

NZADDs Commentary
Reading Between the Lines: Summary of DAC Review of NZ ODA 2010
by John McKinnon

Ever polite, the latest OECD Development Assistance Committee (DAC) peer review of New Zealand Overseas Development Assistance (ODA) follows a long established tradition. The DAC experts, the well educated critical thinkers who prepare these texts, are apparently instructed above all to show respect for the member nation whose work is being reviewed. These reviews, ostensibly exercises in transparency designed to contribute to a better understanding of how aid ought to work, how performance might be improved and what can be done to achieve this, are always somewhat compromised by the conflict between telling the plain truth, keeping the client happy, and ensuring the authors' on-going employment.

Reading the summary of the latest DAC report on New Zealand ODA brings to mind a recent article authored by Slavoj Žižek entitled 'Good Manners in the Age of Wikileaks'. Žižek reminds us that the lesson learned by critical thinkers from Socrates' death some time ago, is that "philosophy *is* a threat to society" (*London Review of Books* 20 Jan., 2011: 9-10), clear thinking remains a challenge, and from that time forward philosophers have learned to "keep their teachings secret...[and pass them on by writing]... between the lines" (Ibid.).

So, in order to understand the findings of the peer review or to discover the actual meaning or message of this summary report, do we need to read between the lines? Certainly at face value, the summary offers no novel or critical analysis of the trajectory of New Zealand's ODA and aid programme over the past five years. This is surprising, as the substantial changes imposed on the programme recently should provide fertile ground for comment. As the full report is yet to be released, we consider what, if anything, the summary report reveals about the DAC assessment of the recent changes to NZAID and New Zealand ODA, and what it might suggest for the future trajectory of the aid programme.

Comparative rating

First of all, it is not necessary to invest too much careful reading to learn that New Zealand is not doing too well in the OECD rating stakes. We are the smallest DAC donor in volume terms, and rank only 17 out of 23 bilateral DAC members in terms of ODA as a proportion of gross national income (GNI). In fact, with net ODA at 0.28 percent of GNI in 2009, we seem incapable of sustained structural planning to keep the promise we made in 1970 at the UN General Assembly to commit 0.7 percent of GNI to official development assistance. We are running well behind achieving this goal.

While many New Zealanders certainly give generously in response to high-profile humanitarian crises and disasters, the review finds that "despite increased funding for development education... development awareness and confidence in the effectiveness of aid remain weak among the New Zealand public". This assertion, however, is in conflict with surveys that show strong support from the public for our NZ aid programme. Furthermore the report is silent on the more recent slashing of

funding to Global Focus Aotearoa, which had a mandate to educate New Zealanders about aid, and the termination of the Global Education Fund, both of which will certainly do nothing to help further development education in New Zealand.

The good news is that “[s]ince 2004, New Zealand has steadily increased its ODA, reaching a peak of USD 348 million in 2008”.

ODA in Kiwi eyes

We’re trying but not trying hard enough. The report acknowledges constraints on the national economy that do not make it easy to improve our ODA record. This is not helped, however, by the fact that “[s]cepticism about the impact of the aid programme seems high among some parliamentarians”. Those not restrained by good manners may wonder at the inanity of this statement, and ask why the imprecision? How many parliamentarians exactly? Who? Some may wonder why more parliamentarians do not commit some of their substantial travel allowance to seeing what is being done in uncomfortable parts of the world?

The summary does record the concern raised by Non-Government Organisations (NGOs), “that the poverty reduction focus may be lost with the new orientations of the aid programme.” It also stresses that the aid programme should “address not only the economic, but also the environmental and social dimensions” of sustainable development.

Concern about the move towards a narrow, economic view of development does not seem entirely unfounded given that New Zealand “plans to replace its aid programme with a partnership relying on economic and diplomatic relations”. So whereas the previous (2005) DAC review concurred with a need to maintain some separation between aid and trade, the current review seems to take for granted benefits in aligning development with foreign policy objectives. In fact, it goes so far as to claim that “[t]he integration of New Zealand's aid programme into MFAT has already yielded positive results both for the programme and the ministry at large.” There is no clear indication of what these benefits are, aside from “putting development at the heart of foreign policy”, and providing “an opportunity to share innovative management tools developed by NZAID with other parts of the ministry”. The former is unlikely to eventuate if ‘development’ is defined as anything other than ‘furthering New Zealand’s development interests’, while the latter remains merely a potential benefit that could arguably have been realised independently of any merger or restructuring.

The reintegration of NZAID into MFAT to create the International Development Group (IDG) was a drastically reactionary intervention, going against the grain of everything considered to be good international development practice. The manner in which the merger is reported by DAC is also curious given that the same agency welcomed the formation of NZAID in 2005, and recently praised the conservative government of Portugal for its establishment of a semi-autonomous aid institution.

The DAC thinkers, then, avoid the big challenges that are most likely to impact on spending. For instance the disruption to the programme caused by the unilateral demolition by the Minister first of NZAID itself, and then of the KOHA scheme. With respect to the replacement of the KOHA scheme by the new ‘Sustainable Development Fund’ (SDF) the report claims that while “the aid programme’s relationship with NGOs has gone through a period of uncertainty in the last two years”, and while “[t]he absence of further details concerning strategic directions

generated confusion and unease among IDG staff and their partners in New Zealand and in the field”, the introduction of the SDF provides “an opportunity to restore links.” Never mind that the post-2008 restructuring of NZAID and, particularly, the process of transition to the SDF has been almost solely responsible for the deterioration in the ODA-NGO relationship. Reading between the lines, concern is expressed in the report about the need to cultivate and retain a cadre of development practitioner specialists, but the alienation and loss of many skilled and experienced staff is not discussed with any clarity. The Minister’s micro- management of individual applications for grants and the arbitrary refusal to continue developing partnerships with offshore clients is not mentioned even though it has resulted in serious disruptions and a drop in the reputation and reliability of New Zealanders to deliver assistance. All of these initiatives have seriously weakened New Zealand’s capacity to deliver ODA but this appears to have escaped the attention of the DAC professionals.

In the context of the low awareness which New Zealanders have about their aid programme, we are not given much confidence by the weak affirmatives that are provided in this report. Is it here that we need to read between the lines? Is there some significance in faint praise? In the report we are told that the “establishment of an Aid Advisory Board in May 2010 should be useful for presenting a variety of development perspectives to the Minister” and that a “promising new approach, developed in 2010, is to start preparing country strategic frameworks covering all New Zealand assistance in a partner” country is underway. Let us look at these exciting initiatives.

Aid Advisory Board

How will the appointment of a politically nominated, non-professional Board make a difference to the way we run our aid programme? The Board contains two MFAT officials, the CEO and the head of the International Development Group, but beyond that its composition is somewhat bewildering. Is the appointment of high profile businessmen enough to guarantee success? Does the answer lie in the composition of the Board? Gareth Morgan, famous for being a down to earth investment banker and expert on a multitude of things whose field experience is largely limited to driving his motorcycle through several developing countries? Sir Stephen Tindall famous for making a lot of money as a retailer and also a generous philanthropist? Trevor Janes an investment banker and company director whose experience in aid work remains a mystery? There is a single development specialist and practitioner on the Aid Advisory Board: Barry Coates of Oxfam New Zealand. Most of the appointees will have had experience with charitable Rotary undertakings or their own work as patrons with a strong sense of largess. One would hope that fertile ideas might flow forth but I wonder how the specialist Coates will survive. He is the only independent appointee qualified to distinguish between, on one hand, the seduction of patronage and knowing better and on the other providing professional assistance based on true partnership.

These appointments have more to say about the contemporary milieu than anything else. The Minister, it appears, is so seduced by the ideological discourse of successful business management as the key to life and happiness, and the return of profit as the only worthwhile reward for work, he could do no better. As far as the Honorable McCully is concerned it is enough that those who have first succeeded in making private fortunes automatically qualify as ODA advisors.

Meanwhile the second initiative, the “promising new approach developed in 2010” with New Zealand ODA “preparing country strategic frameworks” with their partners: can this really be heralded as something new? Does the DAC report have any independence or is it merely an extension of the Ministers will? I seem to remember working in Pacific nations several years where such strategic plans were already in place. What is new? Focused economic, agricultural and income policies, where the donor has already decided what is relevant to our partners needs? How does this fit New Zealand’s obligations signed up to under both the Paris Declaration and the Accra Agenda for Action?

Reference to the old regime and transition?

If any of the co-authors of the DAC review have anything critical to say about the restructuring process, perhaps it is to be found between the lines in statements calling on the government to “make sure that attention is kept on areas whose direct contribution to sustainable economic growth may be less tangible”, and to “outline how it will address not only the economic, but also the environmental and social dimensions of its objective of supporting sustainable development...”.

Gobbledegook in place of clarity

What we are given by DAC in place of any coherent critical comment about what has happened can only be described as gobbledegook. Is it possible to read between the lines and find some buried meaning? Where is the critique one expects an independent peer-review process to deliver? Perhaps these are not lines written by DAC experts at all but text provided by the Ministry of Foreign Affairs. Brilliant lines like these, stating that the “government considers [the integration of NZAID into MFAT] as a way to better leverage opportunities within the Ministry and to link diplomacy, trade and development more closely. The current transition phase offers opportunities to enhance the development dimension of foreign policy, and to develop further the aid programme within the ministry, building on expertise gained in recent years.” Is this not an amazing statement? The DAC reviewers entirely disappear in coded nonsense. If it has a meaning it can only be that after nearly forty years of international effort the move on ethical grounds to separate national donor interests from developing country needs counts for nothing in New Zealand.

I recall when this game first began. The disestablishment of a separate aid agency in the Netherlands (DTH) set up in the mid 1970s by one of the most innovative ministers of development assistance, Johannes "Jan" Pieter Pronk, a Dutch politician and diplomat, currently Professor of Theory and Practice of International Development at the International Institute of Social Studies in The Hague. As soon as he was voted out of office in the 1980s the DTH was disestablished by his conservative successors but then after the subsequent election, again reestablished under a new name. The semiautonomous agency came to play an important role in properly responding to the Dutch commitment to increase aid and developing a professional arena in which Dutch expertise could become engaged in international development. We may sit next to the Dutch in most international meetings but it appears we learn very little from them.

Where has the democratic National Party gone? Skipped back to the Muldoon era replete with Muldoon’s bullying apprentice in charge? A separate ODA division may

have first been set up within Foreign Affairs in the early 1970s but it was under Don McKinnon in the Bolger years that multiple institutional initiatives were taken which led to the establishment of the Asia 2000 Foundation, stepped up support for VSA and provided financial investment in the Council for International Development (CID) and what was to become Global Focus Aotearoa. These initiatives took New Zealanders into a domain in which they were obliged to think and act intelligently, humanely, globally. It is difficult to see how current plans are taking us in any direction other than backwards.

Meeting our International Responsibilities

ODA is not just about national interest, it is about meeting our responsibilities as a member of the OECD/DAC and living up to the international agreements which we have signed. The first of these must remain the signature we gave in 1970 at the UN General Assembly to commit 0.7% of our GNI to official development assistance. The government of the day was the first to take this undertaking seriously but at the time New Zealand lacked the capacity and experience to do a good job. Initiatives subsequently taken by the Bolger government made a significant contribution to setting up a strategic group of people qualified both academically and with international experience who understood how aid worked. The later formation of the professional group known as NZAID was another major step along the way.

In the years since Minister McCully took over much of what was achieved has been undone. This is not the place to attempt a comprehensive review but the government needs to be reminded of two recent agreements that caution against deciding on how we shall manage ODA in the lanes and byways down which the narrow mindedness of this government appears to be leading us.

First, the **Paris Declaration** signed by the New Zealand government in March 2005, is an international agreement signed by a much larger group than the OECD to which a multitude of ministers, heads of agencies and so forth agreed to make joint progress toward enhanced Aid Effectiveness. Namely to encourage:

- **Ownership.** Developing countries to set their own strategies for poverty reduction, strengthen their own institutions and reduce corruption;
- **Alignment.** Donor countries align their objectives behind those set by their developing partners and deliver assistance through local systems;
- **Harmonisation.** Donor countries coordinate, simplify procedures and share information to avoid duplication;
- **Results.** Developing countries and donors shift focus to development results and results get measured;
- **Mutual accountability.** Donors and partners are accountable for development results.

Second, the **Accra Agenda for Action** which builds on the commitments agreed to in the Paris Declaration and was drawn up in 2008 and of which the New Zealand government approved the following to make aid more effective:

- **Predictability.** Donors to provide a three- to five-year plan to their partner countries so that arrangements can be made to make domestic allocation of personnel and other resources in a timely manner;

- **In-country systems** to be used as a first option for aid delivery rather than donor systems;
- **Conditionality**. Donors to eschew prescriptive conditions about when and how aid money is spent and adjust the 'when' and 'how' to suit developing countries' own development objectives;
- **Untie aid** so that recipient countries purchase the goods and services they need wherever they can get the best quality at the lowest price.

The now defunct NZAID did a great deal to adjust to and incorporate the terms of these agreements from policy to action. Since the disestablishment of the agency it has become almost impossible to see where NZ ODA is going and this DAC report doesn't help at all. One can expect caution on the part of the authors. It is always a challenge to read such an official text but this report is more difficult than usual: even remarkable in the way in which it avoids any engagement with issues that may embarrass the government. For me it fails to show the critical honesty required of good development practitioners.

Hopefully the full DAC report has something more to say than the Summary reviewed here. However, going from what I have in hand, if the DAC review team started out with anything to say about the critical period during which the review was conducted good bureaucratic manners have intervened so heavily that good sense and critical thinking have been entirely censored out. There are certainly no great surprises in what is provided so far. This summary report is deeply disappointing in its lack of professional objectivity.

I for one will hold out for a full text that may leave space in which the freedom to read between the lines survives.

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The summary of recommendations of the DAC Peer Review of NZ can be found at:
<http://tinyurl.com/4cgvmuh>

Note: This Commentary reflects the opinion of the individual author and does not necessarily reflect the NZADDs position.