

Steadying the Course

Exploring the Why, What and How of NZ Official Development Assistance Stability

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Introduction

Amongst New Zealand international development advocates and civil society, there is interest in the idea of enhancing stability in New Zealand Official Development Assistance (ODA). In this Commentary I explore aspects of this idea, outlining first why stability is important. Following this, I discuss two possible areas for inclusion in a stability mechanism: transparency and accountability, and ODA focused solely on development outcomes. Next, I explore the 'how' of creating stability. I examine two potential stability mechanisms, based on the experiences of Australia, the United Kingdom and Canada: bipartisan/multi-party agreements and legislation. I relate lessons from these experiences to New Zealand, concluding with important questions for development advocates and civil society.

¹ NZADDs Commentaries do not reflect the view of NZADDs. All NZADDs Commentaries and Working Papers are reviewed by at least three NZADDs Steering Committee members before release. NZADDs publications can be read online at: <http://nzadds.org.nz/publications/>.

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Background

New Zealand (NZ) Official Development Assistance (ODA) has undergone significant changes over the past fifteen years. In 2000/2001 the Labour Party-led Government (elected December 1999) oversaw a process that moved the government aid programme³, then a division of the Ministry of Foreign Affairs and Trade (MFAT), into a semi-autonomous body attached to MFAT. Called NZAID, this semi-autonomous body's high-level policy mandate was to focus on the elimination of poverty. In 2008, these changes were reversed. NZAID's SAB status was rescinded and the aid programme became a division of MFAT again – called the International Development Group. The high-level policy mandate became to achieve sustainable development, with priority given to economic development.

Policy change is inevitable with changes in government. Yet significant change continued over time across changes in government can impede effective and efficient ODA, and undermine development impacts. There is a risk of this in NZ, as new governments gain power through the three-year electoral cycle, each with potentially different ideologies and approaches. One potential way to prevent constant large-scale change, while still enabling different governments to enact their particular approaches, is to create greater stability in key ODA policy areas.⁴ This Commentary aims to contribute to discussions about this idea of stability, by exploring why stability is important, ideas for potential content of a stability mechanism and what a stability mechanism might 'look' like.

Before beginning this exploration, I would like to thank the individuals from Australia, Canada and the United Kingdom who were generous in sharing their ideas, experiences and thoughts with me when I undertook research for the internal NZADDs document this Commentary is drawn from. Any mistakes, omissions or misinterpretations contained within this document are mine alone. As with all NZADDs Commentaries, this Commentary represents my opinions only.

Stability: Why?

Stability is important in development efforts. As NZ's history shows, the social, economic and political changes that comprise development take time: much longer than the NZ three-year electoral cycle. This is the same for any country. In relation to NZ's aid programme, significant changes of NZ ODA priority and direction can undermine or even undo previous development efforts in countries that receive NZ ODA. Those that receive NZ ODA benefit from being able to rely on funding and policy direction in advance, assisting governments and organisations to plan ahead with some degree of certainty. This is an important foundation for social, economic and political change. Research shows that unstable ODA can have large negative impacts on the welfare of people in developing countries and that providing ODA in a stable manner over time can have welfare benefits that equate with large increases in aid.¹

³ Hereafter referred to as the 'aid programme'.

⁴ Creating stability in other NZ policies that impact on development in other countries is also desirable but will not be dealt with in this Commentary.

Instability at the level of government structures is also costly and restructuring often has disappointing results. British research shows that the costs of restructuring are higher and benefits slower to be realised than original expectations.ⁱⁱ Restructuring can be a barrier to effective interagency working,ⁱⁱⁱ lead to a loss of institutional capacity, and undermine the ability of the public sector to effectively respond to complex, cross-cutting social, political and economic issues.^{iv}

The institutional and relationship upheaval that goes with the implementation of significant change is resource intensive. A great deal was invested in the 2001/2002 changes to establish NZAID and only seven years later in 2009 further changes of the same scale were instigated. This is not only costly for taxpayers but also for NZ entities that engage with the aid programme. For example, NZ NGOs invest a substantial amount of resources into understanding how the aid programme works, building relationships with the aid programme and contributing to policy development. Similarly for aid-recipients, they have to invest time and energy building new relationships and understanding new donor directions and identity, which could otherwise be expended on development activities.

The OECD DAC has drawn several fundamental lessons about what an effective donor aid programme is. These emerge from the DAC's five-yearly peer reviews of all OECD donor countries' aid programmes. The lessons relevant here are:

- “[l]esson 1: Have a clear, top-level statement of the purpose, whether in legislation or another form, that has wide ownership and can remain relevant for a sufficient period.
- [l]esson 2: Avoid letting short-term pressures jeopardise the long-term common interest in effective development”.^v

Any government needs to have room to alter course for various strategic reasons and ODA policy cannot be left to stagnate. However, it is possible to devise high-level ODA policy that allows flexibility without adversely impacting on the very people the aid programme is trying to assist. NZ would improve the efficiency and effectiveness of its aid programme if it undertook measures to provide stability over time in its approach to ODA policy and expenditure.

What: Two Potential Areas for Stability

There are many factors that could be included in a NZ ODA stability mechanism. Here I explore only two: transparency and accountability; and ODA solely for those who need it. New Zealanders care about these two areas of ODA policy. When last surveyed, NZ taxpayers wanted to know that NZ ODA was making a difference and being spent prudently.^{vi} Transparency and accountability are central to reassuring them of this. In the same survey, the strongest reasons people gave for supporting NZ ODA were humanitarian: they wanted to see NZ ODA go to the people who need it most.^{vii}

Transparency and Accountability

Transparency and accountability go hand in hand. Both are cornerstones of good governance, and of an effective and efficient aid programme. NZ tries to promote these aspects of good governance in developing countries. In order to do this, NZ needs to be credible itself, and hold itself to high standards of accountability and transparency.

Transparency through providing information enables New Zealanders (and others) to participate in making and implementing ODA policy, and to hold Ministers and officials to account. Transparency also assists parliament in its scrutiny of the aid programme. This scrutiny from both the public and parliament promotes the expenditure of public finances in the best way possible. Without access to information it is challenging to hold the aid programme and its political masters to account for what is spent, why it is spent and what results are achieved. Transparency and accountability also provide a means for the NZ aid programme to learn, and to constantly improve its development impacts. Together, all of this makes a marked contribution to the efficiency and effectiveness of NZ's aid programme.

ODA policy and expenditure require special attention to transparency because the normal accountability cycle between voters and government has a gap in it: the people who experience the impact of NZ's ODA policies do not vote in New Zealand. There is not a direct link between the policy decisions a government makes and the impact on voters. Ensuring open access to as much information as possible can contribute to closing this accountability gap.

NZ civil society, particularly international development NGOs, is able to contribute to closing the accountability gap. They can do this because they have links with the people who experience the impact of NZ ODA policies. NZ NGOs can use their 'voice' to advocate in NZ on behalf of poor people in developing countries. Therefore, building a constructive relationship with NZ civil society is a key component of accountability for the NZ aid programme, creating communication channels through which to receive important feedback on ODA policies. This supports the aid programme to accurately assess what activities are working and what are not.

There are several other aspects of transparency and accountability that could be included in a stability mechanism, as described below.

- The production and publication of policies and strategies for geographical, sectoral and country programmes provide a basis for accountability because they show how the NZ aid programme is responding over time to the key development needs, drivers and barriers in any given sector or geographical area, and what it aims to achieve with ODA.
- Consistently providing a detailed breakdown of Vote ODA in the government's annual budget provides clarity regarding where and how ODA will be spent, and enables future comparison of actual expenditure against allocated expenditure. When this is in the government budget it undergoes parliamentary scrutiny, which assists in accountability.

- Undertaking and publishing regular monitoring and evaluation activities enables an assessment of how well the government of the day's approach has contributed to development impacts, and also supports the aid programme to learn and improve.
- Maintaining and expanding on NZ's achievements in implementing its International Aid Transparency Initiative (IATI) commitments through publishing feasibility studies, design documents and contracts.
- Ensuring stability in meeting the obligations of the NZ Official Information Act (OIA) 1982. This may include adequate staffing, training of staff and fostering a culture of commitment to the spirit of the OIA, which is about transparency and accountability.
- Consideration could be given to establishing a mechanism, external to the aid programme, that could provide independent assessment of NZ's ODA efforts directly to the Select Committee on Foreign Affairs, Trade and Defence. Members could be drawn from professional aid and development organisations with established credentials.
- A complaints mechanism could also be considered, potentially along the lines of the World Bank International Finance Corporation's complaints body. This would provide a way for the NZ aid programme to hear from the people that experience the impact of NZ ODA policy and make subsequent improvements.

Solely for Those Who Need It

The second area this Commentary considers as necessary of stability over time is that of the purpose of NZ ODA. Over 60 years of ODA shows that when ODA is given in a way that attempts to benefit the donor, as well as the recipient ('dual purpose ODA'), it is less efficient and, at worst, can do harm. A generally accepted estimate is that dual purpose ODA can inflate the cost to recipients by between 15 and 30 percent.^{viii} World Bank research has shown that if ODA were given with a sole focus on poverty alleviation, the number of people who could escape poverty would increase from 30 million a year to 80 million.^{ix}

There are many examples of how ODA has undermined development outcomes when given to both assist developing countries and support donor-country commercial interests. United States food aid is a classic example, at the worst end of the spectrum. Given ostensibly to assist the hungry but driven predominantly by US agribusiness and geostrategic concerns,^{x, xi} US food aid has been shown to have increased the incidence, onset and duration of civil conflict in countries that received it.^{xii} Other examples are generally less egregious but no more beneficial, often involving inappropriate infrastructure or technology. (see Part Five of Graham Hancock's book, *Lords of Poverty*, for some of examples.)

DAC's third lesson⁵ about an effective aid programme relates to the potential negative impact of dual purpose ODA: "[s]et a clear mandate and establish mechanisms to ensure that policies are assessed for their impact on poor countries".^{xiii} What this lesson makes clear is that NZ's ODA policies must, first and foremost, be assessed for how they will make a difference in developing countries, uncluttered by domestic business imperatives.

⁵ Lesson 3 is predominantly about policy coherence for development, however, ODA is a core component of a donor-country's development efforts.

When ODA is given for multiple purposes, it is difficult to assess the effectiveness of ODA in achieving development purposes and other, often unstated, diplomatic or trade purposes. Sometimes development goals and diplomatic or trade goals may be synergistic, but this is not uniformly the case. There is a need to be clear on what outcomes are sought. In cases where there are not obvious synergies (carefully assessed and thought-through), it may be worthwhile considering a different approach to funding diplomatic and trade objectives, separate from Vote ODA. This would enable ODA policy to focus on what it is meant for: improving the quality of life of people in developing countries, particularly the poorest.⁶

Above I have outlined the ‘why’ of stability, and explored two potential ‘whats’ for inclusion in a stability mechanism, based on the contribution these areas would make to improving NZ ODA’s efficiency and effectiveness. Now I turn to an examination of how stability could be enacted.

Multi-Party Agreement and Legislation: Possible Stability Mechanisms

Donor governments tend to use high-level policy statements or legislation to provide long-term stability in their aid programmes. Over half of all DAC member countries have passed legislation that outlines the priorities and main objectives of their ODA programme.^{xiv} High-level policy statements that guide NZ ODA have worked while government is stable at one side of the political spectrum. However, the changes in NZ ODA over the past two decades show that high-level policy statements are easily changed, not necessarily based on development imperatives. Something more powerful is necessary that by its nature can create greater political consequences for the government that makes changes, and therefore contribute to accountability. At the same time, this also needs to allow flexibility for different governments to integrate the best elements of their approach, without diluting good practice. I draw on experience from the Australian bipartisan agreement, and the UK and Canada’s legislation, to explore these two possible stability mechanisms for NZ ODA.

Cross-Party Agreement

The Australian Experience

From 2007 to 2012 Australia had a bipartisan agreement on the need to achieve 0.5 per cent of Gross National Income (GNI) to ODA by 2015 across the two main political blocs in Australia’s parliament. In the 2012 Australian Budget, the Labour Party Government broke this agreement, leaving the door open for the Coalition (a grouping of the Australian Liberal Party and the Australian National Party) to also back-down from it, which they have done.

The roots of the bipartisan agreement can be traced back to 2005, which was a year of consolidated attention to global poverty. Late in 2005 the United Nations (UN) World Summit was scheduled to assess the progression of the Millennium Development

⁶ This is in NZ’s long-term national interests because development in poorer countries will provide an environment of good governance and security for NZ businesses to invest in with confidence, and prospering new markets for NZ business products and services.

Declaration and Goals, and to set the agenda for UN Reform. Throughout the year global and local campaigns, such as the Global Call to Action Against Poverty (GCAP) and the **MakePovertyHistory** campaign (MPH) drew popular attention to the issues of global poverty. Australia joined in the MPH campaign, and also had the Micah Challenge, an international Christian campaign that had begun in 2004, and the Australian-only Oaktree Foundation, a youth-based movement that had begun in 2003. It is likely that the work of these sorts of campaigns contributed to the then-Prime Minister John Howard's announcement prior to the UN World Summit that Australian aid would increase to reach approximately 0.36 per cent of GNI by 2010.^{xv}

The campaigning of the Micah Challenge, the Oaktree Foundation and MPH continued into the general election year of 2007. At this point in time, Kevin Rudd was leader of the Australian Labour Party in opposition. He had experience in foreign diplomacy, strong links with church networks and strengths in campaigning. It seems he saw an opportunity to act on the support that the faith-based and NGO campaigns had fostered, and so he committed to increasing aid levels to 0.5 per cent by 2015. Prime Minister Howard's Coalition Government was losing popularity and, possibly in order to garner support for the election, Howard committed to the same pledge for the ODA budget. This was effectively the beginning of the bipartisan agreement of achieving 0.5 per cent of GNI to ODA by 2015.

Once the Labour Party won government in November 2007, Prime Minister Rudd upheld his commitment, it is suspected without a good deal of Cabinet support. The opposition saw nothing to be gained by discarding their commitment to 0.5 per cent of GNI to ODA and so maintained this position. When Rudd was eventually removed from the role of Prime Minister and then Minister of Foreign Affairs, a key supporter for the commitment to ODA was no longer present in Cabinet. The Australian Budget in May 2012 saw a reduction in the speed of ODA increase: the 0.5 per cent commitment was pushed back to 2017, essentially breaking the bi-partisan agreement.

Achievements

Despite the collapse of the bi-partisan agreement, it did have achievements. From 2004, the aid budget doubled, and on issues of quantity there was less volatility and more consensus across political parties. Arguably the bipartisan agreement also enabled greater focus to go on quality, given that quantity was already agreed upon.

Factors for Success

It is important to note that amongst all the campaigning on ODA, the bipartisan agreement was not a planned campaign demand, although an increase in ODA was. The bipartisan agreement emerged from a convergence of several key factors, including: a unique set of political circumstances and individuals, collective domestic campaigning, and international campaigns and events.

An Act of Parliament

The UK Experience

The United Kingdom (UK) has two Acts on International Development and another one that is moving through parliament (a Private Members Bill on 0.7 per cent). The two existing Acts are: the UK International Development Act 2002 (which superseded the Overseas Development and Cooperation Act 1980) and the UK International Development (Reporting and Transparency) Act 2006. Here I focus on the first Act.

By the late 1990s it was widely believed that the existing Overseas Development and Cooperation Act 1980 Act did not reflect the Department for International Development's (DfID) poverty reduction focus and left an avenue for ODA to be given for non-ODA purposes (such as in exchange for trade deals), despite the successful prosecution of the government over the Pergau Dam 'ODA for arms' deal (see below). The 1980 Act left DfID with little flexibility in supporting private sector activity and there was no specific authority within it for promoting development awareness. The UK International Development Act 2002 rectified these issues, putting poverty reduction as the overarching purpose of British ODA, through a focus on advancing sustainable development or improving the welfare of people. (This is referred to as the 'core' power.) This means that any ODA given for the aim of promoting UK trade, or for other commercial or political reasons, is potentially challengeable in the courts.

The process of achieving the 2002 Act was multifaceted. Following the Pergau Dam court case and scandal (see below), an early attempt at getting a Private Members Bill through parliament was made with support from the World Development Movement. This Bill gained some cross-party support, however, it did not go through. Meanwhile, the new Labour Government was building cross-party support for the focus of ODA on poverty elimination, as well as trying to show it was different from the Conservatives.^{xvi} At the same time, the Conservative Party was trying to shed their 'nasty' image amongst the general public and saw supporting ODA for poverty reduction as a way of doing this.

In 1997 the UK Labour Party won a strong majority in the UK's general election, after eighteen years in opposition (1979-1997). Clare Short was given the ODA portfolio and became an ardent advocate of ODA for poverty elimination. Minister Short was in "an iconic position in Cabinet"^{xvii}, because she was strongly linked with the 'old' Labour but committed to the New Labour under Tony Blair's leadership. Clare Short assisted New Labour in trying to show it was different from the 'old' Labour, while maintaining support from traditional sources. As well as this, Gordon Brown, the Chancellor, had a long-term interest and commitment to international development and poverty reduction, meaning that Treasury was supportive of ODA expenditure.^{xviii}

The Labour Government's 1997 White Paper was an important part of the process of promoting poverty elimination and also to achieving the 2002 Act. (In total, the Labour Government published three White Papers on ODA throughout its 1997-2010 term.). The 1997 White Paper, entitled 'Eliminating World Poverty' placed a strong focus on poverty

elimination, and contained a commitment to considering a new Act. The idea of a new Act was also supported during Development Policy Forums in 1998 and 1999. Eventually, the Act was put before parliament and passed easily in 2002.

Achievements

Many of those working in aid and development in the UK believe the 2002 Act is a powerful entrenching tool that has contributed to stability in ODA expenditure on poverty reduction and sustainable development. It has also led the way for the two new Act's, giving an indication that the UK views legislation as a useful approach to guiding its aid programme. The Act provides clear guidance and establishes some basic principles underpinning ODA.

The UK Pergau Dam scandal is an example of how legislation can work to provide guidance on appropriate ODA policy and expenditure. In 1994 the World Development Movement took the British Government to court over ODA financing of the hydro-electric dam on the Malaysian Pergau Dam development project. The provision of ODA to the Malaysian Government for this project was linked to the sale of British manufactured arms to Malaysia. The High Court found that decisions on ODA allocation must be based on the purpose of development. The government had to pay \$234 million dollars back to the UK aid programme. "The decision from the high court at the time was clear: bilateral aid decisions can't be based on commercial considerations, and such considerations can only come into play after developmental considerations have been met. The case itself was a scandal, leading to parliamentary investigations and the alleged forced resignation of a permanent secretary".^{xix}

Factors for Success

Public campaigning and strong public support for ODA contributed to the passage of the Bill through parliament. Visible public support for ODA contributed to the attention parliamentarians gave to ODA issues. An alignment of political factors was also pivotal in the achievement of the Act. The Secretary for Foreign Aid, Clare Short, was supportive and held a powerful position within the Labour Cabinet. The Chancellor, Gordon Brown, was also supportive. An informal cross-party consensus with the Conservatives had been forged, partly due to their desire to shed their past image. The Labour Party had a large majority in Government so passing the Bill was straight-forward. Also simplifying the process was the fact that the Bill itself was well-thought out but brief, meaning that it did not take too much legislative time and its passage was easy to manage.

The Canadian Experience

In contrast, NGOs drove the passage of the Canadian Official Development Assistance Accountability Act 2008, especially its inception and maintenance of support through parliament. During the last year of the Liberal (centre-left) government's term (2005), it was indicated that the Government might consider reinserting the Canadian International Development Agency (CIDA) back into the Canadian Ministry of Foreign Affairs. This did not occur but it brought to the fore concerns regarding the accountability of ODA. It was thought that if the aid programme was subsumed within the Ministry of Foreign Affairs, an Act would provide a legislative framework against which to hold the Ministry accountable in relation to ODA expenditure. In the meantime, the Liberal Party lost the 2005/2006 election and the

Conservative Party formed the government. Given this party's uncertain policies toward ODA, many NGOs remained supportive of a legislative mandate for ODA.

The Canadian Council for International Cooperation (CCIC) led the process and assisted in the drafting of a Bill, which the Liberal opposition party introduced as a Private Members Bill. CCIC and supportive members of parliament worked with the three parties of the opposition to gain their support for the Bill and it was eventually introduced to parliament. When the Bill entered Parliamentary Committee stage for clause by clause review, various challenges emerged, related to the wording of the Bill and requirements of a Private Members Bill. The latter was that Private Members Bills were not to contain any financial implications in implementation, meaning the original Ombudsperson provisions in the original Bill had to be removed.

It was during this time that CCIC activated their membership. This was about 2006-2007, and the MPH Campaign was still active in Canada and it backed the idea of an Act. This community mobilisation led to parliamentarians in all parties receiving emails and letters of support that showed them how much public demand there was for the Bill. This was particularly important because the Conservative Party did not support the Bill and the three parties of the opposition were not united on many policy issues. This lack of unity had the potential to spill over into the movement of the Bill.

After last minute negotiations and amendments in the final legislative stages, the Bill was passed into an Act of Parliament with support from all four parties in parliament, including the Government. It came into force on 28 June, 2008.

Achievements

Many see one of the greatest successes of the Act as the requirement that all ODA has to be assessed against international human rights standards that Canada has ratified. The process also led to a robust public debate about ODA, and a broad discussion about human rights and development. Parliamentary Committees had been calling for an Act on ODA for over thirty years, so achieving this brought closure to an idea that had been in existence for some time. The Act also put in place some basic standards against which the government of the day could be held to account and improved the timeliness of legislatively mandated reports on Canadian ODA.

Factors for Success

From the Canadian story, four key factors stand out as necessary in attempting to get an Act:

- drafting a technically sound piece of legislation that can withstand interpretation by an unwilling government and being able to continue to influence the content of the Bill throughout its readings. (Canadian NGOs recognise that there are some weaknesses in the Act, which became apparent after it was passed.)
- being able to mobilise collective NGO support and show public support
- understanding parliamentary process and internal parliamentary political dynamics, and knowing how to 'work' these to your advantage (if you can)

- being persistent and patient with the parliamentary process, including the shaping of compromises to get all party support for the Act (which may be unique in the Canadian situation given that the Act was the result of a Private Members Bill).

Reflections for New Zealand

Multi-Party Agreement in New Zealand

A multi-party agreement on ODA policy is worth considering in NZ as a mechanism for increasing stability across electoral cycles. The process is more complex in NZ than in Australia due to the mixed member proportional electoral system. This means that NZ will need a multi-party agreement rather than across only two or three key parties. Another important difference from the Australian experience is that in NZ it is civil society and ODA advocates who are likely to instigate action towards a stability mechanism, rather than one emerging through convergence. There are some lessons from the Canadian Bill experience that are relevant here, too (see below). Yet, if a multi-party agreement can be achieved, there will be benefits.

Advantages and Supporting Factors

At the very least, a NZ multi-party agreement could set down the common ground across the political spectrum. Having such an agreement could focus ongoing discussions, as resources would not need to be devoted to influencing perspectives in areas covered by the multi-party agreement. Such an agreement will also provide some means for accountability, as any party that breaks the agreement may face a loss of political capital.

There are upcoming important global and domestic events that could be conducive to forging multi-party agreement on key factors to stabilise efficiency and effectiveness in the NZ aid programme. These include the NZ general election in 2014, and the lead-up to, and culmination of, the global effort to devise a post-MDG/2015 global development framework.

Disadvantages and Potential Detractors

Careful consideration needs to be given to what advocates would like to see in a multi-party agreement and what might be politically possible. There may be benefits in an agreement containing what is common ground already and in clearly stating some basic commitments. Yet in order to ensure NZ ODA is maximally effective and efficient, a multi-party agreement may need to go beyond what is already common ground.

As the Australian example shows, a multi-party agreement will only stand for as long as it is politically tenable. When more important political imperatives emerge, such as domestic economic issues or a need for a party to differentiate itself from another party, a multi-party agreement is easy to abandon. There would certainly be some loss of political capital but when it comes to ODA, this is likely to be short-lived and acceptable in order to achieve an objective that is perceived as more important. Legislation may be a more durable way to achieve greater long-term effectiveness and efficiency in NZ ODA.

An Act of Parliament in New Zealand

The UK and Canadian examples show two different processes for achieving legislation. The UK was predominantly politically-driven while Canada predominantly civil society-driven. Considering advocates in NZ are currently exploring options for a stability mechanism, if action is to progress, NZ will be attempting to follow in the Canadian footsteps with a predominantly civil society and advocate-driven process. This means that it will be crucial to carefully analyse the political situation, both in the present and various future scenarios, and engage with parliamentarians from across the political spectrum. (This also applies to a multi-party agreement.) As well as this, the drafting of a Bill will require expert attention from both lawyers and development practitioners. A good understanding of NZ political and legislative processes will be essential. All of this requires a good deal of work, however, there are benefits in attempting legislation.

Advantages and Supporting Factors

Legislation would be more powerful than an informal stability mechanism, such as a multi-party agreement. Legislation can endure changes in government and requires the support of parliament to alter. An Act is an accountability mechanism in itself but can also include provisions for others, such as a complaints mechanism. Legislation is more difficult to change than a multi-party agreement, and if it is contravened there is the potential to challenge the action in the courts.

Politically, if one political party took-on the idea, an Act offers a point of difference from other parties. An Act does not necessarily require multi-party support, although passing a Bill will require a majority in parliament. Finally, a Bill could be introduced as a Private Members Bill, although this would require a careful analysis of whether or not a conducive environment existed in parliament for such a Bill to ensure it passed. Of course, for this, the Bill requires at least the support of one parliamentarian.

Disadvantages and Potential Detractors

It is unlikely that a Bill on ODA will be high-up on any new government's agenda and if it is a Private Members Bill⁷ there is no guarantee it will be drawn. Achieving an Act would require a good deal of sustained effort and resources. There is the possibility that a Bill would be watered down during its progression through parliament, leaving an end result that was far from what was desired initially.

Not Necessarily Mutually Exclusive

In some ways, neither a multi-party agreement nor an Act of Parliament are mutually exclusive. One could lead into the other: a multi-party agreement could set the foundations for an ongoing discussion and subsequent pursuit of an Act. It is also possible to work on forging multi-party agreement and at the same time, work with interested parliamentarians to draft a Bill, potentially aiming to get it introduced after the 2014 elections.

⁷ The issue of whether to get a government to introduce a Bill or work with an individual member for a Private Members Bill is one that requires careful strategising.

Summary: Pros and Cons of Multi-Party Agreement vs Act of Parliament

	Multi-Party Agreement	Act of Parliament
Pros	<ul style="list-style-type: none"> would act as a means of engaging parliamentarians in discussions on development and aid, and therefore increasing their knowledge it would serve to remind politicians of the NZ public's desire for aid to be spent to assist poor people would provide some stability may raise the lowest common denominator in terms of discussions on aid by removing issues that are agreed upon, allowing discussion on more contentious issues. 	<ul style="list-style-type: none"> would act as a means of engaging parliamentarians in discussions on development and aid, and therefore increase their knowledge it would serve to remind politicians of the NZ public's desire for aid to be spent to assist poor people would only need a majority vote in parliament, compared to consensus across multiple parties much harder to revoke than a bipartisan agreement and if a government does, they will look bad creates a situation where the government can be legally held to account the second reading would involve submissions from the public, therefore widening the debate.
Cons	<ul style="list-style-type: none"> a multi-party agreement must include multiple parties across the political spectrum will be discarded when no longer politically expedient may be difficult to get agreement on particular content that advocates view as important there may not be interest from political parties and/or MPs. 	<ul style="list-style-type: none"> potentially a long, challenging process requires careful wording, engaging legislative and parliamentary expertise there may not be interest from political parties and/or individual MPs once a Bill is introduced and enters the Select Committee stage, advocates would then only be able to influence, but not control, the final outcome – potentially leading to something unsatisfactory (but that's politics).

Possible Benefits, Regardless of Achieving the End Goal

Whether or not there is success in achieving a stability mechanism or a stability mechanism that includes content advocates want, there are benefits from simply engaging in the process. Relationships will be built across the political spectrum. Parliamentarians will be more educated about international aid issues and potentially more engaged with the sector. If a variety of NZ NGOs engage in a coordinated manner (led by CID), NGO solidarity will have been expanded with the potential for more collaborative work of this kind in the future. If the public is mobilised, their awareness and engagement may be enhanced also. If a stability mechanism is forged that is merely based on already common ground, then at

least these issues are removed from debate and attention can be directed to the issues that cause more division.

Key Ingredients for Success

Examining the Australian, UK and Canadian examples, there are key factors that contributed to the achievement of a bi-partisan agreement or an Act of Parliament. These are the factors that civil society and advocates will need to concentrate on in developing a strategy to achieve a stability mechanism, as follows:

- substance: having a clearly articulated overarching goal and ‘ask’ for what the content should be, and an understanding of the politics and process involved
- supportive parliamentarians: key parliamentary ‘champions’
- domestic mobilisation: showing parliamentarians that there is public support
- the global environment: an international context that supports or motivates domestic action
- politics: a potentially serendipitous alignment of political factors, both within parliament, and within and across political parties; or the facilitation of a favourable political environment.

Current Situation in New Zealand

This Commentary includes no analysis of the current political environment in NZ and whether or not there is a foundation for advancing an ODA stability mechanism. In the absence of this, three key questions are raised.

The first two questions relate to parliamentary and party politics. Politicians (at least in parliamentary systems) are bound by what Andrew Ladley⁸ has called “an unwritten iron rule of political contest (the iron rule)”, which is a amalgam of four principles:

- “The opposition is intent on replacing the government.
- The government is intent on remaining in power.
- MPs want to get re-elected.
- Party leadership is dependent on retaining the confidence of colleagues (which is shaped by the first three principles)”.^{xx}

With this in mind, in the lead-up to the 2014 election, it could be expected that the political opposition in parliament would be trying as hard as possible to accentuate their differences with government, in order for the opposition to present an attractive alternative to voters. For the opposition, accentuating the difference between their ODA approach and the current government’s would appear to be a useful positioning approach that could win them votes. What implications does this have regarding a stability mechanism?

⁸ Andrew Ladley is an adjunct Professor in the School of Government at Victoria University of Wellington. He was Director of the Institute of Policy Studies from 2003 to 2008. Prior to that he was the Chief of Staff and Coalition Manager in the Office of the Deputy Prime Minister.

In relation to the government's position, it is questionable that they would want to agree to anything that the opposition would also want. Further, the current Government has created unpredictability in the aid programme, possibly to increase flexibility, and is implementing dual benefit ODA. What does the Government's current policy position mean for attempts to achieve a stability mechanism?

The third question relates to advocates and civil society: what do they want to see included in a stability mechanism and why? There is some common ground and consistency across NZ political parties' ODA perspectives, which could be enough for a stability mechanism. This common ground includes:

- a focus on the Pacific as a geographical priority
- a stated commitment to increasing aid (although shaky), even if National's absolute target is a departure from international agreements
- a desire to see results on the ground in terms of improved standards of living
- a willingness to fund NGOs and multilaterals (although there are differing perspectives of the purpose and function of NGOs)
- and a desire for a government aid programme that New Zealanders can be proud of, building on their sense of 'fair-go' and desire to help others.

It may also be possible to introduce new ideas to extend this common ground. For example, building on the agreement that NZ ODA needs to achieve results, the idea of an independent aid effectiveness or aid monitoring mechanism could be introduced. Whether common ground or other important areas of ODA, advocates and civil society need to be clear amongst themselves what the goal of having a stability mechanism is: what aspects of NZ ODA need to be stable to make the aid programme as efficient and effective as possible?

Concluding Thoughts

Achieving stability in key areas of NZ ODA policy will improve the effectiveness and efficiency of the NZ aid programme. In this Commentary I have provided a rationale for achieving stability, and canvassed two potential areas where stability is important: transparency and accountability; and the sole purpose of ODA being to assist developing countries to improve the welfare and opportunities of their people.

The achievement of stability in NZ ODA requires a mechanism. To shed light on what might work in NZ, I have explored Australia's bipartisan agreement, and legislation in the UK and Canada. Whatever mechanism is chosen by NZ development advocates and civil society, it will require a carefully thought-through approach and commitment to sustained engagement. Advocates and civil society will need to maximise global events and domestic politics, and remain flexible and adaptable to emerging occurrences. Most of all, the end goal needs to be kept in sight: ensuring that NZ has the most effective and efficient aid programme possible, to make the greatest impact in expanding the opportunities and improving the lives of poor people in developing countries.

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