at least part-funded by the aid programme).

As can be seen in Figure 5, on average, contractors had the most positive take on funding predictability, while Phase 1 NGOs offered the least positive appraisal, with Phase 2 respondents falling in between. One possible explanation for this is the fact that, since 2008, the two main NGO funding mechanisms that the New Zealand government aid programme used (one for community development work and one for humanitarian responses) have been reconfigured, going through a

⁴ In addition to general questions about aid programme performance stakeholders who oversaw activities funded by the aid programme were asked questions specific to the government aid funded activities they managed. Other questions about attributes related to aid-funded activities are covered in Section 6.

range of permutations, and have suffered a number of issues as a result (Challies et al. 2011, p. 14; Wood 2011b).

Importantly though, all three New Zealand stakeholder groups were considerably more positive in their appraisal of funding predictability than their Australian counterparts. Just under 60 per cent of New Zealand NGOs, for example, thought funding predictability to be a weakness or a great weakness. In Australia more than 90 per cent of NGOs appraised predictability of Australian government aid in the same way. While there have been issues with specific funding tools in New Zealand, because the New Zealand aid budget has been spared the major budget cuts inflicted on its Australian counterpart, funding predictability, while still an issue for NGOs at least, is not nearly as significant an issue as it is in Australia.

Figure 5 – Predictability of New Zealand aid funding

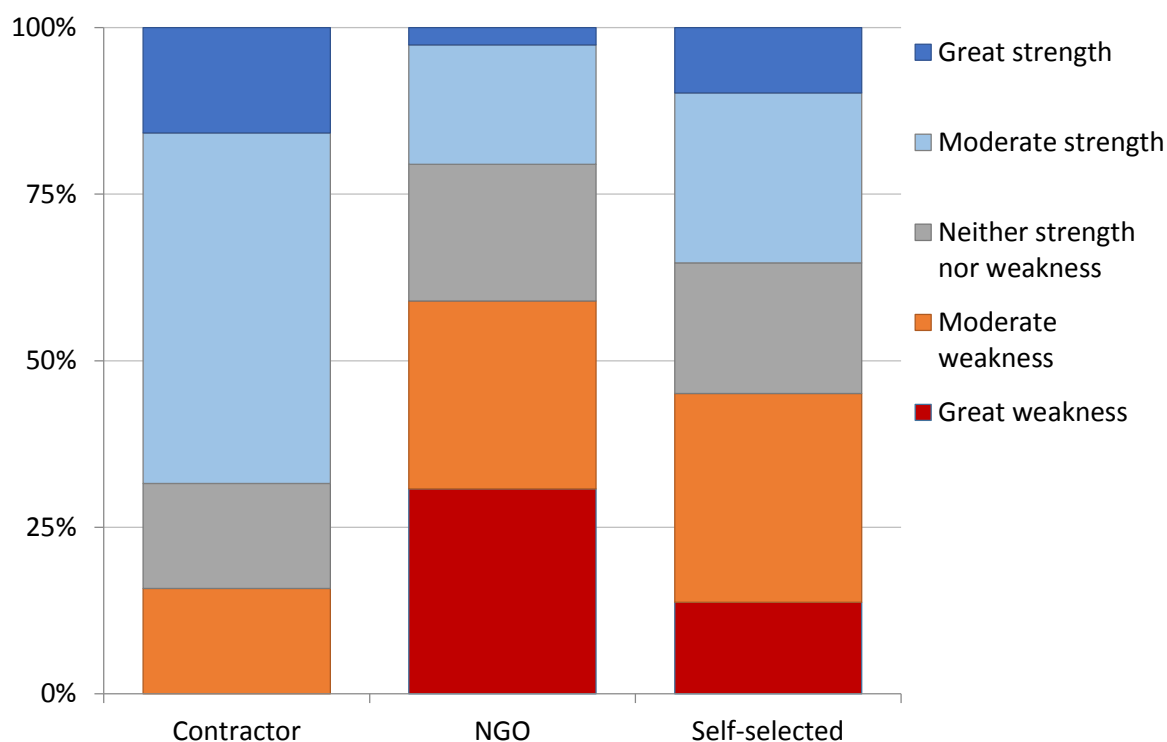


Figure notes: Exact percentages for are provided in Appendix 2. The question was effectively, “Please indicate the extent to which you believe the New Zealand aid programme as it currently stands possesses predictability of funding.”

Some care needs to be taken in interpreting the findings from the question about the predictability and adequacy of funding for stakeholders’ own projects shown in Figure 6. As discussed in Section 6 respondent numbers for this question were low. Moreover, although the question asked about projects that are at least in part government funded, it is a question about all project funding, not just that received from the government. The question also asks about funding adequacy as well as predictability and, as such, is worded slightly differently from the question that produced Figure 5. Notwithstanding these issues, in all three areas responses from all three groups are notably more positive in Figure 6 than in Figure 5. This possibly reflects the inclusion of the word “adequate”. However, the wording change is minor and seems an unlikely source of all the difference. A more plausible explanation is that, in the case of many aid projects, funding comes from a number of sources beyond the government alone, and stakeholders have been able to draw upon other funding when there have been issues with government funding.

Figure 6 – Predictability and adequacy of funding for stakeholders’ activities

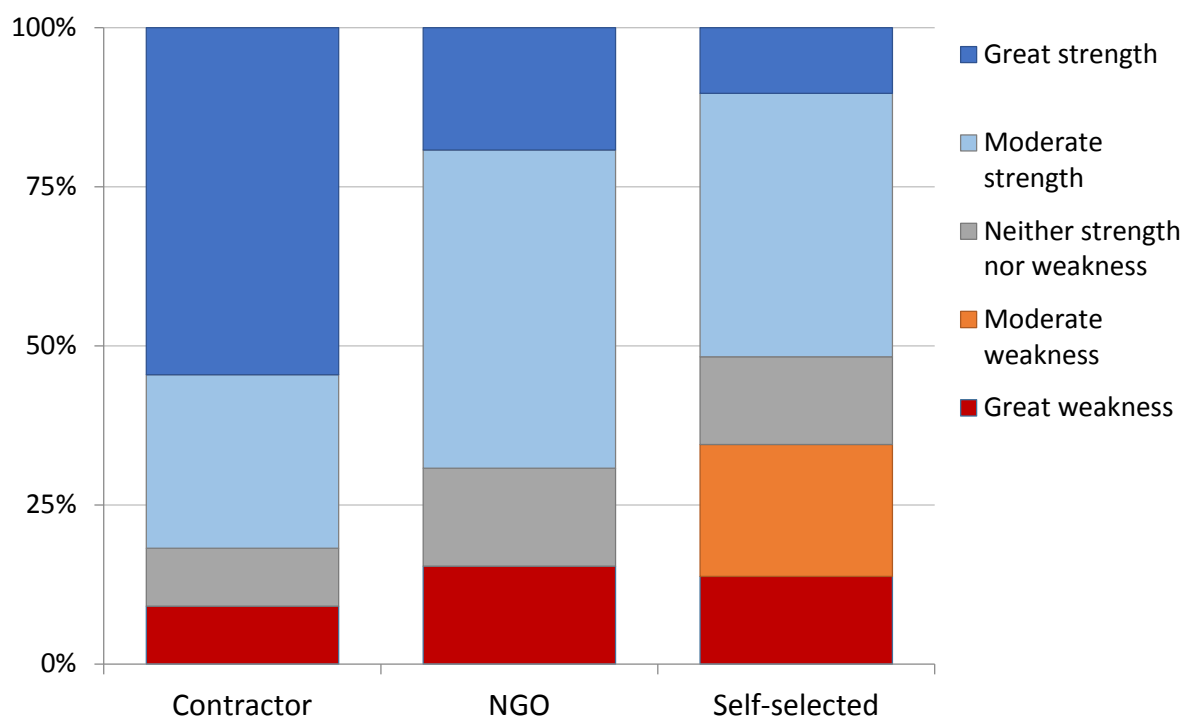


Figure notes: Exact percentages are provided in Appendix 2. The question asked was effectively, “Rate adequate and predictable funding as a strength or weakness of the specific New Zealand government aid-funded activity or activities you are reflecting on in this section”.

4. The guiding principles of New Zealand aid

Clearly, the government’s aid policies impact more than just the volume and the predictability of the aid it gives. This section looks at other high-level drivers of the New Zealand aid programme’s work. It examines stakeholders’ views on aid objectives, the ethos of New Zealand aid, and its sectoral and geographic focus.

4.1 The objective of New Zealand aid

The formal overarching mission steering the New Zealand government aid programme can be found in the government’s 2011 International Development Policy Statement (Ministry of Foreign Affairs and Trade 2011). The statement reads:

The mission of the New Zealand Aid Programme is to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world ... Within this, the core focus [is on] sustainable economic development.

The shift to a core focus on economic development was controversial when it occurred (for critiques see: Wood 2011a; Banks et al. 2012). However, as Figure 7 shows, most stakeholders are supportive of the current mission statement as a whole. Contractors are clearly approving, but even amongst NGOs, more respondents state they are satisfied or very satisfied than say they are ‘dissatisfied’ or ‘very dissatisfied’ with the mission statement. Only amongst stakeholders from the second phase do negative responses outweigh positive ones.

Figure 7 – Satisfaction with governments’ aid objective

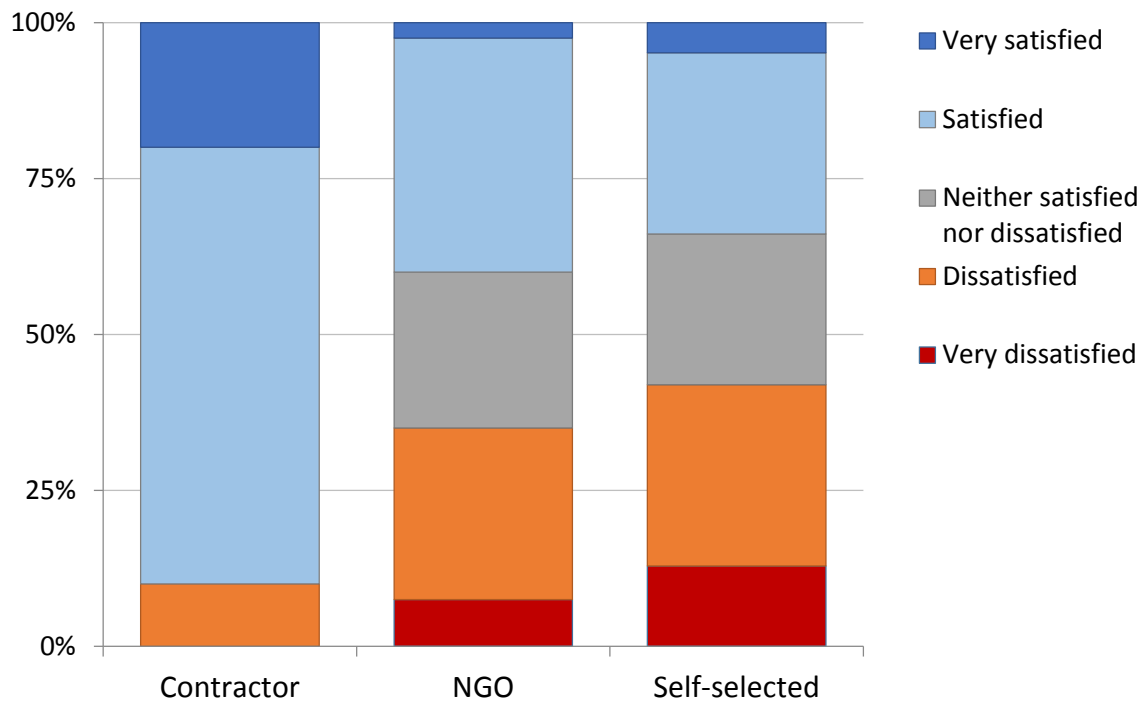


Figure notes: Exact percentages for each category are provided in Appendix 2. The question quoted the objective as it is given in the text above and then asked “how satisfied are you with this as the objective of the aid programme?”

However, when we asked whether respondents preferred the existing mission statement or its pre-2009 predecessor (“eliminating poverty through development partnerships”) a sharp divide emerged. Most contractors favoured the current statement, while most Phase 1 NGOs and most self-selected respondents preferred the pre-2009 statement. This divide can be seen in Figure 8.

Figure 8 – Preference for current or pre-2009 mission statement

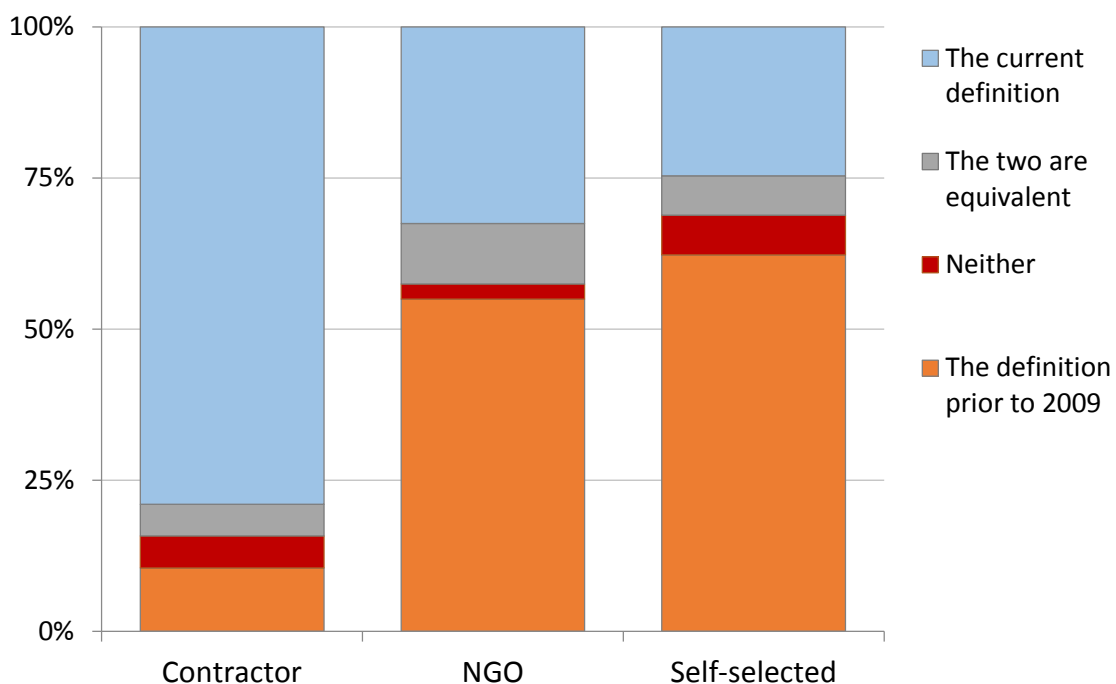


Figure notes: The question compared the current mission statement with the pre-2009 one. The current mission statement is quoted above. The previous statement was, “Our Mission: eliminating poverty through development partnerships.”

With regards to the current mission statement, a number of respondents to open-ended questions contended that, whether it was satisfactory or not on paper, the formal mission statement did not capture the reality of what really happens in the aid programme. For example, one stakeholder stated that, “I think it is difficult to assess actual intent from the wording of policy statements. It is what happens in practice that is more important ... [as well as] unwritten directives.”

Another stakeholder argued that, “in recent years, NZ has become less honest, and has focused on brokering deals for NZ commercial actors. Neither definition captures this reality.”

A third stakeholder contended that, “the sustainable economic development emphasis is wrong and leads to a focus on inessential support. Worse it is used to justify NZ firms doing much of the delivery of the program”.

4.2 Helping the poor versus helping New Zealand

In line with these comments, responses to the 2015 stakeholder survey revealed an important area of concern, and a high-level aspect of New Zealand aid where all stakeholder groups agreed.

In the survey we asked stakeholders the extent to which they thought New Zealand aid was focused on helping poor people living in developing countries, as well as the extent to which they thought aid was focused on advancing New Zealand’s strategic and commercial interests. Respondents were also asked the degree to which they thought New Zealand aid *should* be devoted to poverty reduction versus New Zealand’s strategic interests and New Zealand’s commercial interests. Figure 9 is a kernel density plot that compares perceived and desired allocations across these three focus areas for 2015, for all Phase 1 respondents. The x-axis shows emphasis as a percentage (from 0 to 100). The y-axis shows the relative frequency of responses. Responses were most frequent in the range where the curves are at their highest.

Figure 9 shows that, while most Phase 1 stakeholders want New Zealand aid primarily focused on helping poor people in developing countries, most think that New Zealand aid is actually primarily given to advance New Zealand’s strategic and commercial interests. Notably, Figure 9 was generated by aggregating the beliefs of those NGO staff targeted in Phase 1 of the survey with the beliefs of those contractors targeted in Phase 1, while excluding Phase 2 respondents. As such it includes the group whose views were most in accordance with the government in the previous questions regarding the formal objective of New Zealand aid (contractors), while excluding the group that disagreed the most (Phase 2 respondents).

Figure 9 – Perceived and desired New Zealand aid purpose (Phase 1)

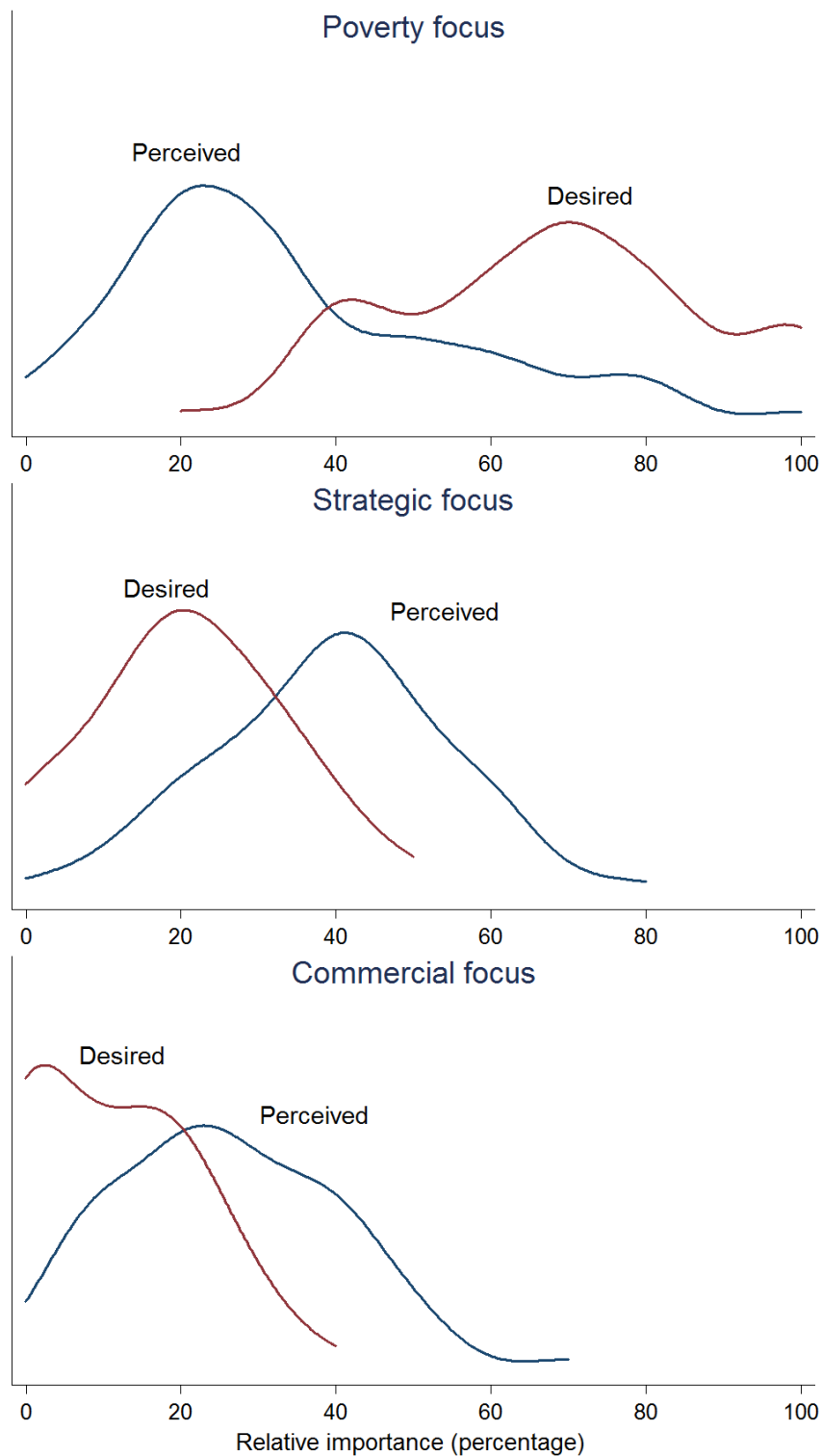


Figure notes: Respondents were asked, “Adding to 100, what weight do you think the following objectives actually have in guiding the work of the New Zealand aid program? Poverty, Promoting New Zealand’s strategic interests, Promoting New Zealand’s commercial interests.”

The use of kernel density plots allows for easy, visual, relative comparisons between perceived and desired focus across the different objectives. However, it is hard to gauge from the y-axis of a kernel density plot what proportion of respondents perceive or desire different aid allocations. To assist with this Table 1 shows the percentage of respondents from Figure 9 whose response fell in, or close

to, the most common range of responses for each of the three areas (poverty, strategic and commercial).

Table 1 – Most frequent response ranges perceived and desired New Zealand aid purpose (Phase 1)

Purpose	Percentage of aid allocated to purpose (most frequently suggested range)	Percentage of respondents
Perceived poverty	15 to 35%	51%
Desired poverty	70 to 90%	40%
Perceived strategic	30 to 50%	49%
Desired strategic	15 to 35%	57%
Perceived commercial	20 to 40%	47%
Desired commercial	0 to 20%	67%

The questions about perceived and desired focus on poverty, strategic interests, and commercial interests formed part of only a small number of questions where NGOs, contractors, and Phase 2 respondents were largely in agreement. An illustration of this can be seen in Figure 10, which shows perceived and desired focus on poverty reduction broken down by respondent types. All three respondent types thought comparatively little emphasis was placed on poverty. All three groups thought much more emphasis should be placed on poverty.

To help with the interpretation of Figure 10, Table 2 shows the percentage of most frequent respondent groups from Figure 10.

Table 2 – Most frequent response ranges perceived and desired New Zealand aid allocated to poverty by type (Phase 1 and 2)

Perceived poverty by type	Percentage of aid perceived allocated to poverty (most frequent range)	Percentage of respondents
NGO – Perceived poverty	15 to 35%	54%
NGO – Desired poverty	80 to 100%	47%
Contractor – Perceived poverty	20 to 40%	45%
Contractor – Desired poverty	60 to 80%	45%
Phase 2 – Perceived poverty	10 to 30%	57%
Phase 2 – Desired poverty	80 to 100%	46%

Figure 10 – Perceived and desired focus on poverty by respondent type (Phase 1 and 2)

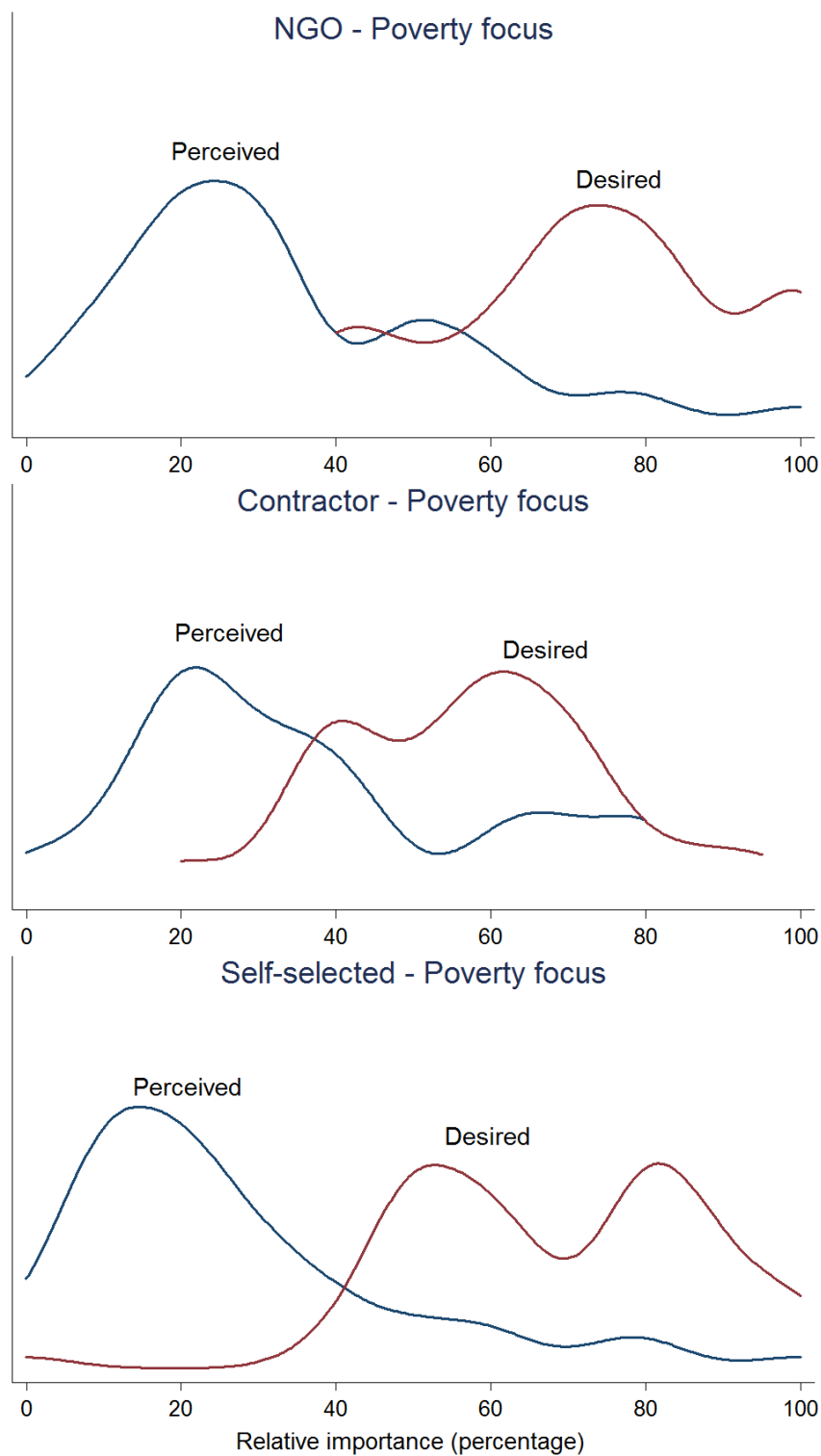


Figure notes: Question wording was the same as for the previous figure.

Responses to these questions about the purpose of New Zealand aid were similar to responses given by Australian stakeholders about Australian aid in 2015. Like New Zealand stakeholders, in 2015 Australian stakeholders wanted Australian aid focused foremost on poverty, but believed that this was not the case (for Australian results, see Wood et al. 2016, pp. 12-15). Interestingly, while in 2015 Australian stakeholders' pessimism about the extent to which Australian government aid was focused on poverty is very similar to that of New Zealand stakeholders in 2015, in 2013 Australians

thought their government aid to be much more strongly poverty focused (for Australian comparisons between 2013 and 2015, see Wood et al. 2016, p. 14). If stakeholders' perceptions are correct, Australian aid in 2013 was more poverty-focused than Australian aid in 2015, and more poverty-focused than New Zealand aid in 2015 also.

One New Zealand stakeholder, when answering an open-ended question, summed up what appears to be the prevailing view amongst New Zealand and Australian stakeholders in 2015:

New Zealand's aid programme is primarily about strategic and geopolitical issues and not about poverty reduction, once NZAID was absorbed by MFAT in 2009 the whole tone changed in a similar way as we are seeing now with the AusAID absorption into DFAT.

4.3 Sectoral focus

As another means of gauging satisfaction with the high-level direction of the aid programme, we asked stakeholders the extent to which they thought the right amount of weight was being placed on each of the four core sectoral areas identified in MFAT's International Development Policy Statement. As Figure 11 shows, in one of these areas, 'Improving Resilience and Responding to Disasters', there was something close to consensus across respondent types that the right amount of weight was being given. In another area, 'Human Development', there was a degree of agreement, in that the majority of respondents from each stakeholder group thought too little emphasis was being placed on it.

Figure 11 – Focus on Resilience and Human Development

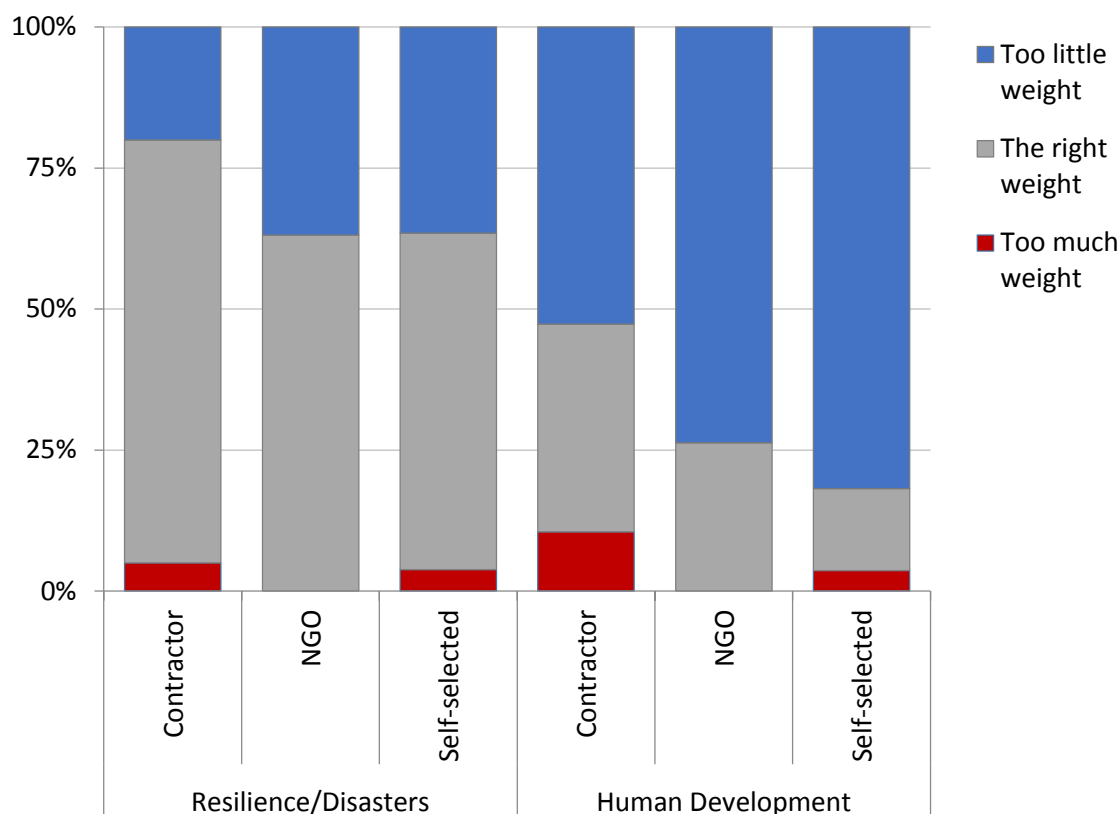


Figure notes: The question asked was, "The four priority themes for New Zealand's aid programme, as per the International Development Policy Statement, are listed below. Please indicate the extent to which you believe the right emphasis is being placed upon each theme: improving resilience and responding to disasters; promoting human development."

On the other hand, responses regarding the weight placed on the two other core areas, ‘Economic Development’ and ‘Safe and Secure Communities’, revealed disagreement between contractors and the other two stakeholder groups. This can be seen in Figure 12.

Nearly three quarters of NGOs and Phase 2 respondents believed there is too much focus on economic development, while less than a quarter of contractors thought this. Meanwhile, 50 per cent of NGOs and Phase 2 respondents thought too little weight is placed on Building Safe and Secure Communities. Only 16 per cent of contractors felt the same way.

Figure 12 – Focus on Economic Development and Safe Communities

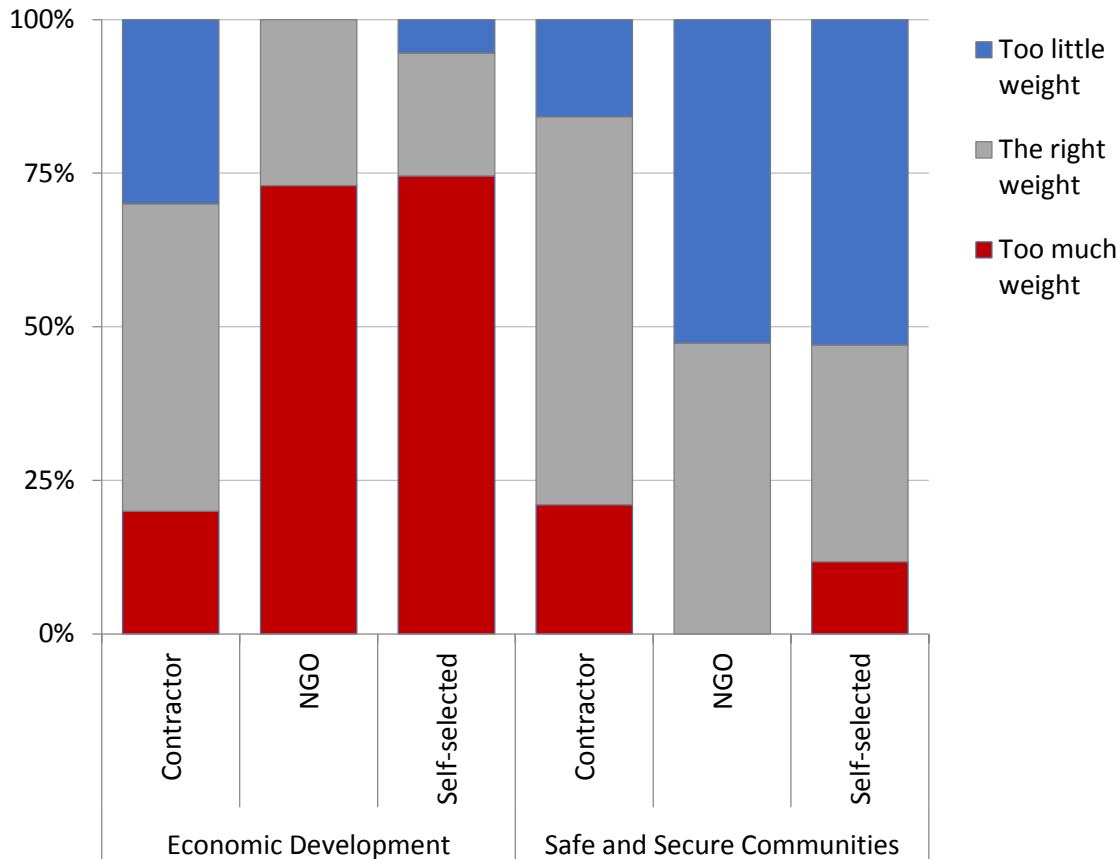


Figure notes: Exact percentages for each category are provided in Appendix 2. The question asked was, “The four priority themes for New Zealand’s aid programme, as per the International Development Policy Statement, are listed below. Please indicate the extent to which you believe the right emphasis is being placed upon each theme: investing in economic development; building safe and secure communities.”

4.4 Where New Zealand aid is given

In addition to the types of work the aid programme undertakes, we also asked stakeholders about their preferences as to where geographically it should focus its attentions. Here, as Figure 13 shows, responses did not vary dramatically by stakeholder type. Contractors and Phase 2 respondents wanted slightly more aid focused on the Pacific than NGOs did. However, all three groups wanted the majority of New Zealand government aid focused on the Pacific.

Figure 13 also shows the percentage of country allocable aid New Zealand devoted to each region (based on data from the 2013/14 MFAT Annual Report).⁵ There are some differences between stakeholder preferences (particularly NGO preferences) and actual allocations. Although all three groups wanted the majority of New Zealand aid given to the Pacific, all three groups wanted a smaller share of New Zealand aid given to the Pacific than is currently the case. And all three groups wanted a larger share of New Zealand aid given to Africa than is currently the case. Elaborating on this in open-ended questions a number of stakeholders questioned the capacity of Pacific countries to absorb aid, and one stakeholder forcefully lamented what they thought was too little aid devoted to Africa, stating that: “the almost complete inattention to Africa in particular is a disgrace and a mistake.”

However, overall, the preferences of stakeholders were far from being dramatically at odds with what the government is doing. In line with stakeholder preferences, the bulk of New Zealand government aid is focused on the Pacific.

Figure 13 – Preferences for geographical allocation aid

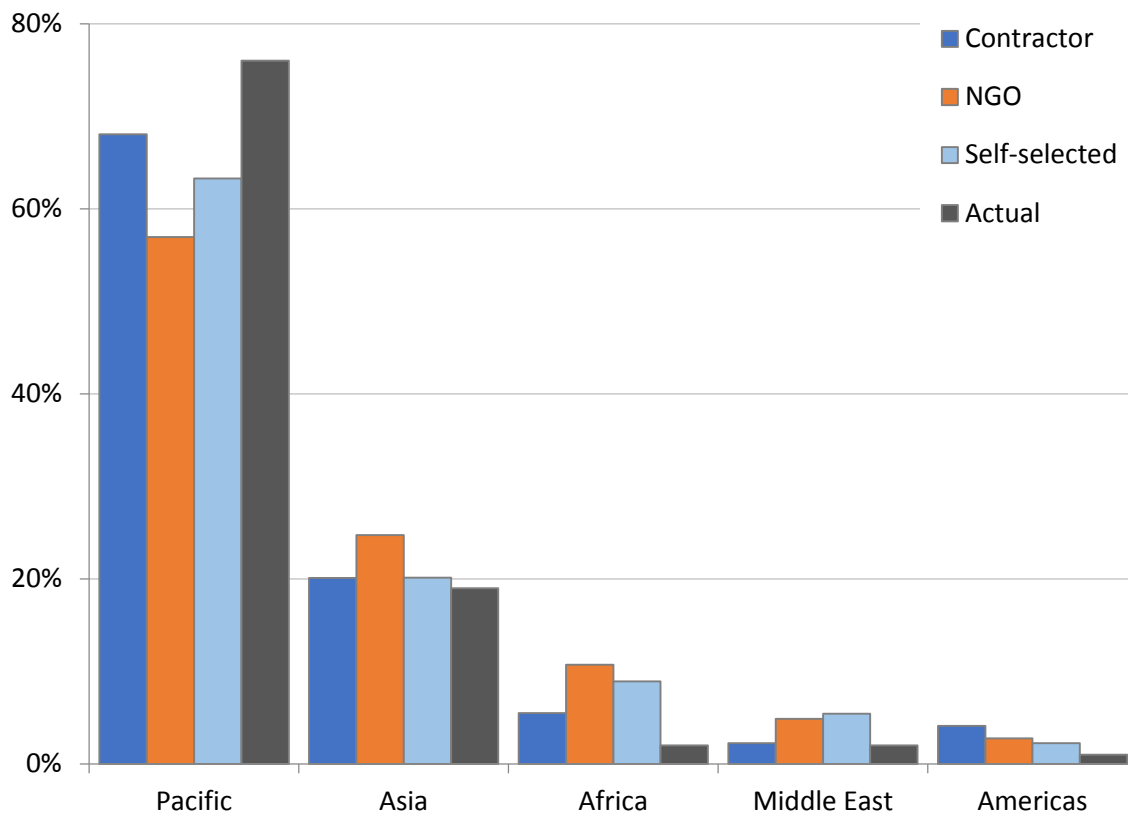


Figure notes: Exact percentages for each category are provided in Appendix 2. The question was, “Adding to 100, what proportion of the New Zealand aid programme budget do you think should be spent in the following regions?” Respondents were provided with information on regional allocations from the 2013/14 financial year.

⁵ The 2013/14 annual report was the most recent report available at the time the survey questions were prepared.

5. How well is the New Zealand aid programme functioning overall?

In both the 2015 New Zealand and Australian stakeholder surveys we asked stakeholders the same set of questions about aid programme effectiveness. In the next two sections of this report we detail the responses to these questions from New Zealand stakeholders (in instances drawing on Australia and other donors as points of comparison). This current section reports on responses to questions about overall effectiveness; the following section, Section 6, covers responses to questions about specific aid programme attributes.

Figure 14 shows how the different stakeholder groups responded to a broad question about the effectiveness of the New Zealand government aid programme. In the case of effectiveness, as with most of the previous questions, there is a clear difference between stakeholder groups. However, overall, the news is quite good for the aid programme. Amongst contractors and NGOs from Phase 1 the majority of respondents think the aid programme is ‘effective’ or ‘very effective’, and fewer than a quarter of respondents think it is ‘ineffective’ or ‘very ineffective’. Even amongst Phase 2 respondents, who tended to be the most negative group in their responses to most questions, more stakeholders provided a positive response to this question than provided a negative response, and only just over a quarter of Phase 2 respondents thought the aid programme ‘ineffective’ or ‘very ineffective’.

Figure 14 – Aid programme effectiveness: NGOs, contractors, and self-selected

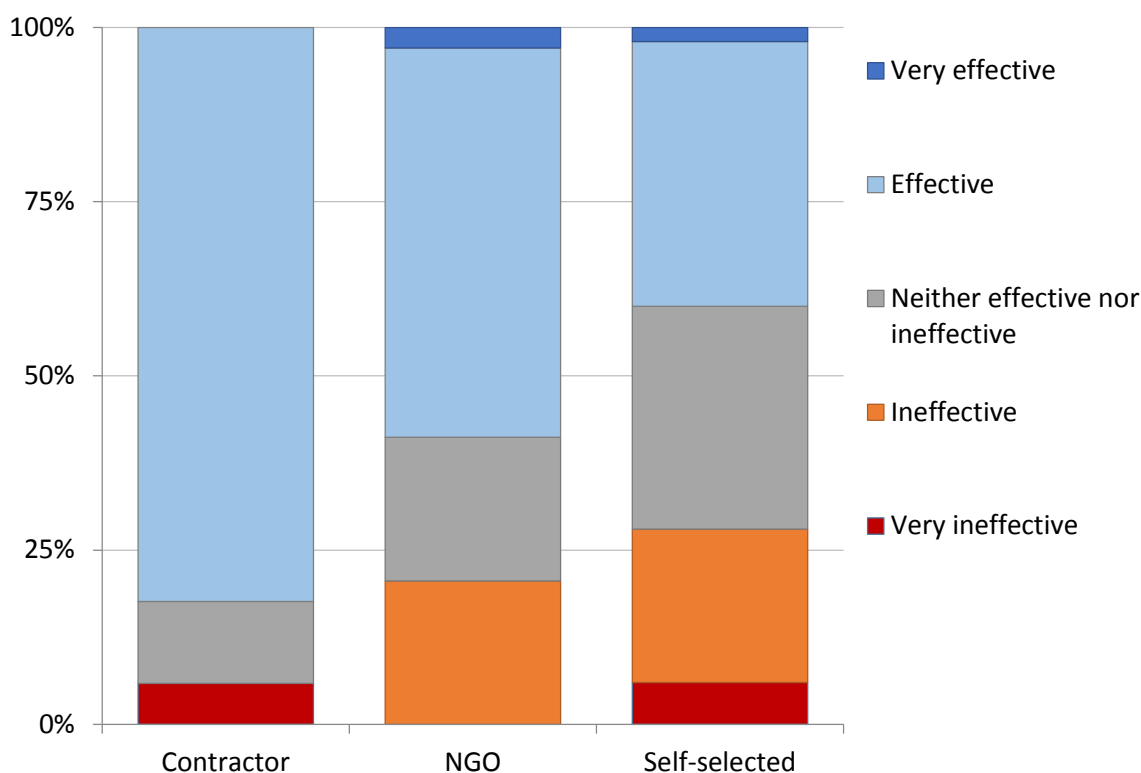


Figure notes: Exact percentages for each category are provided in Appendix 2. The question was, “How would you rate the effectiveness of the New Zealand aid programme?”

Overall, in 2015 New Zealand and Australian stakeholders appraised the effectiveness of their countries’ aid programmes similarly (for more detail see, Wood et al. 2016, p. 19 and 48). However, as Figure 15 shows, this overall average masks considerable difference between the stakeholder

groups. New Zealand contractors were much more positive in their appraisal of aid programme effectiveness than their Australian counterparts were. New Zealand NGOs on the other hand were less positive than their Australian equivalents, as were New Zealand Phase 2 respondents.

Figure 15 - Aid programme effectiveness Australia and New Zealand compared: NGOs, contractors, and self-selected

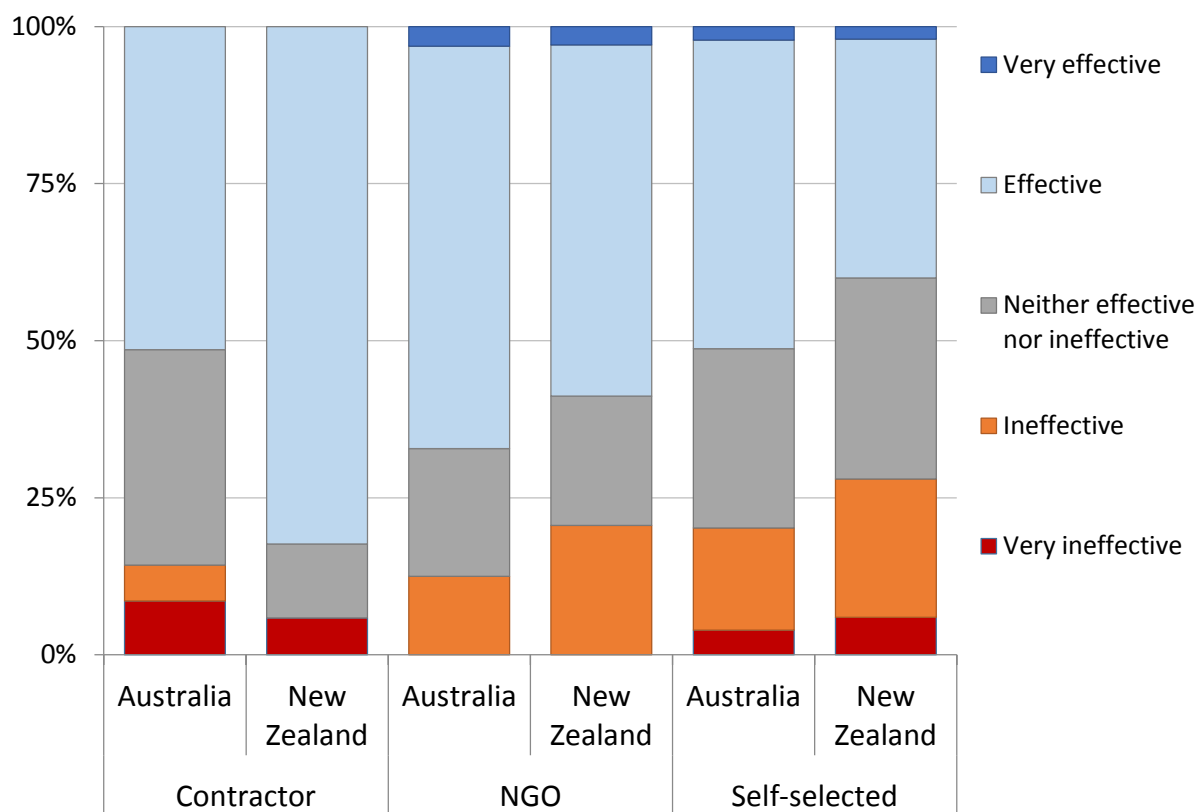


Figure notes: Exact percentages for each category are provided in Appendix 2. The wording for the New Zealand question is contained in Figure 14. The wording for the Australian question was identical but with 'Australia' substituted for 'New Zealand'.

Another source of comparison comes from a question in which we asked stakeholders how the New Zealand government aid programme compared to the other OECD bilateral aid donors. Results can be seen in Figure 16. Amongst both contractors and NGOs, the most frequent response was 'about the same'. However, more NGO respondents thought the New Zealand aid programme was worse or a lot worse than average, than was the case with contractors, while Phase 2 respondents tended, on average, to offer even more negative assessments.

Importantly, in interpreting these results it should be noted that, while such comparison is useful, the findings here can only be treated as indicative. Because a number of stakeholders will have interacted with a limited number of donor agencies it is likely they can only guesstimate how the New Zealand government aid programme compares with the average OECD donor. Nevertheless, the question offers some sense of how New Zealand stakeholders see the comparative effectiveness of their government's aid programme.

Figure 16 – The New Zealand aid programme in comparison to other donors

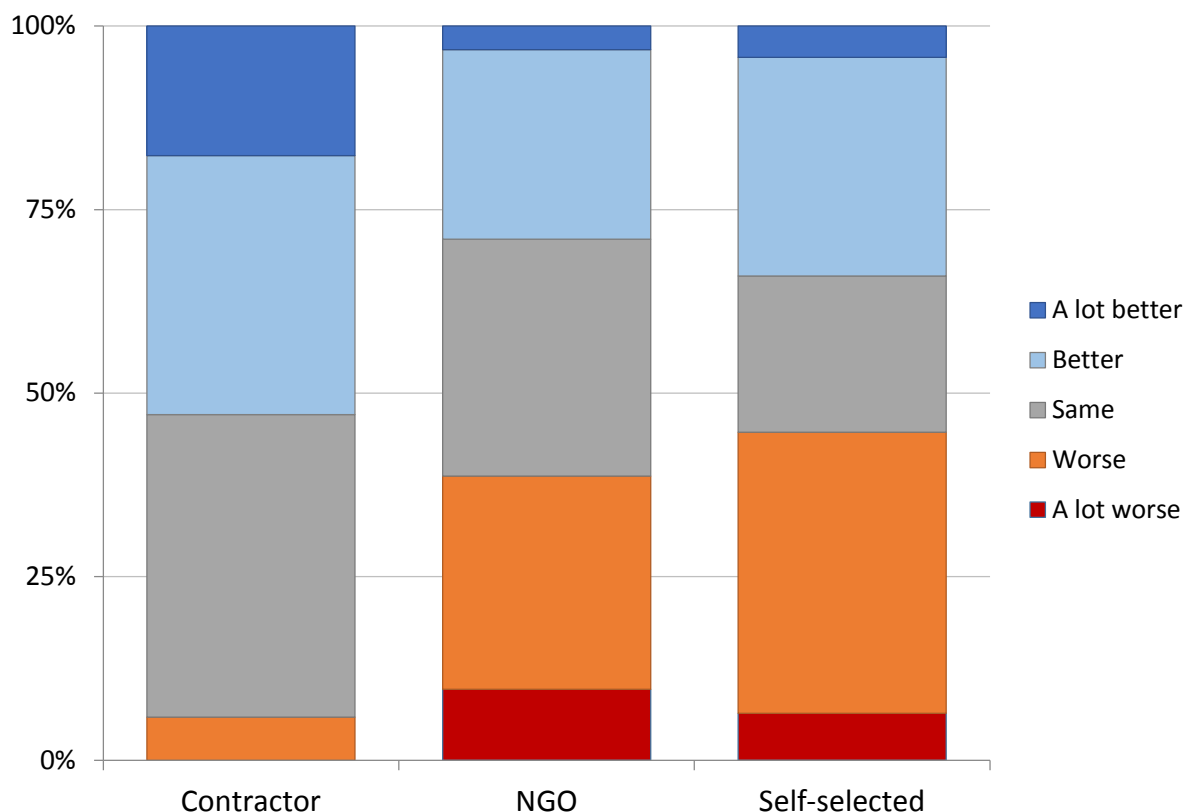


Figure notes: Exact percentages for each category are provided in Appendix 2. The question was, “How would you rate the effectiveness of the New Zealand aid programme by comparison with the aid programmes of other OECD bilateral donors?”

In addition to asking about the current effectiveness of the New Zealand government aid programme, and how it compared to other OECD donors, we also asked stakeholders whether they thought the New Zealand government aid programme had become more or less effective over the last two years. Figure 17 shows the results. The most common response from contractors was ‘improved moderately’, the most common from NGOs was ‘stayed the same’, the most common response from Phase 2 respondents was ‘declined moderately’.

Responses to this question about change were less positive than the responses to the question about current performance. Nevertheless, they were still clearly better than responses to the same question asked in Australia where the most common response from all stakeholder groups was ‘declined moderately’, with a substantial number of respondents in all three groups stating that the Australian government aid programme’s effectiveness had ‘declined significantly’ (Wood et al. 2016, p. 20). If the typical New Zealand stakeholder is to be believed, the last two years have not seen great improvements in New Zealand aid, but by the same token they have not brought deterioration of the sort that Australian aid stakeholders believe has befallen the Australian government aid programme.

Figure 17 – Change in overall effectiveness of the aid programme over the last two years

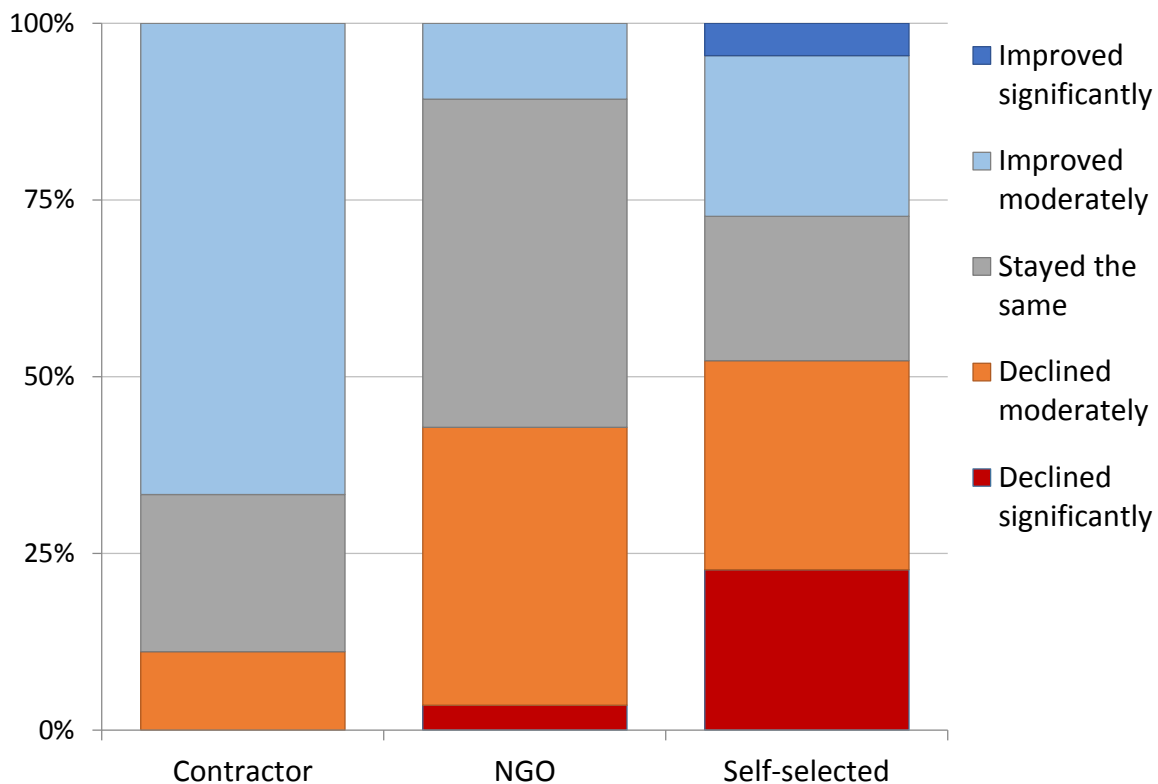


Figure notes: Exact percentages for each category are provided in Appendix 2. The question asked was, “Over the last two years (since 2013), has the effectiveness of the New Zealand aid programme improved or declined?”

The final change-related question we asked was to do with an older change: the 2009 integration of NZAID, the semi-autonomous aid agency, into MFAT.

This integration was not as dramatic as the integration of the Australian aid programme that occurred after the 2013 Australian election. Specifically, the New Zealand government aid programme remained intact as a group within MFAT. Nevertheless, the change was still controversial at the time (Spratt 2011) and as a consequence we sought stakeholders’ views on whether it had improved the effectiveness of aid programme staff or had made staff effectiveness worse. As Figure 18 shows, the now familiar divide between contractors and other respondent types was particularly apparent in the data generated by this question. Only a third of contractors thought the merger had made effectiveness worse or much worse. However, nearly 70 per cent of NGO stakeholders thought the merger had caused staff effectiveness to deteriorate, with responses from Phase 2 stakeholders being very similar to those of Phase 1 NGO stakeholders.

Figure 18 – Impact on staff effectiveness of 2009 merger of NZAID into MFAT

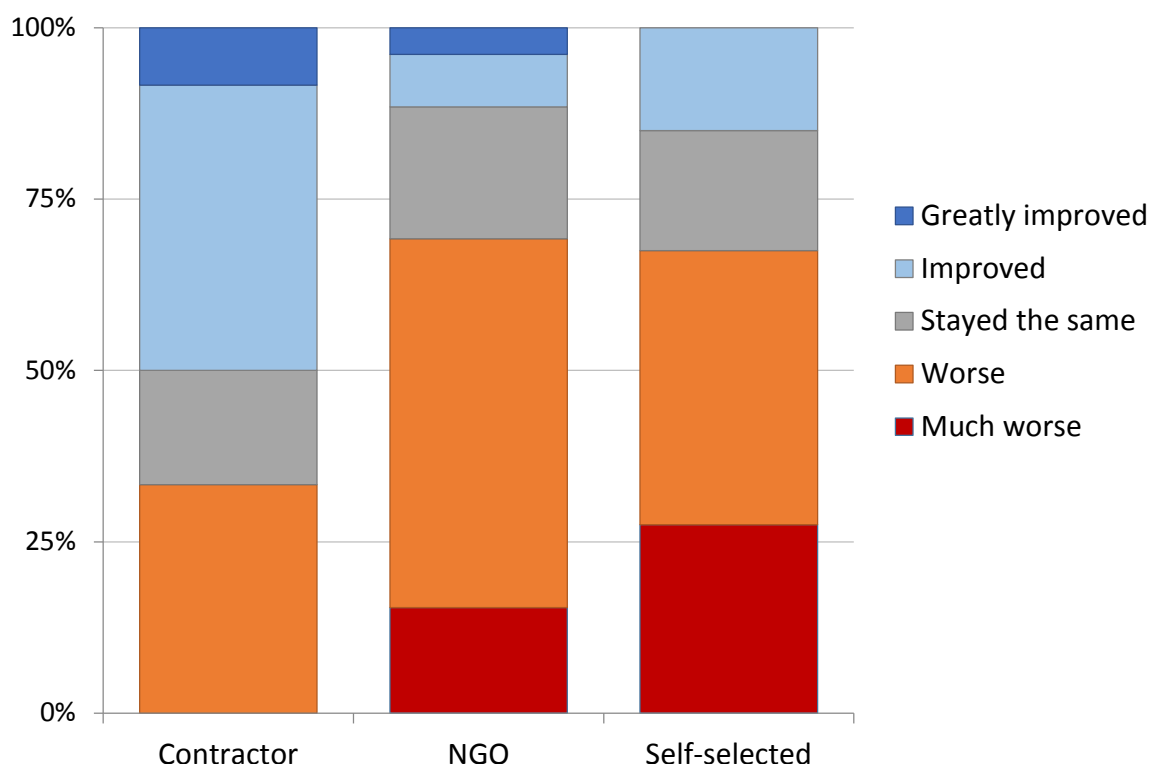


Figure notes: Exact percentages for each category are provided in Appendix 2. The question asked was, “Between 2002 and 2009, New Zealand government aid was delivered through the semi-autonomous agency NZAID. In 2009, NZAID was reintegrated back into MFAT as the International Development Group (IDG). What has been the impact of the reintegration on the effectiveness of staff primarily engaged in the New Zealand aid programme?”

6. How well are specific aspects of the New Zealand aid programme functioning?

The questions we have reported on thus far have been to do with the aid programme in aggregate. But as well as asking about the high-level parameters of the New Zealand government aid programme and its overall effectiveness, we asked about specific aid programme attributes. Asking such questions allows us to look at the relative strengths and weaknesses of the aid programme. It also enables us to evaluate whether different types of stakeholders find different aspects of the aid programme more or less effective. For reasons of simplicity and space, and because the Phase 1 data are more robustly sampled, throughout this section we focus on Phase 1 data in undertaking this analysis. A detailed comparison of attribute evaluations between Phase 1 and Phase 2 is included in Appendix 4.

For now, for those with an interest in data from Phase 2, two points should be noted. First, on average Phase 2 respondents assessed individual attributes less positively than Phase 1 respondents did. As a result, had we combined both Phase 1 and Phase 2 data together the overall picture painted in this section would have been somewhat more negative. However, importantly, by and large Phase 1 and Phase 2 stakeholders offered similar relative assessments of attributes. In general, attributes that Phase 1 respondents rated comparatively well were also attributes that Phase 2 respondents rated comparatively well, and vice versa. As a result, many of the attributes we single

out for attention on the basis of their performance in this section would have been identified in analysis that also included Phase 2 data.

6.1 Different attributes compared

In the survey we asked all stakeholders general questions about a range of aid programme attributes. Stakeholders who were involved in the implementation or management of activities that were at least in part funded by the aid programme were asked an additional group of questions focused specifically on those aid programme-funded activities. In the section that follows we detail performance across these attributes using two charts and a table. We then move on to provide an analysis of the data contained in the charts and table.

At times, in order to fit labels on charts in this section we have had to abbreviate attribute names. Appendix 3 maps the abbreviated attribute labels used in Figures 19 and 20 to the fuller attribute descriptions used in Table 3. It also maps all of the attribute labels used in this section to the exact wording of the questions that generated them.

Figure 19 shows Phase 1 responses to the questions about general aid programme attributes.

Figure 19 – Normalised average attribute scores, general attributes (Phase 1)

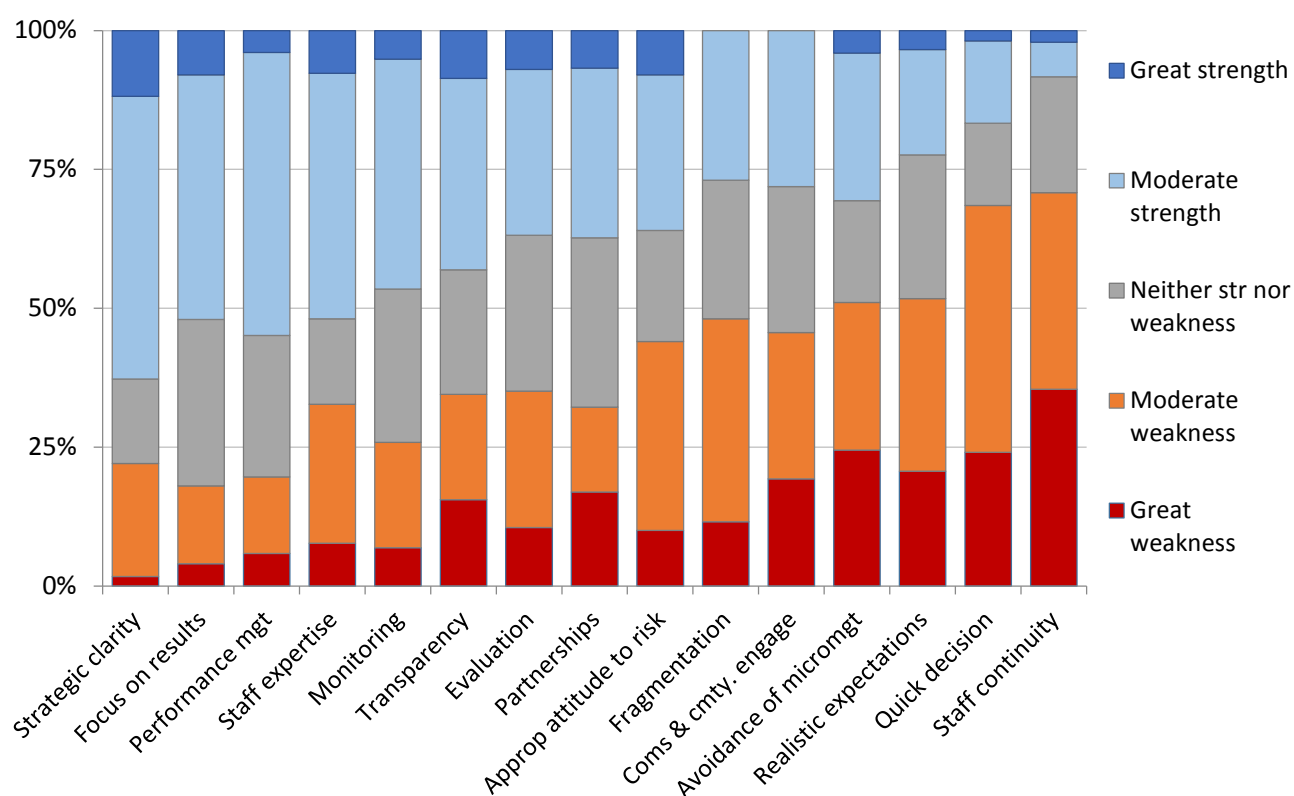


Figure notes: A table mapping abbreviated attribute labels to full names can be found in Appendix 3. Exact percentages for each category are provided in Appendix 2

Figure 20 shows the normalised average responses of Phase 1 respondents to questions specific to the attributes associated with the aid programme-funded activities they manage (a normalised average was used here because some of these questions had different response categories and

scales).⁶ The higher the normalised average for an attribute, the more positively the attribute was appraised on average. An attribute would score zero if all respondents gave it the lowest possible appraisal. An attribute would score one if all respondents gave it the highest possible appraisal. A score of 0.5 reflects a neutral appraisal on average.

(Detailed charts for each of the attributes in Figure 20, showing all of the response categories, can be found in the online data linked to at the front of this report.)

Figure 20 – Normalised average attribute scores, attributes associated with aid programme-funded activities (Phase 1)

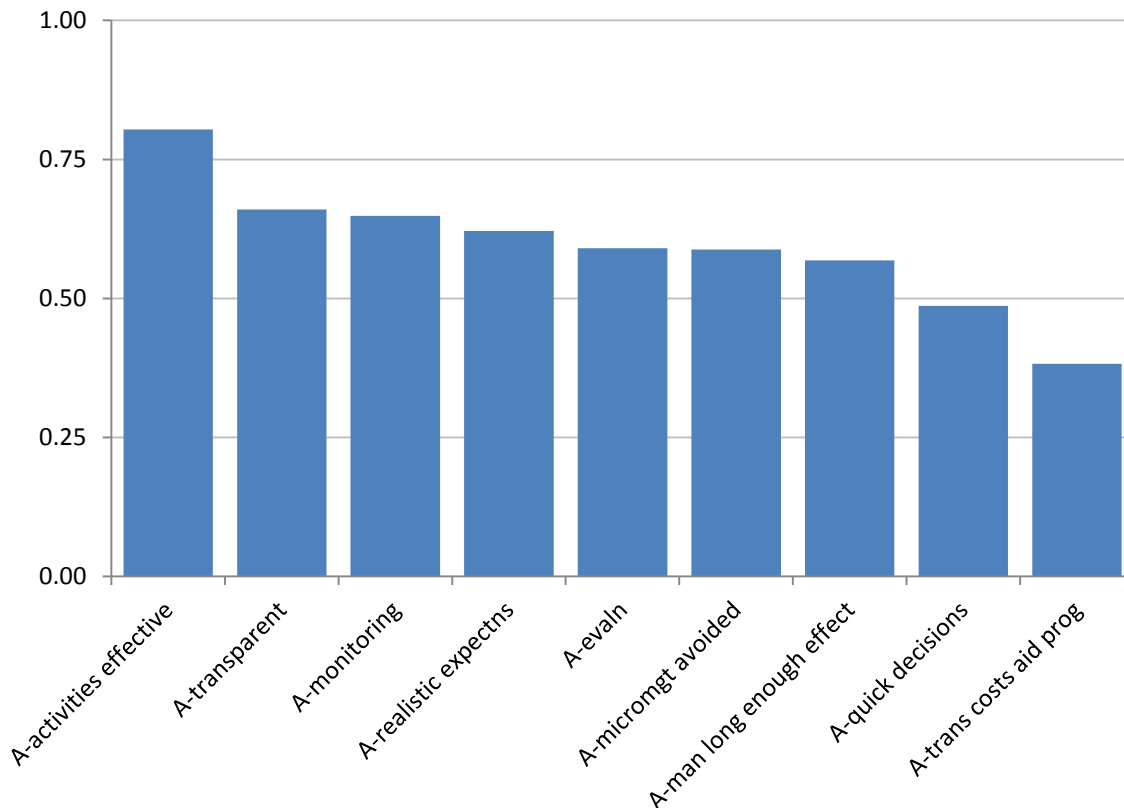


Figure notes: A table mapping the abbreviated attribute labels to full names can be found in Appendix 3.

Table 3 lists the normalised average score for all attributes (both general attributes and attributes associated with aid programme-funded activities). As with the y-axis in Figure 20 the scale in Table 3 ranges from zero to one. An attribute would score zero if all respondents gave it the lowest possible appraisal. An attribute would score one if all respondents gave it the highest possible appraisal. A score of 0.5 reflects a neutral appraisal on average.

⁶ This average was calculated as follows. Each respondent’s answer to a question was converted into numeric scales where the most negative possible response was scored 1 and the most positive possible response was scored either 3, if the response scale had three categories, or 5, if the response scale had five categories. The quantified responses were then averaged across respondents. Then, because both three- and five-point response scales had been used, all averages were normalised to a shared scale where 0 equalled the lowest possible response and 1 equalled the highest possible response.

In Table 3 attributes specifically associated with stakeholders' aid programme-funded activities are prefixed with 'A-' and shaded in grey. Table 3 is sorted from the most highly scored attribute to the least.

Table 3 – Normalised average scores for general attributes and attributes related to aid programme-funded activities (Phase1)

Attribute	Normalised Average Phase 1
A-activities effective	0.80
A-transparency	0.66
A-monitoring	0.65
Strategic clarity	0.63
A-realistic expectations	0.62
Results focus	0.60
A-evaluation	0.59
A-micromanagement avoided	0.59
Performance management and reporting	0.58
A-manager long enough to be effective	0.57
Staff expertise	0.55
Strong monitoring	0.55
Transparency	0.50
Rigorous evaluation	0.50
Partnerships	0.49
A-quick decisions	0.49
Appropriate attitude to risk	0.48
Selectivity and avoidance of fragmentation	0.42
Communication & community engagement	0.41
Avoidance of micromanagement	0.40
Realistic expectations	0.38
A-transaction costs aid programme	0.38
Quick decision	0.31
Staff continuity	0.26

Table notes: Attributes related to aid-funded activities are shaded in grey. A table mapping attribute names to labels used in the chart and the wording of the questions that generated them can be found in Appendix 3.

6.1.1 Stakeholders' own activities

A quick examination of the two charts and the table reveals that, on average, stakeholders are more positive in their appraisal of attributes associated with their own, aid programme-funded activities. This difference was present in Australia too and it may well, in part, reflect a positive finding: the fact that, even though (as we shall discuss further) stakeholders' answers to questions about general aid programme attributes suggest some issues within the aid programme, these issues are not severe enough to stop stakeholders from undertaking what they view to be good quality work. We think there is likely some truth in this conclusion. However, it needs to remain tentative as there are a number of issues with the data that were generated from the questions about stakeholders' aid programme-funded activities.

The first of these issues is that only a small sub-sample of stakeholders filled out the activity-specific questions. (37 Phase 1 stakeholders in total: 26 NGO staff and 11 contractors.) The second issue is that positive answers to questions about aid programme-funded activities, to an extent, probably

reflect a form of appraisal bias, which has caused survey respondents to assess their own work more kindly than the work of others (see Howes and Pryke 2013, p. 46 for a general discussion of this issue). Such a bias is suggested by the fact that, in the case of questions related to aid programme-funded activities, stakeholders' responses were most positive with respect to those questions that were the least directly connected to the aid programme (effectiveness of their activities, transparency associated with aid-funded activities, and the monitoring of aid-funded activities).

For these reasons the data from questions related to aid programme-funded activities need to be treated as less definitive than the other data we use in this section. This caution should be borne in mind throughout the rest of this section.

6.1.2 High-level aid programme processes

Setting aside attributes associated with the stakeholders' aid programme-funded activities, and focusing on general attributes, four of the attributes that scored 0.5 or higher (strategic clarity, results focus, performance management, and reporting and transparency) are associated with high-level aid programme processes. Good performance in these attributes suggests that, on average, Phase 1 respondents see some clarity and order in the aid programme's functioning at this level. The positive appraisal of one of these attributes, strategic clarity, also fits quite well with the degree of satisfaction with the government's aid objective, which was evident in Figure 7. In terms of high-level processes, the only real area of concern comes in the form of a negative appraisal of the aid programme's selectivity and avoidance of fragmentation. That stakeholders appraised fragmentation and selectivity negatively is reasonable. On the basis of the standard measure of aid fragmentation (the Hirschman-Herfindahl score), using OECD data, in 2014 New Zealand aid was highly fragmented across recipient countries, and as highly fragmented as it was in 2008.⁷

6.1.3 Operational mechanics

Of the more "nuts and bolts" general attributes associated with the aid programme's operation, monitoring was appraised well and evaluation was appraised, in effect, neutrally.

However, other general attributes associated with aspects of the day-to-day operation of the aid programme were appraised poorly. Both avoidance of micromanagement and realism of expectations were appraised negatively on average. If one is willing to factor in, at least to some extent, the scores from similar questions asked about stakeholders' own aid programme-funded activities, the picture improves somewhat. A simple average of the two scores moves realistic expectations to 0.5 and micromanagement to 0.49. However, given the concerns about the data from the questions related to aid programme-funded activities, doing this almost certainly paints an overly positive picture of these attributes, which means the data offer some reason to be concerned about performance in these areas. Micromanagement issues were also raised several times in responses to open-ended questions. One stakeholder, for example, complained about, "too much micromanagement of projects – particularly at the concept stage", something they felt made the aid programme "costly and inefficient."

The general attribute associated with the speed of the aid programme's decision making received the second lowest score of any attribute. This is an issue that (with the usual data caveats) appears to be reinforced by the low average score given in response to the aid programme-funded activity-

⁷ Data and calculations can be downloaded here: <http://tinyurl.com/hjzva6g>.

related question about the transaction costs of dealing with the aid programme. In open-ended questions several stakeholders lamented issues in this area, decrying, “process overkill – so many processes in place that it is impossible for staff to get anything done”.

Stakeholders’ negative appraisals of communication and community engagement suggests this is also a general operational area of concern, although problems in this area appear less acute than those associated with decision making.

6.1.4 Staffing

Responses to the three staffing-related questions we asked were mixed. Most negative was the very low average score associated with the general attribute of staff continuity. Stakeholders clearly believe that, over the aid programme as a whole, there is too much staff churn, with aid staff not staying in MFAT, or in their aid roles, long enough.

Superficially more encouraging was the moderately positive average response to the question we asked (stakeholders involved with aid programme-funded activities) about whether the manager stakeholders dealt with had been in place long enough to be effective. This finding appears at odds with the previous staff continuity finding. However, this is not inevitably the case. It is possible that staff churn may be most acute in policy groups within the aid programme and that it has not affected those staff managing relationships with NGOs and contractors. However, another likely explanation stems from the data issues (discussed above) with the questions related to aid programme-funded activities. In the case of the particular question about manager duration, there are additional grounds to believe that data issues have produced this finding. As discussed below it turns out that the positive finding for this attribute is largely driven by the very positive responses given by the small number of contractors who answered this question. Were it not for their very positive responses, the overall appraisal would have fallen (as the average assessment provided by NGOs was negative).

The final staff-related attribute, the general attribute of staff expertise, provided better news. It was appraised positively on average, and was the fourth most highly rated general attribute. However, stakeholders still saw room for improvement in this area. Not everyone scored it positively and issues with the ongoing loss of expertise were raised in response to some open-ended questions.

6.2 Comparisons between contractors and NGOs

Thus far we have talked about Phase 1 stakeholders as a homogeneous group. However, responses to other questions covered earlier provide reason to anticipate that, within Phase 1, NGOs and contractors may have had different views of the attributes we asked about.

Figure 21 is a scatter plot of the normalised average scores for each attribute for Phase 1 NGOs and contractors. The possible x- and y-axis scales range between zero to one (although in the chart they are truncated to the range of the data). Each dot on the chart is associated with an attribute that we asked stakeholders about. The point’s position along the y-axis reflects its normalised average score from contractors. The point’s position along the x-axis reflects its normalised average score from NGOs. An attribute would score zero on either axis if all respondents from the relevant stakeholder group gave it the lowest possible appraisal. An attribute would score one if all respondents gave it the highest possible appraisal. A score of 0.5 reflects a neutral appraisal on average. The diagonal blue line shows a one-to-one relationship. The further an attribute lies from

the line, the greater the difference in average appraisals between contractor and NGO respondents. Attributes on the line were appraised equally by both groups. Attributes below the line were appraised on average more positively by NGOs. Attributes above the line were appraised on average more positively by contractors. (A table that maps attribute names to a more detailed description, and the wording of the question they were based on, can be found in Appendix 3.) Attributes prefixed with “A-” relate to stakeholders’ responses to questions about their own aid programme-funded activities. All other attributes come from general questions about the aid programme.

Figure 21 – Contractor and NGO average appraisal of attributes compared (Phase 1)

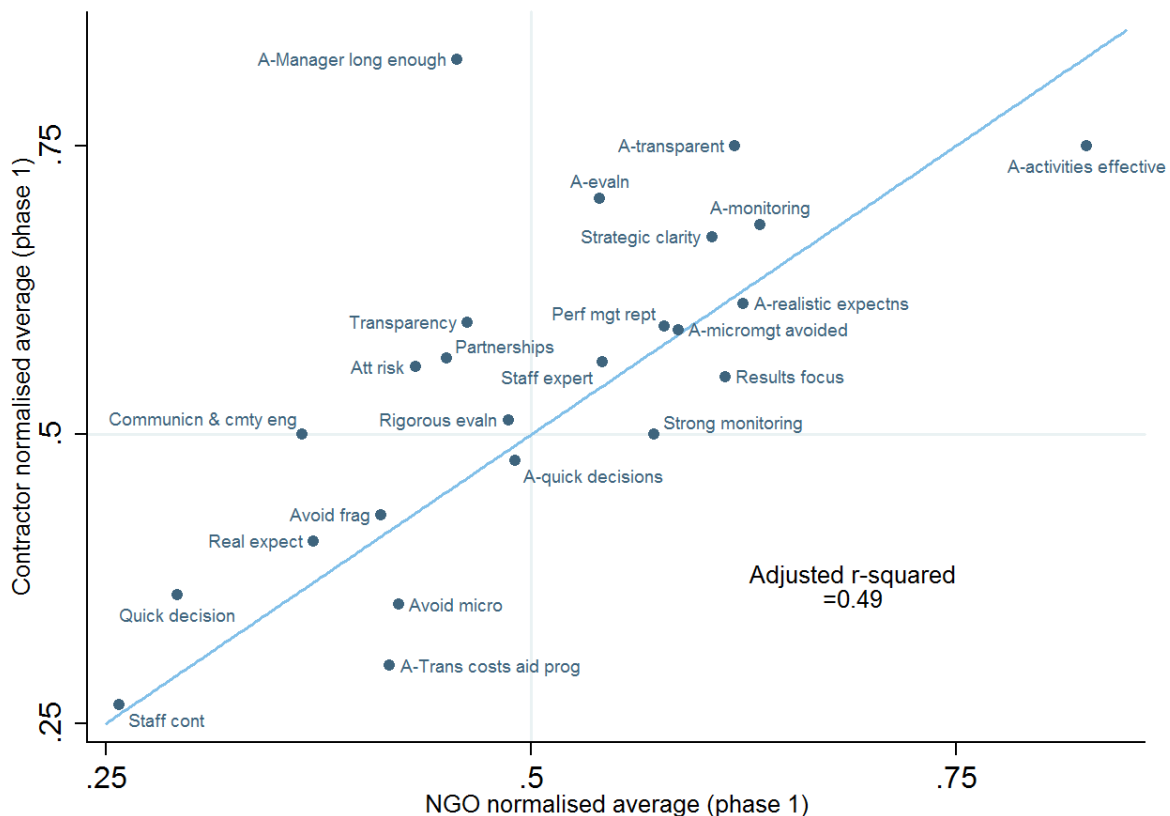


Figure notes: A table mapping abbreviated attribute labels to full names can be found in Appendix 3.

As can be seen by the high adjusted r-squared value in Figure 21, there is a clear positive correlation between NGO and contractor responses.⁸ This reflects the fact that, although there are some exceptions, by and large NGOs and contractors agreed on the relative strengths and weaknesses of the aid programme. Attributes that NGOs appraised positively tended to be attributes that contractors appraised positively, and vice versa. However, there is also a clear imbalance in the distribution of attributes around the one-to-one line. Just over 70 per cent of attributes are above it, reflecting the fact that, while the relative appraisal of attributes was similar between the two groups, in most instances contractors appraised attributes more positively in an absolute sense. Although there are exceptions, as in earlier parts of this report, contractors offered a more positive appraisal of the aid programme attributes we asked about.

Table 4 provides the normalised average scores from contractors and NGOs for each attribute. It is sorted by the difference between the average responses of the two stakeholder types. The first

⁸ If the obvious outlier, whether the manager the respondent dealt with for aid-funded activities had been in place long enough (“A-manager long enough” on the chart), is excluded, the adjusted r-squared rises to 0.66.

attributes listed are those where contractors gave substantially higher scores than NGOs. The last rows listed are those where the average NGO assessment was considerably higher than the average contractor assessment.

Table 4 – Normalised average scores contractors and NGOs compared (Phase 1)

Attribute	Contractor	NGO	Difference
A-manager long enough to be effective	0.83	0.46	0.37
A-evaluation	0.70	0.54	0.16
Transparency	0.60	0.46	0.13
Communication & community engagement	0.50	0.37	0.13
A-transparency	0.75	0.62	0.13
Appropriate attitude to risk	0.56	0.43	0.13
Partnerships	0.57	0.45	0.12
Quick decision	0.36	0.29	0.07
Strategic clarity	0.67	0.61	0.06
A-monitoring	0.68	0.63	0.05
Realistic expectations	0.41	0.37	0.04
Rigorous evaluation	0.51	0.49	0.03
Staff expertise	0.56	0.54	0.02
Selectivity and avoidance of fragmentation	0.43	0.41	0.02
Perf management and reporting	0.59	0.58	0.02
Staff continuity	0.27	0.26	0.01
A-micromanagement avoided	0.59	0.59	0.00
A-realistic expectations	0.61	0.63	-0.01
A-quick decisions	0.48	0.49	-0.01
Results focus	0.55	0.61	-0.06
Avoid micromanagement	0.35	0.42	-0.07
Strong monitoring	0.50	0.57	-0.07
A-activities effective	0.75	0.83	-0.08
A-trans costs aid programme	0.30	0.42	-0.12

Table notes: aid funded activity-related attributes are shaded in grey. A table mapping attribute names to labels used in the chart and the wording of the questions that generated them can be found in Appendix 3.

While just over 40 per cent of the attributes we asked about were appraised similarly by contractors and NGOs (a difference of 0.05 or less), a number of striking differences emerge from the figure and table.

In the case of two attributes – whether the manager dealt with for aid programme-funded activities had been working long enough to be effective, and the general attribute of transparency – contractors’ very positive appraisals were sufficient to shift what would have been an overall negative assessment to one that was, for the combined groups, positive. And in a number of other attributes, such as the general attributes of communication and community engagement, and partnerships, contractors were clearly more positive in their assessment than NGOs.

At the other end of the scale there were five attributes that contractors appraised significantly more negatively than NGOs. They assessed the effectiveness of their own aid programme-funded activities less positively than NGOs. They were much less happy about the transaction costs associated with

dealing with the aid programme for their aid programme-funded activities, as well as the general attributes of monitoring and micromanagement. They were also less positive about the extent to which the aid programme was results focused (a general attribute).

Where the differences are to do with responses to questions about attributes related to stakeholders' aid-funded activities, it is possible, as discussed, that they are simply a product of data quality. However, there are also differences in responses to general aid programme attributes, and we think it likely that the explanation for many of the differences between the two groups lies in the nature of the organisations that fall into these categories.

Unlike in Australia, most of the contractors we surveyed in New Zealand are not specialist aid-contracting companies (which are rare in New Zealand), but rather companies such as engineering, agriculture, and energy firms that have increasingly provided services to the New Zealand aid programme in recent years. We think it fair to say that a number of these firms do not share the standard norms of aid practice and have had many of their expectations shaped by the developed countries in which much of their work is conducted. As such, they are less likely to prioritise norms emphasised in aid work, such as partnerships with local organisations and community engagement. At the same time they are more likely to be accustomed to working in developed countries where the need for micromanagement and monitoring are minimised by much easier country contexts.

In noting this we are not commenting on the desirability of increasingly involving the private sector in aid work, as has occurred in New Zealand. Rather, we are simply offering a potential explanation for the differences in the appraisals discussed above, many of which are quite striking.

6.3 Comparisons with Australia

Domestic political pressures, the challenging context presented by most developing countries, and the need to satisfy a diverse range of interests, make it hard to give aid well. As a result of this, it is unrealistic to expect an aid programme to be very positively appraised across all aspects of its functioning. Ideally, some sort of frame of reference is desirable for assessing performance – a yardstick that gives a sense of what can realistically be expected. In the case of the Australian Aid Stakeholder Survey, because the survey has been run in two separate years (2013 and 2015), when we analysed data from the 2015 survey we were afforded an obvious point of comparison in our assessments: Australia in 2013. Because the 2015 survey was the first of its kind in New Zealand, such a comparison is not possible. However, because similar questions were asked in Australia and New Zealand, one means of gaining a sense of how well the New Zealand aid programme is performing is through comparison with Australia.

At points in this report we have already used Australia for comparisons. Continuing this, Figure 22 is a scatter plot comparing the two countries' 2015 scores across the attributes (both general attributes and attributes associated with stakeholders' aid-funded activities) we have covered in this section. The scatter plot functions in the same manner as that of Figure 21, except that in this instance attributes above the blue line are attributes where New Zealand performed better, while those below the blue line are attributes where Australia performed better. The results are clear: Australia scores higher in only two attributes, with a third (how effective stakeholders rate their own

aid-funded activities, “A-activities effective”) being a tie.⁹ Comparing Australian stakeholders’ evaluations of the Australian aid programme attributes and New Zealand stakeholders’ evaluations of their own government aid programme attributes also provides a favourable result for the New Zealand aid programme. In some instances, the differences are small, but in other areas, such as staff expertise (“Staff expert”) and strategic clarity (“Strategic clarity”), the gap is substantial.

One other interesting fact emerges from Figure 22: although New Zealand was assessed as performing better on average, in a relative sense the two countries’ aid programmes were appraised very similarly, as the high adjusted r-squared shows. That is, on average, attributes that were scored positively in New Zealand tended to be scored positively in Australia, and attributes that tended to score negatively in New Zealand tended to be scored negatively in Australia too. Although the average Australian attribute was scored lower by Phase 1 stakeholders than its equivalent was scored by Phase 1 New Zealand stakeholders, both countries’ aid programmes appear to have similar relative strengths and weaknesses.

Figure 22 – Australia and New Zealand average appraisal of attributes compared (Phase 1, 2015)

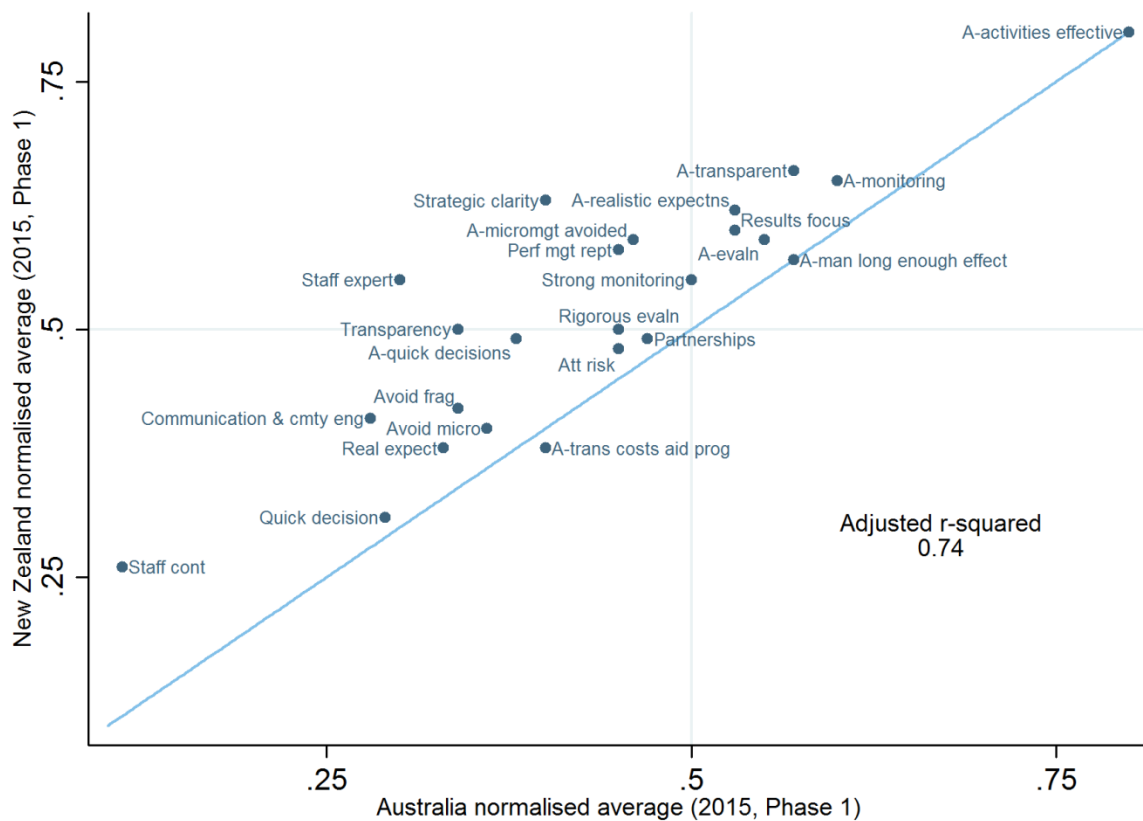


Figure notes: The normalised averages for each attribute are provided in Appendix 2. A table mapping abbreviated attribute labels to full names can be found in Appendix 3.

⁹ This finding is not simply a product of high scores from New Zealand contractors. Re-creating the chart with New Zealand contractors excluded still leaves New Zealand scoring more highly on most attributes than Australia. Similarly, even if Phase 2 participants from New Zealand are included in the New Zealand averages, New Zealand still scores higher for most attributes.

7. Discussion

Of course, one could argue that comparisons with Australia are hardly demanding. By any reckoning the Australian government aid programme has endured dramatic shocks over the last two years. And we think it would be mistaken to read too much into favourable comparisons with Australia in some areas. That said, the New Zealand government aid programme has not itself had a particularly easy time in recent years either. While it has been spared major budget cuts, it too was reintegrated into the foreign ministry (albeit in a less comprehensive manner). The New Zealand aid programme has also had to work with a foreign minister who – if media reports are to be believed – has little respect for the civil service and aid programme staff (for example see, Young 2011), and who was appraised less favourably by New Zealand stakeholders than Minister Bishop was by Australian stakeholders.

Given this challenging environment, the fact that New Zealand performed better than Australia in most attributes, combined with the fact that New Zealand's average appraisal from Phase 1 respondents was positive for the majority of attributes, alongside the fact that the aid programme's overall effectiveness was appraised quite positively, suggests something of a success for the aid programme and its staff, even if only a qualified one. Importantly, however, the 2015 New Zealand aid stakeholder survey findings were far from homogeneous. The survey identified both strengths and weaknesses. The survey also identified a clear divergence in the views of different stakeholder groups. It is to the most obvious aspects of these differences that we now turn.

7.1 Strengths

Although it is not a strength of the aid programme per se, the fact that the programme has not suffered dramatic budget cuts clearly counts as an important achievement on behalf of Minister McCully. Beyond budget quantity the Minister and aid officials also deserve credit for continuing to focus New Zealand aid on the Pacific. This is something that not only accords with the wishes of stakeholders but also makes sense given New Zealand's location.

In the case of the aid programme itself, two clear strengths emerged from the stakeholder survey. The first of these was a reasonable degree of high-level cohesion reflected in generally positive appraisals of strategic clarity, performance management and reporting, and a focus on results. Two of these attributes (strategic clarity and results focus) were perceived positively by both Phase 1 contractors and NGOs, and Phase 2 respondents, while the third (performance management and reporting) was appraised positively by contractors and NGOs and, effectively, neutrally by Phase 2 respondents.

Another attribute that was appraised positively by both contractors and NGOs (and neutrally by Phase 2 respondents), and which emerged as a comparative strength, was staff expertise. Of all the attributes plotted in Figure 22, staff expertise was the attribute where the gap between New Zealand and Australia was greatest in New Zealand's favour.

7.2 Causes for concern

On the negative side of the ledger, perhaps the most glaring issue was stakeholders' perceptions of the underlying rationale for New Zealand aid. The majority of stakeholders thought that only something in the range of 15 to 35 per cent of the focus of New Zealand aid was directed to helping poor people in developing countries, rather than advancing New Zealand's strategic and commercial

interests. This contrasted starkly with stakeholders' preferred focus: a clear majority wanted poverty to be the main focus of New Zealand aid.

Significantly, these findings were not just driven by the responses of NGOs and Phase 2 respondents. Most contractors also thought poverty was only a minority focus for New Zealand aid, something that differed from their preferences too. The view, held across respondent groups, that so little aid is focused on poverty, is a serious concern. This is all the more concerning because the use of aid to elicit domestic benefits is also signalled in MFAT documents (Ministry of Foreign Affairs and Trade 2011, pp. 11-12) and highlighted in the findings of the most recent OECD review of New Zealand aid (OECD 2015, pp. 15-16). Moreover, recent years have provided a number of clear examples of aid that appears to have been given foremost for the purpose of advancing New Zealand's interests (for examples see, NZADDs 2012; Wood 2012; Spratt 2013). Stakeholders' concerns appear well-placed in this area.

Also concerning are the process-based issues that stakeholders highlighted, including micromanagement and slow decision making. In our opinion these issues are not as worrying as New Zealand aid being used to help advance New Zealand's commercial and strategic interests. However, ongoing issues in these areas affects the efficient delivery of aid. Likewise, problems with communication and community engagement may not seem calamitous, but the aid programme and its stakeholders will undertake better aid work if communication between the two groups is effective, and if the aid programme is proactively engaging with the New Zealand development community.

Another area of concern is that of staff continuity, which was rated the most poorly of all the attributes surveyed. Although it is encouraging to see the New Zealand aid programme appraised positively with respect to staff expertise, the high degree of staff churn is an issue, particularly for aid effectiveness.

The next area of concern stems from the stark difference between the comparatively positive appraisals of Phase 1 contractors and the much less positive appraisals (in most areas) provided by Phase 1 NGOs.

The fact that contractors are quite happy with much to do with New Zealand aid is, of course, not an issue on its own. Indeed, it is good news. But the fact that NGO stakeholders (typically people with long development careers and considerable development experience) are offering more negative appraisals of the aid programme is concerning, though not entirely unexpected. Since 2009, NGO funding mechanisms, which were previously working well, have been through a number of iterations, none of which appear to have produced unqualified success. The OECD's most recent peer review team noted this issue. Writing of one of the currently existing funds, the review found that it, "does not seem to be providing the right incentives to promote sustained engagement in the Pacific, nor to be attracting partners in a strategic, effective way" (OECD 2015, p. 19). It is likely that problems with this funding mechanism played a significant role in driving the negative appraisal that most NGO stakeholders offered when asked about aid programme funding predictability (see Figure 5).

Beyond the issues of specific funds, the OECD review also noted more generally that, "there is scope to improve overall engagement with civil society organisations (CSOs) to reach New Zealand's

development goals” (OECD 2015, p. 19). On the basis of the stakeholder data that we have studied, this is a view with which we concur.

Related to the issues associated with the gap in average appraisals between Phase 1 contractors and Phase 1 NGOs is the fact that, generally, as can be seen in many of the charts above, and in Appendix 4, Phase 2 respondents appraised many aspects of the aid programme less positively than Phase 1 respondents. Any findings associated with this difference have to be regarded as tentative because, as participation in Phase 2 of the survey involved self-selection, there is a risk that the observed difference is simply a product of selection bias. It may be that disgruntled members of New Zealand’s aid community participated disproportionately in the second phase of the survey. This is certainly possible; however, it should not automatically be assumed. In Australia there was very little difference between Phase 1 and Phase 2 stakeholders’ appraisals of the aid programme (Wood et al. 2016, p. 40) even though recent changes in Australian aid would seem equally likely causes of selection bias. What is more, the types of participants who contributed to the second phase of the Australian survey were similar to those who took part in the second phase of the New Zealand survey (contrast participant data on page 39 of the Australian Aid Stakeholder Survey report with data in Table A1 of Appendix 1 of this report). These facts provide at least some evidence to suggest it might not be selection bias that is driving the more negative assessments of Phase 2 stakeholders in New Zealand. Because of this, some attention should be paid to the *possibility* that the broader New Zealand development community is less satisfied with the current state of New Zealand aid than are the senior executives surveyed in Phase 1 of the New Zealand stakeholder survey. If this is so, it deepens the case for being concerned with the current state of the New Zealand aid programme.

8. Recommendations

On the basis of the findings of the 2015 New Zealand Aid Stakeholder Survey, our first recommendation is that, at the political level, concerted effort needs to be devoted to refocusing New Zealand on helping poor people and poor countries, rather than on advancing New Zealand’s own interests. This issue was identified in the responses of all three stakeholder groups. It has also been commented upon in other publications such as the most recent OECD evaluation of New Zealand aid.

In the case of aid being used to advance New Zealand’s commercial interests, it should be noted that, domestically, government subsidies for business interests are generally regarded as inappropriate. It is hard to see why aid money should be treated differently. In the case of money being used to advance New Zealand’s strategic interests, the rationale for such spending may be stronger, but even in this instance it should be noted that New Zealand’s ability to engage internationally was not obviously hindered at times in the past when aid was focused almost entirely on helping to reduce poverty in developing countries.

Our second recommendation is that the International Development Group should be kept as a cohesive entity within the Ministry of Foreign Affairs and Trade, and that any temptation to emulate the Australian model of integration should be resisted. While some of the differences in stakeholders’ appraisals of particular aid programme attributes between Australia and New Zealand may simply be a result of teething problems in Australia, differences in the appraisals of a number of

important attributes point to key areas that would almost inevitably suffer were the New Zealand government aid programme to be further integrated as per the Australian model.

Two examples of attributes likely to suffer under further integration are strategic clarity and staff expertise. Both attributes were scored much more positively in New Zealand than Australia. Having the aid programme as a singular unit has allowed for more coherent high-level aid strategizing and planning in New Zealand than has been the case in Australia under full integration. Likewise, preserving the aid programme as a group in New Zealand has provided for a community of practice that has been able to foster staff expertise more effectively in New Zealand than has been the case in Australia under full integration.

Our third recommendation is to do with one staff issue that is clearly present in the New Zealand aid programme: a lack of staff continuity. While New Zealand scored better than Australia in this attribute, its absolute appraisal was still low and more effort needs to be placed on maintaining staff in aid roles for prolonged periods of time.

Our final recommendation is that ongoing problems of process in the New Zealand government aid programme need to be addressed. In some cases, stakeholders' poor appraisals in this area are perhaps unavoidable, related to the challenges inherent in working in developing countries. However, other issues can clearly be tackled. First and foremost are the ongoing problems with NGO funding mechanisms. Both New Zealand in the past and other countries (including Australia) at present provide good examples of NGO funding processes that work better than New Zealand's does. It is hard to see why New Zealand could not return to previous, successful models of NGO funding. More generally, for both the work that NGOs and contractors do, even if the nature of aid work does create some inevitable procedural challenges, ongoing attention should be focused on eliminating all unnecessary challenges.

9. Conclusion

The current state of New Zealand aid appears to be a new equilibrium of sorts – a state of affairs that has emerged and slowly stabilised in the wake of major change seven years ago. The findings of the 2015 New Zealand Aid Stakeholder Survey suggest New Zealand aid's new equilibrium is not all bad. Aspects of the aid programme are functioning quite well, and it continues to do good work. Yet, the findings also point to much that could be improved.

For those eager for improvement, there are two potential sources of positive change: political change and change emerging from within the aid programme.

Political change is a possibility in the medium term. There will be an election in 2017, which could bring a change of government. Even if it does not, the current foreign minister has stated he will not contest his electorate seat in 2017 (Jones 2016). Although he has left open the possibility of staying in parliament as a National Party list MP, and continuing in the role of foreign minister, his decision not to stand in his electorate may signal pending retirement.

However, while a change of minister, were it to occur, would appear to provide an opportunity for improvements to New Zealand aid, the wider New Zealand development community would be unwise to count on political change inevitably leading to improvements in the aid programme. The

status quo will have its defenders, and if the broader New Zealand international development community wants political change to lead to change in the quality of New Zealand aid, they will need to advocate vigorously for the changes they want. If they do not, they may find that the current equilibrium proves harder to shift than they imagined.

Just as political change does not guarantee improvements to New Zealand aid, improvements can be made, even in the absence of political change. At least some of the issues we have identified in this report are largely procedural, and ought to be able to be resolved by the aid programme as it currently stands. Other improvements may be more difficult, but are likely to be possible.

We plan to undertake the next New Zealand Aid Stakeholder Survey in 2018. Between now and then, one way or another, there is scope for building on the aid programme's strengths, addressing its issues and improving New Zealand government aid. In the 2018 survey we will collect the data again, gathering stakeholders' views to learn what has, and has not, changed.

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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 2015 New Zealand aid stakeholder survey followed the same methodology used to conduct the 2015 Australian aid stakeholder surveys. Where necessary, survey questions were adjusted to reflect the terminology and priorities of the New Zealand aid programme.

The 2015 stakeholder survey was conducted in two phases. The first phase, which ran from July 6 to October 6, involved directly soliciting responses from 99 senior managers of New Zealand NGOs and development contractors (these participants were emailed a link to a closed-access online survey that only they could fill out).

Most New Zealand NGOs that are engaged in international development issues are members of the Council for International Development (CID), the peak body for development NGOs in New Zealand. We contacted all of CID's larger members, as well as all of the smaller CID member NGOs that we could obtain contact details for. We also contacted one larger New Zealand aid NGO that was not a CID member. For all NGOs surveyed, we identified the most senior manager (CEO or equivalent) and his or her deputy most actively engaged with the aid programme (though this was not possible in all cases). In total, 57 representatives of NZ development NGOs were invited to take the survey.

Development contractors were also invited to participate in the first phase of the survey. In Australia we contacted members of International Development Contractors Australia, an industry association of international development contractors. Because an equivalent professional association does not exist in New Zealand, we instead identified the 28 development contractors that were most frequently awarded contracts by MFAT between February 2012 and April 2015, based on publicly available records published on MFAT's website. As with the 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 programme. A total of 42 development contractor senior executives were identified and invited to participate.

In all, 41 development NGO representatives and 21 development contractor representatives took part in Phase 1 of the survey, adding to a total of 62 participants. The response rate was 72 per cent for NGOs and 50 per cent for development contractors. The overall response rate for Phase 1 of the survey was 63 per cent, slightly lower than the Phase 1 response rate to the Australian aid stakeholder survey (71 per cent).

Phase 2 of the survey, which ran from August 28 to October 6, was open to all interested individuals to complete online. 74 participants responded. The largest proportion of respondents to this phase of the survey were from NGOs or were contractors/consultants. Academics, public servants (from both New Zealand and developing countries), employees of multilateral and regional organisations, and other interested individuals also responded.

Table A1 provides a breakdown of the survey respondents and response rates.

Table A1 – Survey respondents

PHASE 1 (pre-selected)	<i>Target</i>	<i>Responses</i>	<i>Response rate</i>
Total NGO representatives	57	41	72%
Total development contractor representatives	42	21	50%
PHASE 1 TOTAL	99	62	63%
			<i>Proportion of total Phase 2 responses</i>
PHASE 2 (self-selected)		<i>Responses</i>	
Academics		10	14%
New Zealand government		12	16%
Contractors and consultants		16	22%
	Development contractors	5	7%
	Independent consultants	11	15%
Multilateral and developing country government		8	11%
	Developing country government	5	7%
	Multilateral or regional organisation	3	4%
NGOs		24	32%
Other		4	5%
PHASE 2 TOTAL		74	100%
SUMMARY		<i>Responses</i>	<i>Proportion</i>
NGO representatives (Phase 1)		41	30%
Development contractor representatives (Phase 1)		21	15%
Phase 2 (self-selected)		74	54%
GRAND TOTAL		136	100%

Within the report, stakeholders are usually divided into three groups: NGOs, contractors, and self-selected. 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 of NGOs and contractors, but who were not invited to participate as part of Phase 1).

About the respondents

A total of 136 individuals took part in the 2015 New Zealand aid stakeholder survey.

Table A2 provides an overview of (self-reported) respondent demographics and details.

Table A2 – About the respondents

	NGO	Contractor	Phase 1	Phase 2	All
Percentage female	39%	33%	37%	47%	43%
Average age (years)	49	54	51	46	48
Percentage with very strong or strong knowledge of the aid programme	54%	48%	52%	77%	65%
Percentage with 5 or more years of experience in development	78%	67%	74%	78%	76%
Percentage based in New Zealand	95%	86%	92%	65%	77%
Percentage senior management	83%	86%	84%	43%	64%
Percentage at current organisation for 2 years or more	75%	100%	84%	70%	77%
Percentage directly engaged with the aid programme	69%	68%	69%	66%	68%

In general, respondents are both knowledgeable about and closely engaged with the aid program. While Phase 1 and Phase 2 respondents have nearly equal direct engagement with the aid programme (69 per cent versus 66 per cent, respectively), on average Phase 2 respondents ranked themselves as more knowledgeable about the aid programme than Phase 1 participants. 77 per cent of respondents in Phase 2 (52 per cent in Phase 1) regarded themselves as having strong or very strong knowledge of the aid programme.

In terms of development experience, 74 per cent of Phase 1 respondents (76 per cent of Phase 2) have five or more years of experience working in international development. At the upper levels, 18 per cent of Phase 1 respondents reported more than 15 years' experience in international development, as compared to 24 per cent of Phase 2 respondents.

Though the majority of respondents are based in New Zealand, individuals from over 31 countries participated in the 2015 survey. Approximately 35 per cent of Phase 2 participants were based overseas, with Australia, Timor-Leste, Papua New Guinea, and Fiji being the most common locations of overseas participants.

Appendix 2: Details from figures in text

Figure 1 – Minister’s performance

Group	Very ineffective	Ineffective	Neither effective nor ineffective	Effective	Very effective	n
Contractor	7%	20%	20%	47%	7%	15
NGO	25%	28%	25%	13%	9%	32
Self-selected	48%	23%	18%	8%	5%	40

Figure 2 – Minister McCully compared to Minister Bishop

Country	Group	Very ineffective	Ineffective	Neither	Effective	Very effective	n
Australia	Contractor	10%	19%	26%	32%	13%	31
	NGO	10%	26%	21%	39%	5%	62
	Self-selected	11%	22%	24%	38%	4%	230
New Zealand	Contractor	7%	20%	20%	47%	7%	15
	NGO	25%	28%	25%	13%	9%	32
	Self-selected	48%	23%	18%	8%	5%	40

Figure 3 – Anticipated changes to aid levels by 2019–20

Question	Group	Fall in nominal terms	Approx. same in nominal terms	Approx. same in real terms	Approx. same as a % of GNI	Increase somewhat as a % of GNI	Increase substantially as a % of GNI	n
National	Contractor	0%	0%	27%	60%	7%	7%	15
	NGO	8%	22%	25%	31%	11%	3%	36
	Self-selected	7%	17%	33%	29%	12%	2%	42
Labor	Contractor	0%	0%	14%	43%	43%	0%	14
	NGO	3%	0%	17%	20%	54%	6%	35
	Self-selected	0%	0%	2%	26%	55%	17%	42

Figure 4 – Desired changes to aid levels by 2019–20

Question	Group	Fall in nominal terms	Approx. same in nominal terms	Approx. same in real terms	Approx. same as % of GNI	Increase somewhat as % of GNI	Increase substantially as % of GNI	n
Desired change	Contractor	6%	0%	19%	31%	19%	25%	16
	NGO	0%	0%	3%	5%	43%	49%	37
	Self-selected	0%	2%	2%	2%	27%	66%	44

Figure 5 – Predictability of New Zealand aid funding

Group	Great weakness	Moderate weakness	Neither strength nor weakness	Moderate strength	Great strength	n
Contractor	0%	16%	16%	53%	16%	19
NGO	31%	28%	21%	18%	3%	39
Self-selected	14%	31%	20%	25%	10%	51

Figure 6 – Predictability and adequacy of funding for stakeholders' activities

Group	Great weakness	Moderate weakness	Neither strength nor weakness	Moderate strength	Great strength	n
Contractor	9%	0%	9%	27%	55%	11
NGO	15%	0%	15%	50%	19%	26
Self-selected	14%	21%	14%	41%	10%	19

Figure 7 – Satisfaction with governments' aid objective

Group	Very dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Very satisfied	n
Contractor	0%	10%	0%	70%	20%	20
NGO	8%	28%	25%	38%	3%	40
Self-selected	13%	29%	24%	29%	5%	62

Figure 8 – Preference for current or pre-2009 mission statement

Group	The definition prior to 2009	Neither	The two are equivalent	The current definition	n
Contractor	11%	5%	5%	79%	19
NGO	55%	3%	10%	33%	40
Self-selected	62%	7%	7%	25%	61

Figure 11 – Focus on Resilience and Human Development

Area	Group	Too much weight	The right weight	Too little weight	n
Resilience	Contractor	5%	75%	20%	20
	NGO	0%	63%	37%	38
	Self-selected	4%	60%	37%	52
Human. development	Contractor	11%	37%	53%	19
	NGO	0%	26%	74%	38
	Self-selected	4%	15%	82%	55

Figure 12 – Focus on Economic Development and Safer Communities

Area	Group	Too much weight	The right weight	Too little weight	n
Economic development	Contractor	20%	50%	30%	20
	NGO	73%	27%	0%	37
	Self-selected	75%	20%	5%	55
Safe cmtys	Contractor	21%	63%	16%	19
	NGO	0%	47%	53%	38
	Self-selected	12%	35%	53%	51

Figure 13 – Preferences for geographical allocation aid

Region	Contractor	NGO	Self-selected	Actual
Pacific	68%	57%	63%	76%
Asia	20%	25%	20%	19%
Africa	6%	11%	9%	2%
Middle East	2%	5%	5%	2%
Americas	4%	3%	2%	1%
n	20	39	49	n/a

Figure 14 – Aid programme effectiveness: NGOs, contractors, and self-selected

Group	Very ineffective	Ineffective	Neither effective nor ineffective	Effective	Very effective	n
Contractor	6%	0%	12%	82%	0%	17
NGO	0%	21%	21%	56%	3%	34
Self-selected	6%	22%	32%	38%	2%	50

Figure 15 – Aid programme effectiveness Australia and New Zealand compared: NGOs, contractors, and self-selected

Group	Country	Very ineffective	Ineffective	Neither effective nor ineffective	Effective	Very effective	n
Contractor	Australia	9%	6%	34%	51%	0%	35
	NZ	6%	0%	12%	82%	0%	17
NGO Self-selected	Australia	0%	13%	20%	64%	3%	64
	NZ	0%	21%	21%	56%	3%	34
	Australia	4%	16%	29%	49%	2%	277
	NZ	6%	22%	32%	38%	2%	50

Figure 16 – The New Zealand aid programme in comparison to other donors

Group	A lot worse	Worse	Same	Better	A lot better	n
Contractor	0%	6%	41%	35%	18%	17
NGO	10%	29%	32%	26%	3%	31
Self-selected	6%	38%	21%	30%	4%	47

Figure 17 – Change in overall effectiveness of the aid programme over the last two years

Group	Declined significantly	Declined moderately	Stayed the same	Improved moderately	Improved significantly	n
Contractor	0%	11%	22%	67%	0%	9
NGO	4%	39%	46%	11%	0%	28
Self-selected	23%	30%	20%	23%	5%	44

Figure 18 – Impact on staff effectiveness of 2009 merger of NZAID into MFAT

Group	Much worse	Worse	Stayed the same	Improved	Greatly improved	n
Contractor	0%	33%	17%	42%	8%	12
NGO	15%	54%	19%	8%	4%	26
Self-selected	28%	40%	18%	15%	0%	40

Figure 19 – Normalised average attribute scores, general attributes (Phase 1)

Attribute	Great weakness	Moderate weakness	Neither strength nor weakness	Moderate strength	Great strength	n
Strategic clarity	2%	20%	15%	51%	12%	59
Focus on results	4%	14%	30%	44%	8%	50
Performance mgt	6%	14%	25%	51%	4%	51
Staff expertise	8%	25%	15%	44%	8%	52
Monitoring	7%	19%	28%	41%	5%	58
Transparency	16%	19%	22%	34%	9%	58
Evaluation	11%	25%	28%	30%	7%	57
Partnerships	17%	15%	31%	31%	7%	59
Approp attitude to risk	10%	34%	20%	28%	8%	50
Fragmentation	12%	37%	25%	27%	0%	52
Coms & cmty engage	19%	26%	26%	28%	0%	57
Avoidance of micromgt	24%	27%	18%	27%	4%	59
Realistic expectations	21%	31%	26%	19%	3%	58
Quick decision	24%	44%	15%	15%	2%	54
Staff continuity	35%	35%	21%	6%	2%	48

Figure 22 – Australia and New Zealand average appraisal of attributes compared (Phase 1, 2015)

Attribute	New Zealand	Australia	Difference (NZ - Aus)
Staff expert	0.55	0.3	-0.25
Strategic clarity	0.63	0.4	-0.22
Transparency	0.5	0.34	-0.17
Staff cont	0.26	0.11	-0.15
Communication & cmty eng	0.41	0.28	-0.13
Perf mgt rept	0.58	0.45	-0.13
A-micromgt avoided	0.59	0.46	-0.13
A-quick decisions	0.49	0.38	-0.11
A-transparent	0.66	0.57	-0.09
A-realistic expectns	0.62	0.53	-0.09
Avoid frag	0.42	0.34	-0.08
Results focus	0.6	0.53	-0.07
Strong monitoring	0.55	0.5	-0.05
Rigorous evaln	0.5	0.45	-0.05
Real expect	0.38	0.33	-0.05
A-monitoring	0.65	0.6	-0.05
Avoid micro	0.4	0.36	-0.04
A-evaln	0.59	0.55	-0.04
Att risk	0.48	0.45	-0.02
Quick decision	0.31	0.29	-0.02
Partnerships	0.49	0.47	-0.01
A-activities effective	0.8	0.8	0
A-man long enough effect	0.57	0.57	0.01
A-trans costs aid prog	0.38	0.4	0.02

Appendix 3: Scatter plot labels

Attribute label in scatter plots	Attribute label in table	Full question wording
<i>This survey is based on the 2013 Australian aid stakeholder survey. That survey referred to the 2011 Australian Independent Review of Aid Effectiveness, which identified a number of attributes that characterise effective aid programmes. Please indicate the extent to which you believe the New Zealand aid programme as it currently stands possesses each attribute in the list.</i>		
Strategic clarity	Strategic clarity	Strategic clarity
Avoid frag	Selectivity and avoidance of fragmentation	Selectivity and avoidance of fragmentation
Strong monitoring	Strong monitoring	Strong monitoring
Rigorous evaln	Rigorous evaluation	Rigorous evaluation
Partnerships	Partnerships	Effective use of partnerships
Transparency	Transparency	Transparency
Communication & cmtly eng	Communication & community engagement	Effective communication and community engagement
Real expect	Realistic expectations	Realism of expectations
<i>The 2011 Australian Independent Review of Aid Effectiveness mentioned above also identified a number of attributes that are particularly important for aid programme quality. Please indicate the extent to which you believe New Zealand's aid programme possesses each of the attributes listed, using the following scale:</i>		
Att risk	Appropriate attitude to risk	Appropriate attitude to risk
Quick decision	Quick decision	Quick decision making
Staff cont	Staff continuity	Staff continuity
Staff expert	Staff expertise	Staff expertise
Avoid micro	Avoid micromanagement	Avoidance of micromanagement
Results focus	Results focus	Focus on results
Perf mgt rept	Perf management and reporting	Strong aid programme performance management and reporting
<i>The following criteria have been selected from the two lists presented earlier (in Sections 2B and 2F). Rate each of the following as a strength or weakness of the specific aid activity or activities you are reflecting on in this section. [This refers to stakeholders' own aid programme funded activities.]</i>		
A-quick decisions	A-quick decisions	Quick decision making by MFAT management
A-micromgt avoided	A-micromanagement avoided	Avoidance of micromanagement by MFAT management
A-monitoring	A-monitoring	Strong monitoring
A-evaln	A-evaluation	Rigorous evaluation
A-transparent	A-transparency	Transparency
A-realistic expectns	A-realistic expectations	Realism of expectations

Attribute label in scatter plots	Attribute label in table	Full question wording
A-activities effective	A-activities effective	How would you rate the effectiveness of your activity or activities?
A-Manager long enough	A-manager long enough to be effective	To what extent do you agree with the following statement: "The 'manager' appointed to my project has been in place long enough to be effective."
A-Trans costs aid prog	A-trans costs aid programme	How would you identify the transaction costs of dealing with MFAT?

Appendix 4: Phase 1 and Phase 2 attribute appraisals

For reasons of simplicity and space (and because the Phase 1 data were more robustly sampled) when detailing the quality of specific aid programme attributes in the body of this report we limited our analysis to Phase 1 data. However, because of the variation across the two stakeholder phases apparent in the responses to many of the previous questions, in Figure A1 we provide a comparison of the average scores for each of the attributes detailed above provided both Phase 1 and Phase 2 respondents. Table A4 provides the values of the plotted scores.

In Figure A1 both the possible x- and y-axis scales range between zero to one (although in the chart they are truncated to the range of the data). Each dot on the chart is associated with an attribute that we asked stakeholders about. The point's position along the y-axis reflects its normalised average score from Phase 1 respondents. The point's position along the x-axis reflects its normalised average score from Phase 2 respondents. An attribute would score zero on either axis if all respondents from the relevant phase gave it the lowest possible appraisal. An attribute would score one if all respondents gave it the highest possible appraisal. A score of 0.5 reflects a neutral appraisal on average. The diagonal blue line shows a one-to-one relationship. The further an attribute lies from the line, the greater the difference in average appraisals between Phase 1 and Phase 2 respondents. Attributes below the line were appraised on average more positively by Phase 2 respondents than Phase 1 respondents. Attributes above the line were appraised on average more positively by Phase 1 respondents than Phase 2 respondents. (A table that maps attribute names to a more detailed description, and the wording of the question they were based on, can be found in Appendix 3.) Attributes prefixed with "A-" relate to stakeholders' responses to questions about their own government aid programme funded activities. All other attributes come from general questions about the aid programme as a whole.

As can be seen by the high adjusted r-squared value in Figure A1, there is a clear positive correlation between Phase 1 and Phase 2 responses. This reflects the fact that, although there are some exceptions, by and large Phase 1 stakeholders and Phase 2 stakeholders agreed on the relative strengths and weaknesses of the aid programme. Attributes that Phase 1 respondents tended to score comparatively well were also attributes that Phase 2 respondents tended to score comparatively well. And attributes that Phase 1 respondents tended to score comparatively poorly were also attributes that Phase 2 respondents tended to score comparatively poorly. However, almost all of the attributes charted in Figure A1 lie above the one-to-one line, reflecting the fact that average Phase 1 appraisals were almost always more positive. Indeed, as the distance from the one-to-one line indicates, Phase 1 stakeholders' appraisals of most attributes were considerably more positive than Phase 2 stakeholders' appraisals. This reflects a pattern that is apparent throughout much of the report: by and large Phase 2 stakeholders were markedly less happy with the state of New Zealand aid than Phase 1 stakeholders were.¹⁰ As Table A1 in Appendix 1 shows, a number of different types of respondent took part in Phase 2. However, no one individual group drove the Phase 1 versus Phase 2 difference. Reflecting this, when we ran the Phase 1 versus Phase 2 comparison excluding particular Phase 2 groups we did not obtain dramatically different overall results.

¹⁰ Within Phase 1 contractors appraisals were considerably more positive than NGOs. However, even when we restricted Phase 1 respondents to NGOs alone almost all of the attributes were still rated more positively by Phase 1 NGOs than by Phase 2 respondents.'

Figure 21 – Phase 1 and Phase 2 average appraisal of attributes compared

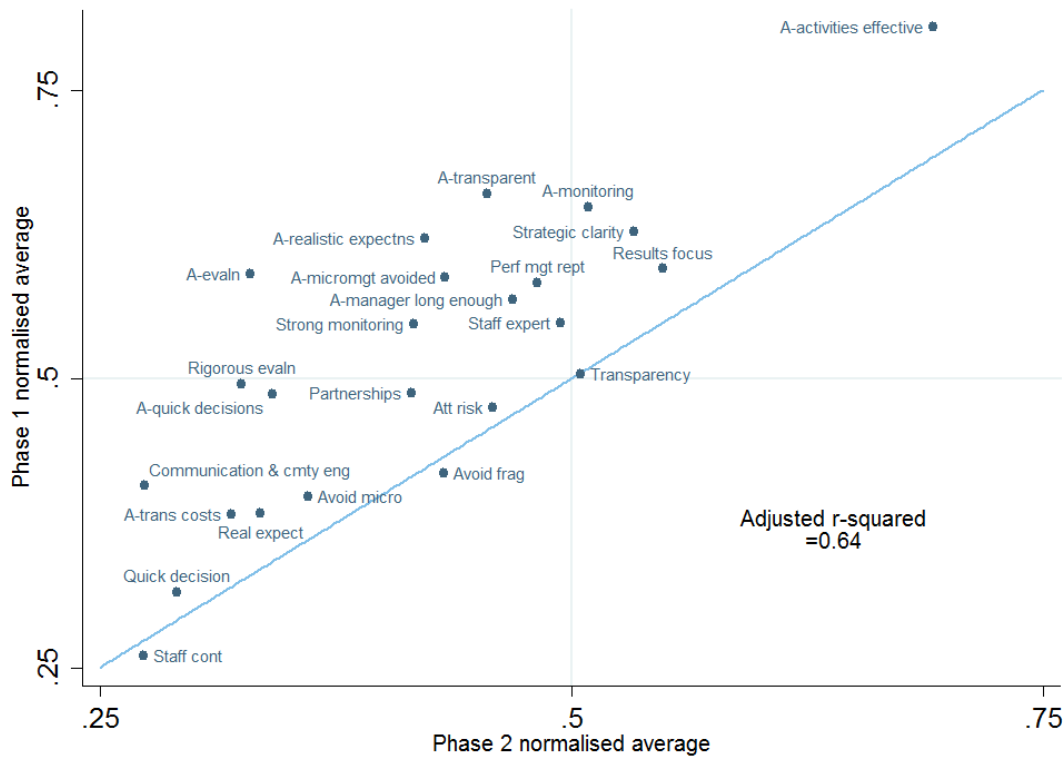


Figure notes: A table mapping abbreviated attribute labels to full names can be found in Appendix 3.

Table A4 – Normalised average appraisal of attributes Phase 1 and Phase 2

Attribute	Average Phase 1	Average Phase 2	Difference
A-evaluation	0.59	0.33	0.26
A-transparency	0.66	0.46	0.20
A-realistic expectations	0.62	0.42	0.20
Rigorous evaluation	0.50	0.33	0.17
A-micromanagement avoided	0.59	0.43	0.15
A-quick decisions	0.49	0.34	0.14
A-monitoring	0.65	0.51	0.14
Communication & community engagement	0.41	0.27	0.13
Strong monitoring	0.55	0.42	0.13
A-activities effective	0.80	0.69	0.11
Perf management and reporting	0.58	0.48	0.10
A-manager long enough to be effective	0.57	0.47	0.10
Strategic clarity	0.63	0.53	0.09
Partnerships	0.49	0.42	0.07
A-trans costs aid programme	0.38	0.32	0.06
Staff expertise	0.55	0.49	0.05
Realistic expectations	0.38	0.33	0.05
Results focus	0.60	0.55	0.05
Avoid micromanagement	0.40	0.36	0.04
Quick decision	0.31	0.29	0.02
Appropriate attitude to risk	0.48	0.46	0.02
Transparency	0.50	0.50	0.00
Staff continuity	0.26	0.27	-0.01
Selectivity and avoidance of fragmentation	0.42	0.43	-0.01

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