

INTERNATIONAL DEVELOPMENT CONTRACTORS' COMMUNITY SUBMISSION TO AUSTRALIA'S NEW INTERNATIONAL DEVELOPMENT POLICY NOVEMBER 2022

Nation-building international development is a key arm of Australia's foreign policy – it is in our national interest for countries in our region to be prosperous, stable and inclusive. It is in DFAT's interests for international development to be central to Australia's diplomatic engagement overseas as it can help forge institutionalised, long-term, sustainable partnerships built on listening to and responding to the ambitions of our partners. International development when delivered through the organisations represented by the International Development Contractors' Community (IDCC) can enable direct investment in local organisations and economies, strengthening and supporting their leadership and growth and delivering a double dividend for our partners and Australia.

When asked to encapsulate how the future of Australia's international development engagement should be viewed, members of the IDCC most commonly said 'with humility'. Humble was closely followed by impactful, sustainable, innovative, long-term and practical. These are the hallmarks of the partnerships we believe that the New International Development Policy should enable between Australia and the countries and people we work with.

To these ends, the IDCC suggests four ideas for consideration in the drafting of Australia's New International Development Policy.

1. Empowering locally-led development as standard practice

In an era of greater strategic contest, we consider the comparative advantage Australia brings to global and regional engagement is experience in supporting locally-led development through partnerships based on equality. Whilst not a new idea, locally-led development fitted to contextual sensitivities is necessary as standard practice if we are to maximise the impact of our work and its associated double dividend. We propose going beyond local content in terms of jobs and economic benefits, to investments that are genuinely led and directed locally. This should include supporting a greater representation of local program leaders and a consideration for delivery approaches that frame international roles clearly as support for local leadership. In this way, the opportunities and likelihood of long-term ownership and sustainability of program objectives, including through the establishment of local organisations or institutionalised post-program funding, would be far greater.

- We would welcome a clearer directive from DFAT around expectations for local leadership in program arrangements, and a reconsideration of the language and approaches we use to recognise local leadership and allow our partners to be in the drivers' seat. Such approaches need to flow through to design and procurement policies and practices. It is critical that DFAT's contracting processes - design, tendering and contractor selection, consistently enact the policy, reversing previous practices which have favoured the selection of international expertise in management and leadership roles unless absolutely necessary (and where this must occur that it is only as a short-term solution).

2. A policy that values and incentivises inclusion

We strongly support the Government's focus on inclusion and agree gender and disability inclusion need to remain central parts of Australia's international engagement, with strengthened policies and implementation strategies. We support the reintroduction of the gender target and the requirement for all new programs over \$3million to have a gender objective. We agree that such incentives are a powerful way to ensure a policy intent is followed through into implementation. We welcome the Government's commitment to develop a new Disability Inclusion strategy and our sector is actively engaged in building partnerships and programs that empower disability inclusive development. We welcome the Government's commitment to a First Nations Foreign Policy. We understand this is a fundamental change in the mindsets and practices required of us and will require careful articulation and application in the development partnerships and programs we build. We are ready to work with the soon to be appointed Ambassador for First Nations Foreign Policy on how to appropriately integrate First Nations' cultural lenses, strengths and authority into international development policy and programming processes.

- We recommend that the performance management frameworks developed in concert with the New International Development Policy are used smartly to further incentivise the inclusion of gender, disability, and First Nations across the development program.

3. Incentives and investment to transition DFAT and the international development sector from an austerity to a growth mindset

Since the election we have heard the Government very clearly articulate support for international development and champion the aid program. This is a very welcome commitment. We also recognise the impacts significant international development capability losses and displacement are having within DFAT on the ability of the department to implement a shift in emphasis and deliver on the increased expectations for the development program. We welcome the engagement our members have had with many parts of DFAT in recent months and the department's openness to discussing the principles and direction the aid program should take. We commend this approach and look forward to continuing to engage in this way. For all of us, transitioning from an austerity mindset to one pursuing growth, innovation, and possibilities, requires patience, time and investment in capabilities to address today's challenges, those of tomorrow and of the next twenty years.

- We would welcome messages of commitment to the development program from the highest levels of DFAT leadership; commitments to updating cultures, mindsets and fostering support for innovative ideas to realise the Government's agenda. We are also looking to DFAT to put in place practical measures to enact these changes and build capability – how will the new Australian and locally engaged talent and expertise required be hired? How will professional development be managed so that staff with considerable power and influence over the conception, design, implementation, and evaluation of the development program have the necessary skills and attitudes, including senior and middle managers and frontline staff? How will staff be posted and promoted so that development capabilities are valued and available where they are needed? Who will be responsible for overseeing this and how will progress be tracked so that additional measures can be put in place to address persistent capability gaps?

We recognise our role and responsibilities in shaping the solutions and the future we wish to see in ways that play to the strengths of our diverse membership, which includes individual consultants and contracting and professional services organisations of varying size.

- We encourage DFAT to make use of the extensive development capabilities in the broader sector and would welcome increased use of co-ideation and co-creation processes in the conceptualisation and identification of development issues to be addressed by programs. IDCC members engage many staff from the regions we work in and are well connected to the on-the-ground realities. The IDCC is able to coordinate robust input from the broader contractor community on how the Australian Government can move from policy to results. Our members are also experienced in outreaching and engaging with industry and new partners for the aid program in Australia and overseas to make the case for international development, enable engagement and build the capability necessary for the ambition set.

We support the Government's commitment to reviewing the financial instruments used in international development and would welcome a broader diversity of financial instruments, tools and financial partners that are fitted to the complexities and realities of building stable, inclusive and prosperous nations.

- We call for DFAT to reconsider and adapt how we partner, and the implementation approaches used when working with others to ensure they are fit for purpose and responsive to the continually changing environment within which we work.

4. Use the New International Development Policy to establish and communicate Australia's focus on climate

With the change in Government, we have already seen an increased commitment and effort to address the issue of climate change at a national, regional and global level. While these efforts are welcomed, the lack of sustained focus on climate over the last decade within Australia's development policies has led to a sector where there is limited capability or incentives to ensure climate issues are adequately addressed across development programs. Given the importance of climate to the economic and human development of Australia's nearest neighbours, the New International Development Policy is an opportunity to re-affirm Australia's commitment to addressing the impact of climate change within the region.

- We call for support to allow the sector to grow the technical expertise required to ensure climate issues are adequately addressed across the development program, and to ensure performance management frameworks developed in concert with policy incentivise broader and better mainstreaming of climate change.