

Australian Council for International Development

Submission on
Australia's New
International
Development
Policy 2022



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

ABOUT ACFID'S SUBMISSION

ACFID would like to thank the Minister for Foreign Affairs, Penny Wong, the Minister for International Development and the Pacific, Pat Conroy, and the Department of Foreign Affairs and Trade (DFAT) for the opportunity to provide input into the new international development policy.

ACFID's submission comprises three parts:

- 1. **Objectives of Australia's development policy** – outlining what the new development program should set out to achieve over 10 years
- 2. **Priority policy and investment areas** – highlighting key sectors, cross-cutting issues, and the geographic footprint of Australia's development assistance
- 3. **Performance, delivery and systems** – outlining how to operationalise an effective, locally led and evidence-based development program.

Across parts two and three of this submission we seek to frame our input by: first articulating the **challenge** that the existing program faces or must respond to; then proposing a **recommendation** for how that challenge could be overcome; and finally, outlining some **indicators of success** which reflect what this could look like in practice.

All our recommendations (and any corresponding indicators of success) are provided in a consolidated format at Appendix A. We recognise that it would not be feasible to action all recommendations and indicators in this submission immediately. However, we have included the full extent of our recommendations given that this new policy will likely guide the Government's approach to international development for years to come.

The ACFID Humanitarian Reference Group (HRG) has made a separate submission to the new development policy. The objectives outlined in this document are designed to apply across humanitarian and development assistance. For more detailed recommendations and indicators on Australia's approach to humanitarian assistance, refer to the HRG submission. ACFID also supports the submission of Pacific Islands Association of NGOs (PIANGO), which outlines Pacific civil society priorities for implementation of the 2050 Strategy for the Blue Pacific Continent.

ABOUT ACFID

Founded in 1965, ACFID currently has 131 full members and 21 affiliates operating in more than 65 developing countries. The total revenue raised by ACFID's membership from all sources amounts to \$1.83 billion (2020-21); \$721 million of which is comprised of donations from over 996,000 Australians. ACFID's members range from large Australian multi-sectoral organisations that are linked to international federations of non-government organisations (NGOs), to agencies with specialised thematic expertise, and smaller community-based groups, with a mix of secular and faith-based organisations.

ACFID members must comply with the ACFID Code of Conduct, a voluntary, self-regulatory sector code of good practice that aims to improve international development and humanitarian action outcomes and increase stakeholder trust by enhancing the transparency, accountability and effectiveness of signatory organisations. Covering 9 Quality Principles, 33 Commitments and 92 compliance indicators, the Code sets good standards for program effectiveness, fundraising, governance and financial reporting. Compliance includes annual reporting and checks. The Code has an independent complaint handling process.

A full list of ACFID's membership is at Appendix B.

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Enshrined in policy: Proposed objectives of the international development program

Australia's international development program is a critical element of Australia's role in the world. As the Australian Government has acknowledged, it is vital tool of statecraft, and must reflect our diversity, history, and values. Like foreign policy more broadly, the development program should "start with who we are. It is how we project ourselves to the world."ⁱ

The new development policy is an opportunity to address the shift in geostrategic focus that has occurred over recent years and enshrine in policy that achieving development outcomes constitutes the core of our development program's purpose.

ACFID believes that the primary purpose of Australia's development program is to support partners to work towards a cooperative, prosperous and peaceful world in which all people have: Their rights respected and upheld, opportunities to thrive, and to share in prosperity and wellbeing. This objective would see Australia's new development policy facilitating locally led approaches to achieve systems transformation and poverty reduction through sustainable and inclusive development. It would promote justice, human rights, and address systems and structures of inequality and poverty.

This purpose is consistent with the goal of creating a peaceful, prosperous, and cooperative region as outlined in the 2017 Foreign Policy White Paper, and the vision proposed in DFAT's Terms of Reference (TOR) for the new development policy – reinforcing the foundations of a peaceful, stable and prosperous Indo-Pacific region.

To make a lofty vision meaningful, the development policy would articulate the key objectives the Federal Government seeks to achieve over the next 10 years through the development program. These objectives support the focus areas outlined by the Government's TOR: building effective, accountable states that can sustain their own development; enhancing states and community resilience to external pressures and shocks; connecting partners with Australia and regional architecture, and; generating collective action on global challenges that impact our region.

We recognise that changes will be rolled out progressively over time. In the short term, the priority is establishing policy settings and rebuilding core capabilities across the development ecosystem.

The objectives the NGO community consider as critical for the new development policy are:

OBJECTIVE 1: AUSTRALIA CHAMPIONS HUMAN DEVELOPMENT AND MEETS OUR FAIR SHARE ON GLOBAL TARGETS AND INTERNATIONAL COMMITMENTS.

ACFID strongly advocates for the Sustainable Development Goals (SDGs) to be affirmed in the purpose of Australia's development policy, and integrated across its thematic and geographic programs, reporting, and performance benchmarks.

COVID-19, climate change and conflict have created the perfect storm, exacerbating existing inequalities and accelerating world hunger. Widespread and acute hunger is a powerful driver of societal violence and destabilisation, undermining hard-won progress on sustainable development, and is both a cause and effect of conflict.

In focusing on the fulfilment of the SDGs, and contributing our fair share to global commitments, Australia must put its focus on the underlying drivers of state fragility, conflict, and instability: poverty, inequality, insecurity, climate change, and the shrinking of civic space.

Demand for effective humanitarian assistance is increasing and will continue to increase. Australia's humanitarian assistance should be allocated in proportion to need – irrespective of where that need arises.

Investing more in prevention and addressing the root causes of crises is a cost-effective way of working, increasing Australia's focus on and investment in early/ anticipatory action, based on credible forecasts, as a tool to significantly reduce the impacts of disasters and crises.

THIS OBJECTIVE WOULD BE ACHIEVED BY:

- Investing in long-term and respectful partnerships making Australia a trusted partner in our region (see page 13)
- Restoring a more global footprint for Australia's development and humanitarian assistance (see page 12)
- Contributing our fair share to meet rising humanitarian need globally (see page 18 and HRG humanitarian submission).

- Meeting our climate finance commitments and delivering high quality assistance to our partners commensurate with our responsibility for the climate crisis (see page 16)
- Continually increasing Australia's Overseas Development Assistance (ODA) budget to effectively deliver on the policy and meet ODA/GNI targets that Australia has agreed to as a signatory to the SDGs (see 29)

OBJECTIVE 2: AUSTRALIA PRIORITISES THE BUILDING BLOCKS OF HUMAN DEVELOPMENT TO ADDRESS ROOT CAUSES OF CRISES, SUPPORT INCLUSIVE GROWTH, AND PROMOTE WELLBEING OF PEOPLE AND COMMUNITIES.

Worldwide, extreme poverty has risen for the first time in more than 20 years.ⁱⁱ COVID-19 reversed decades of continuous economic growth and poverty reduction in Southeast Asia and caused deep contractions in incomes and progress against human development indicators in the Pacific – it will have intergenerational consequences.

Australia's development program must be centred on addressing the root causes of poverty and inequality, and invest and strengthen the building blocks of development – such as healthcare, education, social protection systems and livelihoods. These are the types of investment that will best support peace and stability, regional and global cooperation, and opportunities for all.

THIS OBJECTIVE WOULD BE ACHIEVED BY:

- Refocussing on the building blocks of development (see page 12)
- Prioritising focus and investment on climate change (see page 14), health (see page 17), humanitarian assistance (see page 18), civil society strengthening (see page 21) and governance (see page 23)
- Committing to resourcing commensurate with the scale of need (see page 29)
- Program performance is measured by impact for the bottom 60 per cent of the population by income in the Pacific, and the bottom 40 per cent elsewhere (see page 28).

OBJECTIVE 3: AUSTRALIA IS A WORLD LEADER IN INCLUSIVE AND RIGHTS-BASED DEVELOPMENT AND HUMANITARIAN ACTION, INCLUDING THROUGH TRANSFORMATIONAL PARTNERSHIPS AND INTERSECTIONAL APPROACHES.

The new policy should focus on gender equality (including gender and sexual orientation minorities), the inclusion of people with disability, children and young people, a commitment to justice for First Nations peoples, and a strong focus on human rights. This focus requires addressing the systems and structural drivers of poverty, inequality, and injustice.

A rights-based approach means using the human rights principles of participation, accountability, non-discrimination, equality, empowerment and legality to guide and influence the design, delivery and evaluation levels of programs. Aimed at the universal realisation of human rights, this approach sets the minimum standards and conditions necessary for human dignity.

We recognise that problems faced by people living in poverty, and the solutions required to address these, will vary across contexts. We advocate for an intersectional approach that addresses the multiple drivers of poverty at the household and individual level, particularly the gendered, ableist and racial dimensions of poverty, and the overlapping and interdependent systems of discrimination or disadvantage faced by marginalised people and groups.

THIS OBJECTIVE WOULD BE ACHIEVED BY:

- Prioritising an intersectional and rights-based approach to inclusivity (see page 19)
- Clearly aligning Australia's development program to a First Nations foreign policy that is designed and led by First Nations people and communities (see page 8).

(Note: Refer to the pages cited above for ACFID's analysis of the challenges, proposed recommendations, and the indicators of success to help monitor whether this objective has been realised).

OBJECTIVE 4: AUSTRALIA SUPPORTS CIVIL SOCIETY AS A KEY PILLAR OF STATE RESILIENCE AND EFFECTIVE, ACCOUNTABLE GOVERNANCE BY BUILDING EQUITABLE LONG-TERM PARTNERSHIPS TO SUPPORT THESE OBJECTIVES.

Amid a significant contraction of civic space globally, the past decade has seen successive erosion of civil society strengthening activities through Australia's development program. Supporting and strengthening civil society not only enables Australia to deliver a more effective and locally led development program – it also supports pluralism, strengthens effective and accountable governance, builds deeper partnerships and people-to-people linkages, and contributes to stability.

The new development policy should focus on civil society organisations (CSOs) and networks that provide voice and empowerment for those most marginalised, including local CSOs and networks, women (and gender and sexual minorities), youth-led CSOs and organisations of people with disability.

In addition, if the international development policy will focus on supporting 'effective and accountable states', the Government must restore and expand its strategic focus, resourcing, and investment in governance, including conflict prevention and state fragility.

THIS OBJECTIVE WOULD BE ACHIEVED BY:

- Investing in initiatives that strengthen civil society (see page 21)
- Restoring a focus on governance, conflict prevention, and state resilience (see page 23)
- Ensure that CSOs that represent those most marginalised (see page 19 on gender equality, children and young people, and disability inclusion).

OBJECTIVE 5: NATIONAL AND LOCAL DEVELOPMENT ACTORS IN PARTNER COUNTRIES SHAPE AND IMPLEMENT THEIR DEVELOPMENT PRIORITIES. AUSTRALIA SUPPORTS THEM WITH THE FINANCIAL, ORGANISATIONAL, AND COLLABORATIVE CAPACITIES.

Development cooperation is most effective if it is led by partners and development actors in the countries where we work. This fact has been highlighted by the importance and effectiveness of local actors during the COVID-19 pandemic. The development program should prioritise local actors and partners through purposeful and strategic actions that support the sovereignty, self-determination, and full independence of civil society. This includes increasing funding and transparency to national and local development actors; ensuring that compliance requirements and systems are configured to enable local partners to meet DFAT requirements; supporting local actors to become robust organisations; and supporting local partners (beyond governments and elites) to participate in decision-making as equals in influencing program design and partnership policies.

Consultation with local actors should be increased to ensure that regular and meaningful engagement (ideally co-design), with all local actors including civil society organisations, is part of the design of all new major programs and investments.

THIS OBJECTIVE WOULD BE ACHIEVED BY:

- Strengthening Australia's commitments to a locally led development program and prioritising the views of local actors across all stages of program design, implementation, and delivery (see page 24).

OBJECTIVE 6: AUSTRALIA SPEARHEADS BEST PRACTICE APPROACHES TO PERFORMANCE AND DEVELOPMENT EFFECTIVENESS.

Evidence-informed decisions are essential to development impact and effective, high-quality policy and programs. Transparency and accountability to local communities, the Australian public and development partners should be a cornerstone of the development program. This new policy must demonstrate how Australia will rebuild evaluation and program management capability and redress recent backsliding in the transparency and accountability of the program.

THIS OBJECTIVE WOULD BE ACHIEVED BY:

- Building up development capability (both resources and expertise) across DFAT (see page 27)
- Developing 10-year Development Cooperation Agreements with key partner countries and more robust country strategies that include political economy and civic space analysis (see page 26)
- Monitoring, evaluation and learning approaches that support evidence-based and effective investments and programs (see page 28)
- Improving the transparency and accountability of the development program (see page 29)
- Ensuring that fiduciary risk is not prioritised over development risk in the delivery of development and humanitarian assistance (see page 25)
- Delivering a long-term budget framework that increases ODA in line with international standards and commensurate with rising need (see page 29)
- Effectively communicating the strengths and outcomes of Australia's development assistance to the Australian public (see page 30).

Muhammad Khan is a Community Group Member and beneficiary of an Oxfam-sponsored highly efficient irrigation system. Muhammad's main income is derived from share cropping. Credit: Khaula Jamil/OxfamAUS



FIRST NATIONS FOREIGN POLICY

As has been widely noted, the time is ripe for Australia to apply a First Nations lens to its foreign policy. Inserting First Nations-led principles would reflect Australia's stated values of inclusivity, egalitarianism, acknowledgement, respect and reciprocity throughout our international engagement. .

Equally important to the outcome is the process that is undertaken to reach this policy frame. It is vital that Aboriginal and Torres Strait Islander peoples and communities are consulted with in the development of this policy, and that all consultations adhere to ethical and cultural protocols.

For a First Nations foreign policy (FNFP) to be credible, meaningful and fit for purpose, it is vital that Indigenous people and communities are involved at every step of the way. The process cannot be, nor be seen to be, top-down and driven by bureaucrats. This may require structural change.

Recommendation: The development of a First Nations Foreign Policy by DFAT is aligned to the Partnership Agreement on Closing the Gap and its principles. This approach is also enshrined in the implementation of a First Nations Foreign Policy going forward.

The [Partnership Agreement on Closing The Gap \(2019-2029\)](#) provides the guidelines for effective and meaningful engagement with Indigenous Australians. The agreement was reached between Australian governments (COAG) and the [Coalition of Aboriginal and Torres Strait Islander Peak Organisations](#), and sets out the agreed arrangements for partnerships and interactions.

Chapter 6 of the Closing The Gap plan sets out [four Priority Reforms](#), which should be considered the guiding principles for how First Nations foreign policy consultations should be conducted. These include: formal partnerships and shared decision-

making (priority reform one); and shared access to data and information at a regional level (priority reform four). These include provisions stating that:

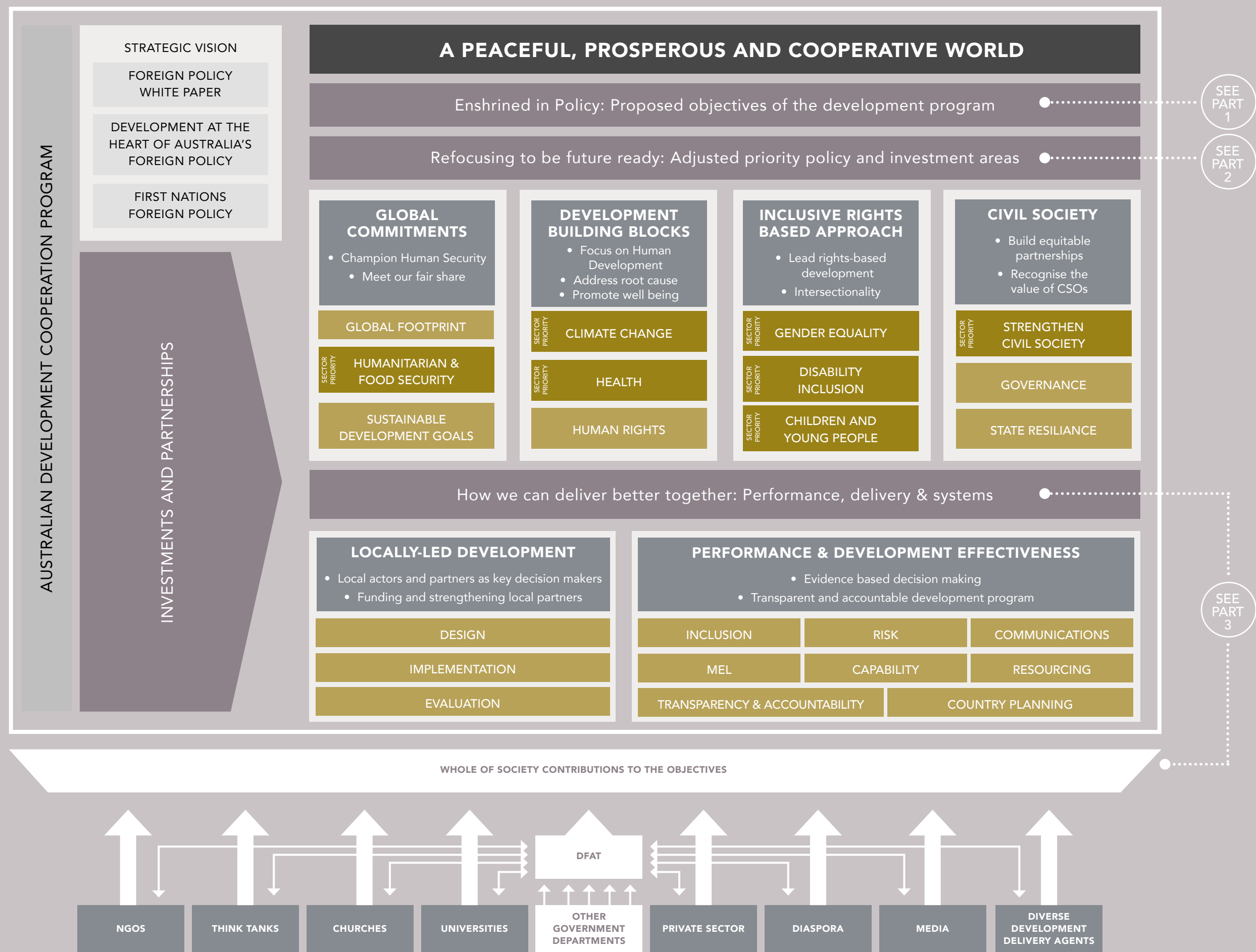
- There should be formal partnerships in place to each state and territory enshrining agreed joint decision-making roles and responsibilities;
- Partnerships are accountable and representative;
- Decision-making is shared between government and Aboriginal and Torres Strait Islander people;
- A commitment to establishing policy and place-based partnerships to respond to local priorities; and
- Data and information should be disaggregated, to provide a more comprehensive picture of individual communities, and consequently support better decision-making. Governments must commit to enable shared access to location-specific data for Aboriginal and Torres Strait Islander communities and organisations.

Good consultations with First Nations people would consider ethical protocols, such as the [United Nations Declaration on the Rights of Indigenous Peoples](#), and its framework on the rights and roles of Indigenous people, plus the [AIATSIS Code of Ethics](#), ensuring research with and about First Nations people follows meaningful engagement and reciprocity.

The process towards FNFP must be transparent and have accountability to groups like Coalition of the Peaks. It should consider Aboriginal and Torres Strait Islanders as equal partners in decision-making for this policy, but also its implementation and monitoring. There should be unrestricted access to data and information.

If done correctly, the process and outcome will build on DFAT's existing Indigenous Diplomacy Agenda. It would elevate First Nations voices and values towards achieving a policy that is credible, meaningful and ground-breaking.





PART 2:

Refocusing to be future ready: Adjusted priority policy and investment areas

REFOCUSING ON THE BUILDING BLOCKS OF DEVELOPMENT

Based on the objectives outlined in Part 1 above, we propose a refocussing of the current portfolio across sectors and geographies.

We recognise that this is a significant undertaking and will required a staged approach over the life of this policy.

To meet its strategic objectives, the Government needs to reinvest and strengthen the building blocks of development. Australia's development program must adopt an integrated approach to building resilience, and promoting whole-of-society wellbeing, with people and communities at the centre.

The impacts of the pandemic, combined with repeated cuts to the development budget, has led to a development program funded at historically low levels while development gains all around the world have reversed. With the new \$1.4 billion funding allocation, and as programs come up for renewal, we ask that the Government prioritise program allocations based on the following:

- Peace and stability – including conflict prevention and violence reduction, disaster risk reduction and a principled humanitarian response;
- Regional and global cooperation – including civil society strengthening, inclusive governance and rule of law; and
- Opportunities for all – including reinvesting in education systems, include water, sanitation and hygiene (WASH), health systems strengthening, inclusive job creation, social protection, social inclusion, climate adaptation and resilience programming, and critical social, green, and hard infrastructure for essential services. This includes targeted and mainstreamed efforts regarding gender; children and young people; people with diverse sexual orientations, gender identities, expressions and sex characteristics (SOGIESC); disability; and all forms of social inclusion.

Without getting these foundations right, rising poverty and inequality will only endure and worsen, weakening already fragile social cohesion and limited prosperity.

GLOBAL FOOTPRINT

Australia has a long history of engagement within the Indo-Pacific region: continued focus and increased investment in the region by Australia reflects both our interests and our values. However, the Australian Government must be watchful of the overt use of the development program as a tool in geostrategic competition, and must continue to invest in the countries and regions where development and humanitarian need are greatest.

To deliver on commitments to global action on the SDGs and poverty reduction, the Government should work with like-minded donors to strengthen connections across regions, establishing a genuine global footprint in development assistance, based on greatest need.

Recommendation 1: Purposefully rebalance the allocation of Australia's development and humanitarian assistance across geographic areas, based on consideration of Australia's relative strengths as a donor, the history and strength of our partnerships, and where need is greatest. This may not happen immediately, but new funding should slowly be programmed with this approach in mind.

INDICATORS OF SUCCESS:

- a. DFAT sets out a decision-making matrix to guide staged increases to ODA allocations beyond the Pacific and Southeast Asia, which considers:
 - i. A humanitarian program driven by greatest need, not regional or country focus. This looks like multi-year funding to local organisations in countries experiencing protracted crises such as Afghanistan, and in the Horn of Africa.
 - ii. Providing 0.15 to 0.20 per cent of gross national income (GNI) in the form of ODA to Least Developed Countries (LDCs) in line with the SDGs (such as food security).ⁱⁱⁱ
 - iii. Prioritising engagement outside the Pacific and Southeast Asia based on need, by working with like-minded donors to strengthen connections across regions. For example, Australia could consider a modest recommencement of bilateral

assistance to South-East African countries given our distinctive development technical capabilities in dryland agriculture and climate resilient crops by leveraging the expertise of the Australian Centre for International Agricultural Research (ACIAR) and NGO partnerships. Similarly, in South Asia we could add value by scaling up assistance for water management, reforestation and livelihoods.

- iv. Reestablishing long term development programming in places where Australia has existing partnerships and a history of effective development cooperation (for example, Palestinian Territories and Afghanistan).

SECTORS AND PRIORITY AREAS

A global approach to good development should guide the development program. To achieve the greatest impact on the building blocks of human development, we have identified several areas that need to be re-established as core priorities. With limited resources we should focus where we can have the greatest impact and where the most investment is needed.

The following sectors and cross-cutting issues are critically important to the Australian Government's international development policy over the coming decade.

LONG-TERM AND RESPECTFUL REGIONAL PARTNERSHIPS

Australia's development assistance must first and foremost must focus on sustainable and inclusive development for our partners across our regional and bilateral programs in the Pacific and Southeast Asia. Long-term and trusted relationships will only be built with sustained partnerships, matched with long-term funding (i.e. over 10 years). Programs that seek to deliver geostrategic objectives through development assistance risk being seen as a tool to combat and compete with China's engagement in the region first, and a tool to strengthen partners' development and resilience second.

Priority focus areas for development assistance in the Pacific and Southeast Asia are determined in co-design with local partners (page 26 on country level planning). We are hearing from our partners that Australia's future programming in the Pacific and Southeast Asia should prioritise: climate change action, strengthening civil society, and inclusivity of gender, disability and children and young people.

CLIMATE CHANGE

CHALLENGE

The effects of climate change are undermining decades of global development. Climate change brings immense economic, social, and environmental costs, and enhances existing threats and challenges to international stability and prosperity. This impacts vulnerable groups the most. The survival of Pacific Islanders is directly linked the resilience and health of natural ecosystems. Enabling the restoration and maintenance of natural ecosystems should be prioritised in the new development policy. Climate change is a life-or-death proposition for many people in the region.

Australia continues to fall short of international obligations to mitigate emissions and provide climate financing. Climate change will have direct or indirect impacts on every aspect of development and livelihoods. Without significant global investment and policy change in mitigation, adaptation, loss and damage, relocation, resettlement and human security, we will see further reversal of development goals alongside increasing crises and natural disasters and the humanitarian demands these bring. This investment in funding and action must be complemented by an investment in skills and capability within the Department (see Capability in Section 3).

Recommendation 2: Develop and articulate a whole-of-government approach to climate change policy and practice, which includes climate change action as a key pillar for the development program and across the DFAT portfolio. This would demonstrate linkages to all other aspects of policy design and program implementation, and prioritisation of capability, transparency, and accountability.

INDICATORS OF SUCCESS:

- a. A clear pathway to meet Australia’s climate finance fair share of \$4 billion per year by 2025 and \$11.5 billion per year by 2030. This should include upfront annual budget commitments to support effective planning and programs (climate finance is currently calculated retrospectively each year).
- b. Mainstream climate change in the development program by ensuring 90 per cent of all new aid investments programs over \$10 million incorporate climate change risk, impacts and opportunities.
- c. Develop an outcomes framework that is based on best practice and used to measure success of the climate program over time, including indicators such as reduction in greenhouse gas emissions, and number of women or young people who have access to clean energy as a result of programs.

Recommendation 3: Design a diverse portfolio of locally led climate mitigation and adaptation programs which prioritise the needs of the marginalised groups in communities and are gender-responsive, disability-inclusive, age-sensitive and child-sensitive.

INDICATORS OF SUCCESS:

- a. Develop a new NGO-led *Climate Adaptation Program* that uses the expertise and networks of NGOs to quickly deliver impacts for vulnerable communities in line with promoting gender and climate justice, human rights, and social inclusion. This should include expanded resources and support for locally led action (see Section 3 – Locally led).
- b. Design transformative adaptation programming by addressing the drivers of vulnerability, building response capacities, managing climate risks to resources and livelihoods, and developing comprehensive actions that build on local, Indigenous, youth and women’s unique knowledge and perspectives in adapting to climate change.
- c. Clear integration of climate change, environmental risk and impacts in the design of new development programs, country level planning.

Recommendation 4: Design a diverse portfolio of climate finance mechanisms (in line with Australia’s fair share of global climate finance) that does not add to sovereign debt distress, and priorities access for local partners and communities.

INDICATORS OF SUCCESS:

- a. Ensure adequate and accessible climate funding to communities, particularly to diverse groups, including people with disabilities, youth and feminist and women-led organisations.
- b. Develop and publish a transparent and consistent approach to reporting on climate finance that reflects its real value to partner countries. This could include details on projects, budget, methodology of calculating climate finance volumes, the share of climate finance provided at the local level.
- c. Develop a clear policy to guide engagement in carbon offset markets both here and overseas. Such a policy should be underscored by clear principles and objectives which prioritise, accountability, co-benefits, fair and equitable participation and protection of the rights of indigenous and marginalised peoples (particularly land and resource rights).
- d. Operationalise an effective Santiago Network on Loss and Damage, including contributing to a loss and damage fund, providing action and support for vulnerable developing countries and covering different types of loss and damage, including displacement and migration, biodiversity and ecosystem losses and food security.

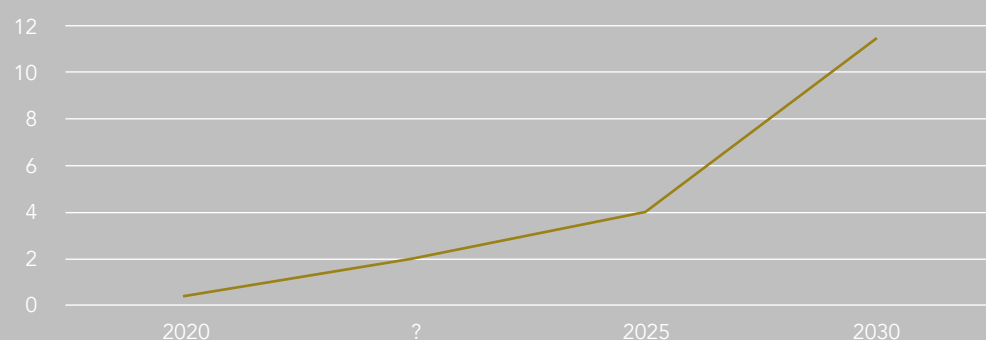


CLIMATE FINANCE

The global commitment to USD \$100 billion pa^{xii} for climate finance is far from being reached. This is also likely to fall short of global need as the costs of climate mitigation and adaptation rise. Australia has the responsibility and capability to expand climate finance commitments and ensure that low-income countries, including our Pacific Island neighbours, can adapt to the impacts of climate change.

The Australian Government has committed \$2 billion from 2020 to 2025^{xiii} – this should be increased to \$4 billion urgently. Australia's international fair share of the global commitment is estimated at \$4 billion per annum by 2025 and \$11.5 billion by 2030, based on current emissions reductions targets. Achieving this trajectory therefore requires significant increases to finance in coming years.

CLIMATE FINANCE COMMITMENT (\$ billion)



On top of designing new financing mechanisms, including leveraging the private sector through blended finance initiatives, additional funding is needed on principal climate change programs. Cultural and organisational changes are also needed to ensure an effective, well-managed climate change program that supports the new investments.

HEALTH

CHALLENGE

In the Indo-Pacific region, the pandemic has exposed the fragility of health care systems, impacting already marginalised people most significantly and created secondary impacts worse than the pandemic itself. Health indicators have suffered dramatically in recent years.

Violence against women, girls and people of diverse sexual orientations and gender identities, expressions and sex characteristics (SOGIESC) is a fundamental violation of human rights and a global health problem, with social and economic costs to individuals, communities, and nations. In many countries across Asia and the Pacific, the prevalence of violence is more than twice the global average^{iv}.

Long-term regional prosperity, regional health security and the health and wellbeing of people across the Indo-Pacific can only be achieved by considering health in a broad sense, and investing in robust health systems, which are essential for preventing large-scale disease outbreaks. The development, diplomatic and public momentum behind the pandemic response provides a unique window. Australia can build upon the inroads we made in international health engagement during the pandemic and to accelerate progress towards fulfilling [SDG3](#).

Recommendation 5: As part of 10-year development cooperation agreements with partners, commit to a long-term regional health policy or strategy that focuses on strengthening integration across health systems. This could be informed by a joint working group of DFAT and multi-sector partners, including local partners.

INDICATORS OF SUCCESS:

- Adopt a comprehensive definition of health encompassing both physical and mental wellbeing, and the prevention of death and disability (mortality and morbidity) from both communicable and non-communicable diseases. These definitions need to apply across all health policies, programs and initiatives,
- Establish a health policy or strategy that supports integrated, people-centered health care through a framework such as the World Health Organization's health system building blocks (key components include service delivery, workforce, health information systems, medical products, financing, and leadership and governance).
- A greater programmatic emphasis on primary healthcare with integrated people-centred care a key focus. People-centred primary healthcare forms a comprehensive foundation for countries to effectively respond to public health emergencies and the broader effects such as system-wide interruptions to essential health services.^v

Recommendation 6: Strengthen regional leadership to mitigate future knowledge and workforce shortages by providing more funding for long-term, multi-sectoral networks between governments, local community leaders, private sector organisations, NGOs and academic institutions focusing on health priorities.

INDICATORS OF SUCCESS:

- a. Address the growing burden of the secondary impacts of COVID-19 by doubling Australia's health ODA over the next five years. This should be made from new, additional allocations to the ODA budget.
- b. Locally-led approaches are the universal model for practice and apply to all programs. Building health systems that are locally grounded, and not reliant on flown-in international support, is essential to the sustainability and long term effectiveness.

Recommendation 7: Re-establish bilateral health programs in select countries in the Pacific and Southeast Asia to assist in COVID-19 recovery and support long-term health system strengthening.

INDICATORS OF SUCCESS:

- a. Bilateral health programs should be determined in close consultation (ideally co-design and co-evaluation) with partners, including local civil society. Recent research on strengthening health systems in the Indo-Pacific by experts at the [University of Sydney](#) and [University of New South Wales](#) commissioned by ACFID and the Fred Hollows Foundation has highlighted key priorities including: the quality and quantity of the health workforce, quality of service delivery, integrated health information and data, improving communication and community engagement, strengthening health planning and management capacity at all levels of government, supporting catch up vaccination programs, sexual and reproductive health, and health interventions for non-communicable diseases.



HUMANITARIAN

Despite the growing scale and complexity of humanitarian emergencies, the support needed to address these crises is weakening. The humanitarian system is already stretched, and the persistent gap between need and funding demands all governments increase their support, to better respond to these pressing global challenges. Regional focus is limiting the provision of flexible and predictable humanitarian assistance globally, especially to countries where need is most acute or underfunded.

ACFID recommends that in addition to the new development policy, DFAT restore a strong stand alone humanitarian strategy that strengthens our ability to prepare, respond and recover, and which links strongly with the international development policy to effectively prevent suffering and progress important development priorities such as gender equality, climate adaptation and peace. The Humanitarian Reference Group (HRG) of ACFID has submitted a separate submission that outlines how the humanitarian policy can achieve this through three key objectives: Have a global focus, be effective and inclusive, and address the root causes of crises and displacement.

The humanitarian submission includes recommendations on humanitarian principles, locally led humanitarian assistance, the role of civil society, transparency of humanitarian action, the humanitarian-development-peace nexus, anticipatory action, food insecurity, disaster risk reduction, displacement, and climate change.

GENDER, CHILDREN AND YOUNG PEOPLE, AND DISABILITY INCLUSION

CHALLENGE

The COVID-19 pandemic has exacerbated inequality – including gender inequality and other forms of intersectional marginalisation – around the world.^{vi} Pandemic-induced school closures alone lead to learning loss, mental distress, missed school meals and routine vaccinations, heightened risk of school drop-out, increased child labour, and increased child marriage – all of which will have intergenerational consequences.^{vii}

Australia lacks a defined strategy for protecting and empowering children and young people through our development cooperation program. As our region grapples with the ongoing impacts of the pandemic, we urgently need to protect and restore hard-won human rights gains for marginalised groups. We also must act on the opportunity to reset the social norms and systems of power that have upheld inequality and marginalisation – renewed commitment commensurate with need has never more relevant to maintain Australia's strong legacy of leadership in inclusive practice.



While targets are not a panacea for effective and inclusive development, they can, if managed and implemented well, offer an effective way of placing emphasis where its needed. In summary, ACFID recommends that:

- 80% of programs address gender equality as a significant objective, with 15% as a principle objective and 5% delivered through women's equality organisations and institutions (Recommendation 8b and 8c)
- 80% of investments, regardless of their primary objectives, effectively support and protect children (Recommendation 9a)

Recommendation 8: Mainstream a focus on women, people of diverse SOGIESC, people with disabilities, and children and youth, across all programming, including through additional resourcing to support intersectional and transformational approaches.

INDICATORS OF SUCCESS:

- a. Build DFAT's internal guidance and technical expertise by:
 - i. Incorporating analysis of gender (including SOGIESC), disability and social inclusion in all regional and country planning processes;
 - ii. Ensuring adequate funding for implementation of the findings of this analysis; and
 - iii. Scaling up the availability of individual-level, gender-sensitive and multidimensional poverty data.
- b. Commit five per cent of ODA to be delivered through women's equality organisations and institutions.^{viii}
- c. Commit 15 per cent of ODA to initiatives with gender equality as the principal objective, and 80 per cent of ODA to initiatives with gender equality as a significant objective, (measured against the OECD DAC Gender Marker).

- 70% of investments, regardless of their primary objectives, support people with disabilities (Recommendation 10b)
- 90% of all new programs over \$10 million incorporate climate change risk, impacts and opportunities (Recommendation 2b)
- At least 25% of ODA is delivered to and/or through civil society across humanitarian and development programs and funding (Recommendation 11b)

Recommendation 9: Develop a strategy for children and young people for Australia's development cooperation program in line with the Convention on the Rights of the Child, following the lead from Aotearoa New Zealand's Ministry of Foreign Affairs and Trade's child and youth wellbeing strategy, which has been successfully used across the Pacific.^{ix}

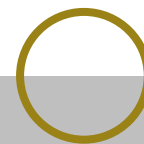
INDICATORS OF SUCCESS:

- Introduce a target that at least 80 per cent of aid investments, regardless of their primary objectives, effectively support and protect children.
- Invest an additional \$58 million over three years to programs aimed at ending violence against children in the Indo-Pacific region and empowering children and young people to safely participate in decision-making at all levels.
- Support measures aimed at achieving universal child benefits in the Indo-Pacific, including by improving coverage of social protection systems for children, and providing funding for child benefit payments and child disability payments.
- Intentionally consider children in the design and delivery of development and humanitarian projects, including education system strengthening targeted at children and young people, health interventions, protection programs, and community-based social protection.

Recommendation 10: Develop a new multi-year Development for All strategy, alongside the establishment of a regional partnership for donors to coordinate support for disability inclusion in the Pacific in line with the Pacific Framework for the Rights of Persons with Disabilities 2016-2025.

INDICATORS OF SUCCESS:

- Invest directly in the sustainability and capacity of organisations of people with disabilities (OPDs) through multi-year and flexible funding mechanisms, by strengthening partnerships and increasing investment (including core funding) into peak representative bodies.
- Increase DFAT's central disability allocation to a minimum of \$14 million per year and institute a new target for 70 per cent of all programs to effectively support people with disabilities.



INTERSECTING CRISES – INTERSECTIONAL RESPONSE

The aim of international development is to transform the systems of marginalisation that underpin poverty and exclusion. We affirm the importance of taking an intersectional approach to the design, delivery, and evaluation of development programs.

Intersectional analysis understands that our positions to structures of power are shaped by various social locations (including race, ethnicity, gender, class, sexuality, geography, age, disability/ability, migration status, and religion). This interaction produces interdependent forms of privilege and oppression that change the way people experience the world and the barriers they face as a result.

As a way of thinking, not merely a checklist for identity characteristics, intersectional analysis is able to produce more multifaceted and informed evidence on the different experiences and needs of populations. Decision-makers can make more effective decisions on how to combat poverty and discrimination.

An intersectional approach to development requires Australia to invest in partnerships and programming approaches which account for how particular crises faced by communities exacerbate existing inequalities. Climate change, for instance, intensifies existing gender inequality; restricting women's control over, and access to, natural resources like water and food; hindering access to education; increasing early and forced marriage and violence against women; and impeding women's participation in decision-making processes.

CIVIL SOCIETY AND CIVIC SPACE

CHALLENGE

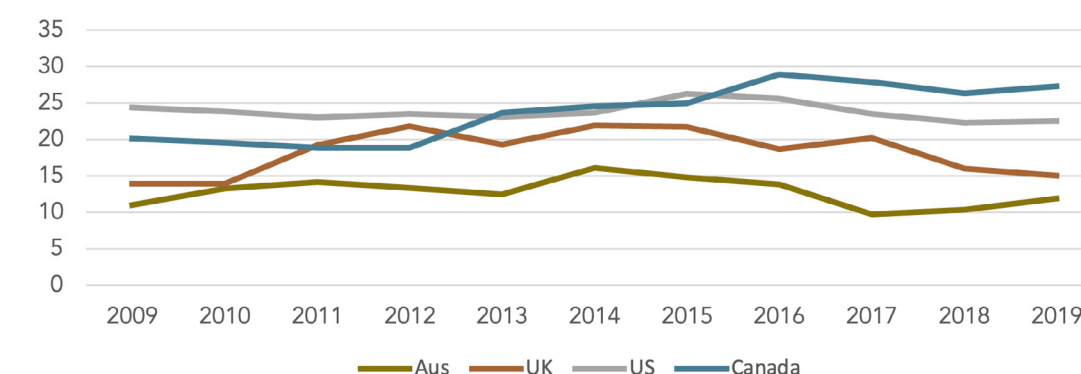
Globally, we are seeing a shrinking of civil society space, rising illiberalism, and democratic backsliding. In 2021, CIVICUS reported that the vast majority of the world's population (88 per cent) are living in countries where civic space is closed, obstructed, or threatened.* Shrinking civic space is a risk to the economic recovery, prosperity, and stability of states in our region and beyond, and increases the risk of unrest and conflict. Human rights violations and backlash against human rights defenders are increasing, and the ability of citizens to meet, debate, and collaborate has been severely restrained.

As delivery partners, CSOs raise considerable financial resources for development (in addition to what governments provide as ODA), are cost-effective, and are valued for the experience, expertise and agility they bring in responding to changing contexts. But a strong network of CSOs is also an important development objective itself: they provide a mechanism through which citizens express their political, social, and economic concerns and complement other avenues for holding governments accountable to citizens through democratic participation.

Over the past decade, high-performing NGO-led programs beyond the Indo-Pacific region have slowly been wound down in favour of channelling Australian ODA beyond our region, predominantly through multilateral agencies. While there are economies of scale in this approach, it risks diluting the (often intangible, yet highly important) side benefits of more direct programming, such as greater people-to-people linkages, strengthened bilateral relations, and a more direct contribution to community-led development.

Despite the importance of civil society and its track record as a delivery partner for development assistance, Australia does not have clear policy positions of dedicated resourcing to strategically engage with civil society. Additionally, Australia's funding to and through CSOs remains well below the OECD average and other donors, at approximately 10-16 per cent^{xi}. Moreover, NGOs and CSOs tend to receive fragmented funding, which is tied to specific projects or program outcomes. This restricts their ability to grow, develop their capabilities and resilience, invest in their staff, and meet their ongoing core costs.

FIGURE 1: PERCENTAGE OF AUSTRALIAN ODA DELIVERED TO AND THROUGH NGOS AND CIVIL SOCIETY



Source: DFAT Statistical Summaries, OECD DAC Data

Recommendation 11: The realisation of strong and vibrant civil society throughout the Indo-Pacific becomes a key objective of Australia's new international development policy and funding is increased accordingly.

INDICATORS OF SUCCESS:

- a. Strategies are developed to support civil society and safeguard civic space in all 10-year development cooperation agreements with key partner nations. (For more on country strategies and partnerships, see page 26).
- b. Provide at least 25 per cent of ODA to and/or through civil society across humanitarian and development programs and funding. This must be flexible, core, multi-year funding.
- c. Develop and fund initiatives that nurture civil society networks or civic space 'ecosystems' to create opportunities for community partnership and collaboration within civil society, as well as stronger ties and feedback loops between civil society, government, and the private sector.
- d. Fund the Pacific-led implementation of the Pacific Regional Accountability Framework for CSOs and endorse its use as a benchmark for NGO accountability in support of the realisation of locally led development and humanitarian responses across the Pacific.



The term 'civil society' encompasses a wide range of formal and informal groups and networks which span political and ideological spectrums. It includes non-governmental organisations, community groups, faith-based organisations, trade unions, media, educational institutions, and informal groups that exist outside the sphere of the state and the market. To undertake their role effectively, civil society must be resilient, vibrant, and free to operate.

Recommendation 12: Establish a CSO Hub in DFAT to strengthen engagement with civil society across the development program.

INDICATORS OF SUCCESS:

- a. A CSO Hub would be a dedicated team of staff working alongside, but separate from, the governance team (see Recommendation 13 below). MFAT's Civil Society Branch offers a good model for what this could look like.
- b. Staff working in the CSO Hub have experience working in or with civil society organisations, enabling them to analyse civic space trends, engage effectively with partners, and provide expertise on civil society engagement across DFAT.
- c. Core functions of the Hub would include:
 - i. Providing advice to DFAT on how to implement inclusive approaches, overseeing funding modalities and combatting the shrinking of civic space, rising illiberalism and the overlap with illiberal regimes, plus the comparative strengths of civil society.
 - ii. Promoting an awareness of the breadth and diversity of civil society and what it contributes to governance and state effectiveness (civil society includes more than NGOs).
 - iii. Coordinating CSO involvement not only in program delivery, but also in design, strategy and evaluation, as core partners in effective development.

GOVERNANCE, STATE RESILIENCE AND FRAGILITY

CHALLENGE

Rising illiberalism, shrinking civic space, and other conflicts and crises erode state resilience and are fed by fragility and corruption. The majority of those now living in extreme poverty are living in fragile and conflict-affected contexts. This necessitates supporting institutional development and a conflict-prevention and peacebuilding approach. Corruption drives poor public financial management and accountability to citizens, leading to poor development and social outcomes. The Australian Government must enable governments and civil society to support resilience, stability, good governance, and the wellbeing of people.

Recommendation 13: Restore a focus on governance and building state resilience in Australia's development policy, and target investments towards supporting development partners to build effective, accountable, and resilient states. (See ACFID's Humanitarian Submission for further recommendations on Australia's approach to conflict prevention and peace building through the development and humanitarian assistance program)

INDICATORS OF SUCCESS:

- a. Reinstate and build the capability of a 'Fragile States and Governance' team within DFAT including technically experienced personnel (See further recommendations on capability on page 27)
- b. Support institutional strengthening and robust reform agendas by ensuring that any provision of direct budget support to partner governments is accompanied by matched funding to local civil society organisations to enable them to play a role in accountability and transparency on public spending.
- c. Invest in programs that build the skills and capabilities of the next generation of leaders in Australia's partner countries. The [Vanuatu Skills Partnership](#), [MAMPU](#), and [Coalitions for Change](#) program in the Philippines offer promising examples.
- d. Increase support for development and humanitarian assistance to support people and communities in conflict affected and fragile environments based on a tiered risk framework (see recommendations on the approach to risk on page 25).



AUSTRALIAN INFRASTRUCTURE FINANCING FACILITY FOR THE PACIFIC (AIFFP)

The October 2022-23 Budget increased the AIFFP's lending capacity to \$4 billion and its grant pool by \$500 million over 10 years, with funding from the scarce ODA budget.

This presents opportunity costs for a budget that could otherwise be allocated to areas of urgent development need in our region and beyond, including global food insecurity, climate change adaptation, and community gender equality programs.

Given the design of the facility, there are likely trade-offs between the various objectives of the AIFFP – development outcomes do not appear to be maximised.

The International Monetary Fund and World Bank have indicated at least seven countries in the Pacific are at high risk of debt distress. Australia risks contributing to this debt distress through further loans. In challenging post-pandemic economic circumstances, national budgets could be forced to forego essential social services to pay back public debt.

The AIFFP must consider how to maximise development benefits and how these align with the needs of Pacific partners.

How we can deliver better together: Performance, delivery, and systems

Delivering on the priorities outlined above must be underpinned by a focus on how we deliver. This requires new ways of working and adjustments across the entire development ecosystem. To effectively support the priorities of our partners and contribute to shared regional and global challenges, Australia requires a fit-for-purpose implementation plan, including updated operational systems, strengthened capability and greater resourcing. We welcome DFAT's focus on these vital areas.

If the Government is serious about its commitment to elevate development to the heart of Australia's foreign policy, and to the work of the Department, it must give development the profile, investment, and systems commensurate with other tools of statecraft (such as trade and defence).

Australia should properly resource DFAT to deliver the development program with increased funding and enhanced capabilities. This includes reimagining DFAT's role as a central point of authority, leadership, communication, coordination and advice to Government and non-government development actors. It also includes investing in new and more inclusive development governance models, alongside improving key capabilities, such as development program design, delivery, and performance management. We envision that such expansive reforms will take time, and should be sequenced over the life of this policy.

ENABLING LOCALLY LED DEVELOPMENT

CHALLENGE

Locally led approaches, or localisation, is key to delivering more sustainable development and humanitarian action. By yielding power to local actors, we will better protect and support the resourcing, autonomy, and sovereignty of Australia's development partners, who have long been asking us to listen to and support their priorities.

A locally led approach is also effective. It recognises that local actors are better placed to facilitate viable transitions from response to recovery programming due to their sustained proximity to, and intimate understanding of, affected populations.

Globally, the design, delivery and evaluation of aid has increasingly been criticised alongside calls to decolonise the sector. Through a locally led approach, Australian development actors can better recognise, respect, and leverage local and cultural knowledge to rebalance the distribution of power structuring the system.

Recommendation 14: Develop a practical roadmap for the localisation of Australia's development program. This should implement the [OECD DAC Recommendation on Enabling Civil Society](#), the commitments under the [Grand Bargain](#), and include targets for local leadership in the design, delivery, and evaluation of programs.

INDICATORS OF SUCCESS:

- Across all new programs and investments, partnership arrangements and budgets include an agreed percentage component of core funding which is provided directly to local partners. (This will require changes in approaches to compliance and risk – see below).
- Fund relevant and targeted capacity support for needs identified by local partners themselves.
- Provide support for partnership brokering and management as a dedicated line item in all program and project budgets.
- Ensure that all staff working on the development program (across all levels of government and all external delivery partners) are trained in locally led approaches to development, including decolonisation and anti-racism.
- Co-create with local actors reporting requirements and performance measurement indicators that reflect both local and international actors' requirements and expectations regarding outcomes, risk management, learning and accountability.^{xiv}
- Develop models for co-locating risk management and sharing the burden of reporting and accountability requirements to enable local actors to meet donor requirements.

RISK

CHALLENGE

While holding strong standards and due diligence, the Australian development program has developed a reputation for an unwieldy and somewhat inflexible approach to risk, reporting and acquittal. An increasingly cautious and uniform approach to risk and compliance in DFAT can limit innovation, and create barriers to locally led approaches. Achieving development impact where it matters most – on climate change, and in new modalities of blended finance and locally led action – requires a more robust risk appetite.

Currently, 'risk' is predominantly conceived of as a blanket term. In reality, there are a range of risks that arise in delivering development assistance, including: fiduciary risk, financial risk (i.e. that a loan will not be repaid), reputational risk, consular and wellbeing risk (when deploying people to conflict affected environments), and development risk. Development risk is the risk that development assistance will not achieve results.^{xv}

DFAT risk approaches remain focussed on fiduciary risk which is too narrow: the trade off must be balanced with consideration of development risk. DFAT continues to devolve risk to partners, which is often paired with limited core funding to support strengthening systems approaches. This is particularly the case for locally led approaches where risk management and compliance appear to be solid barriers to funding that directly strengthens local organisations or civil society more broadly.

Recommendation 15: Develop a more robust and inclusive risk framework which considers risk in its multiple forms, and explicitly balances against the risk that investments will be ineffective (development risk) in determining whether and how to deliver programs (this links to recommendations on capability on page 27).

INDICATORS OF SUCCESS:

- a. In addition to a holistic risk framework, develop a tiered risk framework that applies specifically to programming in high-risk or fragile places. This should enable pragmatic engagement with humanitarian and development activities. Institute a risk appetite and management systems within DFAT to accommodate new ways of working.
- b. Maximise the utility of existing compliance and due diligence programs such as DFAT Accreditation, by explicitly stating both internally and with all development partners that full accreditation is an acceptable standard of due diligence and should apply across all DFAT funding arrangements with Australian NGOs.

COUNTRY LEVEL PLANNING

CHALLENGE

Over the past decade, the scope and depth of country strategies or country development plans has been reduced. A more robust country-level planning process will ensure that Australia’s development assistance is future focussed, ambitious and based on deep analysis and consultation. Supporting the priorities of partner countries is critical to the longevity and effectiveness of Australia’s investments in realising development outcomes and strengthening Australia’s partnerships.

Recommendation 16: The Australian Government establishes tailored 10-year development cooperation partnership agreements (DCPAs) with partner nations.

INDICATORS OF SUCCESS:

- a. These DCPAs are whole-of-society strategies which set out partner country development aspirations and Australia’s agreed areas of contribution. These should:
 - i. be codesigned with input from government, private sector, and civil society actors;
 - ii. reflect long-term trends that will impact development (such as population growth and likely increases in disaster risk due to climate change); and
 - iii. consider development priorities of partners, as well as Australia’s value-add and strengths as a partner for development
- b. To guarantee the longevity of these agreements, seek bipartisan support for the partnerships in Australia.

Recommendation 17: Country strategies are developed every 3-5 years to outline actions against the 10-year partnership agreements.

INDICATORS OF SUCCESS:

- a. Country strategies include detailed analysis of political economy, civic space, institutional capability, humanitarian and climate risks and impacts and opportunities to support locally led approach development. They are co-designed with local actors, especially civil society, women, people with disabilities, children and youth, and other marginalised groups.
- b. Establish oversight advisory committees comprising local actors (including those representing marginalised voices and communities) from both nations to effectively measure the impact and responsiveness of these agreements, and to advise governments on the quality and performance of the bilateral program.

CAPABILITY

CHALLENGE

During integration, DFAT lost an estimated 2000 years of in-house expertise on development.^{xvi} To become a world leader in development effectiveness and truly elevate development to the heart of Australian foreign policy, DFAT needs to recruit and promote more staff with strong international development, and domestic services/program experience. While recruiting more junior officers with development expertise is important, it will not provide the strategic leadership and expertise that is urgently needed. Development capability and leadership needs to be expanded throughout the organisation.

Recommendation 18: Strengthen and value development knowledge at all levels of DFAT and harness specialist expertise, including by: 1. Restoring capability that has been eroded over the past decade in areas such as MEL, governance, gender equality and disability inclusion; and 2. Building out capability in critical emerging sectors such as climate change, civil society strengthening and blended finance.

INDICATORS OF SUCCESS:

- a. Create a new position of Associate Secretary for International Development and Humanitarian Assistance who would lead a reformed Aid Governance Board.
- b. Create a dedicated stream for development professionals with aims of retention and specialisation. This stream should also represent the character of Australia, bringing First Nations Australians, diaspora communities and our diversity to the fore.
- c. Prioritise the retention and hiring of more experienced and senior locally engaged staff and empower them in program management roles.
- d. Recruit a cadre of development leaders at the Senior Executive Service (SES) level and empower them to drive a renewed approach to country planning, risk and performance.
- e. Re-establish Head of Development Cooperation positions at the Minister-Counsellor level at priority posts in Southeast Asia and the Pacific.
- f. Re-establish dedicated thematic expert teams, with specialist, qualified professionals for governance, agriculture, climate change, infrastructure for development (including social infrastructure), First Nations Justice, intersectionality (including gender and disability inclusion), fragile states, and conflict prevention.
- g. Focus on building expertise in areas of growth, particularly climate expertise. If DFAT plans to develop new financing modalities for development, such as blended finance, it is vital that expertise in these areas is housed within the department and resourced accordingly.

MEL (MONITORING, EVALUATION AND LEARNING)

CHALLENGE

ODA is a significant proportion DFAT's departmental budget alongside other non-ODA spending. The Australian development program needs a stronger base of evidence to determine what works and why, and to communicate what is achieved by ODA, as well as to support continual adaptation, improvement and learning to strengthen development impact.

Recommendation 19: Re-establish an independent evaluation capacity and invest in data and research to support a culture of learning in DFAT to deliver more effective assistance.

INDICATORS OF SUCCESS:

- a. Re-establish an independent evaluation capacity to ensure development effectiveness and demonstrable impact in the use of a taxpayer-funded development program.
 - i. A restored capacity should look more like the Office of Development Effectiveness (ODE) of 2010 with resources, autonomy, and power under the Independent Evaluation Committee, rather than the more recent model. The aim should be to focus on learning from and improving program delivery.
 - ii. Australia should look to models used by other donors such as the UK's Independent Commission for Aid Impact in considering good practice approaches to independent evaluation.
- b. Meta-evaluations of portfolio performance are utilised to aggregate results and assess effectiveness across the development program as a whole, creating opportunities to identify and share learnings, and improve overall program performance.
- c. Institute regular dialogues to share emerging practices, exchange ideas and facilitate learning on key issues within the development program with partners. (The recently reconvened ACFID Gender Community of Practice and DFAT's Gender Equality Branch dialogues are a good example of this).
- d. Engage with and access a wider range of development research expertise including from practitioners, academics and traditional and local

knowledge to inform and promote evidence based approaches (through the Research for Development Impact network, for example).

- e. Support initiatives that collect evidence and data to inform evidence-based approaches to development, including research partnerships between Australian-based organisations and organisations, institutes and universities in our region.

Recommendation 20: Measure performance of the development program based on: 1. recognised metrics for development, such as the Human Development Index (HDI); 2. impact for the bottom 60 per cent of the population by income in the Pacific, and the bottom 40 per cent elsewhere.

INDICATORS OF SUCCESS:

- a. Reinstatement of an annual performance reporting system, including detailed breakdowns of performance by country and thematic priorities, as well as cross-cutting issues such as gender equality, disability inclusion and children and youth.
- b. Deliver an annual ministerial statement on development effectiveness to Parliament to enhance transparency, maintain bipartisanship and strengthen public confidence in a growing development program.
- c. Reinstatement of the 'Performance of Australian Aid' reports. These performance reports were based on DFAT's Investment Monitoring Reports (formerly the Aid Quality Checks) and collated data on the quality and effectiveness of programming.
- d. Ensure parity in reporting requirements and compliance between all delivery partners (currently multi-lateral agencies need to provide significantly less robust reporting than other actors, such as civil society organisations, despite receiving more funding).

TRANSPARENCY AND ACCOUNTABILITY

CHALLENGE

Australia now ranks 41 of 50 on the 2022 Aid Transparency Index, down from 23 in 2018.^{xvii} The performance and quality of the program are also lagging, with just 61 per cent of DFAT programs rated as satisfactory on effectiveness and efficiency at completion in 2020-21.^{xviii} The program also lacks independent evaluation and oversight, especially since the 2020 abolition of Office of Development Effectiveness and Independent Evaluation Committee.

Recommendation 21: Fully implement Australia's commitment to the Aid Transparency Initiative and implement the recommendations of the ANU Transparency Audit.

INDICATORS OF SUCCESS:

- a. Australia improves its ranking on the Aid Transparency Index to at least 23 by 2025.
- b. Publicly list all projects funded by the aid program (regardless of their size) and making project information available throughout the project cycle.
- c. Deliver a new formal commitment to aid transparency through a clear statement of what the Australian Government expects from the development and humanitarian program (similar to the previous Labor government's Aid Transparency Charter.)
- d. Establish a transparency unit within DFAT to monitor and promote aid transparency.

RESOURCING AND ODA BUDGET

CHALLENGE

Australia's current development budget settings do not reflect our changing strategic circumstances, our regional and global interests, or our values. Despite recent increases, Australia's development cooperation budget, measured both as a share of national wealth over time and compared with other OECD donors, remains low. In 2021-22, Australia's ODA was just 0.20 per cent of GNI and, on current projections, will fall to an estimated 0.19 per cent in 2023-24.^{xix} This puts us as 21st of 29 OECD economies on the ODA/GNI ratio – even below that of smaller, non-G20 economies such as Hungary (0.27 per cent) and Spain (0.24 per cent).

Recommendation 22: Set out a long-term budget framework (10 years) to support the delivery of the international development policy, aligned to the 10-year development cooperation agreements with key partner nations.

INDICATORS OF SUCCESS:

- a. The new development policy includes legislated, stepped targets for achieving the 0.7 per cent ODA of GNI by 2030 target that Australia has agreed to as a signatory to the SDGs. This includes a legislated commitment to reaching 0.5 per cent of ODA as GNI by 2025-26 as an interim target, and 0.7 per cent by 2029-30. As an interim target, Australia should work towards meeting the DAC average of 0.33 per cent.
- b. The new development policy and its corresponding performance framework applies to all development financing modalities (ODA and non-ODA).
- c. Provide clarity on what is provided vs. mobilised across diverse funding modalities, including grants, sovereign financing and non-sovereign financing.



HARNESSING DEVELOPMENT FINANCE

While grant-based programs should always remain the key mechanism for funding across the development program, leveraging blended finance and philanthropic funding can yield benefits in key sectors. The Government should scale up programs that genuinely focus on inclusive and sustainable approaches, and refrain from using ODA to fund sovereign lending that supports geostrategic objectives.

ACFID's wider recommendations on the role of development finance in the international development program are outlined in ACFID's *Submission to the Development Finance Review*.

COMMUNICATING THE VALUE OF AUSTRALIA'S DEVELOPMENT PROGRAM

CHALLENGE

Communicating the value and effectiveness of the Australian development program is important to enhancing knowledge and support across government and the public. It is important to develop a high-level narrative that explains to the public, clearly and simply, what our foreign policy intends to achieve for Australia and the world, which has longevity across election cycles. This is consistent with good practice and OECD commitments.

Recommendation 23: DFAT develops and delivers a more holistic strategic communications plan aimed at increasing public awareness of Australia's development program and the benefits it realises for our partnerships and region.

INDICATORS OF SUCCESS:

- a. Communications specifically target young people and diaspora communities.
- b. All communications about the development program highlight the centrality of local actors, and amplify the voices of people in communities where programs are being delivered. Ensuring that international campaigns are culturally safe and respectful is vital.
- c. Communications prioritise the voices of marginalised groups and ensure messages reflect marginalised people as agents of change, rather than beneficiaries.





Conclusion

This new international development policy is the Australian Government and DFAT's opportunity to put development back at the heart of foreign policy and set a 10 year framework for intentional design.

Pursuit of Australia's national interests should not be defined by the countering of rival geopolitical interests. Rather by the new and positive partnerships which Australia is uniquely able to form. The development program is the primary lever for Australia to form new and enduring relationships in our region.

Our submission has outlined the WHY, the WHAT, and the HOW. We hope this new policy will help restore elements of what has been lost from Australia's development program, capability, and budget in recent years, while laying out the plan for how to maximise development outcomes through the ODA program into the future.

SEQUENCING CHANGE OVER A TEN-YEAR TIME FRAME

We recommend a detailed implementation plan of the new policy over a 10-year period, recognising there are competing priorities and barriers to doing it all at once. While some recommendations call for immediate action, others can be sequenced following initial pieces of policy development, planning, or organisational change work.

We suggest that change could be sequenced across three-year intervals, and can offer more detail on this upon request.

We are ambitious for this opportunity. After a decade of reductions, it is hard to suggest what to 'do less' of. The program has been reduced to a bare minimum. We welcome the chance to be part of its revitalisation and look forward to future constructive engagement.

Sabina Foni and Mateus Elo hold the fruits of their labour in their permanent garden. The couple said their harvest has significantly increased since working with Oxfam. Credit: Kate Bensen/OxfamAUS.

Summary of Recommendations and Indicators

Global Footprint

| RECOMMENDATION | INDICATORS OF SUCCESS |
|---|---|
| 1. Purposefully rebalance the allocation of Australia's development and humanitarian assistance across geographic areas, based on consideration of Australia's relative strengths as a donor, the history and strength of our partnerships, and where need is greatest. | <div>a. DFAT sets out a decision-making matrix to guide staged increases to ODA allocations beyond the Pacific and Southeast Asia, which considers:<div><div>i. A humanitarian program driven by greatest need, not regional or country focus. This looks like multi-year funding to local organisations in countries experiencing protracted crises such as Afghanistan, and in the Horn of Africa.</div><div>ii. Providing 0.15 to 0.20 per cent of gross national income (GNI) in the form of ODA to Least Developed Countries (LDCs) in line with the SDGs (such as food security).</div><div>iii. Prioritising engagement outside the Pacific and Southeast Asia based on need, by working with like-minded donors to strengthen connections across regions. For example, Australia could consider a modest recommencement of bilateral assistance to South-East African countries given our distinctive development technical capabilities in dryland agriculture and climate resilient crops by leveraging the expertise of the Australian Centre for International Agricultural Research (ACIAR) and NGO partnerships. Similarly, in South Asia we could add value by scaling up assistance for water management, reforestation and livelihoods.</div></div></div> <div>iv. Reestablishing long term development programming in places where Australia has existing partnerships and a history of effective development cooperation (for example, Palestinian Territories and Afghanistan).</div> |

Climate Change

| RECOMMENDATION | INDICATORS OF SUCCESS |
|---|---|
| 2. Develop and articulate a whole-of-government approach to climate change policy and practice, which includes climate change action as a key pillar for the development program and across the DFAT portfolio. This would demonstrate linkages to all other aspects of policy design and program implementation, and prioritisation of capability, transparency, and accountability. | <div>a. A clear pathway to meet Australia's climate finance fair share of \$4 billion per year by 2025 and \$11.5 billion per year by 2030. This should include upfront annual budget commitments to support effective planning and programs (climate finance is currently calculated retrospectively each year).</div> <div>b. Mainstream climate change in the development program by ensuring 90 per cent of all new aid investments programs over \$10 million incorporate climate change risk, impacts and opportunities.</div> <div>c. Develop an outcomes framework that is based on best practice and used to measure success of the climate program over time, including indicators such as reduction in greenhouse gas emissions, number of women or young people who have access to clean energy as a result of programs.</div> |
| 3. Design a diverse portfolio of locally led climate mitigation and adaptation programs which prioritise the needs of the marginalised groups in communities and are gender-responsive, disability-inclusive, age-sensitive and child-sensitive. | <div>a. Develop a new NGO-led <i>Climate Adaptation Program</i> that uses the expertise and networks of NGOs to quickly deliver impacts for vulnerable communities in line with promoting gender and climate justice, human rights, and social inclusion. This should include expanded resources and support for locally led action (see Section 3 – Locally led).</div> <div>b. Design transformative adaptation programming by addressing the drivers of vulnerability, building response capacities, managing climate risks to resources and livelihoods, and developing comprehensive actions that builds on local, Indigenous, youth and women's unique knowledge and perspectives in adapting to climate change.</div> <div>c. Clear integration of climate change, environmental risk and impacts in the design of new development programs, country level planning.</div> |
| 4. Design a diverse portfolio of climate finance mechanisms (in line with Australia's fair share of global climate finance) that does not add to sovereign debt distress, and priorities access for local partners and communities. | <div>a. Ensure adequate and accessible climate funding to communities, particularly to diverse groups, including people with disabilities, youth and feminist and women-led organisations.</div> <div>b. Develop and publish a transparent and consistent approach to reporting on climate finance that reflects its real value to partner countries. This could include details on projects, budget, methodology of calculating climate finance volumes, the share of climate finance provided at the local level.</div> <div>c. Develop a clear policy to guide engagement in carbon offset markets both here and overseas. Such a policy should be underscored by clear principles and objectives which prioritise, accountability, co-benefits, fair and equitable participation and protection of the rights of indigenous and marginalised peoples (particularly land and resource rights).</div> <div>d. Operationalise an effective Santiago Network on Loss and Damage, including contributing to a loss and damage fund, providing action and support for vulnerable developing countries and covering different types of loss and damage, including displacement and migration, biodiversity and ecosystem losses and food security.</div> |

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 5. As part of 10-year development cooperation agreements with partners, commit to a long-term regional health policy or strategy that focuses on strengthening integration across health systems. This could be informed by a joint working group of DFAT and multi-sector partners, including local partners. | <div>a. Adopt a comprehensive definition of health encompassing both physical and mental wellbeing, and the prevention of death and disability (mortality and morbidity) from both communicable and non-communicable diseases. These definitions need to apply across all health policies, programs and initiatives,</div> <div>b. Establish a health policy or strategy that supports integrated, people-centered health care through a framework such as the World Health Organization's health system building blocks (key components include service delivery, workforce, health information systems, medical products, financing, and leadership and governance).</div> <div>c. A greater programmatic emphasis on primary healthcare with integrated people-centred care a key focus. People-centred primary healthcare forms a comprehensive foundation for countries to effectively respond to public health emergencies and the broader effects such as system-wide interruptions to essential health services.</div> |
| 6. Strengthen regional leadership to mitigate future knowledge and workforce shortages by providing more funding for long-term, multi-sectoral networks between governments, local community leaders, private sector organisations, NGOs and academic institutions focusing on health priorities. | <div>a. Address the growing burden of the secondary impacts of COVID-19 by doubling Australia's health official development assistance (ODA) over the next five years. This should be made from new, additional allocations to the ODA budget.</div> <div>b. Locally-led approaches are the universal model for practice and apply to all programs. Building health systems that are locally grounded, and not reliant on flown-in international support, is essential to the sustainability and long-term effectiveness.</div> |
| 7. Re-establish bilateral health programs in select countries in the Pacific and Southeast Asia to assist in COVID-19 recovery and support long-term health system strengthening. | <div>a. Bilateral health programs should be determined in close consultation (ideally co-design and co-evaluation) with partners, including local civil society. Recent research on strengthening health systems in the Indo-Pacific by experts at the University of Sydney and University of New South Wales commissioned by ACFID and the Fred Hollows Foundation has highlighted key priorities including: the quality and quantity of the health workforce, quality of service delivery, integrated health information and data, improving communication and community engagement, strengthening health planning and management capacity at all levels of government, supporting catch up vaccination programs, sexual and reproductive health, and health interventions for non-communicable diseases.</div> |

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 8. Mainstream a focus on women, people of diverse SOGIESC, people with disabilities, and children and youth, across all programming, including through additional resourcing to support intersectional and transformational approaches. | <div>a. Build DFAT's internal guidance and technical expertise by:<div><div>i. Incorporating analysis of gender (including SOGIESC), disability and social inclusion in all regional and country planning processes;</div><div>ii. Ensuring adequate funding for implementation of the findings of this analysis; and</div><div>iii. Scaling up the availability of individual-level, gender-sensitive and multidimensional poverty data.</div></div></div> <div>b. Commit five per cent of ODA to be delivered through women's equality organisations and institutions.</div> <div>c. Commit 15 per cent of ODA to initiatives with gender equality as the principal objective, and 80 per cent of ODA to initiatives with gender equality as a significant objective, (measured against the OECD DAC Gender Marker).</div> |
| 9. Develop a strategy for children and young people for Australia's development cooperation program in line with the Convention on the Rights of the Child, following the lead from Aotearoa New Zealand's Ministry of Foreign Affairs and Trade's child and youth wellbeing strategy, which has been successfully used across the Pacific | <div>a. Introduce a target that at least 80 per cent of aid investments, regardless of their primary objectives, effectively support and protect children.</div> <div>b. Invest an additional \$58 million over three years to programs aimed at ending violence against children in the Indo-Pacific region andempowering children and young people to safely participate in decision-making at all levels.</div> <div>c. Support measures aimed at achieving universal child benefits in the Indo-Pacific, including by improving coverage of social protection systems for children, and providing funding for child benefit payments and child disability payments.</div> <div>d. Intentionally consider children in the design and delivery of development and humanitarian projects, including education system strengthening targeted at children and young people, health interventions, protection programs, and community-based social protection.</div> |
| 10. Develop a new multi-year Development for All strategy, alongside the establishment of a regional partnership for donors to coordinate support for disability inclusion in the Pacific line with the Pacific Framework for the Rights of Persons with Disabilities 2016-2025. | <div>a. Invest directly in the sustainability and capacity of organisations of people with disabilities (OPDs) through multi-year and flexible funding mechanisms, by strengthening partnerships and increasing investment (including core funding) into peak representative bodies.</div> <div>b. Increase DFAT's central disability allocation to a minimum of \$14 million per year and institute a new target for 70% of all programs to effectively support people with disabilities.</div> |

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 11. The realisation of strong and vibrant civil society throughout the Indo-Pacific becomes a key objective of Australia’s new international development policy and funding is increased accordingly. | <div><div>a.</div><div>Strategies are developed to support civil society and safeguard civic space in all 10-year development cooperation agreements with key partner nations. (For more on country strategies and partnerships, see page 26).</div></div> <div><div>b.</div><div>Provide at least 25 per cent of ODA to and/or through civil society across humanitarian and development programs and funding. This must be flexible, core, multi-year funding.</div></div> <div><div>c.</div><div>Develop and fund initiatives that nurture civil society networks or civic space ‘ecosystems’ to create opportunities for community partnership and collaboration within civil society, as well as stronger ties and feedback loops between civil society, government, and the private sector.</div></div> <div><div>d.</div><div>Fund the Pacific-led implementation of the Pacific Regional Accountability Framework for CSOs and endorse its use as a benchmark for NGO accountability in support of the realisation of locally led development and humanitarian responses across the Pacific.</div></div> |
| 12. Establish a CSO Hub in DFAT to strengthen engagement with civil society across the development program. | <div><div>a.</div><div>A CSO Hub would be a dedicated team of staff working alongside, but separate from, the governance team (see Recommendation X below). MFAT’s Civil Society Branch offers a good model for what this could look like.</div></div> <div><div>b.</div><div>Staff working in the CSO Hub have experience working in or with civil society organisations, enabling them to analyse civic space trends, engage effectively with partners, and provide expertise on civil society engagement across DFAT.</div></div> <div><div>c.</div><div>Core functions of the Hub would include:<div><div>i.</div><div>Providing advice to DFAT on how to implement inclusive approaches, overseeing funding modalities and combatting the shrinking of civic space, rising illiberalism and the overlap with illiberal regimes, plus the comparative strengths of civil society.</div></div><div><div>ii.</div><div>Promoting an awareness of the breadth and diversity of civil society and what it contributes to governance and state effectiveness (civil society includes more than NGOs).</div></div><div><div>iii.</div><div>Coordinating CSO involvement not only in program delivery, but also in design, strategy and evaluation, as core partners in effective development.</div></div></div></div> |

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 13. Restore a focus on governance and building state resilience in Australia’s development policy, and target investments towards supporting development partners to build effective, accountable, and resilient states. (See ACFID’s Humanitarian Submission for further recommendations on Australia’s approach to conflict prevention and peace building through the development and humanitarian assistance program) | <div><div>a.</div><div>Reinstate and build the capability of a ‘Fragile States and Governance’ team within DFAT including technically experienced personnel (See further recommendations on capability on page 27)</div></div> <div><div>b.</div><div>Support institutional strengthening and robust reform agendas by ensuring that any provision of direct budget support to partner governments is accompanied by matched funding to local civil society organisations to enable them to play a role in accountability and transparency on public spending.</div></div> <div><div>c.</div><div>Invest in programs that build the skills and capabilities of the next generation of leaders in Australia’s partner countries. The Vanuatu Skills Partnership, MAMPU, and Coalitions for Change program in the Philippines offer promising examples.</div></div> <div><div>d.</div><div>Increase support for development and humanitarian assistance to support people and communities in conflict affected and fragile environments based on a tiered risk framework (see recommendations on the approach to risk on page 25).</div></div> |

Enabling Locally Led Development

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 14. Develop a practical roadmap for the localisation of Australia’s development program. This should implement the OECD DAC Recommendation on Enabling Civil Society , the commitments under the Grand Bargain , and include targets for local leadership in the design, delivery, and evaluation of programs. | <div><div>a.</div><div>Across all new programs and investments, partnership arrangements and budgets include an agreed percentage component of core funding which is provided directly to local partners. (This will require changes in approaches to compliance and risk – see below).</div></div> <div><div>b.</div><div>Fund relevant and targeted capacity support for needs identified by local partners themselves.</div></div> <div><div>c.</div><div>Provide support for partnership brokering and management as a dedicated line item in all program and project budgets.</div></div> <div><div>d.</div><div>Ensure that all staff working on the development program (across all levels of government and all external delivery partners) are trained in locally led approaches to development, including decolonisation and anti-racism.</div></div> <div><div>e.</div><div>Co-create with local actors reporting requirements and performance measurement indicators that reflect both local and international actors’ requirements and expectations regarding outcomes, risk management, learning and accountability.</div></div> <div><div>f.</div><div>Develop models for co-locating risk management and sharing the burden of reporting and accountability requirements to enable local actors to meet donor requirements.</div></div> |

Risk

| RECOMMENDATION | INDICATORS OF SUCCESS |
|---|---|
| 15. Develop a more robust and inclusive risk framework which considers risk in its multiple forms, and explicitly balances against the risk that investments will be ineffective (development risk) in determining whether and how to deliver programs. | <div><div>a.</div><div>In addition to a holistic risk framework, develop a tiered risk framework that applies specifically to programming in high-risk or fragile places. This should enable pragmatic engagement with humanitarian and development activities. Institute a risk appetite and management systems within DFAT to accommodate new ways of working.</div><div>b.</div><div>Maximise the utility of existing compliance and due diligence programs such as DFAT Accreditation, by explicitly stating both internally and with all development partners that full accreditation is an acceptable standard of due diligence and should apply across all DFAT funding arrangements with Australian NGOs.</div></div> |

Country Level Planning

| RECOMMENDATION | INDICATORS OF SUCCESS |
|---|---|
| 16. Building out capability in critical & emerging sectors such as climate change, civil society strengthening and blended finance. The Australian Government establishes tailored 10-year development cooperation partnership agreements (DCPAs) with partner nations. | <div><div>a.</div><div>These DCPAs are whole-of-society strategies which set out partner country development aspirations and Australia’s agreed areas of contribution. These should:<div><div>i.</div><div>be codesigned with input from government, private sector, and civil society actors;</div><div>ii.</div><div>reflect long-term trends that will impact development (such as population growth and likely increases in disaster risk due to climate change); and</div><div>iii.</div><div>consider development priorities of partners, as well as Australia’s value-add and strengths as a partner for development</div></div></div><div>d.</div><div>To guarantee the longevity of these agreements, seek bipartisan support for the partnerships in Australia.</div></div> |
| 17. Country strategies are developed every 3-5 years to outline actions against the 10-year partnership agreements. | <div><div>a.</div><div>Country strategies include detailed analysis of political economy, civic space, institutional capability, humanitarian and climate risks and impacts and opportunities to support locally led approach development. They are co-designed with local actors, especially civil society, women, people with disabilities, children and youth, and other marginalised groups.</div><div>b.</div><div>Establish oversight advisory committees comprising local actors (including those representing marginalised voices and communities) from both nations to effectively measure the impact and responsiveness of these agreements, and to advise governments on the quality and performance of the bilateral program.</div></div> |

Capability

| RECOMMENDATION | INDICATORS OF SUCCESS |
|---|---|
| 18. Strengthen and value development knowledge at all levels of DFAT and harness specialist expertise, including by: 1. Restoring capability that has been eroded over the past decade in areas such as MEL, governance, gender equality and disability inclusion; and 2. Building out capability in critical emerging sectors such as climate change, civil society strengthening and blended finance. | <div><div>a.</div><div>Create a new position of Associate Secretary for International Development and Humanitarian Assistance who would lead a reformed Aid Governance Board.</div><div>b.</div><div>Create a dedicated stream for development professionals with aims of retention and specialisation. This stream should also represent the character of Australia, bringing First Nations Australians, diaspora communities and our diversity to the fore.</div><div>c.</div><div>Prioritise the retention and hiring of more experienced and senior locally engaged staff and empower them in program management roles.</div><div>d.</div><div>Recruit a cadre of development leaders at the Senior Executive Service (SES) level and empower them to drive a renewed approach to country planning, risk and performance.</div><div>e.</div><div>Re-establish Head of Development Cooperation positions at the Minister-Counsellor level at priority posts in Southeast Asia and the Pacific.</div><div>f.</div><div>Re-establish dedicated thematic expert teams, with specialist, qualified professionals for governance, agriculture, climate change, infrastructure for development (including social infrastructure), First Nations Justice, intersectionality (including gender and disability inclusion), fragile states, and conflict prevention.</div><div>g.</div><div>Focus on building expertise in areas of growth, particularly climate expertise. If DFAT plans to develop new financing modalities for development, such as blended finance, it is vital that expertise in these areas is housed within the department and resourced accordingly.</div></div> |

Monitoring, Evaluation and Learning

| RECOMMENDATION | INDICATORS OF SUCCESS |
|---|---|
| 19. Re-establish an <u>independent evaluation capacity</u> and invest in data and research to support a <u>culture of learning</u> in DFAT to deliver more effective assistance. | <div><div>a. Re-establish an independent evaluation capacity to ensure development effectiveness and demonstrable impact in the use of a taxpayer-funded development program.<div><div>i. A restored capacity should look more like the Office of Development Effectiveness (ODE) of 2010 with resources, autonomy, and power under the Independent Evaluation Committee, rather than the more recent model. The aim should be to focus on learning from and improving program delivery.</div><div>ii. Australia should look to models used by other donors such as the UK's Independent Commission for Aid Impact in considering good practice approaches to independent evaluation.</div></div></div><div>b. Meta-evaluations of portfolio performance are utilised to aggregate results and assess effectiveness across the development program as a whole, creating opportunities to identify and share learnings, and improve overall program performance.</div><div>c. Institute regular dialogues to share emerging practices, exchange ideas and facilitate learning on key issues within the development program with partners. (The recently reconvened ACFID Gender Community Practice and DFAT's Gender Equality Branch dialogues are a good example of this).</div><div>d. Engage with and access a wider range of development research expertise including from practitioners, academics and traditional and local knowledge to inform and promote evidence based approaches (through the Research for Development Impact network, for example).</div><div>e. Support initiatives that collect evidence and data to inform evidence-based approaches to development, including research partnerships between Australian-based organisations and organisations, institutes and universities in our region.</div></div> |
| 20. Measure performance of the development program based on: 1. recognised metrics for development, such as the Human Development Index (HDI); 2. impact for the bottom 60 per cent of the population by income in the Pacific, and the bottom 40 per cent elsewhere. | <div><div>a. Reinstate an annual performance reporting system, including detailed breakdowns of performance by country and thematic priorities, as well as cross-cutting issues such as gender equality, disability inclusion and children and youth.</div><div>b. Deliver an annual ministerial statement on development effectiveness to Parliament to enhance transparency, maintain bipartisanship and strengthen public confidence in a growing development program.</div><div>c. Reinstate the 'Performance of Australian Aid' reports. These performance reports were based on DFAT's Investment Monitoring Reports (formerly the Aid Quality Checks) and collated data on the quality and effectiveness of programming.</div><div>d. Ensure parity in reporting requirements and compliance between all delivery partners (currently multi-lateral agencies need to provide significantly less robust reporting than other actors, such as civil society organisations, despite receiving more funding).</div></div> |

Transparency and Accountability

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 21. Fully implement Australia's commitment to the Aid Transparency Initiative and implement the recommendations of the <u>ANU Transparency Audit</u> . | <div><div>a. Australia improves its ranking on the Aid Transparency Index to at least 23 by 2025.</div><div>b. Publicly list all projects funded by the aid program (regardless of their size) and making project information available throughout the project cycle.</div><div>c. Deliver a new formal commitment to aid transparency through a clear statement of what the Australian Government expects from the development and humanitarian program (similar to the previous Labor government's Aid Transparency Charter.)</div><div>d. Establish a transparency unit within DFAT to monitor and promote aid transparency.</div></div> |

Resourcing and ODA Budget

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 22. Set out a long-term budget framework (10 years) to support the delivery of the international development policy, aligned to the 10-year development cooperation agreements with key partner nations. | <div><div>a. The new development policy includes legislated, stepped targets for achieving the 0.7 per cent ODA of GNI by 2030 target that Australia has agreed to as a signatory to the SDGs. This includes a legislated commitment to reaching 0.5 per cent of ODA as GNI by 2025-26 as an interim target, and 0.7 per cent by 2029-30. As an interim target, Australia should work towards meeting the DAC average of 0.33 per cent.</div><div>b. The new development policy and its corresponding performance framework applies to all development financing modalities (ODA and non-ODA).</div><div>c. Provide clarity on what is provided vs. mobilised across diverse funding modalities, including grants, sovereign financing and non-sovereign financing.</div></div> |

Communicating the Value of Australia's Development Program

| RECOMMENDATION | INDICATORS OF SUCCESS |
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| 23. DFAT develops and delivers a more holistic strategic communications plan aimed at increasing public awareness of Australia's development program and the benefits it realises for our partnerships and region. | <div><div>a. Communications specifically target young people and diaspora communities.</div><div>b. All communications about the development program highlight the centrality of local actors, and amplify the voices of people in communities where programs are being delivered. Ensuring that international campaigns are culturally safe and respectful is vital.</div><div>c. Communications prioritise the voices of marginalised groups and ensure messages reflect marginalised people as agents of change, rather than beneficiaries.</div></div> |

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Cufa
Destiny Rescue Australia
DAISI (Doctors Assisting in South Pacific Islands)
Diplomacy Training Program
Disaster Relief Australia
Door of Hope Australia Inc.
Edmund Rice Foundation (Australia)
EDO NSW
Educating the Future
Engineers without Borders
Evergreening Global Alliance
Every Home Global Concern
Family Planning New South Wales
Fairtrade Australia New Zealand
Foresight (Overseas Aid and Prevention of Blindness)
40K Foundation
Fred Hollows Foundation, The
Friends of Femili PNG
Global Development Group
Global Mission Partners

Global School Partners
Good Return
Graceworks Myanmar
Habitat for Humanity Australia
Hagar Australia
HealthServe Australia
Home in Place
Hope for Children
HOST International
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International Justice Mission Australia
International Needs Australia
International Nepal Fellowship (Aust) Ltd
International Women's Development Agency
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Islamic Relief Australia
John Fawcett Foundation
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Kyeema Foundation
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Live & Learn Environmental Education
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Mahboba's Promise Australia
MSI Asia Pacific
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Mary Ward International Australia
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Mission World Aid Inc.
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PLUS Education
Pollinate Group
Project Rozana
Quaker Service Australia
REACH for Nepal
RedR Australia
Reledev Australia
Royal Australasian College of Surgeons
Salesian Missions
Salvation Army International Development
Save the Children Australia
School for Life Foundation
SeeBeyondBorders
Sight For All
So They Can
Sport Matters
St John of God Outreach Services

Surf Aid International
SUSTAIN Projects Myanmar
Symbiosis International
Tearfund Australia
This Life
Transform Aid International (incorporating Baptist World Aid)
UNICEF Australia
Union Aid Abroad-APHEDA
UnitingWorld
Water for a Village
WaterAid Australia
World Hope International
World Vision Australia
WWF-Australia
YWAM Medical Ships

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United Nations Association of Australia
Unity Housing
University of New South Wales- Institute for Global Development
University of Queensland – International Development
University of Sydney – Office of Global Engagement
University of Technology, Sydney – Institute for Sustainable Futures
Vision 2020
Western Sydney University- School of Social Sciences and Psychology

Endnotes

i

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ii

<https://www.worldbank.org/en/news/press-release/2020/10/07/covid-19-to-add-as-many-as-150-million-extreme-poor-by-2021#:~:text=WASHINGTON%2C%20Oct.,the%20World%20Bank%20said%20today>.

iii

The 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, and the Programme of Action for the Least Developed Countries for the Decade 2011-2020 all reiterate long-standing commitments by developed countries to provide the equivalent of 0.15 to 0.20 per cent of their gross national income (GNI) in the form of ODA to LDCs. This is in parallel to a commitment to provide the equivalent of 0.7 per cent of GNI in ODA to developing countries. In 2019, 5 of the 29 countries in the OECD's Development Assistance Committee (DAC) fulfilled the commitment of providing the equivalent of 0.15 per cent to 0.20 per cent of GNI as ODA to LDCs. https://www.un.org/ldcportal/content/bilateral_oda

iv

WHO (2021), *Violence Against Women Prevalence Estimates; UN Women: Facts and Figures: Ending Violence against Women and Girls*

v

Linhart C, Craig A, Rosewell A, Beek K, Pardosi J, UNSW, *Investing in our Future: Building Strong and Resilient Health Systems in the Asia-Pacific Region*, May 2022

vi

Young People and COVID-19 in the Asia Pacific: Opportunities and Challenges. Oaktree, 2022.

vii

UNICEF Factsheet: COVID:19 Scale of education loss.

viii

Measured against the OECD DAC CRS Sector Code 15170 – noting that activities against this code contribute to the proportion of ODA with gender equality as the principal objective

ix

Child & Youth Well-Being Strategic Action Plan 2021 – 2025

x

<https://monitor.civicus.org/>

xi

OECD: Civil Society Engagement in Development Co-operation

xii

<https://unfccc.int/sites/default/files/resource/climate-finance-roadmap-to-us100-billion.pdf>

xiii

At COP26 in 2021, Australia doubled its climate finance commitment to \$2 billion over 2020-25, with at least \$700 million of this for Pacific climate and disaster finance. The Government has also committed to increasing official development assistance to the region by \$900 million over four years, including support for climate change and resilience. <https://www.dfat.gov.au/geo/pacific/development-assistance/climate-change-and-resilience#:~:text=At%20COP26%20in%202021%2C%20Australia,Pacific%20climate%20and%20disaster%20finance>.

xiv

The Humanitarian Advisory Group (HAG) has undertaken excellent work in this space, including on the development of frameworks for reporting and performance measurement with local actors. <https://humanitarianadvisorygroup.org/insight-category/hh-localisation/>

xv

Development-Risk.pdf (effectivestates.org)

xvi

Strategic Choice: A future-focussed review of the DFAT-AusAID integration, Richard Moore 2019. <https://apo.org.au/sites/default/files/resource-files/2019-02/apo-nid223736.pdf>

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DFAT Annual Report 2020-21, p. 71, <https://www.dfat.gov.au/sites/default/files/dfat-annual-report-2020-21.pdf>

xix

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AUSTRALIAN
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Cover photo: Children from marginalised backgrounds can struggle in school without solid foundations for learning. That's why Tearfund's partner Ethiopian Kale Heywet Church Development Commission has worked with local churches to establish over 100 pre-schools, helping kids like 7-year-old Radiet enjoy a kick-start to their education! Pre-school helps young kids prepare to thrive in primary school and beyond, giving them the opportunities to socialise, build confidence, and start learning. Credit: Candice Lassey/Tearfund.


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