### Pulse Check.

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The Pulse Check.

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# The Pulse Check.

We would like to thank the 100+ participants who loaned their time and deep expertise, in an intensely busy time for development experts, to this project.

We are grateful to Sandra Kraushaar and Lavenia Rokovucago (The Asia Foundation), Anna Gibert (Independent Consultant), Bernadette Whitelum (Alinea International), Melanie Gow (AVI) and Joanne Choe (DT Global) for their convening assistance.

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### Foreword.

Since November 2022, in the heart of Canberra, a team inside the Department of Foreign Affairs and Trade (DFAT) has been tasked with writing Australia's new development policy. They've been grappling with hundreds of written submissions, dozens of expert roundtables, every Post's own bilateral consultations, plus a host of cross-Government conversations. The message they're hearing? Everything is important. And the development program means something different to everyone.

Australian ministers are up for some tough choices.

When The Lab took a dive into independent reviews of the Australia development program over the last 40 years, one thing was clear. A failure to focus the policy will result in ineffective development outcomes. To explore this focus and inform the imperfect decisions facing Government, the Lab wanted to surface, across a broad and diverse group of development and foreign policy experts, not only what they saw as important – but what tough choices they would make if they were holding the policy pen.

We went to 50+ experts in Australia, and 50+ experts in our region to ask them the hardest 13 questions facing the Australian development program right now. What trends are shaping the region? What national interests does the program serve? What should we start doing? What should we stop doing?

Across the results, the team at the Lab saw five big challenges emerge. And they're challenges not only because their impacts are already fundamentally changing the region we work in, but because our expert cohorts were entirely unconvinced that Australia's approach to date has been the right one. This report details the five big disruptions the Government — and indeed every development organisation and professional — will need to grapple with.

For our regional experts, the change needed was loud and clear – they want to see Australian improve how it relates to and works with the region. In addition, they saw that governance challenges are increasing as all countries grapple with education, health, and climate action post-pandemic.

You will see across the Pulse Check findings that there are areas where Australia has done well to date, and regional experts agree — we do high quality work, we broadly focus on human development, and our gender and inclusion focus and impact is clear. But there's a lot to work on, and just as many unknowns.

Over the next few months, The Lab will be working with Government and Pulse Check respondents to debate solutions to the challenges raised in this report. There's no doubt that these solutions will need more political will, more coordination, and more ambition than previously seen.

For now, take a dive into the decisions the region's top 100+ development thinkers would make as they tackle the tough questions shaping Australian development.

### Happy reading.

Madeleine Flint, Senior Analyst
Bridi Rice, Founder & CEO





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# The Results.

Australia-based Survey Results. Pulse Check | Development Strategy.

### strengths

What are the top five strengths of Australia's development program and where would you capitalise?

#1 Cooperation and connection 24/100

#2 Flexibility 20.1/100

What are the top five weaknesses of Australia's development program and which are the most critical to address?

#4 Regional focus 19/100

#5 Adaptability 11/100

#3 Resourcing and governance 22/100

#2 Strategic direction 24/100

#1 Expertise 25/100

### progress indicators

What three things would we see in the region if development was making progress and where is Australia the most effective?



### Australia-based Survey Results.

A new development policy is imminent, so the Lab asked 50+ Australia-based and 50+ regional experts what critical choices they'd make. We gave them 100 points each. Here's what they said.

See page 22 for the survey methodology.



Pulse Check | Development Strategy. Australia-based Survey Results.



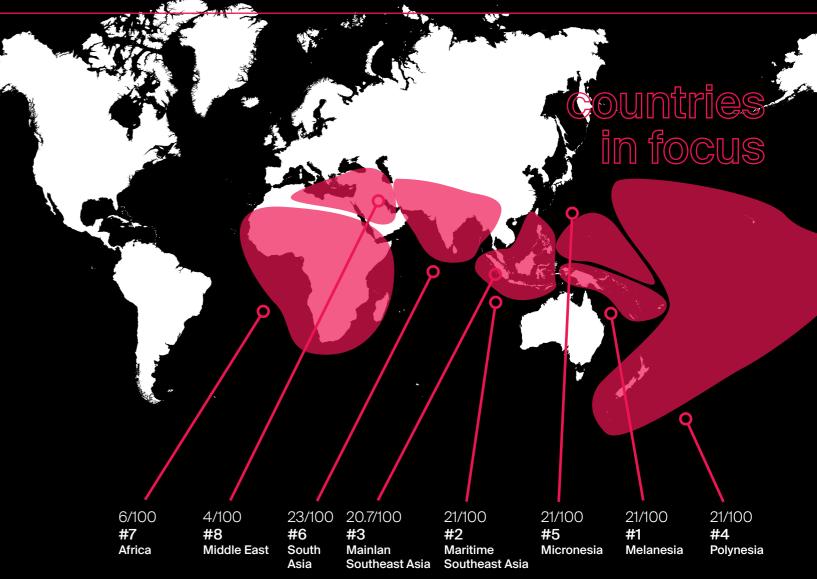
partnerships and which

are most critical?

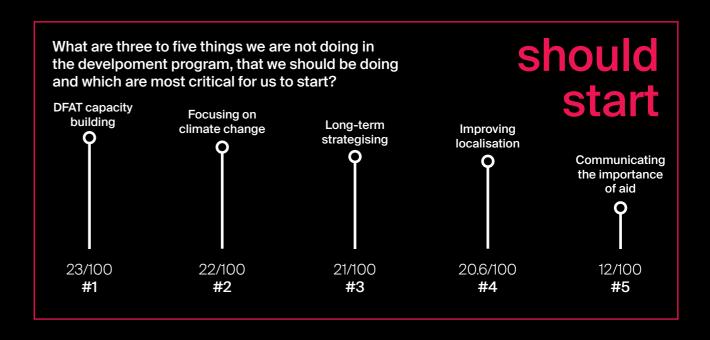
### reputation in the region

What do you think are three things that Australia's development program is currently known for in the region? The top five positive and negative answers resulted in the categories listed below. Which postives would you capitalise on and which negatives are most worth addressing?

**#1 Gender and diversity focus** 22.74/100 #1 Paternalistic 23/100 #2 Asia-Pacific engagement/ #2 Climate inaction 23/100 regional prioritisation 22.12/100 #3 Humanitarian assistance 22.03/100 #3 Reducing funding 20/100 #4 Responsiveness 17/100 #4 Risk averse 20/100 #5 Countering China #5 Reliability 16/100 (PRC) 15/100

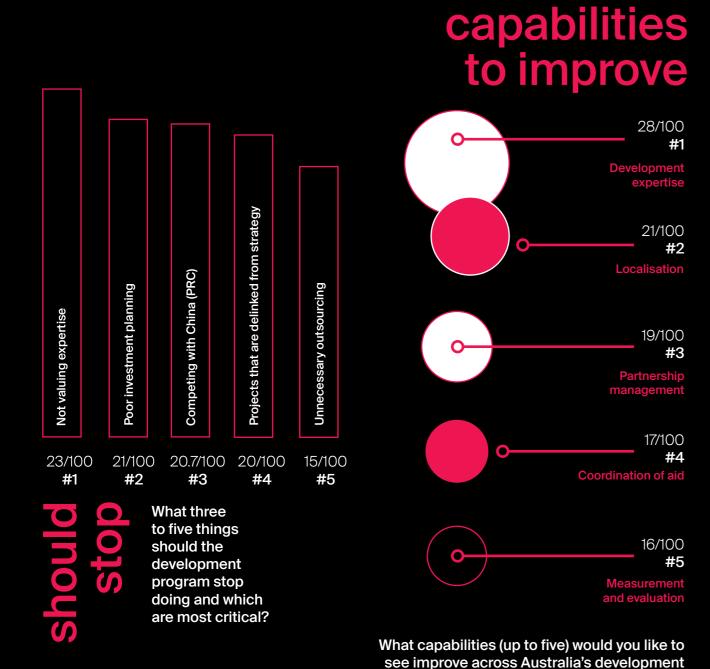


What regions and/or countries should the bilateral focus of the program be and what should be the geographic balance?



Australia-based Survey Results.

Pulse Check | Development Strategy.



sector and which are most critical?

What are three key things Australia can do to effectively balance short- and long-term drivers for the development program and which are most critical?

#1 25/100 Approach partnerships with a long-term vision

#2 21/100 Promote reflection on the program

#3 19/100 Be clear on what is short-term and long-term

#4 18/100 Bipartisan support/consistency for stability

#5 17/100 Budget improvement

### balancing priorities

What are three ways to generate a more transparent and accountable culture of Australian development cooperation and which are most critical?

CCOUNTABIIITY

#5 16/100 Openly engage with the broader development community

**#4** 19/100 Publish reporting and funding information

#3 20/100 Reward learning and openness

#2 21/100 Improve comms channels with feedback, and feedback from, partners

#1 23/100 Establish independent evaluation mechanism

### Regional Experts Survey Results.

A new development policy is imminent, so the Lab asked 50+ Australia-based and 50+ regional experts what critical choices they'd make. Here's what they said.

### Strengths → 26 responses

"Australian aid is perhaps the most generous in our region especially when it comes to aid for gender equality work."

"Investments in stability and prosperity."

"Australia is our long-standing partner, always there to support."

"It is support for development from Australia specifically in priority areas e.g. health, education, climate change."

interests and foreign policy, promoting Australian government influence in an attempt to stave off

"Serving Australian China's growing influence in the region."

"Align to Australia's political interests which may not necessarily be in the national or community interests."

"Well meaning but sometimes misguided and opportunistic. Often good but sometimes harmful (unintentionally)."

"At times irrelevant."

#1 Focusing on gender and diversity 7.5/10

#2 Engaging long term 7.1/10

#3 Delivering high quality projects 7/10

#4 Prioritising the Pacific 6.8/10

#5 Being reliable 6.1/10

#6 Being flexible 6/10

strengths

On a scale of 1-10, Australia is good at...

#7 Cooperating effectively 5.5/10

GOOD GOVERNANCE - Independence of the Judiciary, rule of law, strong accountability and integrity institutions. Hard to ensure equitable development in a corrupt system.

#1 Governance

#2 Education

Education - this is the key to everything, including changed mindsets and development in all aspects of life.

#4 Climate and

environment

and decolonisation

#3 Locally led development



Promote gender equality, social inclusion and people with disability.

#5 Gender

Climate Change is a reality and driving inequalities further.

The following things will influence development in my country this most...

trends

Decolonising our thinking about how we engage with donors and development partners, and pushing back to ensure we participate in the design of interventions/ investments in the Pacific; and that when implemented they are led by locals.

known for

what we're

I would describe Australian aid and

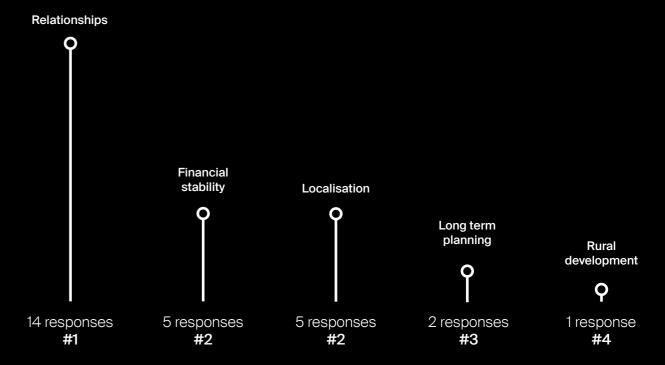
development to my friend like this...

### areas of change The one thing I'd change about Australia's approach to aid and development is... 22 responses Bottom up approach where local and Indigenous knowledge is integrated in projects design and all phases. Not dictate or micro-8 responses manage, but be more open to discussion and flexibility. More effort and investments in building the skills base 5 responses for recipient countries. #3 **Finance** Talk and listen to us. Do not come with what you think is good for us. 4 responses #4 Increase Australia's efforts on climate change adaptations and mitigation. 4 responses #4 O To allow time and budget for trial and error to happen in the pilot project and learn from that.

Put in measures to ensure that there is greater transparency and

accountability from government.

2 responses



### partnership

What would you see and feel if Australia was being a world-class development partner?



More local systems, partnerships and institutions used to further sustainable development. We would feel that Australia is culturally sensitive to our needs.

Longer term flexible core funding to Pacific institutions and NGOS and I would feel proud to have contributed to this thinking.

That we are empowered to take ownership of the development priorities in our countries. This will happen if Australia is working in consultation and partnership with local partners and expertise to advance development priorities.

Longer program timelines with secure budgets.

The Pacific would be a 'destination' posting rather than a stepping stone for Australian diplomats, DFAT officials, government officials etc.



### How did the Pulse Check work?

In late 2022, with DFAT beginning the process of putting together a new development policy, the Lab explored Australian and regional views on where the Government's development priorities should lie. To do this, we surveyed 50+ Australia-based development experts and 50+ regional experts for their views. These experts shared their views in their personal capacity, rather than as a representative of their respective organisations.

The Lab took different approaches to our consultations with our regional expert cohort, and our Australia-based expert cohort. Doing so allowed further exploration of Government and bureaucratic decisions with our Australia-based cohort, and more appropriate and region-specific questions for our regional expert cohort.

### For our Australia-based expert cohort

This survey was conducted in two parts. Both parts covered 13 questions, but took different formats in order to surface and then challenge the issues raised by our experts.

In Part One, we asked open-ended questions with a free text box for participants to respond. This was aimed at surfacing ideas around the sector without the Lab putting words into people's mouths. Once these results were in,

the team coded each response to develop a list of categories in answer to each question.

In Part Two, we put back to the group the top five answers to each question. We then asked participants to allocate 100 points across the five possibilities that emerged from Survey One. This forced our participants to make some critical and difficult choices which we know have to be made, given that the aid and development budget is finite. The points allocation technique used in Survey Two is borrowed from wargaming methodology.

A full list of questions can be found in Annex I.

### For our regional expert cohort

Small consultation groups were convened with approximately 10 participants per group. The Lab asked a series of questions and collected responses on <a href="Mentimeter">Mentimeter</a> to ensure anonymity. Group conversation based on the answers followed. Notes were taken on verbal responses.

A full list of questions can be found in Annex II.

Thank you to Sandra Kraushaar and Lavenia Rokovucago (The Asia Foundation), Anna Gibert (Independent Consultant), Bernadette Whitelum (Alinea Whitelum), Melanie Gow (AVI) and Joanne Choe (DT Global) for their convening assistance.

### Regional experts

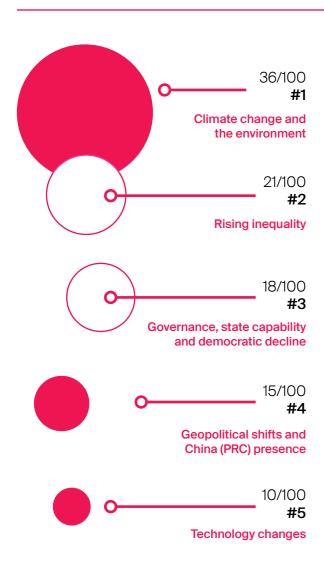
Eve Aihunu I Brenda Andrias | Abilio Araujo I Howard Aru I Lorraine Asmann I Katarina Atalifo I Sharon Bagwhan Rolls | Tarusila Bradburgh | Eurico Ediana da Costa I Vika Ekalestari I Kiii Faktaufon | Nadia Febriana Muhidin | Mereia Fong I Warren Gama I Junita Goma | Lorissa Hazelman | Grace Heaoa | Robert Herdiyanto | Mili Iga | Adela Issachar Aru | Teekoa luta | Jennifer Kalpokas Doan | Buddhi Kunwar | Yulianto Kurniawan I Taiko Lalo I Iris Low | Illiesa Lutu | Tonette Mangrobang | Vani Nailumu | Patricia Netzler-Lagaaia I Dr Gregoire Nimbtik I Rosalie Nongebatu | Luke Petai | Elsa Pinto | Mereani Rokotuibau | Apai Rokotuni | Lavenia Rokovucago | Ruth Seketa | Harrison Selmen | Ellis Silas | Adi Survadini | Peni Suveinakama | Tautalaaso Taule'alo | Peni Tawake | Abitara Tekeke I Angela Thomas I Epeli Tinvata | Wilson Toa | Shirley Tokon | Mereia Volavola | Hayley West | Fremden Yanhambath I

### **Australia-based experts**

Geoff Adlide, Independent | Robyn Alders, Development Policy Centre, ANU | Allan Behm, The Australia Institute | Ashlee Betteridge, Better Things Consulting | John Blaxland, Strategic and Defence Studies Centre, ANU | Alwyn Chilver, Palladium | Sam Chittick, The Asia Foundation | Jo Choe, DT Global | Jocelyn Condon, ACFID | Melissa Conley Tyler, Asia-Pacific Development, Diplomacy & Defence Dialogue AP4D | Matt Darvas, Micah Australia | Ben Day, ANU | Alexandre Dayant, Lowy Institute | Lisa Denney, Institute for Human Security and Social Change | Beth Eggleston, Humanitarian Advisory Group | Helen Evans, The Nossal Institute for Global Health, University of Melbourne | Anna Gibert, Independent | Ali Gillies, Australia Pacific Security College | Robert Glasser, ASPI | Jenny Gordon, ANU | Jo Hall, Independent | Thenu Herath, Oaktree | Cameron Hill, Development Policy Centre, ANU | Steve Hogg, Independent | Meg Keen, Lowy Institute | Linda Kelly, La Trobe University | Farheen Khurrum, The Palladium Group | Patrick Kilby, Development Studies Association of Australia | Sandra Kraushaar, The Asia Foundation | Susanne Legena, Plan International Australia | Belinda Lucas, Learning4Development | Jessica Mackenzie, ACFID | Richard Maude, Asia Society Australia and ANU | Titon Mitra, UNDP | Richard Moore, Development Intelligence Lab | Dane Moores, Settlement Serices International I John Morley, Plan International Australia | Anthea Mulakala, The Asia Foundation | Tess Newton Cain, Griffith Asia Institute | Susannah Patton, Lowy Institute | Morten Pedersen, UNSW Canberra | Kylie Porter, UN Global Compact Network Australia | Marc Purcell, ACFID | Roland Rajah, Lowy Institute | Alice Ridge, International Women's Development Agency (IWDA) | Chris Roche, La Trobe University | Stuart Schaefer, DT Global | Kearrin Sims, James Cook University | Tom Sloan, Sustineo | Nigel Spence, UNSW and UoW | Helen Szoke, Non-Executive Director | Fiona Tarpey, PhD Candidate | Graham Teskey, Abt I Mat Tinkler. Save the Children I Joanne Wallis. University of Adelaide | Tamas Wells, University of Melbourne | Oliver White, Fred Hollows Foundation | Michael Wilson, eWater Limited | Terence Wood, Development Policy Centre, ANU | Peter Yates, The Asia Foundation | Martina Zapf, Institute for State Effectiveness |

### Who participated?

### What did we find?



On top trends that will shape development in the Indo-Pacific.

The trend that was most critical to address, with an average of 36/100 points allocated, was climate change and the environment. For participants this sounded like disruptions to food, water and energy systems, alongside biodiversity loss and increased humanitarian disasters.

Australia-based participants ranked rising inequality as the second most critical trend. allocating an average of 21/100 points. For our participants, this sounded like increasing disparity between rich and poor, and corresponding development setbacks. The third most critical trend was governance and democratic decline, averaging 18/100 points. Respondents described this as diminishing freedom of political expression, obstacles to stable governance and eroded transparency. Geopolitical shifts and China's (PRC) presence was the fourth trend most critical to address, with an average of 15/100 points allocated. Respondents described this as Australia ceding power in the region and the threat of

the PRC (be that real or overstated). The fifth most critical trend to address was technological changes, averaging 10/100 points. For participants, this sounded like new technology and entrepreneurial growth in development cooperation and the rise in automation.

Asked why they allocated points as they did, many respondents referenced the interlinked nature of these trends, how many feed into each other along a timeline, and how some are both challenges and opportunities (particularly around technology changes). Other trends named by participants (to a lesser frequency) included trade, gender equity, public health, and food security.

When we asked the **regional experts** what they saw as the top factors influencing their country's development, they named domestic leadership and governance (stronger institutions, corruption levels, national debt and planning, and leadership by their own leaders); climate change (both the immediate effects and the inequalities it drives), and coordination (donor coordination, working across different community groups).

"...it's hard to ensure equitable development in a corrupt system."

Regional experts were unequivocal that their own leaders' approach to governance was the single greatest determinant of their nation's development.

"Climate change is a big factor.

Come sit and listen to us."

Figure 1: What are the five top trends that will shape development in the Indo-Pacific?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories based on which trends are most critical to address - resulting in the ranking and average numbers above.

### On what we would see in the region if development was making progress.

Participants thought that improved human development was where Australia can provide the most effective support, with an average of 23/100 points allocated. For participants, this sounded like improving HDI components such as health and education, and increasing wellbeing.

Participants ranked action on climate change as the second most effective, allocating an average of 20.8/100 points. They described this as involving things such as greater investment in clean energy, political commitments to reduce emissions and engagement in carbon offset markets. The third most effective area was improved gender equality, averaging at 20.5/100 points, which covered areas such as decreasing gender-based violence and equal representation in political and consultative processes.

effective area with an average of 18/100 points allocated, meaning accountable governance, greater political freedom and stability. Finally, the fifth most effective area was improved localisation efforts averaging 17.6/100 points. For participants, this sounded like more locally led delivery and frameworks to action OECD DAC recommendations on enabling civil society.

Notably, participants allocated fairly even splits across the categories, particularly when compared to other questions. A number of participants noted that some items in the top five list were goals in and of themselves, whereas others were ways to achieve these goals. Other trends noted by participants (to a lesser frequency) included economic growth, better program management, poverty reduction, health, education, and gender equity.

### "Tangible improvements in education and health indicators at scale."

Australia-based Expert

Figure 2: What three things would we see in the region if development was making progress?

In Part Two of the survey, we asked participants to allocate 100 points across the five categories based on where Australia can provide the most effective support - resulting in the ranking and average numbers below.



### On the Australian interests the development program best advances.

Participants thought that open civic space and democracy was the top national interest that the development program should advance, with an average of 25.5/100 points allocated. For participants this involved things such as government accountability and promoting democratic values in the immediate region.

A close second national interest was regional relationships and international influence, with an average of 25.3/100 points. For respondents, this involved trust-based relationships, soft diplomacy and regional interconnectedness. The third national interest the program should advance was economic prosperity, averaging 20/100 points. This covered areas such as growing key trade and strategic partners, and broad economic growth. Rules-based order was the fourth-ranked national interest. with an average of 15/100 points allocated. Respondents described this as being the maintenance of free and open international systems. Finally, the fifth-ranked national interest was security interests, averaging 13/100 points. Our respondents said this involved protecting Australia's own security by cooling tensions in the region and promoting fiscal security.

When ranking, a number of participants reiterated that human development was key to achieving many things on the list, and a number saw healthy civil society across the region as a driver of not only human development, but Australia's own national security. Other interests noted by participants (to a lesser frequency) included gender equity, disaster preparedness, and overall human development.

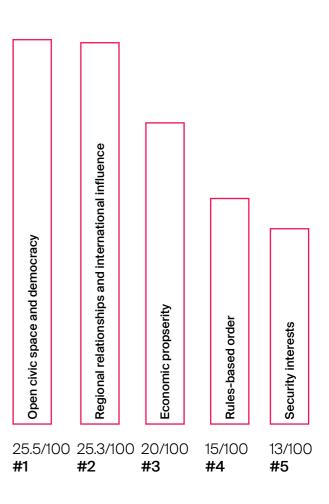


Figure 3: What Australian interests (up to five) does the development program best advance?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to which national interests the development program should advance - resulting in the ranking and average numbers above.

"Australian aid is perhaps the most generous in our region, especially when it comes to aid for gender equality work."

- Regional Expert

### On the strengths of the development program.

Of the top strengths of the program, participants thought Australia should capitalise on cooperation and connection most, allocating an average of 24/100 points to this strength. Our respondents thought this included areas such as building on genuine partnerships with local stakeholders, networks, and expertise.

With an average of 20.1/100 points, the second strength to capitalise on was flexibility, which meant flexible funding schemes and a program that is less prescriptive than other donors. The third strength that Australia should capitalise on was gender and diversity averaging 20/100 points. For respondents, this meant the thematic focus on gender and disability and recognising the rights of women, children, and people with disabilities. Regional focus was the fourthranked strength, with an average of 19/100 points allocated. Respondents described this as being a deep commitment to our region and priority focus on where Australia can best maximise impact. Finally, the fifth-ranked strength was quality, averaging 17/100 points, which covered a focus on evidence-based interventions and the quality and commitment of those managing and implementing programs.

In this question, participants were careful to caveat their rankings. For example, some respondents noted that 'pockets of quality exist', but this isn't a blanket term to describe the entire program. Others wanted to be clear in their understandings of the categories and what within them had potential. For example, one respondent noted, 'the amount of people-to-people links, cross-institutional links and shared values Australia has with neighbours makes cooperation and connection the strength with the most potential'.

Other strengths noted by participants (to a lesser frequency) included governance activities, a focus on human development, and humanitarian assistance.

Regional experts saw the strengths of Australia's development program being our focus on delivering high-quality projects; maintaining a gender and diversity focus; a prioritisation of the Pacific; and long-term engagement.

### Figure 4: What are the top five strengths of Australia's development program?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to how they would capitalise on these strengths - resulting in the ranking and average numbers to the right.

**#1 Cooperation and connection** 24/100

**#2 Flexibility** 20.1/100

**#3 Gender and diversity** 20/100

#4 Regional focus 19/100

**#5 Quality** 17/100

### "Disconnect between strategy, budget and capability."

Australia-based Expert

### On the weaknesses of the development program.

The weakness that was most critical to address, with an average of 25/100 points allocated, was expertise. Participants described this weakness as including personnel who are disconnected from the realities of political economies, a lack of departmental expertise and weak technical specialists.

Participants ranked strategic direction as the second most critical weakness, allocating an average of 24/100 points. They described this as involving a disconnect between strategy and budget and capability, alongside limited strategic preparation for emerging global challenges. The third most critical weakness was resourcing and governance, averaging at 22/100 points, meaning serious institutional constraints within DFAT, heavy reliance on managing contractors and a lack of legislative and accountability guardrails. Localisation was the fourth weakness most critical to address. with an average of 18/100 points allocated. For participants, this covered insufficient direction and focus on localisation, paternalism, and arrogance. Finally, the fifth most critical weakness to address was adaptability, averaging 11/100 points. Participants said this meant a lack of budget responsiveness and innovation, alongside not listening to partner needs.

As with other questions, participants noted when allocating their points that these categories are interlinked and are often dependent on each other. For example, some argued that 'strategic direction' and 'expertise' are key drivers of other factors. Contrastingly, some argued that greater localisation will result in greater expertise and strategic direction-setting.

Other weaknesses named by participants (to a lesser frequency) included transparency, intergovernmental collaboration, public communications, and management capacity.

Regional experts said the areas that needed greatest improvement in Australia's development program were our lack of skill and know-how in both cooperating effectively, and being flexible.

When asked 'On a scale of 1-10, Australia is good at...' regional experts ranked cooperating effectively and flexibility poorly compared to other categories. They received scores of 5.5/10 and 6/10 respectively. Some of the additional comments made sounded like "What's missing is the listening part of the engagement. Even if our priorities are different to Australia's foreign policy interests."

**#5 Adaptability** 11/100

#4 Localisation 18/100

**#3 Resourcing and governance** 22/100

**#2 Strategic direction** 24/100

**#1 Expertise** 25/100

### Figure 5: What are the top five weaknesses of Australia's development program?

In Part Two of the survey, we asked participants to to allocate a total of 100 points across the five categories according to which weaknesses are most critical to address - resulting in the ranking and average numbers to the left.

### "Increasingly – gender is a comparative advantage."

Australia-based Expert

### On what we're known for in the region.

When asked what Australia is currently known for in the region, participants responded with a range of both positive and negative attributes.

Participants ranked gender and diversity focus as the number one positive to capitalise on, allocating an average of 22.74/100 points. For them this meant being a leader in investment and promotion of gender and disability inclusion, an area they saw as being a comparative advantage. Second was Asia-Pacific engagement/regional prioritisation, with an average of 22.12/100 points allocated. This described a long-standing reputation for engagement in the region alongside a soft power advantage. The third positive attribute to capitalise on was humanitarian assistance, averaging at 22.03/100 points. Here, respondents described Australia's reliability in crisis and disaster relief efforts. Responsiveness was the fourth positive attribute to capitalise on, with an average of 17/100 points allocated. This covered areas such as genuine listening, followed by flexible and adaptive approaches. Finally, the fifth positive attribute to capitalise on was reliability, averaging 16/100 points, with Australia seen as being dependable over time and a trusted partner.

Other positives named by participants (to a lesser frequency) included education, technical expertise, governance projects and health responses.

When we asked our **regional experts** how they would describe Australian development to their friends, the more positive things included: Australia is a "key development cooperation partner for the Pacific region"; and there was high regard for Australia's "consistent investment in education and the provision of scholarships have been good".

On the negatives, participants ranked paternalism as the area most worthy of addressing, allocating an average of 23/100 points. Here, the described Australia's arrogance, high-handedness, and implicit racism. A very close second was climate inaction, with an average of just under 23/100 points allocated and respondents describing a lack of political action of climate change and emission targets. The third weakness to address was reduced funding, averaging at 20/100 points. This meant addressing a decade of cuts and long-term decline in funding. Risk aversion was the fourth-ranked weakness to address, with an average of 20/100 points allocated. Respondents described this as being an increasingly cautious and uniform approach to risk alongside onerous, controlling and expensive compliance obligations. Finally, the fifth-ranked negative to address was countering the PRC, averaging 15/100 points. This meant being too focussed on the threat of the PRC and being driven by geopolitical interests.

Other negatives named by participants (to a lesser frequency) included being self-interested, having strategic rigidity, and reducing funding.

When we asked our **regional experts** how they would describe Australian development to their friends, the more negative things included: Australian development always "aligns to Australia's political interests, which may not necessarily be in the national or community interests". A few experts mentioned that Australia is generally "well-meaning, but sometimes misguided and opportunistic. Often good, but sometimes harmful (unintentionally)"; and one expert gave a taste of reality, indicating that they'd describe Australia to their friend as "at times — irrelevant".

#1 Gender and diversity focus 22.74/100

#2 Asia-Pacific engagement/ regional prioritisation 22.12/100

#3 Humanitarian assistance 22.03/100

**#4 Responsiveness** 17/100

**#5 Reliability** 16/100

Figure 6a: What do you think are three things that Australia's development program is currently known for in the region?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five positive categories according to how you would captialise on these attributes - resulting in the ranking and average numbers above.

**#1 Paternalistic** 23/100

**#2 Climate inaction** 23/100

**#3 Reducing funding** 20/100

**#4 Risk averse** 20/100

**#5 Countering China** (PRC) 15/100

Figure 6b: What do you think are three things that Australia's development program is currently known for in the region?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five negative categories according to which weaknesses are most worth addressing - resulting in the ranking and average numbers above.

"[Australian development always] aligns to **Australia's political interests**, which may not necessarily be in the national or community interests"

- Regional Expert

Pulse Check | Development Strategy. Part One: Pulse Check Findings.

### On what Australia can do to achieve genuine development partnerships.

Australia-based experts thought improving DFAT capability was the most critical factor for achieving genuine partnerships. allocating an average of 28/100 points. They described this as building aid capability and literacy within the department, and an urgent investment in upskilling.

Participants ranked improving partner involvement and localisation efforts as the second most critical, allocating an average of 24/100 points and describing it as including annual partnership conversations in each country, and the co-designing and co-delivery with communities.

The third most critical element to achieving genuine partnerships was focusing on long-term strategic direction, averaging at 20/100 points. This covered areas such as continuous support and encouraging long-term thinking. Changing aid management was the fourth most critical. with an average of 15.9/100 points allocated. This was described as revamping DFAT's design, implementation and MEL processes, less micro-management, and more flexibility to change. Finally, the fifth most critical area was improving accountability and transparency, averaging 15.8/100 points. This meant improving feedback loops with partner countries, publishing joint development commitments. and greater transparency across the board.

On why they made allocations the way that they did, a number of respondents pointed to harnessing partners across all levels in country with local organisations, better coordination in Australia, and across donor initiatives. Other areas named by participants (to a lesser frequency) included increasing civil society partnerships, increasing the budget, and better coordination with other donors. "Listen. Really listen. To the voices of local communities. Implement as much aid as possible through local civil society groups."

- Australia-based Expert

"Talk and listen to us. Do not come with what you think is good for us."

- Regional Expert Improve partner involvement and localisation efforts Improve accountability and transparency Focus on long-term strategic direction Change aid management 28/100 24/100 20/100 15.9/100 15.8/100 #2 #3 #4 #5

Figure 7: What are three things Australia can do to realise the Government's commitment to genuine development partnerships?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia to achieve genuine partnerships - resulting in the ranking and average numbers above.

Improve DFAT capability

### On geographic focus.

When it came to geographic balance across regions, participants were clear that Melanesia, with 21/100 points allocated, should be Australia's top area of focus. Maritime Southeast Asia (18/100) and Mainland Southeast Asia (17/100) were closely ranked next. Polynesia (13/100), Micronesia (11/100) and South Asia (10/100) were the next most popular by point allocations. Lastly, participants believed Africa (6/100) and the Middle East (4/100) should occupy less of Australia's focus.

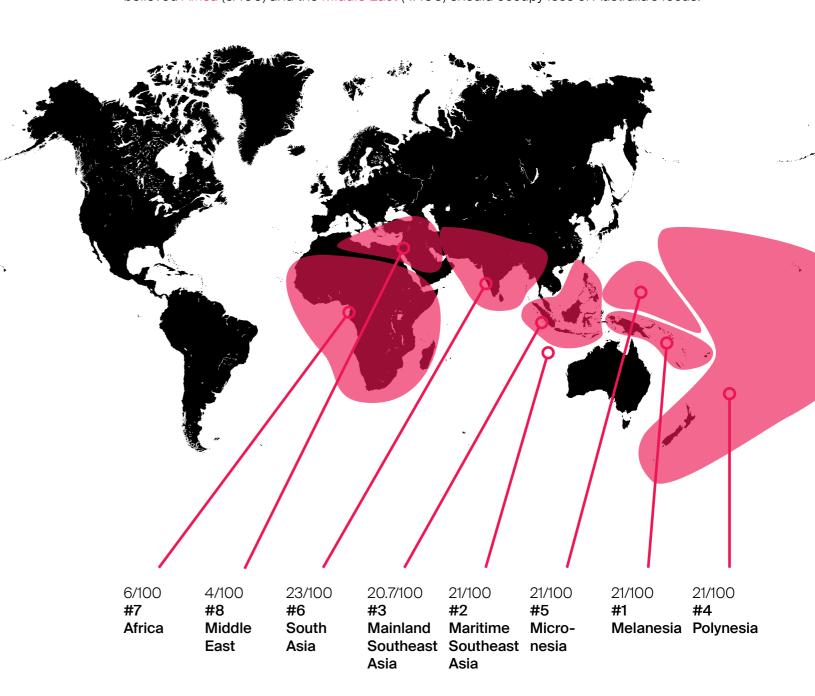
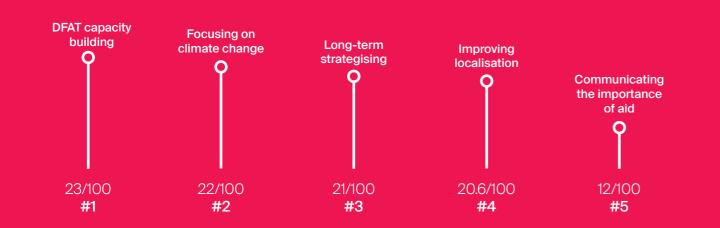


Figure 8: What regions and/or countries should the bilateral focus of the program be?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the geographic regions according to what the development program's geographic balance should be - resulting in the ranking and average numbers above.



"Integrating climate risks strategically within the development program and at whole-of-governmentlevel more broadly."

Australia-based Expert

### Figure 9: What are three to five things we are not doing in the development program, that we should be doing?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia to start doing - resulting in the ranking and average numbers above.

### On what we're not doing - but should be.

Of the things the program is currently not doing, participants thought that DFAT capacity building was most critical for Australia to start doing, with an average of 23/100 points allocated. Respondents described this as including training the next generation and encouraging creativity and leadership rather than risk aversion.

A close second was focusing on climate change, with an average of 22/100 points, which meant paying attention to climate change at the community level and creating innovative solutions.

Third-ranked for Australia to start doing was long-term strategising, averaging at 21/100 points. For respondents, this meant logical and honest strategy and using a five-year forward-looking lens that is country specific. Improving localisation was ranked fourth,

with an average of 20.6/100 points allocated. This included procurement processes and timelines that allow meaningful engagement with local partners and investing in local capacity development. Finally, the fifth-ranked area was communicating the importance of aid, averaging 12/100 points. This involved developing and articulating a holistic narrative about why aid and poverty reduction is important for Australia.

When asked why they allocated points as they did, a number of participants pointed to internal DFAT capability and machinery as a reason why things on this list are not currently happening. Other areas named by participants (to a lesser frequency) included civil society investment, leveraging the private sector, focusing on digital development, improving people-to-people links, improving gender and diversity focus, and improving peacebuilding capacity.

### On what we should stop doing.

When it came to what Australia should stop doing, not valuing expertise was top of the list, with an average on 23/100 points allocated. This meant a tendency to overlook the churn of staff in DFAT and ignoring the knowledge and expertise of local staff.

Second was poor investment planning, with an average of 21/100 points. Respondents described this as the commitment of huge amounts of money to unfocused and unstructured scholarship programs and random, reactionary, and ignorant programming. Third-ranked for Australia to stop doing was competing with China (PRC), averaging at 20.7/100 points. To our respondents, this meant investing in an infrastructure race that Australia may not win and letting geopolitics rule development.

Projects that are delinked from strategy was ranked fourth, with an average of 20/100 points allocated. For respondents, this meant strategies with no connection to priorities and devising unnecessary Australian flagship programs. Finally, the fifth-ranked area was unnecessary outsourcing, averaging 15/100 points. This meant a failure to rebuild AusAID expertise, institutional memory and capacity, and outsourcing whole facilities and designs.

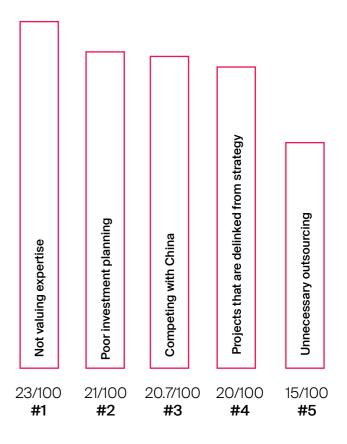
Other areas named by participants (to a lesser frequency) included reducing the aid budget, poor involvement of partners, reliance on multilaterals, poorly defining success, and repeating mistakes of the past.

### Figure 10: What three to five things should the development program stop doing?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia to stop doing - resulting in the ranking and average numbers to the right.

"Make the vibrant contestability of ideas and evidence the centrepiece of DFAT's development culture."

Australia-based Expert



### On what regional experts say we need to change.

As a point of comparison to the two topics above, the Lab asked our regional cohort, if there was one thing they would change about Australia's development approach, what would it be? Decolonisation and a shift to more locally led approaches were a clear top ask from these experts. They described this as partnering with more community organisations and harnessing local expertise, reducing 'overseas consultants on a high salary' to fly in and fly out, and instead harnessing these consultants to act in secretarial roles to enable local actors to deliver aid.

There were also calls to engage more with informal structures and at multiple levels. This would mean partnering with non-traditional development partners such as churches. moving power down from INGOs, more exchange opportunities between countries, and leaning into non-ODA development activity such as easing visa restrictions and enabling further trade opportunities. Relationship improvements included Australia improving its cultural competencies and being less transactional at all stages of development initiatives. Financial reform was another area named - this meant improving sustainability frameworks, easing accessibility of funds, and further climate financing.

"Listen to the locals is it suited for local context? The approach in a similar project in another country might not be workable in our community. Not one size fits all."

Regional Expert

### On what capabilities need to improve across the sector.

Allocating 28/100 points, participants thought it was most critical for Australia to improve capability in development expertise, which would mean a dedicated stream for development professionals that prioritises retention and specialisation.

Secondly, participants saw localisation as critical to improve in the sector, with an average of 21/100 points being allocated to this capability. This was described as improved localisation approaches in the new policy and more flexible financing for local partners. Partnership management was the third-ranked area for Australia to improve, averaging at 19/100 points. This meant understanding country-specific politics, developing listening capacity and genuine partnerships.

The fourth-ranked area for improvement was improving capacity in the coordination of aid, with an average of 17/100 points. This would involve prioritising a whole-of-Government strategy and improving communication between departments. Finally, measurement and evaluation was ranked fifth, averaging 16/100 points. According to respondents, this meant simplifying monitoring systems and suggestions of a separate oversight body to provide evidence-based assessments.

Other capabilities named by participants (to a lesser frequency) included more diverse perspectives, longer-term strategic planning, and improving digital capability.

"Development program management capability that is based upon an understanding of the fundamentally political nature of social change."

Australia-based Expert

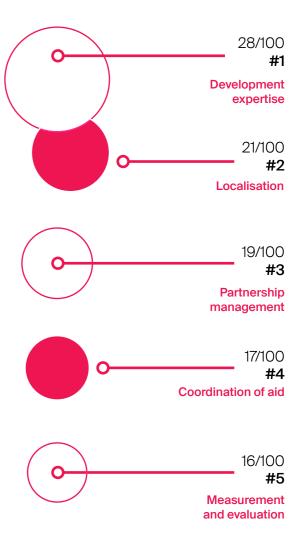


Figure 11: What capabilities (up to five) would you like to see improve across Australia's development sector?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what capabilities are most critical for Australia to improve - resulting in the ranking and average numbers above.

### On how to balance short- and long-term drivers of the development program.

The most critical strategy for balancing shortand long-term drivers of the program was to approach partnerships with a long-term vision, receiving an average of 25/100 points. This meant acknowledging that genuine partnerships require long-term strategic engagement and prioritising stronger long-term partner arrangements with more countries.

Secondly, participants saw promoting reflection on the program as critical, with an average of 21/100 points allocated, which was described as setting up appropriate consultative and feedback forums within Australia, investing in systems analysis and promoting dialogues among diverse groups. Being clear on what is short-term and long-term was seen as the third most critical strategy, averaging 19/100 points. According to participants, this would mean having a clear split in country budgets between

Approach partnerships with

consistency for stability

short-term and long-term objectives and putting in place short-, medium- and long-term measurable goals. Ranked fourth was bipartisan support/consistency for stability, with an average of 18/100 points. This meant achieving bipartisan support for five-year strategies to reduce disruptions caused by changes of federal government and longer staff engagements at Post and on desk. Finally, the fifth-ranked strategy was budgeting improvement, averaging 17/100 points. This would involve consistency and stability of funding, alongside locking in floors over the forward estimates of budgets.

**Regional experts** agreed with the need for Australia to have long-term vision, with experts specifically calling for "longer program timelines with secure budgets." Other suggestions were in the theme of increasing "longer-term, flexible, core funding to Pacific institutions and NGOs".

a long-term vision **#2** 21/100 Promote reflection on the program #3 19/100 Be clear on what is shortterm and long-term **#4** 18/100 **Bipartisan support/** 

**#1** 25/100

#5 17/100 Budget improvement

Figure 12: What are three key things Australia can do to effectively balance short- and long-term drivers for the development program?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia when balancing short- and longterm drivers of development - resulting in the ranking and average numbers above.

"Build in shortand long-term objectives into every level of development planning and programming."

- Regional Expert

### On how to generate a more transparent and accountable culture.

The most critical way to generate a more transparent and accountable culture was establishing an independent evaluation mechanism, receiving an average of 23/100 points from respondents, who described this as re-establishing ODE with a significant increase in resourcing and authority or investing in another independent body.

Secondly, participants saw improving comms channels with, and feedback from, partners as critical, with an average of 21/100 points allocated. This would involve more community outreach and ensuring that partner feedback is systematically and credibly collected. Rewarding learning and openness was seen as the third most critical area, averaging

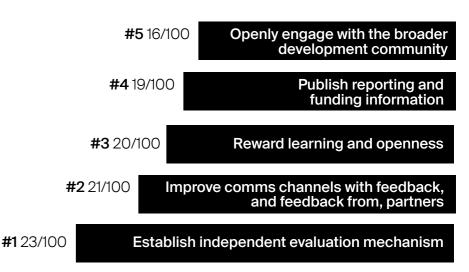
20/100 points. Respondents described this as encouraging and rewarding a culture of contestability, continuous improvement, and humble self-reflection. Ranked fourth was publishing reporting and funding information. with an average of 19/100 points. This would mean annual ministerial statements of development effectiveness, published independent reviews and consistent and public monitoring and evaluation metrics. Finally, the fifth-ranked area was openly engaging with the broader development community. This averaged 17/100 points and was described as more Senate Estimates engagement, formal meetings with NGOs and university groups, and engaging in robust debate more generally.

### "DFAT should engage in more robust and open contestability with others in the international development sector and beyond."

Australia-based Expert

Figure 13: What are three ways to generate a more transparent and accountable culture of Australian development cooperation?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia when generating a more transparent and accountable development culture - resulting in the ranking and average numbers to the right.



Part Two: Five Challenges.

Pulse Check | Development Strategy.

### Part Two:

42 Challenge One: Climate change and the environment

46 Challenge Two: Geopolitics and China (PRC)

50 Challenge Three: Governance, state capability and democratic decline

54 Challenge Four: Locally led development

Challenge Five: DFAT capability

58

### Challenges.

In addition to the survey results themselves, the Lab looked across the entirety of the project to see what keeps appearing across numerous questions in different forms, and what this means.

Here, we identified five big challenges.

Although development has a long list of challenges, these five have been identified as they have been both named as absolutely critical, **and** the responses to date are no longer adequate (whether because this was insufficient or is no longer fit for purpose) – essentially, a fundamental rethink and reset will be required to meet them.

Part Two: Five Challenges.

Climate change and the environment.

### **Challenge One:**

### Climate change and the environment.

The biggest, loudest message we heard from our experts in this Pulse Check was that climate change and the environment is the number one global trend facing development, and it is critical to development and partnership outcomes.

What was perhaps louder, though, was that it's not something Australia has tackled well to date, and this is damaging both development progress in the region, and our relationships with development partners. Interestingly, this did not come up in the survey as a capability and bureaucracy problem — indicating that the ability to turbocharge action comes from the political realm.

The challenge ahead for Government will be to meet the seemingly insurmountable scale of the problem, and align not just with other partners and donors, but other departments domestically.

This is not a new challenge, but the alarm was loud and resounding from our experts in this Pulse Check and expectations will be high.

### What we found.

### Climate and the environment are the centre of the Venn diagram of big global issues to tackle

While the term 'climate change and the environment' was named constantly throughout the survey, our experts were also detailed in identifying how this relates to a host of other areas that development tackles. This was not surprising, but it is worth digging into.

The Lab saw this in three intersecting categories: acute and direct impacts; system disruptions; and relationships and resourcing. Acute impacts were the immediate consequences of climate inaction – things such as increasing natural disasters, food and water scarcity, loss of livelihoods (and therefore increased inequality), energy resources, and so on. Systems disruptions included things such as mass displacement and forced migration, global health security, state functions, internal conflicts, and so on. Relationships and resourcing included elements such as climate financing, both in immediate need and future loss and damage claims, relationship damage in the mismatch between domestic action and global rhetoric, and so on.

### It is the biggest trend shaping development in the region

Climate change was named by our experts as the top trend that will shape development in the Indo-Pacific. A whopping 48 out of 51 respondents named it when we asked for their broad thoughts on trends, and when we asked the group to rank what was the most critical trend to address in the second survey, climate again scored the highest number of points (an average of 36 points out of a possible 100).

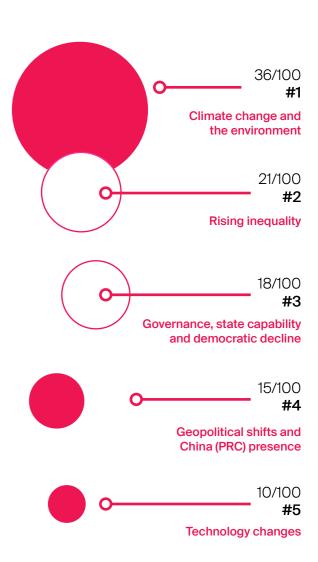


Figure 1: What are the five top trends that will shape development in the Indo-Pacific?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories based on which trends are most critical to address resulting in the ranking and average numbers above.

Part Two: Five Challenges.

Climate change and the environment

### "... effective political commitments to addressing climate change, globally and nation by nation."

 Australia-based Expert on what we would see in the region if we were making development progress

### Clear, concrete action to tackle climate change is one of the biggest indicators of development progress

Our experts named action on climate change as one of the top indicators of development progress in the region (it ranked second out of 12 indicators named by the experts, only behind human development and on par with gender equality). They also saw that action on climate change was a mechanism for Australia to realise the Government's commitment to genuine partnerships.

### Australia is known in the region for inaction on climate change

Turning to relationships, our Australia-based experts sounded the alarm that inaction on climate is one of the top things Australia is known for in the region. When asked what, amongst a number of (negative) attributes are most critical to address, our experts placed climate inaction as second — behind "paternalism". Unsurprisingly, those whose work focuses on in-country delivery prioritised this higher (as opposed to other cohorts in the Australia-based group, such as academics and those working in think tanks).

This was reiterated in our survey of regional experts. Climate inaction was named numerous times when asked what respondents would like to see change in Australian development.

Climate action is something we're not doing enough of. This should change through shifting internal systems and resources to longer-term timelines and handing over more control and resources to local experts.

Experts were again very clear in naming climate change action as something that we are not currently doing, and that we should be doing. When pushed on this question and asked to point to what we should start doing first, climate change ranked second in importance (closely behind DFAT capacity building) and, interestingly, above improving localisation and long-term strategising.

We asked our experts how Australia can balance long- and short-term drivers of the development program. The cohort overwhelmingly named the need to direct and support long-term objectives, strategies, planning, and staffing for the development program – which many noted will enable more effective and sustainable climate change action. Many experts, both Australia-based and regional, flagged in their responses that a pathway for more effective climate change action was a "stronger agenda" for innovative and local approaches on climate action, ensuring that activities undertaken are context-appropriate and more sustainable. The challenge for Australia will be to allocate further funding directly to local delivery partners

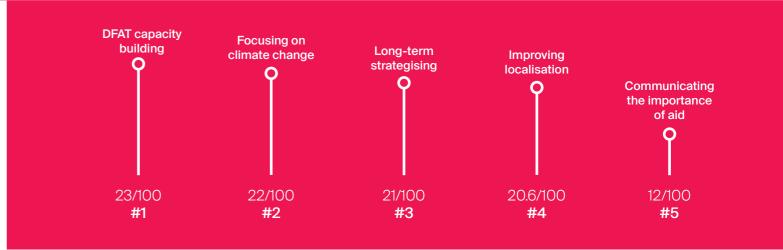


Figure 9: What are three to five things we are not doing in the development program, that we should be doing?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia to start doing - resulting in the ranking and average numbers above.

### What we heard from our regional experts

Climate change was one of the key topics to come up in our consultations. One of the most powerful points made was that it is no longer enough for Australia to merely speak on the importance of climate change on the international stage. Instead, those in the region "are watching your [Australia's] domestic politics on this, not

just your international". For some, this meant Australia needed to "commit to significant domestic climate targets". Others called for Australia to 'engage in climate change Loss and Damage facility post-COP' as well as emphasising the importance of Australia coming to the table in the Pacific — "come sit and listen to us" was one recommendation.

Part Two: Five Challenges.

Geopolitics and China (PRC).

### **Challenge Two:**

### Geopolitics and China (PRC).

Our experts overwhelmingly recognised that geopolitical shifts, particularly as they relate to the Peoples Republic of China (PRC), are impacting the region and development delivery and outcomes.

What experts think the PRC might do in the region, what it is actually doing in the region, how we navigate increased interest in the region from other major players, and a shifting global order due to contestation and potential conflict, economics, and technological advances all add up to a megatrend that's already disrupting and shaping development in the region.

That said, our experts were entirely unconvinced on Australia's approach to date. Some doubted that the ways Australia has attempted to tackle the issue have been correct or effective, whilst others argued that the development program shouldn't be the mechanism to do this at all.

Instead, many experts identified alternative pathways for Australia to navigate this issue, including determining what our comparative advantages are and playing to these strengths.

### What we found.

Two themes emerged in relation to geopolitics and the PRC. The first is that geopolitics was top of mind for our respondents as something that will shape the region. They may have had different reasons for putting it at the top of their agenda, but they put it there regardless. It was the second-highest referenced trend in our first survey — noted by 45 out of 52 responses, and second only to climate change.

The second theme is that while it was a top-of-mind as an issue, it wasn't seen as a critical area for Australia to address - at least through the development cooperation program, and in comparison to other big trends. When forced to prioritise what is most critical to address, geopolitics dropped to fourth — behind climate, governance and democratic decline, and rising inequality.

We heard this from one of our regional experts, too:

"The current political instability and influence of China in Vanuatu will influence our politicians on the development priorities vs the development wellbeing of our nation."

Real PRC threat, perceived PRC threat, and accelerating geopolitical tensions are top of mind

When identifying this trend, three broad areas emerged from respondents within this category. First, the perceived threat of

the PRC and subsequent state actions (for example, pre-empting activity, reactionary political decisions). Second, the real actions of the PRC as a growing development partner to the region (for example, competing on infrastructure and financing). And third, the emergence of expanding donor presence in the region because of geopolitical shifts (for example, increased US engagement). No matter which lens participants took to naming this trend, it's clear that geopolitical intensification is here to stay.

### The development program can tackle these effects and serve Australia's national interests – but there's a nuance that needs to be understood

When we asked our Australia-based experts what national interests the development program serves, security was named highly (by 36 out of 52 respondents), as was regional relationships and international influence. Yet when the cohort was asked to prioritise these, 'security' dropped from first to last. This conundrum may be explained by the changing shape of the concept of 'security' when viewed by development as opposed to other foreign relations experts. It may be that development experts were stressing the contribution of development to social stability and human security in the first instance but in the second were expressing concern about the potential 'securitisation' of aid, with much narrower, conventional security objectives.

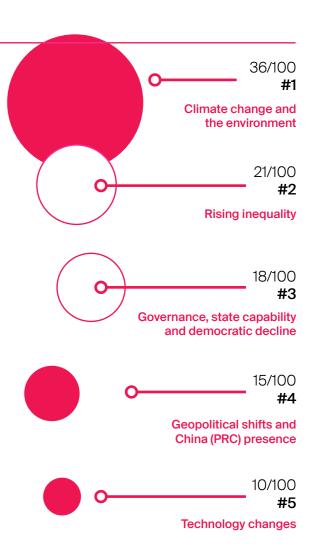


Figure 1: What are the five top trends that will shape development in the Indo-Pacific?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories based on which trends are most critical to address resulting in the ranking and average numbers above.

Geopolitics and China (PRC). Part Two: Five Challenges.

"I would describe Australian aid and development as serving Australian interests and foreign policy, promoting Australian government influence in an attempt to stave off China's growing influence in the region."

- Regional Expert on how they would describe Australian aid and development to a friend.

Similarly, 'relationships and international influence' were ranked second, yet when we dive into why respondents made these choices and what they understood these terms to mean, it was clear that this category was to be built around positive relationships with partners and favourable international norms, rather than any form of short-term competition and national security interests alone. Respondents also warned of the danger of appearing transactional when pursuing these interests.

### To date, our efforts to tackle the PRC through the development program have been ineffective, short-sighted, and not won us long-term friends

The ineffectiveness and danger of trying to compete with the PRC through the development program came through in questions asking what the program's weaknesses were, what we're known for in the region, and what we should stop doing.

On weaknesses, respondents frequently brought up the consequences of responding to the PRC and geopolitical tensions. While this category did not make the top list of weaknesses (those that did were much more focused on management and capability), we did have comments such as:

- "Overly driven by geostrategic considerations at the expense of development outcomes'"
- "The propensity to be captured by the 'China choice' debate"
- "Prioritising geopolitics/other factors over program effectiveness. particularly in the Pacific."
- "Politics and narrow security interests undermine quality of aid"
- "Too heavy a reliance on security assistance for visibility - usually in a transparent 'containment of China' mode"

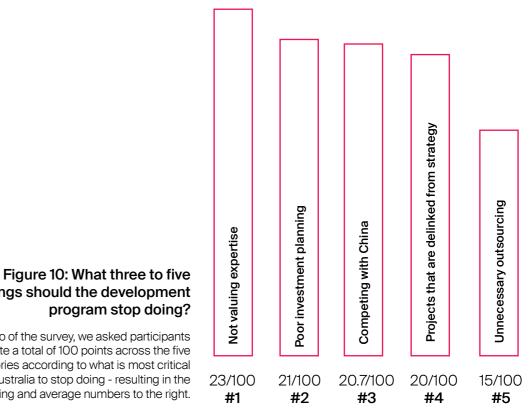
On what we're known for, the experts responded with a range of both positive and negative attributes. On the negative side, experts named 'countering China (PRC)' in their top five. As noted above, this received one of the lowest prioritisation of action when experts were pushed to allocate resources.

And when asked what we should stop doing in the development program, our experts named 'competing with China (PRC)' in the top five responses. When asked to prioritise the top five responses, they placed this third - very closely behind 'poor investment planning' as second, and 'not valuing expertise' as number one.

### A different approach – one that leans into what we do well - is an alternative to like-for-like competition.

Our experts were on-song when it came to competition with and differentiation to the PRC. They were clear that a transactional approach to harnessing the development program to counter the PRC's influence was neither effective nor desirable. That said, they were overall very comfortable that the program can play a critical role generating deep connections, relationship and influence between Australia and our bilateral partners - our Australia-based cohort ranked this as the second-highest Australian interest advanced by the development program.

They were critical of like-for-like infrastructure competition and instead advocated for areas we're best-placed to make substantive change, such as governance and rule of law, social protection, and gender equality. Or more broadly, programs that are "more open, more accessible and more locally led".



"[Instead], [f]ocus on Australia's value-add and points of difference. Focus on things like social protection, governance, rule of law. These will set the values that Australia advocates apart from the alternatives."

Australia-based expert on what the development program should stop doing.

things should the development program stop doing?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia to stop doing - resulting in the ranking and average numbers to the right.

### **Challenge Three:**

## Governance, state capability and democratic decline.

50

Our experts sounded the alarm on the state of governance and democratic decline in the region. We were surprised at how frequently this theme emerged across the survey. Our cohorts were clear-eyed that the health of the governance ecosystem is tightly linked to a wide range of other development challenges.

But unlike other challenges in this report, our experts didn't see our governance efforts as something we have done badly or inadequately to date. However, they were resounding in wanting to see an uptick in efforts across the development program to meet the growing concern.

The challenge faced by Government in this area was evident by omission. Governance efforts (in whichever broad form they take) were not something our experts saw as a way to win political friends in the region and bolster relationships. A decision to lean into this area of work, and how it is programmed, will be a fine line for Government to walk. It may not win us friends with political elites, but it could provide sure footing to to back other development aspirations, such as climate action, gender equity, and economic growth.

### What we found

### What we heard from our regional experts

Our participants identified good governance as the top factor that will shape their countries' development. This came up consistently in all groups that were consulted, with respondents identifying both positive and negatives aspects. "Good governance - independence of the judiciary, rule of law, strong accountability", along with "a truly democratic government, strong and transparent leaders" were some examples of good governance that were highlighted by our participants. On the other side though, governance challenges such as the 'barrier of corruption to development' were also identified. One participant pointed out that it's "hard to ensure equitable development in a corrupt system".

### Governance, state capability and democratic decline is a major trend that is already shaping our region

Our experts named governance and democratic decline as the third-biggest trend that will affect the Indo-Pacific, with 27 out of 52 respondents flagging governance, rising authoritarianism and democratic decline. When asked which trend was most critical to tackle, it was ranked third behind climate change and rising inequality.

### There's a range of issues and modalities within this challenge

In exploring the big trends that will shape development in the region, experts identified a host of issues within the theme of 'governance' that feed into each other in a linear way. This emerged as a breaking down of the social contract; effectiveness of government service delivery, decreasing mechanisms for accountability; and the rise of autocratic models and subsequent democratic decline.

Breakdown of the social contract included an inability of states in our region to deliver on development essentials (health, education, economic opportunity), and on critical global issues (climate change, increasing inequality). Decreasing mechanisms for accountability included things such as the dwindling health of civil society, a poor media landscape, and soaring misinformation as new technology takes hold.

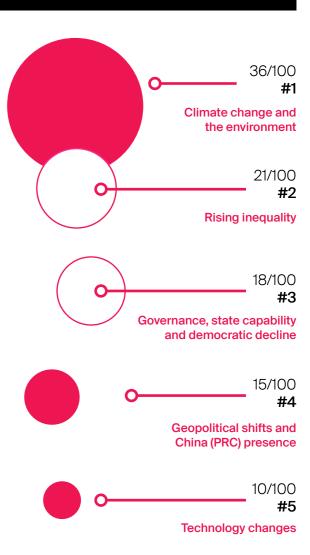


Figure 1: What are the five top trends that will shape development in the Indo-Pacific?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories based on which trends are most critical to address resulting in the ranking and average numbers above.

### Figure 2: What three things would we see in the region if development was making progress?

In Part Two of the survey, we asked participants to allocate 100 points across the five categories based on where Australia can provide the most effective support - resulting in the ranking and average numbers below.



52

### Action in this area is not a quick ticket to greater relationships and partnerships

Governance programs were not mentioned in response to the question 'What are three things Australia can do to realise the Government's commitment to genuine development partnerships?' This suggests that even though we are known for governance and it's one of our strengths, it is not a quick fix for rebuilding regional relationships. Rather, this work will require political and departmental will.

### Our efforts to date aren't bad, but there's a lot more to be done to meet the rapidly evolving challenge

Our experts identified governance as one of the indicators that would show the region was making progress. Improved governance was ranked below improved human development, action on climate change and improved gender equality, but equal with improved localisation efforts. Governance indicators included strong civil society, accountability, and improved social cohesion.

While governance did not make the top five strengths of our development program, a number of respondents did highlight governance as a strength. Some of the specific elements highlighted were capacity building in governance, as well as Australia's ongoing support of civil society.

Several Australia-based experts noted that our governance work is something we are known for in the region. Our Australia-based experts also mentioned Australia's long-standing work on governance programs, with one expert mentioning that Australia tends to fund "more difficult and less tangible things" including governance. However, other experts noted that despite our focus on governance in the region, this can be misplaced as we focus on fixing "governance in countries where there is no political appetite among elites".

When we asked our participants to identify three to five things we are not doing in the development program, that we should be doing, fewer people mentioned governance. Interestingly three of these comments suggested increasing our focus and work on "democracy" and "democratisation".

### Fostering good governance in the region is not a task for the development program alone

Many experts across the survey were clear that the challenges to be resolved cannot be done so by DFAT alone. More and more, whole-of-Government efforts were identified as a need, and this came through again in the governance challenge. One respondent suggested:

"Cross-agency collaboration capability, so that the full potential of Australia's statecraft – development assistance, diplomacy, intelligence, defence – work in concert to influence prosperity and good governance in the region."

Part Two: Five Challenges.

Locally led development.

### **Challenge Four:**

### Locally led development.

Unlike other challenges identified in this report, locally led development and decolonisation of aid was not one of the top major trends identified by our experts as something that will shape development in the region.

Nevertheless, the critical nature of the need to shift towards more and better locally led development came through loud and clear in nearly every other element of the survey - for three big reasons. First, it was the strongest message we heard from our regional experts - which is our starting point. Our experts highlighted that localisation includes both "listening more to the recipient of the support", as well as "involving and engaging more locals in delivering projects." Secondly, experts identified locally led development as a key indicator of development progress in the region – Australia can't be an effective partner without this. Thirdly, they saw it as critical to achieving the Government's commitment to genuine development partnerships. We'll lose credibility and goodwill by the day if we don't get this right.

So are we doing this well? Our experts met this question with a resounding 'no': it was identified as one of our biggest weaknesses, and a top area for increased action.

### What we heard from our regional experts

In response to our question 'What's one thing you'd change about Australia's approach to aid and development?', 56% of responses flagged locally led development or decolonisation. This is clearly front of mind for our experts in the region. Comments ranged from, "Talk and listen to us. Do not come with what you think is good for us" to suggestions of "a more genuine empowerment of local staff'. A desire for local knowledge, technical assistance and expertise to be the first port of call, rather than calling in assistance from Australia was identified not only as an issue, but one expert pointed out that "the sustainability of Australia's aid program is dependent on strengthening and supporting local expertise". Similarly, "overseas consultants should act more as a secretary to support and guide the program". It is clear that for our regional experts, localisation and decolonisation are not only front of mind, but fundamental changes that the aid and development program needs to make.

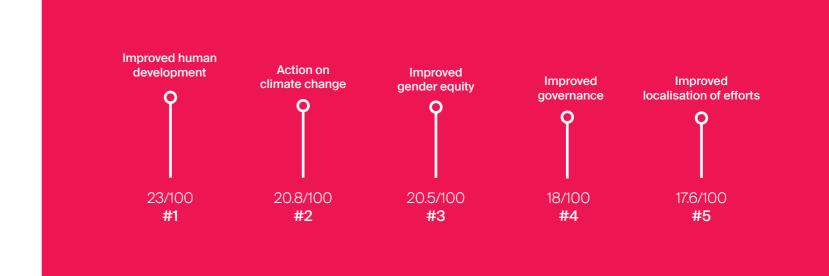
### What we found.

We'll know we're making progress when we see an increase in locally led and delivered development

When we asked the experts what we would see in the region if we were making development progress, 'improved localisation efforts' was in the top five indicators named (out of 16 indicators named. When pushed to prioritise the top five indicators, this remained at number five.

### Figure 2: What three things would we see in the region if development was making progress?

In Part Two of the survey, we asked participants to allocate 100 points across the five categories based on where Australia can provide the most effective support - resulting in the ranking and average numbers below.



Part Two: Five Challenges.

Locally led development.

### "There is insufficient direction and focus on localisation."

 Australia-based Expert on the top weaknesses of the Australian development program.

"Unable to genuinely and strategically enable locally led adaptive development other than in a few pockets."

 Australia-based Expert on the top weaknesses of the Australian development program.

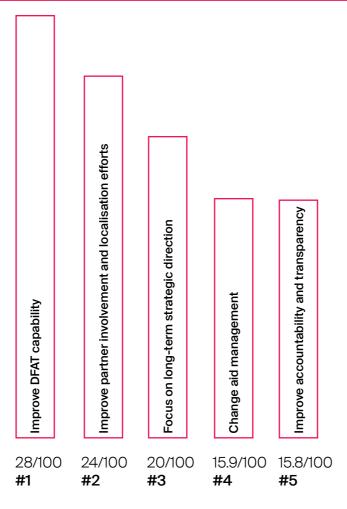


Figure 7: What are three things Australia can do to realise the Government's commitment to genuine development partnerships?

In Part Two of the survey, we asked participants to allocate a total of 100 points across the five categories according to what is most critical for Australia to achieve genuine partnerships - resulting in the ranking and average numbers above.

### This is key to achieving genuine partnerships, which is a priority for the Government

Asking the experts how Australia can deliver on the Government's commitment to genuine development partnerships, 'improve partner involvement and localisation efforts' was the most frequent suggestion — there were only five respondents who did not reference better partner involvement and locally led initiatives. When asked to prioritise amongst the top-five suggestions in this question, localisation came in second, very closely behind 'improve DFAT capability'.

### To date, this is a big weakness of the program and there's a need for serious improvement

When we dove into the weaknesses of the program, localisation was the third-highest weakness named, behind 'strategic direction' and 'adaptability'. Interestingly, several comments from respondents were around the inability to action locally led development initiatives. For example, 'insufficient direction and focus on localisation', and 'unable to strategically enable locally led adaptive development'.

When asked to prioritise which of the topfive named weaknesses are most critical for Australia to address, our experts placed it fourth, behind 'expertise', 'strategic direction', and 'resourcing and governance'.

Given that this theme was strongly identified as a weakness, it follows that it was also identified by the cohort as an improvement we need to make.

### Progress will hinge on some relationship basics ...

While respondents understood the bureaucratic limitations of the department as it relates to shifting development to be locally led, many were dismayed at the lack of basics when it comes to respectful relationships with partners. For example:

"Learn about Pacific and Asian cultures and SPEAK THE LANGUAGES."

"Let partners set the agenda. Prioritise the issues that partner governments care most about. Principally, climate change, but a range of other issues too."

"Stop being an exercise on condescension at the political level — 'our Pacific family' is SO Uncle Tom!"

### ... and another step is making some changes in Canberra

Survey respondents were also clear in identifying steps DFAT can take to shift more development input and autonomy to local partners. This included re-examining the department's risk management and compliance requirements to be more appropriate for local organisations, shifting evaluation cycles and methods to include better and broader feedback from local actors, and redesigning monitoring and evaluation practices more regularly so that they 'conform with the evidence about what locally led, contextually tailored, politically smart programs need, and which bake in approaches which properly recognise the complexity and uncertainty of these initiatives'.

One respondent suggested a rolling Canberra dialogue:

"Invite a rolling selection of ODA partner countries to Canberra each year for an Australian Aid Summit, 15 partners per year, and the platform is theirs to give feedback or propose ideas for future years of ODA funding."

Part Two: Five Challenges.

DFAT capability.

### **Challenge Five:**

### DFAT capability.

"There are serious institutional constraints within DFAT in managing international development effectively." ."

- Australia-based Expert on the top weaknesses of the Australian development program.

The idea of DFAT needing to rebuild its capability is not a new one, it's been a big topic of conversation and concern for some time. But the extent to which this theme dominated the Pulse Check was surprising. We asked a specific question on capability — but also saw it raised by the experts in six other questions.

While there are some positive elements of existing DFAT capability that we should hold on to, such as a level of flexibility, and a commitment to quality, there's a lot of work to be done. Our expertise, strategic direction, adaptability, transparency, resourcing, and more need serious work. The Australia-based cohort saw Australia's development capability shortcomings as some of our biggest weaknesses, undermining our partnerships and relationships and prevents a culture of accountable development cooperation in the wider development ecosystem.

### What we heard from our regional experts

While DFAT expertise was not a topic that came up in these consultations, there were some comments that indicated a view that Australia has a paternalistic outlook on the region. This included "the view that the Pacific is seen as a steppingstone for Australian diplomats, DFAT officials, government officials etc", when ideally, the Pacific "would be a 'destination' posting". Similarly, one participant noted that inexperienced diplomats can often be sent to the Pacific, when it would be better to "send experienced diplomats to Post, who appreciate the complexity of the Pacific contexts and don't chop and change programs to suit a personal agenda, but understand the need for locally owned, driven and led development for sustainability". The quality of the relationships between DFAT and the region are a barrier to the genuine development partnerships. To work on these relationships will take long-term investments and time, in order to reverse the perception the region currently has.

### What we found.

### There are some capabilities we're doing well ...

We asked our experts, 'What are the top strengths of Australia's development program?'. In round one, our experts named 'cooperation and connection' (which encompassed things such as sharing good practice, people-to-people links, shared history of cooperation), 'quality' (which included things such as a focus on evidence-based interventions, high standards in delivery partners) and 'flexibility' (which included flexibility and responsiveness, and an ability to be less prescriptive than other donors). When pushed to prioritise, our experts strongly suggested that leaning into cooperation and connection were the best strengths to capitalise on.

### ... but there's a lot that we're not.

Our experts were resounding that capability was a major weakness of the development program. Strategic direction, adaptability, ability to progress locally led development, expertise, and resourcing and governance were the top five weaknesses identified. When prioritised by which was the most critical to address, expertise came out on top.

When we asked what we're not doing now, but should start doing, 'DFAT capacity building' was the most common answer from the experts. In the top five, we also heard 'improving localisation', 'long-term strategising', and 'communicating the importance of aid'. These findings were reiterated through another question, where we asked what the program should stop doing. In the top five most frequent responses, we heard 'projects that are delinked from strategy', 'unnecessary outsourcing', 'not valuing expertise', and 'poor investment planning'. The number one area to address in this question was 'not valuing expertise'.

Knowing that capability is an issue, we did ask a specific question on capability – namely, which ones the experts would like to improve, not just in DFAT, but across the sector. Once again, expertise (country, thematic, cultural, and so on) was the number one capability flagged. Others were partnership management, coordination, and measurement and evaluation.

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Part Two: Five Challenges.

DFAT capability.

### Where we asked our Australiabased cohort about capability:

### Question 11

What capabilities (up to five) would you like to see improve across Australia's development sector?



### Where we received answers from our Australia-based cohort referencing capability (in addition):

### Question 4

What are the top five strengths of Australia's development program?

### Question 5

What are the top five weaknesses of Australia's development program?

### Question 7

What are three things Australia can do to realise the Government's commitment to genuine development partnerships?

### Question 9

What are three to five things we are not doing in the development program, that we should be doing?

### Question 10

What three to five things should the development program stop doing?

### Question 13

What are three ways to generate a more transparent and accountable culture of Australian development cooperation?

### Capability isn't just for in-house improvements. It's a ticket to harnessing the development community at-large, and key to unlocking much stronger relationships with the region.

One question the Lab was keen to explore with the experts through the Pulse Check was how Australia can generate a more transparent and accountable development culture. When put to the cohort, the number one suggestion was to 'establish an independent evaluation mechanism'. In this, while some experts did want to see a re-establishment of the now defunct Office of Development Effectiveness, the majority wanted to see that function performed, in whatever iteration comes next. Other suggestions (in order) were 'improve communication channels with, and feedback from, partners', 'reward learning and

openness', 'publish reporting and funding information', and 'openly engage with the broader development community'. All in, there was a clear message from our experts that these capability improvements will enable the department to better engage with and leverage the broader development community.

Understanding how Australia can realise the Government's commitment to genuine development partnerships has been a big theme across this report. But the number one thing our cohort said was essential to achieving this? 'Improve DFAT capability'. This encompassed building literacy and expertise, building connections and sharing with other development agencies and banks, and so on.

This was confirmed in many of our consultations with our regional experts (see the box above).

### Where to from here?

### Suggestions from our respondents

- 'Building up, listening to and using the skills of in-house development specialists at all levels (not just SES!).'
- 'Bring design capacity back in-house by bolstering the program design team, the current small team is not sufficient for a \$4.5 billion spend; Address staff churn by creating a dedicated stream for development professionals that aims at retention and specialisation, a la New Zealand's MFAT in the Pacific; Recruit a cadre of SES development leaders.'
- '[Stop] outsourcing a lot of the development thinking and best work (designs, evaluation, strategy, governance work) to consultants and managing contractors (eg governance help-desk should be in-house expertise).'
- 'An Assoc Secretary within DFAT with visibility/accountability across the entire program.'
- 'Take risks with new ways of delivering aid/working with others ... and provide the time and space for them to fail, fail, fail; and then maybe work.'

Pulse Check | Development Strategy.

### Annexes.

### Annexes.

Annexes. Pulse Check | Development Strategy.

### Annex I: Questions asked to the Australia-based Cohort:

### In Survey One we asked:

- 1. What are the five top trends that will shape development in the Indo-Pacific?
- 2. What three things would we see in the region if development was making progress?
- 3. What Australian interests (up to five) does the development program best advance?
- 4. What are the top five strengths of Australia's development program?
- 5. What are the top five weaknesses of Australia's development program?
- 6. What do you think are three things that Australia's development program is currently known for in the region?
- 7. What are three things Australia can do to realise the Government's commitment to genuine development partnerships?
- 8. What regions and/or countries should the bilateral focus of the program be?
- 9. What are three to five things we are not doing in the development program, that we should be doing?
- 10. What three to five things should the development program stop doing?
- 11. What capabilities (up to five) would you like to see improve across Australia's development sector?
- 12. What are three key things Australia can do to effectively balance short- and long-term drivers for the development program?
- 13. What are three ways to generate a more transparent and accountable culture of Australian development cooperation?

### In Survey Two we asked:

- Here is what we heard from you. You have 100 points. Allocate your points according to which trends are most critical to address.
- 2. Here is what we heard from you. You have 100 points. Allocate your points based on where you think Australia can provide the most effective support.
- 3. Here is what we heard from you. You have 100 points. Allocate your points according to which national interests the development program should advance.
- 4. Here is what we heard from you. You have 100 points. Allocate your points according to how you would capitalise on these strengths.
- 5. Here is what we heard from you. You have 100 points. Allocate your points according to which weaknesses are most critical to address.
- 6. Here is what we heard from you. You have 100 points. Allocate your points according to how you would capitalise on these attributes.
- Here is what we heard from you. You have 100 points. Allocate your points according to what is most critical for Australia to achieve genuine partnerships.

- 8. Here is what we heard from you. You have 100 points. Allocate the points according to what you think the development program's geographic balance should be, across the following regions (excluding global spending and humanitarian assistance):
  - a. South Asia
  - b. Maritime Southeast Asia
  - c. Mainland Southeast Asia
  - d. Africa
  - e. Micronesia
  - f. Melanesia
  - g. Polynesia
  - h. Middle East
- Here is what we heard from you. You have 100 points. Allocate your points according to what is most critical for Australia to start doing.
- Here is what we heard from you.
   You have 100 points. Allocate your points according to what is most critical for Australia to stop doing.
- 11. Here is what we heard from you. You have 100 points. Allocate these according to what capabilities are most critical for Australia to improve.
- 12. Here is what we heard from you. You have 100 points. Allocate these according to what is most critical for Australia when balancing short- and long-term drivers of development.
- 13. Here is what we heard from you. You have 100 points. Allocate these according to what is most critical for Australia when generating more transparent and accountable development culture.

### Annex II: Questions asked to the regional experts:

### In Survey One we asked:

- 1. I would describe Australian aid and development to my friend like this ...
- 2. The following things will influence development in my country the most ...
- 3. On a scale of 1-10, Australia is good at ...
  - a. Engaging long-term
  - b. Being reliable
  - c. Focusing on gender and diversity
  - d. Cooperating effectively
  - e. Prioritising the Pacific
  - f. Delivering high-quality projects
  - g. Being flexible
- 4. The one thing I'd change about Australia's approach to aid and development is ...
- 5. What would you see and feel if Australia was being a world class development partner?

The Lab.

Pulse Check. Development Strategy.

The Lab is a start-up working on development cooperation in the Indo-Pacific.

We're convinced that great development cooperation comes from unusual collaborations, inspired leadership, good-natured debate and cracking analysis.

Each quarter we take one gnarly issue and gather together the best from the region, government and academia. We dive deep to unpack the issue – and develop options for the future.

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