

Submission to the JSCFADT Inquiry into supporting democracy in our region

The Australian Council for International Development (ACFID) appreciates the opportunity to provide this submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade as part of its inquiry into supporting democracy in our region.

Further information about ACFID and its members is provided at Appendix A.

Executive Summary

It is in Australia's interest to live in a region of open and free societies where differences are tolerated, principles of justice and human rights are upheld, and governments are accountable to their citizens. Australia's development and humanitarian assistance is a practical demonstration of our commitment to the rules-based order, and should support stability, democracy, and good governance for the wellbeing of people in our region and globally.

Civil society organisations (CSOs) have a crucial role to play in these efforts. Given trends of rapidly shrinking civic space in our region, it is essential that Australia resources and supports CSOs to safeguard civic space and fulfill their important role in effective and accountable governance. As the peak body for Australian NGOs working in development and humanitarian assistance, ACFID's submission focuses on the fourth sub-point in the terms of reference for this inquiry regarding the role of civil society organisations in supporting democracy in our region.

SUMMARY OF RECOMMENDATIONS

ACFID makes the following Recommendations to the Committee as avenues for Australia support for democracy in our region:

1. Increase the **strategic focus on civic space and civil society** within Australia's development program and foreign policy by:
 - a. Including a strong and vibrant civil society throughout the Indo-Pacific as a key objective of Australia's new international development policy.
 - b. Analysing civic space and the networks within civil society, and between civil society, government, and the private sector, in all country plans. Local civil society should actively participate in this analysis.
 - c. Including strategies to support civil society and safeguard civic space in all 10-year development cooperation agreements with key partner nations.
 - d. Prioritising and resourcing implementation of the OECD DAC Recommendation on Enabling Civil Society.
2. Establish a **central coordination point for work on civil society strengthening** (a 'CSO hub') within the Department of Foreign Affairs and Trade (DFAT). This hub would have the resourcing and profile to influence and promote civil society engagement across the Department, more broadly across the Australian Government, and with partners in the region.

3. Increase **resourcing for the essential role of civil society organisations** in effective governance by:
 - a. Increasing the proportion of ODA channelled to and through local civil society to 25 per cent across both humanitarian and development funding. This must be flexible, core, and multiyear funding.
 - b. Developing additional funding models and programs to help **facilitate CSO coalitions** and **support the essential function of civil society in preserving plural and democratic spaces**. This should entail long-term flexible funding approaches based on learnings from existing high performing programs.
4. Develop and publish a roadmap for **locally-led delivery** of Australia's development and humanitarian assistance program, including locally-led partnerships.
5. Restore a **focus on governance and building state resilience** in Australia's development policy, and target investments towards supporting development partners to build effective, accountable, and resilient states, by:
 - a. Reinstating and building the capability of a 'Fragile States and Governance' team within DFAT including technically experienced personnel.
 - b. Ensuring that any provision of direct budget support to partner governments is accompanied by matched funding to local civil society organisations to enable them to play a role in accountability and transparency on public spending.
 - c. Investing in programs that build the skills and capabilities of the next generation of leaders in the region.
 - d. Increasing development and humanitarian assistance that supports people and communities in conflict affected and fragile environments based on a tiered risk framework.
6. Support democracy by **representing democracy**. Australia must remain vigilant in protecting civic space, respecting human rights, and promoting pluralism and the rule of law domestically, to maintain consistency and credibility in supporting democracy abroad.

Framing Australia's approach

Australia's 2017 Foreign Policy White Paper clearly outlines our country's commitments to liberal democracy and the rule of law, positioning Australia as a "determined advocate of liberal institutions, universal values and human rights." However, it also describes Australia as "pragmatic", noting that "we do not seek to impose values on others."

Given this, and the diversity of models of governance across our region, it may be more helpful for Australia to focus on ways to strengthen open and free societies, pluralism and safeguard civic space in our region rather than adopting a direct focus on 'democracy' as a singular and uniform model. Our interest in supporting democracy is, after all, for what it facilitates – open and free societies where: there is tolerance and respect for differences; the rule of law, principles justice and human rights are upheld; ideas are freely contested; and conflict is aired and managed without a recourse to violence. It is this openness and pluralism which also supports more equitable and inclusive economic development, strengthens relationships, builds community resilience, enables us to work together to tackle challenges such as climate change and regional security.

While Australia can and should continue to advocate for the importance of democratic institutions and values, it would be a mistake to frame Western liberal democracy as the only or best model of open, plural and inclusive governance. Supporting the sovereignty and independence of our neighbours, and promoting democratic values and institutions requires a locally led, strengths-based approach which amplifies the existing work of people and communities in our region to create spaces for dialogue, dissent, and accountability. We must also approach support for democracy in our region with humility and awareness of the need to continually improve our own democratic systems and culture.

Shrinking civic space

Amidst a rise in authoritarianism, populism, and misinformation globally, including in our region, maintaining free and open civic space is essential to promoting inclusive governance and enabling two-way feedback loops between people and their governments. In 2021 CIVICUS reported that just 3.1 per cent of the world's population live in countries with open civic space, with the vast majority (88 per cent) living in countries where civic space is closed, obstructed, or threatened.ⁱ The pandemic and its ramifications have accelerated existing trends of rising illiberalism and backsliding on democratic norms. Human rights violations are increasing, and the ability of citizens to meet, debate, and collaborate is severely restrained. Contestation over which modes of governance best serve the interests of citizens continues to be a prominent element of geopolitical dynamics in the region.

Engaging in a sustained and strategic way with civil society, and supporting locally led development, will help Australia shape with our partners the kind of region we hope to live in. That region is stable and secure, provides economic opportunities, and upholds the rights of all people so that they can lead full, free, and healthy lives. Working with and through civil society supports Australia's priorities and aligns naturally with our strengths as a development donor in the Indo-Pacific region focussed on people to-people links and human development outcomes.

Australia has signed on as an Adherent to OECD DAC Recommendation on Enabling Civil Society in Humanitarian and Development Responses (2021).ⁱⁱ This calls on Australia to establish, in consultation with civil society, policies or strategies for working with civil society in both partner and provider countries which articulate objectives for working with a diverse range of civil society actors, both as independent development and humanitarian actors in their own right and as implementing partners. The Recommendation advises that such policies should aim to strengthen local ownership and an inclusive and independent civil society, consider contextual risks or opportunities for civil society and civic spaces, and be integrated into wider development cooperation, humanitarian assistance and peacebuilding policies and strategies.

To this end, Australia should:

- Make support for strong and vibrant civil society throughout the Indo-Pacific a key objective of Australia's new international development policy.
- Ensure that analysis of civic space and the networks within civil society, and between civil society, government, and the private sector, are included in all country plans.
- Include strategies to support civil society and safeguard civic space in all 10-year development cooperation agreements with key partner nations.
- Prioritise and resource implementation of the OECD DAC Recommendation on Enabling Civil Society.

Strategy and partnerships to strengthen civic space

To support these activities, the Department of Foreign Affairs and Trade (DFAT) should increase its strategic focus on civil society engagement and associated resourcing and coordination. While there are existing productive relationships between DFAT and many NGOs (including ACFID), there is significant scope to build on these partnerships and policy engagement. Support for civil society is largely confined to specific programs (primarily the Australian NGO Cooperation Program – ANCP, and the Australian Humanitarian Partnership - AHP) and civil society organisations are primarily regarded as implementing partners for specific projects and programs.

The recent Independent Evaluation of the ANCP found that there is currently no clear policy statement that highlights the importance of civil society to development, democratisation, rights and security; and the contributions that different civil society actors (including but not limited to ANGOs) make to the development program. Such a policy statement, the review finds, would assist DFAT to define the institutional relationship between itself and civil society and provide guidance for investment in this space.

In addition to delivering a clear policy statement on the role of civil society, the Government should establish a CSO 'hub' to enable better resourcing and coordination for civil society partnerships and engagement. As the focal point for strategic engagement with civil society, this hub would:

- Provide advice to DFAT on how to implement inclusive approaches, overseeing funding modalities and combatting the shrinking of civic space, rising illiberalism and the overlap with illiberal regimes, plus the comparative strengths of civil society.
- Promote an awareness of the breadth and diversity of civil society and what it contributes to governance and state effectiveness (civil society includes more than NGOs).
- Coordinate CSO involvement not only in program delivery, but also in design, strategy and evaluation, as core partners in effective development.

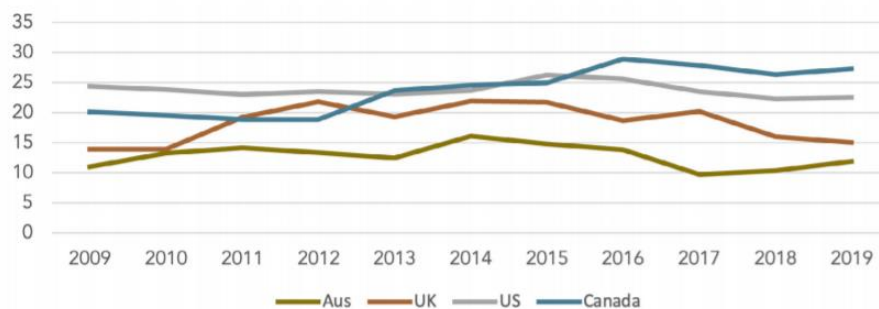
Staff working in the CSO Hub should have experience working in or with civil society organisations, enabling them to analyse civic space trends, engage effectively with partners, and provide expertise on civil society engagement across DFAT. This would be a dedicated team of staff working alongside, but separate from, the governance team (see Recommendation 5a). MFAT's Civil Society Branch offers a useful model for what this team could look like.

Funding for civil society strengthening

One of the most tangible ways that Australia could support civil society organisations and their role in effective governance is to increase the amount of quality funding that these organisations receive.

Despite evidence showing that engaging civil society offers one of the most effective ways to achieve development impact, Australia's funding to and through civil society organisations has consistently hovered well below the OECD average and currently stands at just 11 per cent (see Figure 1 below). The amount of funding that goes to civil society organisations based in our region is a very small proportion of this 11 per cent (to our knowledge, there is no systematised data collection for this currently).

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



Source: DFAT Statistical Summaries, OECD DAC Data

Flexible and core funding is especially important to support the essential functions and day-to-day business of civil society organisations. CSOs tend to receive fragmented funding which is tied to specific projects or program outcomes. This restricts their ability to grow and develop their capabilities and resilience, invest in their staff, and meet their ongoing core costs ("keeping the lights on"). More concerning, research by The Asia Foundation on funding to South-East Asian NGOs shows that in the past, traditional funding models (such as competitive grant processes) have created perverse incentives and driven competition, rather than collaboration, between organisations.ⁱⁱⁱ Research from the UK confirms that an overreliance on project-based funding results in higher planning and reporting costs for CSOs, reduced flexibility to adapt to learning and changed circumstances, and limited ability to pivot to new challenges.^{iv}

ACFID recommends that Australia increase the proportion of ODA channelled to and through local civil society to 25 percent across both humanitarian and development funding. This must be flexible, core, and multiyear funding.

Australia should also explore new funding models, such as programs to facilitate CSO coalitions, improve governance and support the essential function of civil society in preserving plural and democratic spaces. The Australian Government has previously funded highly successful programs, such as the Australia Indonesia Partnership for Gender Equality and Women's Empowerment (MAMPU). MAMPU was affiliated with 13 national CSOs with a network of over 100 local organisations, implementing activities in almost 1,000 villages across 152 districts in 27 of Indonesia's 34 provinces. Critical to the success of this program, was the longevity of the funding provided (eight years), and the flexibility of the funding approaches which enabled support to be provided to a range of organisations with different capacities (rather than one-size fits all solutions for administrative expediency).^v Other promising programs that offer examples of good practice for supporting civil society strengthening include:

- **The Shifting the Power coalition**, which brings together 13 women-led civil society organisations across six Pacific Island countries to promote women's leadership during disasters and climate emergencies.^{vi}
- **The Coalitions for Change program**, which equips leaders in the Philippines across civil society, academia, the private sector, and government working to support inclusive economic growth and improve citizens' lives.^{vii}
- **The Pacific Disability Forum**, which works toward the full inclusion of persons with disabilities by engaging in policy development, implementation, and monitoring, and advocacy for the rights of persons with disabilities.^{viii}
- **The PNG Church Partnership Program**, which has been running for 15 years and supports churches to improve their capacity to deliver crucial health and education services, especially in rural remote areas, as well as delivering on a broad range of activities in support of gender equality and social inclusion, peace and prosperity, and disaster risk reduction.^{ix}

There is a balance to be struck in delivering funding as directly as possible to local organisations, while also respecting the sovereignty of partner countries and their relationships with CSOs. There may also be situations in which outside assistance or funding can delegitimise or pose a risk to local organisations. Providing funding to independent networks, funds or peak bodies to advance their own work priorities (including by dispersing funding to organisations in country) may offer one way to overcome these potential challenges.

Adopting a locally led approach

In any effort to support democratic spaces and civil society through Australia's development program it is vital that we adopt a locally led approach. Widespread evidence shows development and humanitarian responses are most effective when they are based on genuine, longstanding partnerships, and designed and led by local actors and organisations. By its nature, a locally led approach will look different in each country context, and even within countries or programs.

The movement towards locally led action (or localisation) – reflected in commitments such as the Grand Bargain and the Charter for Change – is important to redress historic and ongoing imbalances in power and resources between local and international actors, including both donors and international aid organisations. As an example, the US Agency for International Development has recently released a draft Framework for Localisation of Humanitarian Assistance and is stepping up its focus on locally led partnerships.^x

The Australian Government should develop and publicly release a roadmap for locally led delivery of Australia's development and humanitarian program, and locally led partnerships. Further detail on what this could look like is outlined in ACFID's Submission to the New Development Policy.^{xi}

Governance, state resilience and fragility

Supporting democracy in our region would also be achieved by a greater **focus on stability and governance** in Australia's development cooperation and humanitarian assistance program. The majority of those now living in extreme poverty are living in fragile and conflict-affected contexts and the SDGs will not be achieved without significant gains in addressing conflict.^{xii} This necessitates supporting institutional development and a conflict-prevention and peacebuilding approach. It also requires addressing corruption which drives poor public financial management and accountability to citizens, leading to poor development and social outcomes.

Furthermore, stability and governance policies and programs cannot ignore climate change. Climate change will exacerbate internal displacement which will likely lead to increased urbanisation and downward pressure on already overstretched (or in some instances non-existent) basic services, justice systems, policing and infrastructure. These are trends that will see a rise in rates of protest and civil unrest across the region. Addressing issues such as food security and management of infectious diseases from a climate change perspective will be integral to maintaining stability and supporting state resilience in our region.

Australia's new development policy offers an opportunity for Australia to address underlying drivers of instability and insecurity through a holistic approach to good governance and development. To this end, Australia should:

- Reinststate and build the capability of a 'Fragile States and Governance' team within DFAT including technically experienced personnel in climate, peace building and effective governance.
- Support institutional strengthening and robust reform agendas by ensuring that any provision of direct budget support to partner governments is accompanied by matched funding to local civil society organisations to enable them to play a role in accountability and transparency on public spending.
- Invest in programs that build the skills and capabilities of the next generation of leaders in Australia's partner countries.
- Increase support for development and humanitarian assistance to support people and communities in conflict affected and fragile environments based on a tiered risk framework.

In fragile contexts, where transitions require twenty to thirty years, long-term programmes and plans are necessary to see lasting results and institutional change.^{xiii} Across Government, there should be a recognition that visible, measurable change on governance and state resilience takes time, and this therefore requires patient commitment to approaches based on respect, trust, and long-term partnership. This may entail a shift towards monitoring and evaluation systems with longer term horizons.

Peacebuilding capability must also be restored in the development program. Preventing intergroup violence, supporting mediation in independence and autonomy processes and mitigating climate related conflict risks are examples of peacebuilding contributions Australia can make. We should also ensure our development and humanitarian work is conflict sensitive and does not lead to unintended harmful consequences. The new First Nations Foreign Policy can connect First Nations peacebuilders with those working on conflict prevention and mediation across Asia and the Pacific to creatively overcome conflict challenges and likewise enable successful development and humanitarian action which contributes to effective governance.

Supporting democracy by representing democracy

Australia must also ensure that there is consistency between its domestic and international approach to supporting democracy, promoting pluralism, and safeguarding civic space. The government should work with the community sector to review and reverse restrictions on advocacy that impede the ability of civil society actors to communicate with the public at home and undermine Australia's democratic credentials abroad.

The Government's commitment to hold a referendum on establishing a Voice to Parliament is a powerful demonstration of Australia's commitment to representative democratic processes that are appropriate to a particular context to assure the engagement of marginalised groups. ACFID and its members wholeheartedly endorse a Voice to Parliament as part of the full implementation of the Uluru Statement from the Heart.^{xiv}

Endnotes

-
- ⁱ CIVICUS Regional Analysis Asia-Pacific, 2020, <https://findings2020.monitor.civicus.org/asia-pacific.html>
- ⁱⁱ OECD DAC Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5021>
- ⁱⁱⁱ Shifting Parameters of Civic Space in Southeast Asia, Nicola Nixon, 14 April 2021, The Asia Foundation, <https://asiafoundation.org/2021/04/14/shiftingparameters-of-civic-space-in-southeast-asia/>
- ^{iv} Report: DFID's partnerships with civil society organisations, Independent Commission for Aid Impact, April 2019, <https://icai.independent.gov.uk/html-version/csos/>
- ^v MAMPU Phase 1 and 2 Activity Completion Report, https://www.dfat.gov.au/sites/default/files/australia-indonesia-partnership-gender-equality-womens-empowerment-mampu-phase-1-and-2-activity-completion-report_0.pdf
- ^{vi} <https://actionaid.org.au/celebrating-five-years/>
- ^{vii} <https://asiafoundation.org/publication/coalitions-for-change/>
- ^{viii} <https://www.dfat.gov.au/about-us/publications/Pages/pacific-disability-forum-strategic-plan-2011-2016>
- ^{ix} PNG Church Partnership Program Phase 3, <https://www.dfat.gov.au/publications/development/papua-new-guinea-church-partnership-program-phase-3>
- ^x <https://www.usaid.gov/locally-led-partnerships>
- ^{xi} https://acfid.asn.au/wp-content/uploads/2022/12/Submission-to-Australias-International-Development-Policy_2022.pdf
- ^{xii} ALNAP, State of the Humanitarian System 2022, <https://www.alnap.org/sohs-2022-report/chapter-1-global-trends-and-crises#chapter-section>
- ^{xiii} Ashraf Ghani and Clare Lockhart, *Fixing Failed States: A Framework for Rebuilding a Fractured World*, 2009, Oxford University Press.
- ^{xiv} ACFID Resolution No.1/2017, Resolution in Support of the Uluru Statement from the Heart, https://acfid.asn.au/wp-content/uploads/2022/07/ACFID-AGM-Resolution-1_support-Uluru-Statement-from-the-Heart-FINAL.pdf?rt=MXwxfHVsdXJ1IHJlc29sdXRpb258MTY3MDIwNTE0A&rt_nonce=a63b0113bb

Appendix A - About ACFID

The Australian Council for International Development (ACFID) is the peak body for Australian non-government organisations involved in international development and humanitarian action.

OUR VISION

Our vision is Australia acting with compassion and fairness for a just, sustainable and equitable world.

OUR SHARED PURPOSE

Our purpose is to lead, unite and support international development and humanitarian organisations to realise our vision.

ABOUT ACFID

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

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

ACFID MEMBERS

Full Members:

- A Liquid Future
- ACC International Relief
- Act for Peace - NCCA
- Action on Poverty
- ActionAid Australia
- Adara Development Australia
- ADRA Australia
- Afghan Australian Development Organisation
- Anglicans in Development
- Anglican Overseas Aid
- Anglican Relief and Development Fund Australia
- Asian Aid Organisation
- Assisi Aid Projects
- Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine
- Australia for UNHCR
- Australian Doctors for Africa
- Australian Doctors International
- Australian Federation of AIDS Organisations
- Australian Himalayan Foundation
- Australian Lutheran World Service
- Australian Marist Solidarity Ltd
- Australian Medical Aid Foundation
- Australian Mercy
- Australian Red Cross
- Australian Respiratory Council
- AVI
- Beyond the Orphanage
- BridgIT Water Foundation
- Brien Holden Vision Institute Foundation
- Burnet Institute
- Business for Development
- CARE Australia
- Care for Africa
- Caritas Australia

- CBM Australia
- ChildFund Australia
- CLAN (Caring and Living as Neighbours)
- Cufa
- Destiny Rescue Australia
- DAISI (Doctors Assisting in South Pacific Islands)
- Diplomacy Training Program
- Disaster Relief Australia
- Door of Hope Australia Inc.
- Edmund Rice Foundation (Australia)
- EDO NSW
- Educating the Future
- Engineers without Borders
- Evergreening Global Alliance
- Every Home Global Concern
- Family Planning New South Wales
- Fairtrade Australia New Zealand
- Foresight (Overseas Aid and Prevention of Blindness)
- 40K Foundation
- Fred Hollows Foundation, The
- Friends of Femili PNG
- Global Development Group
- Global Mission Partners
- Global School Partners
- Good Return
- Graceworks Myanmar
- Habitat for Humanity Australia
- Hagar Australia
- HealthServe Australia
- Home in Place
- Hope for Children
- HOST International
- Indigo Foundation
- International Justice Mission Australia
- International Needs Australia
- International Nepal Fellowship (Aust) Ltd
- International Women's Development Agency
- Interplast Australia & New Zealand
- Islamic Relief Australia
- John Fawcett Foundation
- KTF (Kokoda Track Foundation)
- Kyeema Foundation
- Leprosy Mission Australia, The
- Live & Learn Environmental Education
- Love Mercy Foundation
- MAA International (Muslim Aid Australia)
- Mahboba's Promise Australia
- MSI Asia Pacific
- Mary MacKillop Today
- Mary Ward International Australia
- Mercy Works Ltd.
- Mission World Aid Inc.
- MIT Group Foundation
- Murdoch Children's Research Institute
- The Nusatenggara Association (NTA), Inc
- Oaktree Foundation
- Opportunity International Australia
- Our Rainbow House
- Oxfam Australia
- Pacific Assist
- Palmera Projects
- Partner Housing Australasia
- Partners in Aid
- People with Disability Australia
- Plan International Australia
- PLUS Education
- Pollinate Group
- Project Rozana
- Quaker Service Australia
- REACH for Nepal
- RedR Australia
- Reledev Australia
- Royal Australasian College of Surgeons
- Salesian Missions
- Salvation Army International Development
- Save the Children Australia
- School for Life Foundation
- SeeBeyondBorders
- Sight For All
- So They Can
- Sport Matters
- St John of God Outreach Services
- Surf Aid International
- SUSTAIN Projects Myanmar
- Symbiosis International
- Tearfund Australia
- This Life
- Transform Aid International (incorporating Baptist World Aid)
- UNICEF Australia
- Union Aid Abroad-APHEDA
- UnitingWorld
- Water for a Village
- WaterAid Australia
- World Vision Australia
- WWF-Australia

- YWAM Medical Ships

Affiliate Members:

- Australian National University – Development Policy Centre
- Deakin University – Alfred Deakin Research Institute
- Global Citizen
- Global Health Alliance Australia
- Institute of Economics and Peace
- James Cook University – The Cairns Institute
- La Trobe University – Institute of Human Security and Social Change
- Monash Sustainable Development Institute
- Murdoch University – School of Management and Governance
- National Centre for Immunisation Research and Surveillance
- Refugee Council of Australia
- RESULTS International Australia
- Transparency International Australia
- United Nations Association of Australia
- Unity Housing
- University of New South Wales- Institute for Global Development
- University of Queensland – International Development
- University of Sydney – Office of Global Engagement
- University of Technology, Sydney – Institute for Sustainable Futures
- Vision 2020
- Western Sydney University- School of Social Sciences and Psychology