

Finding common ground: the Senate inquiry on Australian aid

by Jonathan Pryke and Stephen Howes
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Yesterday the Senate **released its report** on Australia's aid program, with 24 main recommendations and 11 dissenting ones (3 by the Coalition and 8 by the Greens). The bulk of the report covers the changes to the aid program since the change of government, and summarizes submissions to the inquiry (which we do with more brevity **here**). Devout aid wonks will want to read the report in full, but most will be satisfied with its conclusion, which provides the committee's views and recommendations.

The two dissenting notes notwithstanding, what is striking about the report is the extent of agreement. Despite earlier, stinging **criticism** by Shadow Foreign Minister Plibersek, in this report only the Greens condemn the DFAT-AusAID merger and call for its reversal. And, although they defend the recent budget cuts, the Coalition members of the Committee sign on to a number of points which go against the new government's policy or at least practice.

A full list of recommendations follows at the bottom of this brief. The main text picks out some highlights and offers some brief comments:

Recommendation 1: Release an overarching policy framework for Australia's aid program as part of the budget process. The report specifically commends the **CAPF** as a model.

Recommendation 2: Undertake a new white paper process. The **last white paper** was released in 2006 under Howard, though the Independent Review of Aid Effectiveness and government response in 2011 was a somewhat similar process.

Recommendation 4: Ensure that Australia's ODI/GNI ratio does not fall below 0.33. This **seems unlikely** if aid increases are only maintained at CPI (as per Recommendation 3) and the economy continues to grow. But more meaningful than recommendation 5 which calls for hitting the 0.5% target in ... 2024/25!

Recommendation 8: Recommit to joining the African Development Bank. An Independent Review recommendation, legislation and a subsequent Parliamentary inquiry were both shelved when the Coalition assumed government.

*Recommendation 9: Renew the **Medical Research Strategy** and expand funding to \$50 million.* Another Independent Review recommendation, this is a significant

victory for the medical research community, which contributed nearly a third of all submissions to the inquiry. The expanded funding would represent a five-fold increase in current annual funding.

Recommendation 13: Commit to restore an appropriate level of funding for climate change and environmental protection programs. This sector was slashed in the recent budget cuts.

Recommendation 14: Commit to allocating 10% of the aid budget to emergency and humanitarian response. This was a primary lobbying point for Australian NGOs, and again a recommendation of the Independent Review. Emergency and humanitarian spending was at 7% of the aid budget in 2010-11, according to the Review.

Recommendation 15 & 18: The ANAO should conduct two reviews on the Australian aid program. One would be on the procurement of aid-related technical services by DFAT and the other to ensure it has retained and maintained key skills, processes and specialist staff to effectively manage Australian aid. We have highlighted a loss of aid management capacity and skills as a major risk of the integration, so this is a particularly welcome recommendation. Perhaps the two performance audits could be combined.

Recommendation 19: Change the name of DFAT to Foreign Affairs, Trade and Development to reflect the importance of its overseas aid program, as Canada did post-integration.

Recommendation 20: Recommit to the Transparency Charter and release more information to the public on Australian aid. A first step would be ensuring that the aid blue book (budget) and **green book** (statistics) survive.

Recommendation 24: Don't make any further changes to the aid budget outside of the budget process. Hear, hear.

Full list of recommendations of the main report

1. The committee recommends the Australian Government release an overarching policy framework for Australia's aid program as part of the May 2014 budget process.
2. The committee recommends the Australian Government undertake a white paper process to refine the long term strategic objectives of Australia's aid program and identify measures to achieve these objectives.
3. The committee recommends the Australian Government maintain its commitment to increase the funding by the Consumer Price Index in 2014-15.

4. The committee recommends that, in future years, the Australian Government ensures that Australia's ODA/GNI ratio does not fall below 0.33.
5. The committee recommends the Minister for Foreign Affairs and the Shadow Minister for Foreign Affairs develop a bipartisan agreement for the long term funding of Australia's overseas aid and development assistance program to achieve the ODA/GNI target of 0.5 per cent by 2024-25.
6. The committee recommends that the Australian Government promote the interests of developing countries in the Asia Pacific in the post-2015 development agenda discussions.
7. The committee recommends that the Australian Government reverse funding cuts made to Pacific nations in the 2014-15 budget.
8. The committee recommends that the Australian Government reintroduce and support legislation to enable Australia to become a member of the African Development Bank Group.
9. The committee recommends that the Australian Government renew the Medical Research Strategy and expand funding for the program to \$50 million per annum.
10. The committee recommends that the Medical Research Strategy should:
 - have a broader remit to include all research relevant to the major health challenges in developing countries, including early and product development and operational/field research; and
 - continue to have priority focus on product development partnerships
11. The committee recommends that the Australian Government establish an interdepartmental taskforce, chaired by the Department of Foreign Affairs and Trade, to develop a global health research and development strategy.
12. The committee recommends that the Department of Foreign Affairs and Trade investigate creating a mechanism to track gender issues across the Australian aid program and budget.
13. The committee recommends that the Australian Government restore an appropriate level of funding for climate change mitigation and environmental protection programs within the aid budget.
14. The committee recommends that the Australian Government commit to allocating 10 per cent of the aid budget for emergency and humanitarian response.

15. The committee recommends that the Australian Government re-establish the AusAID NGO Cooperation Program Innovation Fund.
16. The committee recommends that the Australian Government join the Global Development Innovation Venture.
17. The committee recommends that the Australian National Audit Office consider the procurement of aid-related technical services by the Department of Foreign Affairs and Trade.
18. The committee recommends that the Australian National Audit Office undertake a review of the Department of the Foreign Affairs and Trade to ensure it has retained and maintained the key skills, processes and specialist staff necessary to effectively administer Australia's aid program.
19. The committee recommends the Australian Government consider changing the title of the Department of Foreign Affairs and Trade to reflect the importance of its overseas aid and development assistance responsibilities.
20. The committee recommends that the Department of Foreign Affairs and Trade recommit to the Transparency Charter and continue to increase the amount of publicly available information regarding Australia's aid program.
21. The committee recommends that the Australian Government develop aid benchmarks which can be applied consistently to all agencies which provide official development assistance.
22. The committee recommends the Australian Government continue to consult closely with aid sector stakeholders in the development and implementation of aid benchmarks.
23. The committee recommends the Department of Foreign Affairs and Trade expedite the provision of detailed information to stakeholders regarding which programs and areas will be impacted by the aid budget funding changes announced on 18 January 2014.
24. The committee recommends that the Australian Government should refrain from mid-year changes to aid funding allocations in the future unless they increase available funding.

Dissenting report by Coalition Senators recommendations

1. The Coalition Government deliver aid against its stated policy objectives, including to promote Australia's national interests through contributing to economic

growth and poverty reduction.

2. The Coalition Government implements Recommendation 39 of the Independent Review of Aid Effectiveness by implementing rigorous performance benchmarks.
3. The Government further strengthen the aid program's fraud management controls and systems.

Dissenting report by the Australian Greens recommendations

1. Tied aid programs should not be considered as Official Development Assistance. Overseas development should contribute to poverty alleviation and should not be used as corporate welfare for Australian companies.
2. Aid should not be linked to Australia's punitive refugee policy either through spending in Australia or overseas, and aid should not be used as a means of leverage deals with neighbouring countries.
3. The Government should maintain its commitment to the MDG's by ensuring all aid policy meets MDG guidelines.
4. The Government should end programs and policies that do not meet the objectives of the MDG's such as the Mining for Development Initiative.
5. Environmental aid, including climate change adaptation funds should be added to the aid program as priority areas.
6. The Government should reassess the aid for trade policy and cease the use of aid as a bargaining chip to further these negotiations.
7. A significantly increased level of scrutiny and accountability needs to be applied to where the Government partners with the private sector.
8. The Government to more regularly release information about the aid program and increase the transparency about decision making processes.

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Link:

<https://devpolicy.org/finding-common-ground-the-senate-inquiry-on-australian-aid-20140328/>