

Cross Sector Development Partnerships Initiative (XSPI) Submission on New Development Policy

XSPI Introduced

XSPI is a globally-unique and innovative Australian development sector initiative designed to foster increased collaboration between the key sectors that contribute to international development across 19 countries in the Asia-Pacific region. XSPI has selected PNG, Indonesia and Bangladesh as priority countries representing Melanesia, Southeast Asia and South Asia. XSPI has been operating for more than two years (since June 2020). It represents an important advocate within Australia for collective impact as a critical theory of change to secure development sector objectives.

Our goal is to facilitate cross sector Australian and national partnerships for agreed projects aligned with the host country's SDG priorities. XSPI is agnostic as to which of the SDGs the projects it seeks to seed or accelerate are aligned to. The initial projects supported across the three priority countries are focused on SDGs 1 (no poverty), 3 (good health and well-being), 5 (gender equality), 8 (decent work and economic growth), 12 (responsible consumption and production) and 17 (partnerships for the Goals), reflecting the project proponents' priorities.

To support its objectives, XSPI seeks to bring stakeholders together, break down barriers and promote partnerships across five key sectors: business, NGOs/NFPs, academia/health/medical research, government and private capital (including philanthropy). XSPI comprises over 50 Australian and international volunteers representing these five sectors. It has created a set of partnership guidelines endorsed by its Advisory Council and Expert Network for potential use by partnership consortia. The XSPI approach is to stimulate cross sector partnerships by serving to *catalyse, convene, collaborate, co-create* and/or *coalition-build* potential development projects. XSPI is a pro bono initiative that does not directly fund or manage projects. All XSPI-supported projects involve key country partners and ideally always include at least one Australian business partner. A case study on the World Mosquito Program in Indonesia and Bangladesh is presented at the end of this submission.

XSPI's collective impact approach to partnership is grounded in the need to tackle systemic social challenges through models that embed scale and sustainability while also integrating the need for complex and adaptive solutions. It exists to demonstrate the untapped potential of cross sector partnerships. Also, the power they hold to drive progress towards the SDGs in our region. XSPI believes DFAT and most other Australian institutions have yet to effectively fully prioritise this approach. An overview of XSPI is available on its website: www.xspi.org.

XSPI Submission on DFAT Four Consultation Questions

Question 1: Top three priorities for development program?

XSPI represents a universal approach applicable to achieving all SDGs through a collective impact approach using cross sector partnerships. As such it does not advocate any specific development-sector thematic priorities.

Question 2: Ensuring commitment to building stronger and more meaningful partnerships in our region?

XSPI Recommendation #1: Create a PNG pilot "NGO Centre of Excellence" to initiate and support an Asia-Pacific localisation strategy

The Challenge

There is a well-recognised, long overdue need to ensure PNG national NGOs/CSOs/FBOs have effective inclusion, voice and agency in DFAT-funded development sector initiatives. There is well-established cynicism among PNG development practitioners about who really benefits from the status

quo, mainstream development paradigm. Cross sector partnerships should be well beyond just having INGOs at the table – representing their ‘local NGO partners’, without a corresponding mandate. The voice of PNG civil society should be afforded the respect and space needed to formulate and share constructive and critical perspectives on development, framed in both the National Goals and Directive Principles of the PNG Constitution and PNG SDGs. The voice of PNG civil society should more directly shape development policy and practice.

The meaning and practice of ‘Partnership’ in INGO/NGO relations has been contentious for the past two decades. A large number of critical concerns exist including:

- Who sets the development agenda
- Where the bulk of ‘development assistance’ dollars are expended
- Partnership power imbalance and inequality of individuals and organisations at both ends
- The extent to which cash flows determine commitment and continuity of the ‘partnership’
- How lessons are learned, knowledge is built, who is credited for that and how it is leveraged to benefit the lives of individuals, organisations and people in partnership.

The Opportunity

From a PNG national NGO/CSO/FBO perspective current development funding approaches are typically over-centralised, top-down and potentially deeply flawed in implementation. They are often perceived as ‘going through the motions’ and compliance-focused ‘box-ticking’ much more than dynamic local development action and reflection. PNG is not in custody of the institutional memory of development effectiveness and opportunities for national and regional networking. This results in both horizontal learning and exchange being overlooked, meaning many hard-won lessons learned are not retained or used to guide future projects.

Local development practitioners need networks, information and communication beyond their own organisation and context, to think more globally, participate more nationally and act effectively, locally. They should know what has been done by local NGOs since independence and what has been learnt along the way. Working with local partners, recognising their good practice and building on and resourcing that is fundamental to long-term sustainability. However, they lack comprehensive archives and the resources, space and time to routinely convene, communicate, dialogue, debate, analyse, document and publish on local development. By working horizontally, building and disseminating homegrown knowledge and creative resources, they can better help themselves and help each other and be effective in cross sector partnerships. Local ownership and shared management/control should be on the table from the outset and progress towards the planned exit of external partners, and parallel commitment of and investment by government and community in long-term project sustainability should be a key indicator of success.

An Asia-Pacific pilot project could be created to establish and operationalise a **“PNG NGO/CSO Centre of Excellence”** comprising an administrative services, learning, monitoring & evaluation and up-skilling hub for civil society. Ideally, the Centre would be attached to an existing, well established independent entity, potentially a university, research centre or NGO. This would both accelerate the implementation timeline and significantly reduce cost. The Centre could be framed as ‘affirmative action’ to create a more level playing field among development partners. The objectives of the Centre of Excellence and its programs and services would be more than just ‘building local capacity’ for more effective grant-seeking, program administration and contractual acquittal reporting. Other important objectives could include PNG NGOs/CSOs building their own knowledge capabilities, learning facilities and strategies to address their well-recognised challenges. Another objective could be to build confidence in the collective voice of local civil society to be ‘at the table’ as equal partners in dialogue, debate, planning and budgeting for development. An effective Centre of Excellence would also encourage international donors to increase investment in PNG NGOs/CSOs/FBOs through increased confidence in the effectiveness of monitoring and evaluation and related grant acquittal.

Achieving such objectives is a long-term process that must first consider and learn lessons from all previous efforts to convene and enable the collective voice, capacity development and resource

mobilisation of PNG civil society. Local NGOs, trusted universities and research institutions that already have a track record of trust, effective collaboration and equitable partnerships could convene and plan such an initiative.

A national, inclusive federation of diverse civil society organisations might evolve over time. It could be the PNG counterpart of ACFID. It could be supported to progressively decentralise and reach the most remote and underserved areas and encourage civil society organising as a strategy for ensuring information, education, training and capacity development reaches the people of PNG and enables them to help themselves, and to participate in and benefit from partnership opportunities and projects.

In both cases the requirement is decentralisation and reduced reliance on compliance. If DFAT wants to subscribe to localisation, then it needs to increase decentralisation to enable it. If it requires maintaining a compliance approach, DFAT needs to pay for the investment in capacity to maintain it and eliminate arbitrary overhead measures.

Question 3: How can Australia best utilise its national strengths to enhance the impact of our development program? What capabilities do we need?

XSPI Recommendation #2: Adopt a collective impact approach based on cross sector partnerships

The Challenge

The complex requirements for Australia to support our key bilateral ODA recipients in achieving both their own national SDGs objectives and our shared regional challenges such as climate change are well known. This complexity strongly necessitates the need for cross sector partnerships to mobilise the diverse range of Australian capabilities which only collectively can achieve success. The complex nature and scale of the social, economic, environmental and political challenges facing our region have been exacerbated by several years of the COVID-19 pandemic. While partnerships have always been integral to successful development approaches, they are especially important as we seek to develop new and creative ways to drive regional SDG objectives, including better health, social and economic outcomes in our region.

The Opportunity

The extensive, diverse range of Australian capability spanning a broad range of sectors presents a unique additional opportunity to utilise these national strengths to enhance development program impact. This will entail developing and implementing an integrated cross sector development partnership strategy focused on Australia's key bilateral ODA objectives, incorporating collective impact principles. A critical element will be achieving business sector engagement as an expectation of all Australian businesses operating overseas, particularly within Australian ODA-recipient countries.

XSPI has been created to promote cross sector development sector partnerships. Although still in its formative stage with initial focus on Bangladesh, Indonesia and PNG it is demonstrating an additional potential approach to country-focused partnership creation. Critically, the XSPI approach to partnership creates the potential for new/creative thinking and related development of new approaches to address the increasing challenges related to DFAT's international aid program.

XSPI believes Australia has all the required subject-matter expertise and related delivery potential to enhance the impact of its development program but is failing to consistently mobilise and employ these in an effective, long-term and sustainable process.

There are many well-recognised, established Australian core competencies required for effective development program delivery; DFAT could be a catalyst or a force multiplier of these capabilities. XSPI has identified several others for attention which require significant strengthening for successful development outcomes:

- **Ensure robust cohort of effective national partners (NGOs/CSOs/FBOs):** create a deliberate affirmative action strategy to address this need by building strong, sustainable national capability (as required) able to assist medium-term localisation of ODA implementation.
- **Enable cross sector partnerships:** by prioritising support for partnerships, including promoting partnering skills/capability development.
- **Leverage Australia’s world class academia/health/medical research sector:** ensuring conditions conducive to being a strong, consistent development sector partner.
- **Embed Australian business SDG engagement in every overseas operation:** by normalising expectation that all Australian international business operations will have well-articulated ESG strategies contributing to host-nation SDG priorities. Provide guidance (if required) to suitable independent entities to support strategy development.
- **Assist innovation developing new NGO/CSO/FBO business models:** capable of effective deployment across the Asia-Pacific, reflecting differing development stages of key ODA recipients.
- **Develop more ‘fit for purpose’ approaches to measuring impact:** the current measurement of program impact, through tracking indicators, is costly and only marginally effective. The more fit for purpose approach is to reduce the number of indicators and track trends. These could then be complemented with stories, which are much more relatable. Although stories are not easy to ‘measure’, the impact they describe can be verified by DFAT representatives in country who generally have a better understanding of and appreciation for the local context, and should be able to contextualise DFAT’s requirement to demonstrate impact.
- **Scrutinise DFAT’s existing work on partnerships:** can it be done better? Does there need to be more analysis of what is and isn’t working? Flexibility in funding from DFAT to support an adaptive, learning process will allow for more experimentation between potential partners in determining what works, and where.

Question 4: How should performance and delivery systems be designed to promote transparency, accountability, effectiveness and learning in Australia’s development assistance?

XSPI Recommendation #3: Re-assess current approach to develop tiered “fit for purpose” systems consistent with localisation objectives

The Challenge

DFAT, as a government agency, requires rigorous system to ensure its funds are being effectively and transparently deployed with related full accountability, reporting and acquittal. The administration required, often burdensome for small organisations, is recognised as having several unintended consequences, including excessive compliance effort (at the expense of effective project implementation), and strongly discourages or largely precludes national NGO/CSO/FBOs from the grant application process due to lack of specific capacity and a high level of complexity. The key challenge for resolution is how to develop a suite of “fit for purpose” compliance systems suitable for use across the range of intended project and program types, durations, grant recipient profiles and grant levels.

The Opportunity

The scope for adopting a tiered approach to grant application and administration (including compliance) for the above recipient profiles could be explored. If DFAT has not already examined international best practice across key donor-type entities (e.g. government, corporate, private and foundation philanthropy) to identify effective alternatives, this might prove worthwhile. The approach taken with ANCP recipients – of verifying organisations, then regularly reviewing and auditing them – is less cumbersome (although the threshold for ANCP verification specifically is very high). Setting minimum standards for organisations within a national ecosystem is less costly to the donor and more consistent with accounting principles. One other approach worth considering is to pilot an

“administrative support” shared-service centre in a DFAT priority country, covering comparable types of grant recipients, ideally with simplified, standardised formats.

XSPI Cross Sector Partnership Case Study

Dengue fever elimination in Indonesia & Bangladesh by World Mosquito Program

Cross sector partnerships represent enormous, still untapped potential for learning, innovation and scale. A current collaboration project XSPI has catalysed is with the [World Mosquito Program](#) (WMP). This evolved through XSPI's collaboration relationship with Monash University, Indonesia.

The WMP is a Monash University initiative that uses an Australian-designed technology, the *Wolbachia* method, which was piloted in Cairns and Townsville. It has a proven track record in dramatically lowering both the incidence and rate of dengue-related hospitalisation. The WMP relies on diverse funding including private and foundation philanthropy, DFAT and host national government support. Grassroots community awareness and acceptance is essential to implement elimination programs requiring large-scale mosquito releases.

Recognising the crucial need for partnerships, WMP signed an MoU with XSPI in 2021 to expand its presence in Indonesia, with a pilot project in the Bali region where XSPI's Indonesia Working Group has cross sector relationships. A joint taskforce was created, focused on developing a business case to support further pilot project funding, sourcing additional project members (particularly from the Australian and Indonesia private sectors) and creating and executing an advocacy campaign targeting Indonesia and Australia.

Building on the XSPI-WMP successful partnership in Indonesia, the Bangladesh High Commissioner to Australia advocated for the agreement to be expanded to cover Bangladesh in 2022. XSPI had earlier executed a collaboration MoU with the Bangladesh High Commissioner to Australia who identified dengue fever as a national health priority. WMP had identified Bangladesh as a South Asia priority country in 2018, but subsequent local elections and COVID-19 negated effective engagement.

By collaborating with XSPI, WMP achieved effective introductions from the Bangladesh High Commissioner into the Ministry of Health, Ministry of Local Government, and the Dhaka North and Dhaka South City Corporations. Formal discussions are in progress to secure government agreement and funding enabling WMP to implement a large-scale pilot project covering up to 400 000 population in Dhaka, and to transfer capability for program scale-up across dengue-endemic regions in Bangladesh.

The XSPI and WMP collaboration demonstrates the potential of cross sector partnerships to rapidly scale initiatives across other dengue endemic countries within the Asia-Pacific, introduce new local knowledge, generate additional funding and enhance development outcomes in the region.

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