

Devpolicy Forum on the Aid Review

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On July 11 the Development Policy Centre hosted Sandy Hollway, chairman of the Independent Aid Review, and Peter Baxter, AusAID Director General, to discuss the key findings and recommendations of the Review and the Government's response. Jonathan Pryke reflects on the proceedings. A video of the proceedings is available [here](#).



The Development Policy Centre was pleased to host Sandy Hollway and Peter Baxter on the morning of July 11. Below is a summary of their remarks and the proceeding discussion. Sandy Hollway kicked off the event (for a summary of the Reviews recommendations and the Government's response, see [here](#)).

Sandy Hollway, Chairman of the Independent Aid Review

Instead of re-hashing the recommendations of the Review (which can be found [here](#)), Mr. Hollway decided to talk about the top dozen themes that emerged from the deliberations of the panel throughout the review process and are reflected in the report.

1. Evolution rather than revolution. The panel was fortunate enough to come to an aid program already proactive and on the move, making its recommendations more about driving that process harder, faster and more rigorously, rather than changing it completely.
2. Developing a project mentality. An important part of this was defining what the aid program should look like in 2015/16 and tracking backwards from there, figuring out how to achieve that goal.
3. Bringing some issues out of the closet. The aid review was determined to confront the difficult issues, including AusAID's history of risk aversion, aid in perpetuity to states in the Pacific, the role of national interest, the importance of human rights and the underperformance of governance programs.

4. Innovations in methodology. International development needed to be much more accessible to the public and needed to take on a more holistic approach, recognizing that the why, where and how questions surrounding aid are not separate but rather deeply interconnected.
5. Consolidate or crumble. Australia has 92 state and federal agencies running over 4,500 activities in 88 countries. Addressing fragmentation is incredibly important.
6. Country programs should be in the driver's seat. AusAID needs to stop announcing pre-determined, proportional amounts on sectoral programs that do not reflect needs at the country level.
7. Core funding with due diligence. Australia has a rare opportunity as its aid budget doubles to reap the positive advantages of increasing core funding to NGOs and multilaterals.
8. Horses for courses. The report avoids fashionable condemnation of consultants and contractors, which in some cases are highly efficient and effective. AusAID needs to retain a menu of potential responses that accommodate all situations.
9. The power of partnerships. Australia's partnerships are strong but can be improved through mutual accountability and shared oversight. Partnerships with contractors and NGO's can also be improved through greater integration
10. Good aid policy is a combination of heart and head. Australia's aid program must be a hard-nosed, rightly managed operation that still maintains a strong sense of spirit and mission.
11. More red tape does not equal more effectiveness. Tightening up and streamlining of the aid program is vitally important.
12. The aid program is about people. This is true in three particular ways: A mandated focus on people in poverty, a need to further engage the Australian people and the importance of people in the organisations delivering aid.

Peter Baxter , AusAID Director General

Peter Baxter delivered a summary of the governments response to the aid review and what AusAID considers to be the key messages from this process (the Government's response is available [here](#)). The core message of this presentation was that AusAID and the Government had clearly listened to the Review and were keen in further driving change to help improve aid delivery in Australia. Instead of repeating in detail what has been covered in previous Devpolicy blogs and can be found online, I want to leave room to comment on the discussion that took place.

Discussion

With regards to the refinements by the government to the aid program's objective, Mr. Hollway stated that he was not bothered by the changes. While they do more explicitly recognise national interest as a factor in determining the geographic distribution of aid, that was already expected. He stated the objectives of the program should be accepted and we should move on.

In regards to whether Mr. Hollway believed the 2012-13 budget process would align with the 2015-16 numbers and geographic spread quoted in the review, he responded that he did not believe that the Review was at fundamental odds with the government thinking. It is more important to take away from review the methodology of how these figures are reached.

Discussion soon brought up the one recommendation, the changing of the Ministerial title, that was simply

noted and not accepted by the Government. Mr. Hollway stated that people should be very careful before pushing too hard for an aid program to become the responsibility of a junior minister unconnected to a cabinet portfolio and should think about its negative consequences. It is probably preferable to have AusAID remain in the foreign affairs portfolio, even without the change of title, than to branch off on its own. Mr. Baxter affirmed these remarks quoting the very proactive role that Minister Rudd has taken with the aid program. AusAID has also only recently been made an executive agency, reporting directly to the Foreign Minister. In effect this means that changing AusAID into a ministry, according to Mr. Baxter, wouldn't change anything but the letterhead.

This was further discussed when questioning how much influence AusAID can have in other areas of international policy that impact development outcomes, with Mr. Baxter affirming AusAID's seat at the table at all discussions involving developing countries.

Gender and inequality, and the limited role that they were perceived to have in discussions in the review, were discussed by the panel members. They both stressed the growing importance that both have in the framework of Australia's new aid program. Gender in particular, stated Mr. Baxter, by being explicitly mentioned as one of the 10 core objectives of AusAID, is in a better position than it has ever held in the past.

Discussions also came to the question of absorptive capacity, particularly in some Pacific states, to accept more aid and how this will be dealt with, and linking into this discussion a question on aid in perpetuity in the Pacific and how to improve governance in these countries. The panelists agreed that these were important issues that take time and patience to address. They are also factored in to funding allocations in the future. Mr. Baxter also highlighted the importance of scholarships, now approaching 4,500, in not only providing a cadre of future leaders with quality education but also with an imprint of Australia's political norms and values.

Wrapping up

Mr. Hollway and the entire panel of the Review should be commended for their efforts since the Review's announcement in November last year. Mr. Baxter and the Government's real tests still lie ahead but, with the acceptance of the review and a dedication for implementation, they seem off to a good start.

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