

Submission to the Independent Review of Aid Effectiveness

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This is a brief submission to touch on some issues which I regard as important to the aid review, and is aimed to complement the submission made by ACFID and other NGOs, and in particular that of Oxfam Australia. This submission will focus on three areas and make specific recommendations in each of them:

- i) the approach to gender by AusAID;
- ii) the relationship with other donors particularly non DAC donors the main one being China; and finally
- iii) the role of migration in aid policy.

These address the TOR in terms of the sections dealing with sectoral focus; program effectiveness; and the coordination with other donors.

1.0 Gender

Gender has been an overarching theme of the aid program since the current policy was adopted in 2007.

Gender equality is at the heart of economic and social progress and is widely accepted as essential to sound development practice. It is a critical component of efforts to eradicate poverty, enhance economic growth and democratic governance, and achieve sustainable development (AusAID Gender Policy).

Through that policy a strategy was put in place so that gender was to be incorporated in all country strategies, and specific initiatives would be put in place to scale up advancement in gender equality and the empowerment of women. The progress to date in this policy, and to be fair since the first women's policy in 1987, has been very slow. This is in line with experiences of other agencies including UNDP¹, the ADB and the World Bank². The Office of Development Effectiveness report for AusAID, 2009 starts its section on gender with the stark comment that:

The gender equality policy is yet to be reflected in performance results... [and] while components of gender equality have been built into many activities, they are usually peripheral and rarely sustained' (ODE p. 50-51)

It goes on to make the some observations of gaps that need addressing:

- The monitoring of gender progress at activity level is inadequate
- There is a need to do more to open and maintain dialogue with sectoral authorities on gender equality issues.
- There is a lack of field level data for analysing gender issues

¹ See UNDP (2006). 'Evaluation of Gender Mainstreaming within UNDP'. Evaluation Office UNDP. New York, UNDP.

² See World Bank (2005). 'Evaluating a Decade of World Bank Gender Policy: 1990–99. Operations-Evaluation-Department'. Washington, World Bank. and World Bank (2010). Gender and Development: An Evaluation of World Bank Support, 2002–08', Operations Evaluation Department. Washington, World Bank

- There is a risk that gender equality issues will get lost in any shift to sector-wide approaches to providing aid support.
- The discussion of gender equality issues in policy arenas is inadequate.

These fairly straightforward observations have been in play for the past thirty years with little progress being made on gender justice and the recognition of women's rights over that time³. In this regard it is disappointing that gender did not come into the Review Terms of Reference. While the appointment of a Senior Gender Adviser in AusAID is an important step forward, as is the greater focus on having gender advisors within individual projects and programs, progress on gender will continue to be slow, or at best in fits-and-starts, unless a more focussed institutional approach to gender occurs across the aid program. While gender training is important it is currently haphazard and not a requirement for AusAID staff, and there is undoubtedly internal resentment to gender being advanced in a more strategic and systematic manner. Walby (2005) suggests a three pronged approach to advancing gender in aid agencies⁴:

- Equal treatment of women (and men) in interactions with them, and this would also include in development projects and programs – *an inclusion approach*;
- Incorporating a women's perspective which would mean listening to and including women in planning and the like – *a participatory approach*;
- Taking a gender perspective, which would mean a power analysis to look at how gender relations are affected by particular activities in particular contexts, and how aid can ameliorate negative the negative effects of gender relations – *a gendered approach*.

While AusAID would say that it does the first two to varying degrees in various contexts, and the observation of ODE support this, dealing with the latter 'prong' is largely ignored, but is essential if the sustainability of the women's inclusion and participation in development is to be assured.

In practice this would mean a stronger commitment from AusAID leadership and management to look at gender issues in more depth and have the capacity in place to do so. This will also include in the dialogues with partner (recipient and donor) governments where resistance is often quite strong.

To this end I would suggest the review recommend:

- **A gender audit** be a part of all country analyses, and from these develop clear gender strategies;
- **A gender evaluation** of AusAID's gender strategy and implementation similar to that conducted by the World Bank OED, with a follow up every five years to track progress.
- **Gender capacity be strengthened** in AusAID through a gender training strategy required for all staff and management, aimed at not only one-off

³ Kilby, P. Olivieri, K. 2008. 'Gender and Australian Aid Policy: can women's rights be advanced within a neo-liberal framework?', *Australian Journal of International Affairs*, 62(3):319-331

⁴ Walby, S. (2005). "Gender mainstreaming: Productive tensions in theory and practice." *Social Politics: International Studies in Gender, State & Society* 12(3): 321

training on basic gender understanding, but also how to deal with gender issues in particular cultural and religious contexts where sensitivities may be strong.

- Having a well resourced **signature gender program** across all country programs which might be promoting women's leadership or, say, looking at gender based violence, which would give a strong message to staff and partner governments that gender is being taken seriously by AusAID.
- The **gender policy be revised** to have stronger institutional focus, so that it is clear that AusAID itself is reflecting the principles and policies it is promoting.
- **A specific fund** be established to support innovative projects that deal with gender justice and the advancement of women's rights or are directly aimed at addressing women's social disadvantage. One effect of the dismantling women and development funds in the mid-1990s was that funding for women's advancement has fallen.

2.0 Engagement with Non-OECD Donors.

There has been marked change in the donor landscape in the last decade. On the one hand while the OECD-DAC have tried to coordinate aid through the Paris Declaration on Aid and the follow up processes on aid harmonisation among the DAC donors, there has been an increase of non-DAC aid donors the main one being Brazil, India, and China, with China being the largest and one of most interest to Australia.

Getting reliable data on the new aid donors, and especially China, and their aid volumes and policy is difficult. If DAC definitions, which are quite narrow, are used then China aid program is roughly the same size as Australia's. However the US Congress estimates a much higher figure of \$25 billion in 2007. Of this amount, \$16.6 billion, or 66 per cent was provided in the form of loans (concessional loans or credit lines much of which is cancelled over time), \$7.2 billion, or 29 per cent represented state-sponsored investment, and the remaining 5 per cent included grants, debt cancellation or debt relief, and in-kind aid. Most of this aid was in the form of infrastructure, with little military assistance. By comparison the United States' foreign operations budget (bilateral development, economic, security, and military assistance, multilateral assistance, and food aid) was estimated at \$24 billion in FY2008⁵.

These figures point to China being a very serious aid player, and one that has implications for the policy direction other 'traditional' aid donors like Australia take. The OECD policy of promoting strong liberal democratic institutions with its aid has been undermined by Chinese aid with its own 'sovereignty doctrine' of non-interference, which does not share these democratic policy goals. In this way the OECD donors are losing the ability to influence the behaviour of aid recipients regarding human rights and economic reforms. China's aid is also seen to be delivered quickly and easily, and China is less risk averse to bad publicity and it often targets areas and sectors that other donors avoid. The upshot is that an aid race has emerged

⁵ Lum, T., H. Fischer, et al. (2009). China's Aid Activities in Africa, Latin America and South East Asia. CRS Report for Congress. Washington, Congressional Research Service.

in Africa with the EU and the US trying to match China and there may well be one in the Pacific as well.

The question for Australia as it increases its aid program is how to avoid an aid race with China and how to engage in policy in a way that is constructive, and in cooperation with China rather than in competition. The issue is not just about issues of good governance, transparency and the like, but also maintaining a sharp focus on the MDGs and respecting human rights, so that the advances that have been made in aid policy over past 50 years are not jeopardised. AusAID in this context needs to be more engaged with China as a donor in a way that is respectful of the Chinese program and what it is seeking to achieve. If a basis of trust can be built then China may be more inclined to support the strategic thrust of the AusAID program rather than be an aid competitor to it.

I would suggest the review recommend:

- That AusAID institute **high level bilateral meetings** with China on the focus and direction of each others program and to identify synergies and build upon them with a view to co-funding key programs of each other to build confidence in each others approach.
- In the key regions of the Mekong, Pacific, and South East Asia look to **support joint programs**, and share strategies and country program information, also as a confidence building exercise.

3.0 Migration and Aid

Migration has been absent from Australian aid policy over the last forty years and the commencement of the aid program in its current form. Over this time migration particularly short-term migration within Asia has grown very rapidly, to the point that remittances now far outstrip aid to many countries with \$144b in remittances going to developing countries according to the IMF and \$205b according to the World Bank in 2005. These figures are hard to measure as a lot of the flows are through very small payments and as such are not recorded by the banking systems, or they go by informal channels outside the banking systems.

Remittances are a major source of development finance. The World Bank has estimated that a 10% increase remittances as the share in an economy will lead to 1.9% drop in the level of poverty (headcount index) and also a drop of 2% in the depth and severity of poverty. While these figures may need to be heavily qualified based on particular circumstances they cannot be ignored. In the case of the Pacific remittances common, and are very important in the Fiji and Tongan economies.

The Australian aid program has focussed to date on the negative side of migration with programs on anti-trafficking and the like. While these programs are important there is a need to complement them with programs that support migration and the role that remittances can play.

To this end would I suggest the review recommend:

- AusAID develop a **migration and development policy** independent of but complementary to the national migration policy:
 - The policy emphasise the importance of migration an remittances flows as a source of development finance;

- The policy emphasizes the risks that many migrants face often with few rights respected in the recipient country.
- Identifies broad area where the aid program can support migration in terms of realising their rights and being able to more efficiently use the remittances in their home countries.
- **Support Pilot programs** looking at reducing the cost of remittances (e.g. DFID supported a website publishing the cost of money transfers in Southern Africa which resulted in a 30% drop in the cost of transfers); also pilot programs supporting home town associations and the like that use a proportion of remittances for broader community development in local areas.
- Support the Australian government **signing the UN Migration Convention**, which would give it leverage in international forums for other migrant receiving countries to sign, and so ensure that the rights of migrants are respected.

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I currently coordinate and lecture in a Masters Degree Program in participatory development in the College of Arts and Social Sciences at the ANU, and supervises research students in Development Studies particularly in gender, NGOs, and participatory development. My latest book is on NGOs in India. I am actively involved the evaluation of both policy and programs for Government in the community development, emergencies humanitarian action, and education sectors; as well as development programs of NGOs. I have established appraisal, accountability, evaluation for learning, systems with an international development organisation in Australia. I have been involved in complex emergency management, and community based programs and evaluations in the 1980s and 1990s. I was appointed to Panel of Experts for the Inspection Panel of the Asian Development Bank 2001-2004, and an adviser to AusAID on NGO Accreditation, and a member of the Oxfam Australia Board.