



Australia's International Development Contractors Community

13 July 2018

No lack of rigor or transparency in aid contracting

An article in today's Guardian newspaper alleges "Australia handed out millions in aid contracts to a company accused of bribery". This headline is misleading on several fronts.

Aid contracts are never "handed out", but rather awarded after rigorous competitive processes that test company skills and expertise, financial administration and management capacity. Price is also a significant factor, driving value for money.

International Development Contractors Community Vice Chair, Stuart Schaefer, said, "The suggestion that there is limited accountability provided by private companies could only be made by people with no familiarity with DFAT processes".

"Just like all delivery partners, private companies must comply with DFAT policies and processes. The department's contracts are proactively managed by DFAT staff who are constantly checking that terms and conditions are met.

"Contractors are subject to detailed performance monitoring, ongoing reporting and auditing."

"We are fully committed to maximising the impact of Australian aid".

The 2016-17 *Performance of Australian Aid* report states that, "Commercial partners achieved the highest Partner Performance Assessment (PPA) rating by delivery partner type" (page 20).

IDCC members have a vital interest in maintaining the integrity of procurement processes. They are committed to the observance of international rules to prevent bribery and corruption, including OECD standards.

The robustness of Australian systems, including those of DFAT and the private contracting community, are reflected in the very low incidence of fraud and corruption in the aid program. DFAT reported fraud losses of 0.068 per cent in 2016-17.

It should be noted that the World Bank's systems detected the alleged misconduct in question and that it does not relate to the misuse of Australian aid funds. The company in question no longer exists.

ENDS

Contact: Stuart Schaefer - phone 0408 571 954

www.idcc.org.au