

13 January 2011

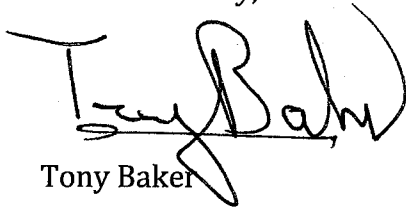
Independent Review of Aid Effectiveness Secretariat
GPO Box 887
Canberra
ACT 2601

Dear Sirs,

Please find enclosed some comments for consideration by your committee together with a details of my past involvement with International aid.

Should you wish to conduct further detailed discussions on my past experience I would be free to travel to meet with the committee at short notice as I am now semi retired.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tony Baker', with a large, sweeping flourish extending from the end of the name.

Tony Baker

INTERNATIONAL AID EFFECTIVENESS FROM A BUSINESS PERSPECTIVE

BACKGROUND

I was interested to note your invitation for the submission of opinions on the effectiveness of international aid.

For 13 years I was directly involved with international donor aid at both government and NGO levels on the ground in Africa. The attached CV outlines my involvement.

When I arrived to live in Australia in 1995 I wrote to both Federal and State governments detailing my experiences with international aid and offering to share that knowledge. I was not looking for any reward, but to this day I have not received any acknowledgement of my offer.

Although my main experience is in Africa, I believe that the knowledge I gained during that time was applicable universally to aid contributions from the developed countries to the so-called Third World.

Initially I was heavily involved with mainly relief and rehabilitation aid in mostly war torn situations in countries such as Mozambique, Angola, Sudan and Ethiopia. The Scandinavian countries were major donors, but we also carried out major humanitarian programs for The European Economic Community, The German Government and the United Nations High Commission for Refugees as well as many major NGOs. Long distance logistics involving haulage and food and humanitarian goods distribution such as blankets and clothing was very much a feature of our service.

I also oversaw some development programs involving the provision and commissioning of equipment and supplies for water and agriculture.

OBSERVATIONS

It is difficult to know where to start in providing my opinions on the efficacy of donor aid and it might be necessary to provide your committee with further detailed evidence beyond the scope of this letter.

I believe that the single most important feature which has led to inefficiencies and disappointing results in international aid programs in general has been a lack of commercial involvement to support the contributions of donors and ensure project success. For example NGOs are often used by donor governments to handle programs on the ground in benefitting countries, but most of their representatives are very idealistic and have little or no commercial experience whatsoever and virtually no familiarity with the ways of the locals they are dealing with. As a result, programs are open to corruption and large percentages of goods are lost and never reach their intended target.

A program my company conducted on behalf of the German government in a war zone in Mozambique involved the feeding of 10,000 people for a period of 3 months. We had to truck the goods 1000 kilometres into the bush and then our own people distributed basic foodstuffs down to family level. At the end of the program we presented our final report that stated a 99.9% success rate. (One case of cooking oil fell off a truck and was damaged) The German Government refused to believe us, as they had never done better than 80% distribution and accepted this as a norm.

Donations for development projects often involve goods which are not really suitable for the recipients and I have personally seen warehouses and yards filled with a diverse array of goods and equipment which are never used.

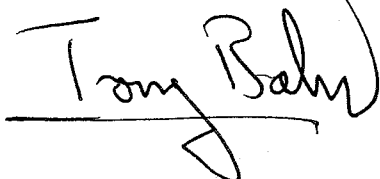
Again, if the advice and management of a non-partisan commercially oriented person had been used, such wastage would not be a problem.

I am aware that many of Australia's aid programs involve the provision of services and personnel. This is a very effective way of providing aid, but again it is necessary to seek the advice of an experienced and unbiased local in the country concerned and not the local High Commission or Embassy. It is important to ensure that representatives of the donor country are well versed in the ways of their temporary host country and follow the correct business and social protocols. I am aware of one Australian Aid program in the 1980s involving the provision of professional personnel which resulted in the eventual vilification of the donor amongst much of the affected population as a result of the methodology and behaviour of the seconded personnel.

Relief aid often needs to be enacted almost instantaneously in cases such as the Indonesian Tsunami. I believe there is a case for a commercial organization to maintain a database of suppliers and inventory for all categories of relief supplies and logistical arrangements so the Government has instant access to what is available and at what cost. In my opinion no government department or non-commercial agency could fulfill this task. The overall cost of a commercial concern fulfilling this function would be minimal if the terms of reference were carefully prepared

CONCLUSION

In my opinion, all forms of government and NGO aid require the involvement of individuals with strong commercial knowledge from the decision making process downwards. It is especially important to involve independent people who have considerable knowledge of the aid recipient. Corruption is rife in the aid industry and I have much first hand experience of this. However, most corruption stems from the Public sector and bona fide commercial concerns and individuals are rarely involved. They do however have the knowledge and experience to identify and report corrupt practices that could lead to the suspension of aid programs and the avoidance of waste.



12/01/2011