

Independent Review of Aid Effectiveness Secretariat
GPO Box 887
Canberra ACT 2601
Australia

Re: Submission to the Independent Review of Aid Effectiveness

Dear Sir/Madam

I make this submission as an international development worker with over seven years of work experience with government, non-government and multilateral development agencies, both here and abroad. I wish to make some comments on the following issues for your consideration.

Objective of Australian Aid

Australian aid must be focussed purely on poverty alleviation. Having the national interest as part of the objective skews our aid toward countries where we have trade and other relationships and leads to many projects that have questionable development outcomes, but where Australian interests benefit. To achieve this AusAID must become an independent department, separated from foreign affairs and trade, with its own minister.

Sectoral Focus

The last few decades has seen the reorientation of the aid program to focus on the neoliberal vision economic growth to the exclusion of the poverty focussed programs.

It is worth noting that the golden age of poverty reduction occurred in the 50s, 60s and 70s before neoliberal ideology, with little or no grounding in reality, dominated the intellectual discussion around development assistance. This saw the reorientation to supporting a particular type of economic growth along the 'trickle down' model which has been very unsuccessful. Economic growth can and indeed has delivered poverty reduction, but the environmental and social cost, particularly for the poorest when their access to common resources is limited, needs to be carefully considered. Not all forms of economic growth deliver development benefits

Geographical Focus

Australia's historical relationships with the Pacific, South East Asia and Southern Africa provide a sound basis for continuing the geographical focus there as opposed to expansion to other areas. If aid saturation is an issue then the aid program's growth should be curtailed commensurately.

Australia should focus on the poorest countries, but in doing so recognise that so called middle income countries have large amounts of chronically poor people who have been 'left behind' by economic growth. Targeting should therefore focus on the poorest people, whether they live in low income or middle income countries.

Development Mechanisms

This review must confront the key question of the commercialisation of the aid program. There is little evidence to suggest that for-profit consulting companies deliver value for money to the aid program or to taxpayers. The juxtaposition of very highly paid consultants working in very poor countries is grotesque and is a disservice to all Australians.

Furthermore the commercial in confidence measures that protect for profit consulting companies, the lack of an accreditation process and the lack of transparency of the results of their activities needs to be confronted. Non-government organisations by comparison undergo a strict accreditation process, are accountable to their donors/members and have open books and contracts that can be audited and assessed. The successful tenderers for AusAID projects and contracts must be displayed publicly on the website and updated. In addition the need to retain commercial in confidence clauses must be reviewed

Australia must put more money through the non-government sector agencies. But there needs to be a mechanism for engaging with and encouraging the development of smaller 'boutique' NGOs with a specific speciality or issue. Simply increasing the amount of money for NGOs under the current structure will just see more money flow to the five largest NGOs, which behave more or less like the for profit consulting companies. AusAID cannot use administrative burden as an excuse for engaging with low budget but highly effective projects.

Additionally the support mechanisms for NGOs, such as the ANCP, needs to be made a statutory body with political independence from the government of the day. A good quality aid program needs to be under constant scrutiny and NGOs, as well as academics, are well suited to provide the critique. They will be silent, however, if their funding from AusAID were to be at risk.

The growing aid program has lead to the increasing use of multilateral development agencies. AusAID needs to sharply reduce investment in the World Bank and Asian Development Bank who represent a neo-liberal vision of poverty reduction, through unmitigated economic growth that has seen an explosion of the middle class, but also a cementing of extreme poverty in an 'underclass'. These multilaterals are well known for their indifference to project failure and damage that their projects cause to the poor in the name of liberalisation.

Support to United Nations agencies should also be reviewed. Whilst they occupy a unique and valuable place, their staff receive disproportionately high salaries and conditions similar to the excesses detailed for consultants. This is of course subsidised by the Australian taxpayer and makes less funds available for project implementation. To discourage such behaviour I suggest AusAID engage with the United Nations agencies on a project by project basis, as opposed to core funding which encourages waste, overstaffing and unnecessarily high pay and conditions.

Australia must heavily reduce the amount of aid going towards technical assistance to at least the OECD average and much less if there is no convincing evaluatory evidence that suggests that highly paid consultants have any development impact.

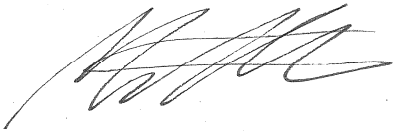
Evaluation

Monitoring and evaluation of the aid program needs considerable attention from the review. The office of development effectiveness is a very good initiative but it must be structurally separated from AusAID to ensure the reports its gives on AusAID programs are fearless. It should also offer support to AusAID accredited NGOs to improve their monitoring and evaluation systems, through training and financial resources.

M&E in development needs to focus on true impact assessment; too often the same consultants are used repeatedly because they can produce uncontroversial and quick evaluations. Evaluation of programs needs to be able to uncover problems and assess ways to improve the situation. Impact evaluation needs to be stronger in order to evaluate who benefits and how, but also who is damaged by development projects and how it can be mitigated. The aid program needs to use evaluation as a learning tool not just a public relations tool.

I hope you consider my comments in your review

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Matt Hilton', with a stylized, cursive script.

Matt Hilton