



DAC's surprisingly critical review of New Zealand aid

By Terence Wood
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OECD Development Assistance Committee (DAC) peer reviews are not known for being tough. Usually, they sit somewhere on a spectrum between soft and soporific. This, combined with the Ministry of Foreign Affairs and Trade's plans to launch the 2023 peer review of New Zealand aid in parliament, had me glumly assuming the worst. Surely, I figured, if the review were critical, MFAT wouldn't launch it in parliament. They'd bury it on a server.

To my surprise, I was wrong. The latest [peer review of New Zealand aid](#) is insightful, detailed and contains a surprising amount of criticism.

It's still a DAC peer review of course: padded with polite applause and free of anything a journalist might turn into a headline. But it has identified much that is wrong with New Zealand government aid.

The review is 72 pages long; I can't do justice to all of it in a blog post. But I'll discuss the most important challenges I think it identifies for New Zealand aid.

The risk that geopolitics will further undermine the quality of New Zealand aid is highlighted early on in the report. It emphasises the importance of "striking the right balance between political and development work, ensuring the focus does not shift too far towards the political as geopolitical tensions reshape the region" (p. 16). This is on point and will only become more important as Western donors scramble to chase China out of the Pacific. If New Zealand isn't thinking first and foremost about development objectives when it makes decisions about aid, our aid will get worse.

The review also emphasises transparency. There is a transparency team in MFAT now (good news). But it's still [frustratingly hard to get useful information](#) on New Zealand aid. As a result, one of the review's recommendations is that MFAT should "dedicate resources and leadership to further improve transparency" (p. 28). MFAT do have real plans to get better in this area. It will be great to see them come to fruition as soon as possible.

Then there's expertise. Much like Australia, when New Zealand integrated its aid program into its foreign ministry it lost a lot of skilled aid workers. Aid is a specialist field. If you want to give aid that works, you need people who know what they are doing. There are some excellent aid practitioners in MFAT, but they are thin on the ground. So it was very encouraging to read the review's recommendation that MFAT put "in place the incentives and resources to build, deepen and maintain development expertise" (p. 28). The review also highlighted the need for more staff. Once again this is spot on. Aid is complicated: busy people don't have the time to manage aid effectively.

The review also highlights the need for more evaluation, and stronger internal processes in place to maximise learning from evaluations. This is tied into the need to build a "results culture" and "strengthen cross-programme learning" (p. 32-34). This is good practice in general. All donors could do more of it. New Zealand aid would certainly improve if a genuine learning culture became integral to MFAT's work.

There's well-deserved praise for New Zealand's [increased climate finance](#) in the review. But at the same time, the reviewers also stress the challenges MFAT will face as it starts to give a lot more climate aid. MFAT is starting to prepare itself for the work ahead, but in coming years nearly a third of all New Zealand aid will go to climate finance – much of it to the Pacific, where [aid often isn't easy to deliver](#). MFAT will have to work hard if they want to give climate aid that actually helps in a region where it is badly needed.

The review credits New Zealand's willingness to give budget support (see Figure 5), but it also has some great complementary discussion on promoting "whole-of-society buy-in and strengthened accountability" (p. 40). The tone here isn't critical, but the relevant sections of the report make for thought-provoking reading about the challenges of different approaches to giving aid. There's scope here for MFAT to take the reviewers' advice and further improve aid practice, making sure that budget support isn't wasted by recipient governments that are out of touch with the needs of their people.

Alongside areas where New Zealand can improve, the review also credits MFAT where credit is due. For example, it praises MFAT's now much improved approach to working with New Zealand NGOs.

All told, it is a great peer review: constructive and comprehensive. It's also encouraging that MFAT actually launched it at parliament. Hopefully, this signifies a general desire on senior management's behalf to get serious about improving New Zealand aid. There is, as the review carefully spells out, plenty that can be done.

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