February 2023

Development Strategy

Pulse Check.

The Lab's Take.

Development Intelligence Lab.

devintelligencelab.com

Contents.

The Lab's Take.

For the first time in Australian development history, 50+ Australia-based experts and 50+ regional experts have come together to offer their insights on the top questions facing the Australian Government as it puts pen to paper on the new international development policy. The Lab used a unique points allocation methodology to crunch expert responses into its Pulse Check | Development Strategy.

When all is said and done, Government now faces the tough task of choosing what matters most and setting an ambitious new direction for Australian development.

In this brief, the Lab distills our top take aways from these five months of research and lays out a roadmap for Government.

Find a snapshot of the findings at the end of this brief, or explore the full analysis at devintelligencelab.com.

Happy reading.

Bridi Rice, Founder & CEO

The Take Aways.

The Pulse Check confirmed what we already knew:

Climate change:

Experts predict this will be the key shaper of development in the Indo-Pacific in the coming five years. Adapting the program in response is a non-negotiable, but this domestic and regional challenge is not a matter for the development program alone.

Quality:

Sometimes taken for granted by Australian experts, our regional experts identified the high quality and reliability of Australian assistance as the hallmark of our approach to the region. This is a strength to safeguard and not overlook.

Locally led development:

Regional and domestic experts are in furious agreement: Australia must overcome any notion of paternal or overly moralistic development in favour of respectful, practical and transparent cooperation. That means fewer red kangaroos and less self-congratulatory back patting in favour of integrating markets, job opportunities, education and government-to-government connections. Working towards shared ambitions is the name of the game, with DFAT setting some expectations and shifting some basic operational requirements seen as the foundation of this. While there was a desire for significant change in a new development program amongst regional and Australia-based experts, they are potentially out of step with what's happening inside the Canberra bubble.

Gender:

Australia is well recognised for its investments in gender equality and social inclusion in the region. Government would be foolish if it didn't learn from how this became a strength and how it can catalyse critical development outcomes going forward.

The Pulse Check raised some gnarly issues for a new development policy to tackle:

Geopolitics:

Regional and domestic experts agree that shifting geopolitics will shape development in the Indo-Pacific and that a clumsy instrumentalisation of the aid program is an unhelpful response. Instead, they want new territory to be forged for a geopolitically attuned, but outcomes-driven, international development program. For some, the binary of moral versus geostrategic cases for aid has been outgrown and placations that Australia can 'walk and chew gum at the same time' on delivering development outcomes whilst responding to immediate geopolitical threats needs a solid interrogation in practice. Far from denying the relationship between regional development and Australian national interests, however, our regional experts want Australia to be transparent about how development is a win-win approach and Australia-based experts are tired of shadow boxing on this front. The new policy will need to clearly articulate how the development program's focus on delivering development outcomes serves Australia's national interests in the region. Our experts would probably add a footnote: those wanting to raid the boutique aid budget to build shiny things that please regional elites should go hunting for dollars elsewhere. Their preference is to spend on the tough work supporting effective service delivery, stability and human development outcomes.

DFAT capability:

Ouch. We didn't expect the extent of concern on this one. Australia-based experts in particular saw one of Australia's greatest challenges to achieving its development aspirations as being the lack of departmental capability, resourcing, leadership and know how. Just hiring a few good folks back in is a far cry from the sorts of solutions required to address this, although this would be a welcome and necessary first step. Government would be unwise to leave this challenge unattended, or to think that an internally driven 'ground-up' capability build will provide the sorts of solutions required.

Governance:

Regional experts put it best on governance: 'My country's leadership and my government's ability to deliver effective services is the single greatest determinant of development in my nation,' said one. It follows that Australia-based experts are re-emphasising the importance of Australian governance support in the face of authoritarian headwinds, the decommissioning of governance expertise in the Department and a slight dip in expenditure allocated to this space in the last budget year. Government should keep an eye on this space and look to establish a framework for Australia's approach that puts to bed some of the waffle and confusion over exactly what Australian support on governance is and isn't.

Parochialism/relationships:

Nothing says awkwardness quite like some Australian experts saying our development program's greatest strengths are our connectivity to the region and the relationships we've forged over time – and some regional experts pointing out that these relationships (where they are parochial) are the area where Australia has the most work to do. The truth is, the regional experience of Australian development is highly variable. What is constant though, is that the relationships forged through practical development cooperation are central to how Australia is received and perceived in the region. Continuing to reorient the program and the emphasis it places on long-term relationship building is critical.

The Pulse Check was notable in its absence of focus on:

Digitisation and technology:

Whilst digitisation and technological shifts were identified as a key trend that will shape development in the Indo-Pacific, the solutions for Australian development were less clear. It's fair to say that Australia is a little behind the eight ball on having an established technology for development approach — but given all other forecasts, it would be mad not to put some foundations in place.

Future-facing:

Both Australia-based and regional experts were acutely concerned about the changing nature of development challenges. Increasingly, our experts were seeing development challenges as a complex intersection of social, environmental, technological, economic and security issues. There was a split however, in how Australian development should best respond. For some, the most critical future-proofing step is to rebuild lost capability. For others, it's about being better prepared and equipped to be an effective development partner of the future, for example by addressing the very serious gap in developmental forecasting (raised in the Lab's submission to the development policy.) Put simply, our experts were unconvinced we are prepared for the nature of development challenges facing the region. We are more focused on what Australian development has lost over the last decade, rather than what we must build for the future. At the Lab, we find it striking that there is simply no place in Australia that is tasked with forecasting these complex challenges and thinking ahead when it comes to lower- and middle-income countries in our region. This must change.

Whole-of-Government cooperation and development beyond ODA:

Government's aspirations for the new development policy are grand when it comes to capturing whole-of-Government intentions and aligning non-ODA expenditure with official development expenditure. How this will be achieved is unclear. First steps will be establishing the ambition for coordination, the areas ripe for it (climate, education, cyber and technology, humanitarian response and security sector reform) and mustering the courage to put in place performance and accountability measures that agencies can stick to and that can be trusted. Part of that will involve visibility of non-ODA expenditure for development. This will need work and investment if it is going to happen — fairy dust and hope are not options.

So What?

The key question right now is just how ambitious will Government be? When writing the new development policy, we see that Government's choices are:

Option One: Play stakeholder bingo

The Government could write a policy that pleases everyone, ensures that everyone feels heard and that their issues are important. In practice this would result in minimal changes to the status quo of the current program.

Option Two: Stabilise the program on the things that matter

By recognising a period of tumult in development over the last decade, the Government could lay down markers about the program's purpose, direction and two or three things that matter most to Australia's development identity, with a roadmap on how the program will change as a result. This would recognise that now is not the time to make a drastic change in the absence of significantly more budget or bandwidth.

Option Three: Reset the course of Australian development

This is what experts and the region are demanding through a calculated decommissioning of some programs, a scaling up of others and an ambitious shift in operational emphasis over the coming two years a la Samantha Power at USAID. Government would be intellectually brilliant and operationally courageous to do this, and the growing pains are probably going to be worth it ultimately.

What do we make of this choice?

For the Lab, the middle road option (option two) seems likely to be the most implementable, but we have some caveats. The new policy must:

- Resolve the question of national interest and aid in this policy (see the Lab's Review of Reviews for more on this).
- Shrink the focus on what matters to improve the impact: that is, we can't do it all, so we need to better focus our efforts for impact.
- Make change where it counts: climate change, locally led development, development financing.
- Stabilise our strengths such as quality assistance, gender and social inclusion.
- Start small on the hard stuff by looking at whole-of-Government.
- Invest heavily in translating policy into practice, including through linking policy to budget and performance (again, see Review of Reviews) and having a powerfully led policy implementation taskforce.
- Properly address development capability inside and outside the Department, recognising it is a distinct skillset from broader international relations activities and realising it won't be fixed by a few recruits and a sentimental approach to staff retention.
- Establish an independent outcomes review by 2025 so that there is a solid evidence base with which to assess the impact of our development efforts. (See the Lab's Pitch on this topic for a further exploration.)
- Rewrite the development rule book through programming choices (not necessarily another big policy review) based on these strong foundations in 2026.

Pulse Check Findings.

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
- **#3 Gender and diversity** 20/100
- **#4 Regional focus** 19/100
- **#5 Quality** 17/100

weaknesses

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

- **#5 Adaptability** 11/100
- **#4 Localisation** 18/100
- **#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?

Improved human development	Action on climate change	Improved gender equity	Improved governance	Improved localisation of efforts
23/100	20.8/100	20.5/100	18/100	17.6/100
#1	**#2**	**#3**	**#4**	**#5**

Australia-based Survey Results.

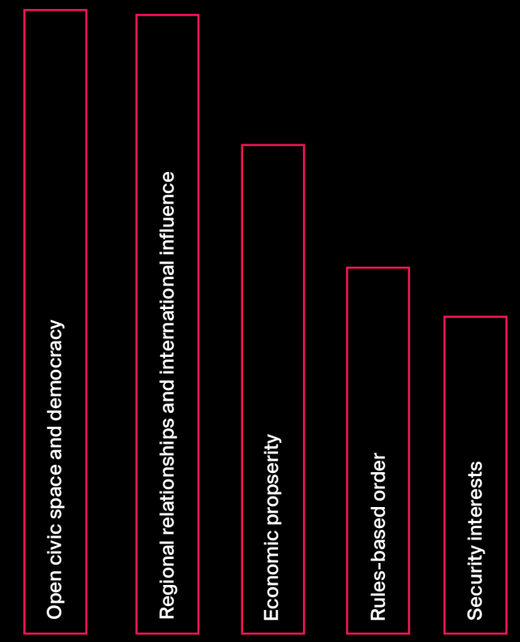
A new development policy is imminent, so the Lab asked 50+ Australia-based and 50+ regional experts what critical choices they'd make. We gave them 100 points each. Here's what they said.

See page 22 for the survey methodology.

top trends

What are the five top trends that will shape development in the Indo-Pacific and which are most critical?

- 36/100 **#1** — Climate change and the environment
- 21/100 **#2** — Rising inequality
- 18/100 **#3** — Governance, state capability and democratic decline
- 15/100 **#4** — Geopolitical shifts and China (PRC) presence
- 10/100 **#5** — Technology changes



What Australian interests (up to five) does the development program best advance and which should it?

australian interests

28/100 **#1** Improve DFAT capability

24/100 **#2** Improve partner involvement and localisation efforts

20/100 **#3** Focus on long-term strategic direction

15.9/100 **#4** Change aid management

15.8/100 **#5** Improve accountability and transparency

commitment to partnership

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

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

#3 Humanitarian assistance 22.03/100

#4 Responsiveness 17/100

#5 Reliability 16/100

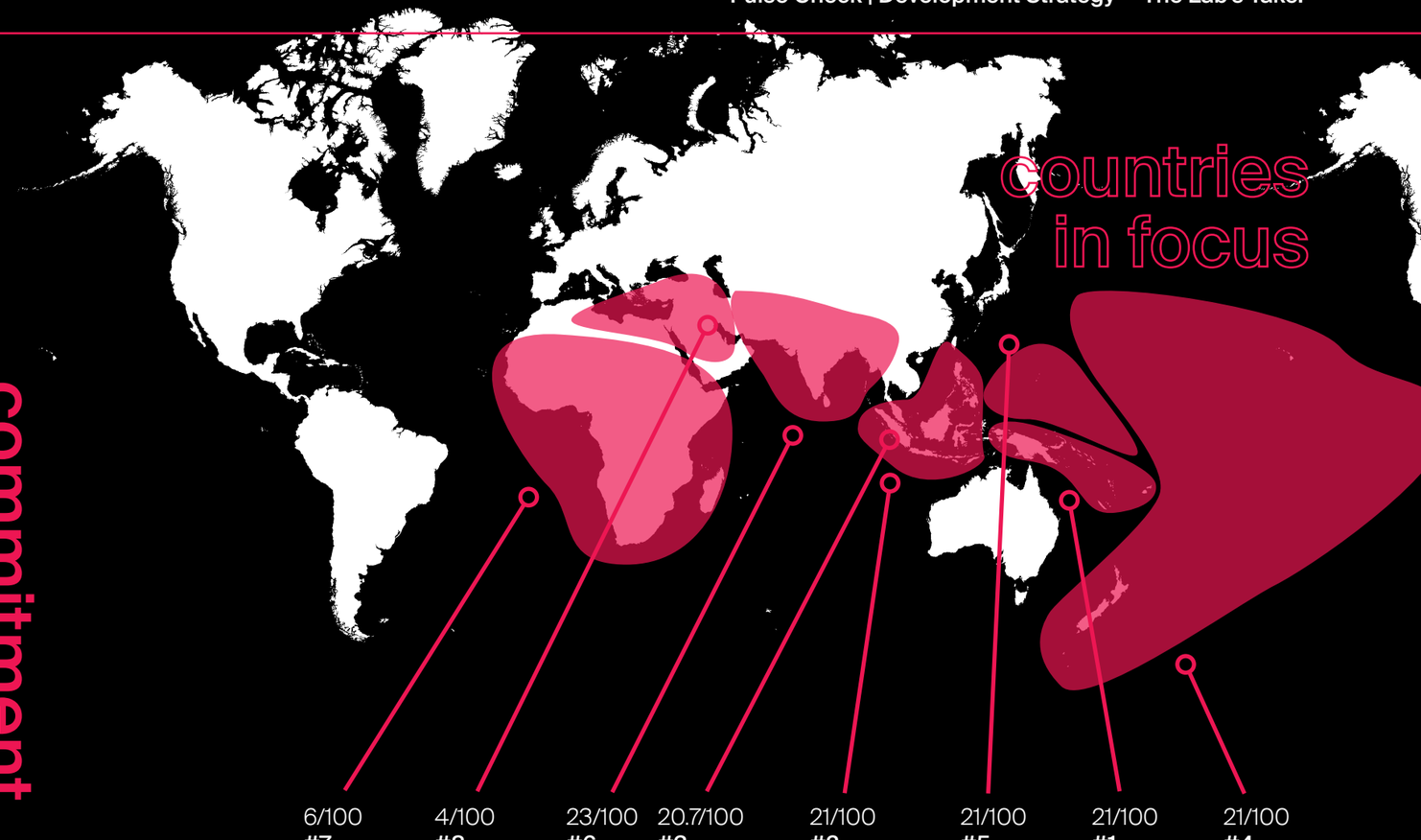
#1 Paternalistic 23/100

#2 Climate inaction 23/100

#3 Reducing funding 20/100

#4 Risk averse 20/100

#5 Countering China (PRC) 15/100



countries in focus

6/100	4/100	23/100	20.7/100	21/100	21/100	21/100	21/100
#7	**#8**	**#6**	**#3**	**#2**	**#5**	**#1**	**#4**
Africa	Middle East	South Asia	Mainlan Southeast Asia	Maritime Southeast Asia	Micronesia	Melanesia	Polynesia

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

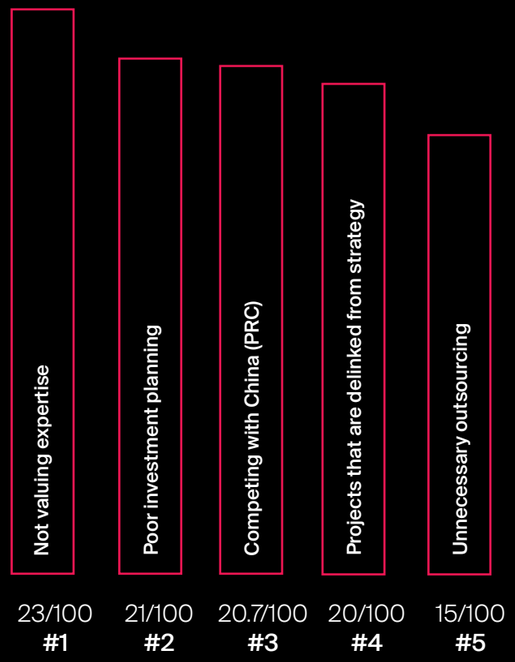
should start

What are three to five things we are not doing in the develpoment program, that we should be doing and which are most critical for us to start?

DFAT capacity building	Focusing on climate change	Long-term strategising	Improving localisation	Communicating the importance of aid
23/100 **#1**	22/100 **#2**	21/100 **#3**	20.6/100 **#4**	12/100 **#5**

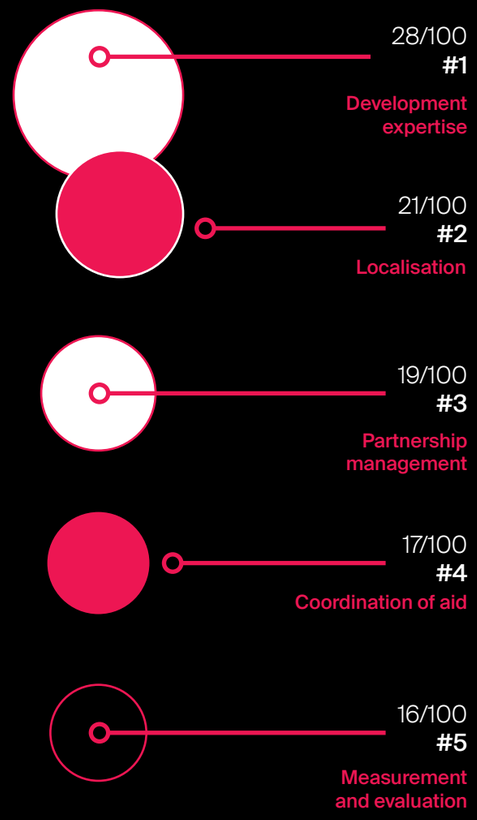
should stop

What three to five things should the development program stop doing and which are most critical?



capabilities to improve

What capabilities (up to five) would you like to see improve across Australia's development sector and which are most critical?

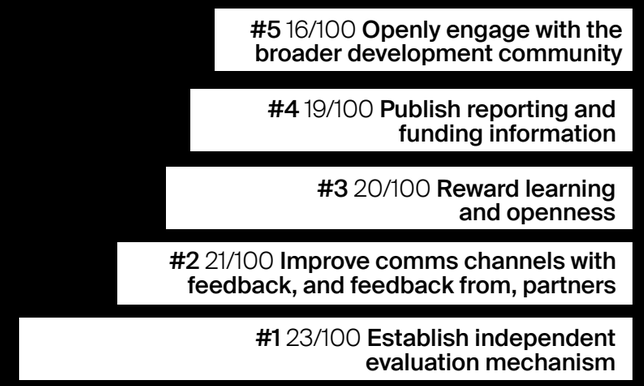


balancing priorities

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?

transparency and accountability

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



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."

Weaknesses →
7 responses

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

I would describe Australian aid and development to my friend like this...

what we're known for

#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

#7 Cooperating effectively 5.5/10

strengths

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

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

20 responses — **#1 Governance**

9 responses — **#2 Education**

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

7 responses — **#3 Locally led development and decolonisation**

4 responses — **#4 Climate and environment**

Promote gender equality, social inclusion and people with disability.

Climate Change is a reality and driving inequalities further.

3 responses — **#5 Gender**

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.

areas of change

22 responses
#1

Localisation and decolonisation

8 responses
#2

Relationships

5 responses
#3

Finance

4 responses
#4

Climate and environment

4 responses
#4

Education

2 responses
#5

Accountability and transparency

The one thing I'd change about Australia's approach to aid and development is...

Bottom up approach where local and Indigenous knowledge is integrated in projects design and all phases.

Not dictate or micro-manage, but be more open to discussion and flexibility.

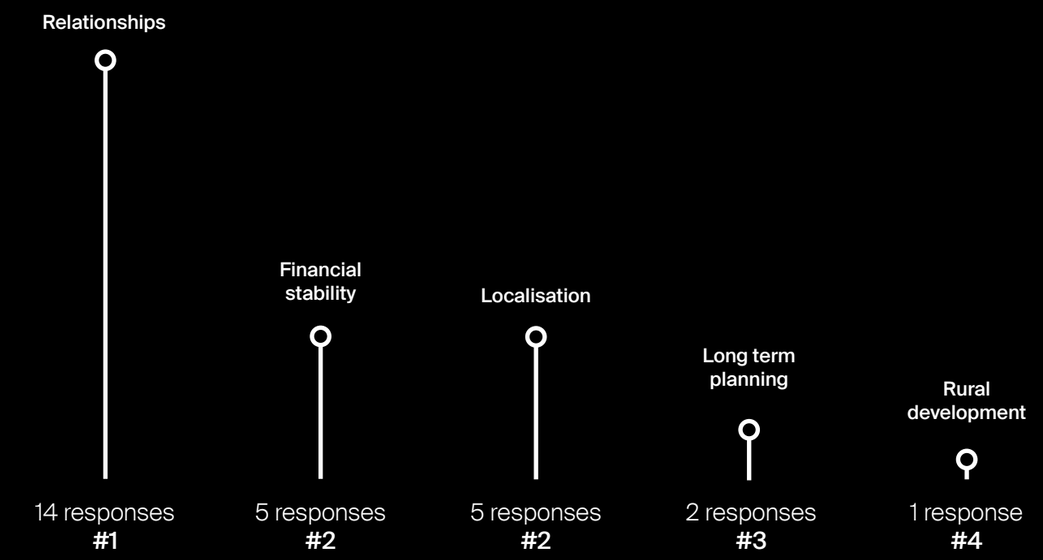
More effort and investments in building the skills base for recipient countries.

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

Increase Australia's efforts on climate change adaptations and mitigation.

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.



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 Mentimeter 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.

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Who participated?

The Lab.

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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