

NZADDs Comments to DAC Peer Review Team

Peer Review Dimension	Highlights	Lowlights
1. Comprehensive development effort	<ul style="list-style-type: none"> Policy coherence is a growing focus, with some excellent foundations: fisheries, immigration. 	<ul style="list-style-type: none"> Weak coherence in crucial areas, such as climate change and trade. Signs that at a political level policy coherence is viewed as aligning aid policy with NZs economic goals, not with development goals.
2. Policy vision and strategy	<ul style="list-style-type: none"> After all previous policies were discarded in 2009, the Aid Programme was quick to put new ones in place. Potential for the NZ Aid Programme to contribute to emerging thinking about 'fragile states': what are these, are Pacific states 'fragile', and what does this mean for NZ ODA? Opportunity to innovate and share lessons in economic and productive sectors regarding gender mainstreaming – an area many donors do poorly in. 	<ul style="list-style-type: none"> The Aid Programme focus on economic development is conflated with NZ's economic development, particularly for activities outside of the Pacific where it appears NZ business interests in emerging markets play a significant factor in ODA decisions. Poverty is no longer prioritised in the NZ Aid Programme. Little evidence exists that cross-cutting issues are systematically considered – plenty of tools but are these used? Gender equality focused activities dropped from 70% in 2006-08 to 50% in 2011-12. Only 1.5 FTE for human rights, gender and environment cross-cutting issues – cannot achieve much with so few staff. A lack of clarity regarding decision-making. For example, why is NZ spending \$4 million in Colombia on dairy farms rather than potentially putting this into health in PNG; or \$3.5 million in Viet Nam developing dragon-fruit varieties, opposed to supporting local food security; or \$300,000 to Comoros for geothermal energy rather than women entrepreneurs in Kiribati (for example)? No strategy or policy for engagement with countries that have no Joint Commitment for Development agreement (ie: outside Pacific).
3. ODA allocations	<ul style="list-style-type: none"> The absolute amount of ODA has not fallen, despite the challenges of the Christchurch earthquake. The continued focus on the Pacific is welcomed. Up to 2012, the increased focus on economic and productive sectors has not overwhelmed allocations in other sectors, although governance and CSO engagement have suffered. 	<ul style="list-style-type: none"> NZ's economy is doing well. It is time to increase ODA and make a firm commitment to reaching 0.7%. Fragmentation (Hirschman-Herfindahl Index) decreased until 2009 but had slightly crept-up by 2012. The focus on infrastructure in the Pacific is needed, but it is not clear if the past lessons regarding long-term maintenance have been integrated. In essence, there are almost two aid programmes: the Pacific and elsewhere. Outside of the Pacific, and perhaps Viet Nam, Laos and

		Cambodia, aid appears to be increasingly allocated based on NZ business interests.
4. Organisational fit	<ul style="list-style-type: none"> The maintenance of a section within MFAT devoted to ODA – IDG – has contributed to preserving a credible development programme. Staff with development experience and competencies have been a <i>crucial</i> factor in quality maintenance in the Aid Programme. 	<ul style="list-style-type: none"> The conflation of NZ's foreign policy goals, particularly promotion of NZ business overseas, makes it difficult for IDG to drive forward and coordinate a whole-of-government approach to overseas development.
5. Delivery and partnerships	<ul style="list-style-type: none"> Maintenance of the three-year funding cycles contributes to predictability. Active engagement with the private sector is positive, such as projects like the Pacific Business Mentoring programme (although the evaluation for this was mixed). Opportunity exists for NZ to contribute to research and dialogue regarding exactly how ODA can contribute to building a thriving private sector – an area other donors struggle with. Appears to be engaging in trilateral cooperation and there is potential to build on lessons learned. 	<ul style="list-style-type: none"> The announcement of a 'Transformation Fund' appeared to see country programme budgets cut mid-year. Not yet any clarity regarding what this Fund is. The Joint Commitments for Development provide no contextual analysis and therefore no evidence that country context is considered, although country plans are mentioned. While NZ has long had untied aid, the consideration of NZ's business interests in aid allocations to some countries begins to look like tied aid. No clear strategy for engagement with the private sector. Engagement with CSOs has suffered significant disruption: unjustified changes to funding windows, unclear decision-making mechanisms, abruptly cutting funding to Pacific NGOs, and to CID.
6. Results, transparency and accountability	<ul style="list-style-type: none"> A clear results framework exists. Evaluations continue and are published on the website. The one-page IATI summaries of every activity are excellent. Combined with more detailed DAC data, a reasonably good picture of the Aid Programme can be drawn. Potential to devise a robust research and evaluation strategy, and systematically integrate learnings into programming, as well as contribute to knowledge, particularly regarding Pacific Island development. 	<ul style="list-style-type: none"> Result indicators are often about outputs rather than outcomes. No research, evaluation or learning strategy. All funding to development awareness and education has stopped, including to Global Focus Aotearoa and the Development Education Fund. External communications have grown steadily weaker. Unclear decision-making criteria and programme strategies contribute to weak transparency and accountability. The Budget has been reduced to one or two lines, also contributing to a lack of transparency. Other budget data is published on the website but this does not go through parliamentary scrutiny.