TA or not TA?

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*TA or not TA: that is the question...*Or at least that is one of the major questions that the Australian government aid programme has been asking of itself in recent years. Technically, Technical Assistance (TA) is any aid given for the purpose of transferring skills from donor countries to aid recipients. This can take various forms, including scholarships and volunteer placements, but for Australia the most contentious issue has been TA given through the employment of advisers: contractors or secondees paid with aid funds to work in recipient countries, often in government departments and ministries.

There is an obvious appeal to giving TA in this form: in the short-term, when needs are pressing, advisers - already experts in their relevant field - can be inserted and are potentially capable of bringing about improvements in relatively short time frames. While in the medium to long term, advisers can, in theory at least, train local staff and set in place durable systems which will provide benefits long after their departure. Advisers also have the potential advantage of existing outside the political economy and informal institutions of the locations where they are working, which means they are less likely to be corrupt and more likely to be able to put a stop to corrupt use of aid funds. And they can serve as conduits for knowledge transfer. The right adviser at the right place at the right time can have significant impacts. I once went to a talk given by a New Zealand mid-wife who had been placed as a volunteer in an adviser role in a health ministry in South East Asia and who had managed to change official guidelines on child birth in a way that led to a significant decrease in maternal mortality. Similarly, AusAID's 2006/07 thematic performance report on economic governance (here [pdf]) notes that:

> [A] number of individual achievements can be at least partially attributed to Australia's aid program. The latest annual review of the Regional Assistance Mission to Solomon Islands points out that tax arrears dropped from 50.7 per cent of annual tax collected in 2004 to 36.5 per cent in 2006, and debt declined from 100 per cent of gross domestic product in June 2006 to 63 per cent in June 2007. An independent review indicates that the Ministry of Planning and Finance Capacity Building Project in East Timor significantly improved budgetary planning. An independent review of a 10-year institutional strengthening project with the Vanuatu Ministry of Finance and Economic Management quotes a government official as remarking: 'There is now a respect for the rule of law on financial management … the project helped to teach people to respect the system'. In PNG, Australia's Enhanced Cooperation Program has helped to clear a backlog of 12 000 unassessed tax returns and to revoke 400 trust funds, which have often been used to circumvent budget and expenditure control. In Indonesia, economic management support increased taxation receipts from large taxpayers, improved bond management, and improved supervision of the government-owned banking sector. Australian aid has also helped in auctions of 3G radio spectrum bands, which will bring in around $600 million over the next decade. Australian support has also encouraged microeconomic reforms in Indonesia.

Advisers, it is clear, have their advantages. And presumably it's these advantages, along with the good-governance focus of much Australian aid over the last two decades, that led to advisers becoming such a major component of Australian aid. At times under the Howard Government, adviser contracts and salaries comprised *nearly half of all Australian ODA*.

The trouble is, using advisers as a form of aid also has its disadvantages. Significant ones. First and foremost being the costs. Advisers are normally paid very well. For example, the [new guidelines for AusAID adviser remuneration] [pdf - page 3] give a stylized example of an adviser remuneration package for a year-long contract in PNG:

> An offer is made to this candidate of $10,076 per month remuneration, plus a mobility allowance of $1,569 per month (at the unaccompanied rate). Relocation expenses and rental costs in PNG will be reimbursed at cost up to the limits outlined in the Framework.

This is, it is worth noting, substantially less than some adviser's have been paid in the past (the new guidelines are an attempt to standardise the payment of advisers - in the past some advisers have been paid up to $500,000/year tax free) and yet it is still a lot of money. Not necessarily too much. Good salaries are needed to recruit good advisers. But it highlights the fact that employing advisers is costly. Extremely costly when compared to some of the alternative means of spending aid money in developing countries (working through civil society, for example, or employing local staff, or paying the salaries of local bureaucrats). The fact that advisers are costly isn't reason on its own not to use them. A well placed adviser in the right government department could potentially bring about development benefits well in excess of their costs. But the magnitude of these costs does bring with it an onus to use advisers only when it is likely they will work.

And, unfortunately, sustained success is by no means guaranteed. Often the impact of advisers isn't maintained after they leave their roles, even when those roles have a capacity development component. And often the governance and capacity issues that advisers are brought in to tackle are systemic, or a product of domestic political economy issues, and not easily resolved by the placement of a few key staff.

Combined with the issue of cost, these issues have meant that technical assistance has been a ongoing source of controversy for the Australian aid programme. Partner governments have complained, the Australian Audit Office has commented unfavourably, NGOs have campaigned, and contracted advisers were at the heart of a series of scandals covered in Australian media last year (see, for example, [here] and [here]).

All of which has contributed to a change of approach to TA and advisers within the aid programme. The decline in TA, started in 2005, was given increased impetus by the change of government in 2007 and became more rapid still in the wake of critical media coverage last year. The most recent manifestation of the change being the release, last week, of AusAID's adviser review report (press release [here], pdf of review [here]).

The review report offers both an assessment of the current roles of advisers employed with Australian aid money in countries where Australia has a bilateral aid relationship, and a series of statements of principles guiding the future use of advisers by AusAID. The review report is accompanied by a new set of publicly available guidelines on the quantity and composition of adviser remuneration ([here [pdf]]).

Both the review and (especially) the remuneration guidelines are encouraging documents. The country by country review appears to have been thorough and will lead to significant reductions in advisers in some countries. And the public availability of guidelines on adviser remuneration along with what looks to be a [concerted effort to restrain remuneration amounts] is excellent. Similarly the new overarching principles for use of advisers -- that they are no longer to be the 'default response'; that their use will be dependent on the presence of a clear need that they can realistically meet; and that they will be used as part of a stronger partnership approach with aid recipient countries -- is also good news. Taken together these changes are evidence of AusAID moving towards a more transparent and better balanced approached to the use of advisers in aid. All that remains now is to see how the changes play out on the ground.

Of course, as with so much development policy, even when it's well intentioned and well designed, it's the 'on the ground' bit where the uncertainty lies. The shift to a more balanced use of advisers will improve the aid programme overall. But there will still be challenges.

First and foremost of these being that, while it is easy enough on paper to talk about only using advisers when the need is high, the dividends significant, and the alternatives few, actually determining when these criteria have been met in any specific instance is not likely to be equally easy. An inescapable fact of most development work is that benefits are often hard to quantify beyond immediate outputs and counter-factuals are typically hard to estimate. Which means that aid agency staff will still, I suspect, end up having to make informed guesses about the employment of an advisers. And that these won't always be right.

Such challenges are inherent in all development work, though. They are why it's almost never easy. And the main point for now remains that, at a policy level, the Australian aid programme is moving in the right direction when it comes to technical assistance delivered through advisers. And for this, the journalists who covered the scandals, the NGOs who lobbied and campaigned, the politicians who mandated the change, and the aid agency staff who have enacted it, all deserve credit.

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