

AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

Department of Foreign Affairs and Trade Soft Power Review

Submission by the Australian Council for International Development
(ACFID)

October 2018

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Introduction

ACFID welcomes the opportunity to provide a submission to DFAT's Soft Power Review.

As recognised in the Australian Government's 2017 Foreign Policy White Paper, the importance of Australia leading an effective program of development cooperation in Asia and the Pacific is increasing.¹ The emergence of this recognition stands in marked contrast with the contemporaneous sharp decrease in public investment in Australia's existing program.²

Australian civil society institutions (including Australian international development NGOs) have a comparative advantage in the delivery of development results, value for money, relationship building and thus potential soft power gains for Australia. The breadth and span of domestic and international networks harnessed by ACFID's members is significant, and the projects and relationships we hold are both a positive expression of Australian values and an effective way to build security and prosperity in the region.

As per annual reporting figures from FY2016-17, ACFID's members had over 4,610 employees, involved over 23,356 domestic volunteers and 2,178 overseas volunteers. They received over \$930m from 1.55 million individual donors. They invested \$1.14BN in international projects, delivering over 4,105 projects in over 98 countries (*see Figure 1, pp4*).

"Creating conditions where people around the world can realise their own aspirations is of strategic importance"³ and the role of the international development community is thus critical. Effective development outcomes are achieved through genuine partnership for outcomes that are driven by, and match, peer nations' sustainable development aspirations – this is ACFID and our members' core business.

In authoring this submission, ACFID has consulted with and facilitated submissions from a wide range of members, partners and affiliates, including the Research for Development Impact Network, Water Aid, Australian Volunteers International, Save the Children Australia, the Nusa Tenggara Association, Family Planning NSW, YWAM Medical Ships, Australian Red Cross, Red R Australia, Act for Peace, Action Aid, Caritas, Oxfam, the International Women's Development Agency, and WWF Australia.

ACFID has also sought the views of a wide cross-section of non-member experts in academia, government, and private sector development organisations through a workshop we convened in partnership with The Australian National University (ANU) Strategic and Defence Studies Centre. Organisations represented have included the ANU Asia-Pacific College of Diplomacy, Abt Associates Australia, DFAT's Soft Power, Communications and Scholarship Division, the ANU Department of Pacific Affairs, the Deakin University School of Humanities and Social Sciences, the Australian Civil Military Centre, the ANU Crawford School of Public Policy, the Whitelum Group, the Crawford Fund, Cardno International Development, the International Development Contractors Community, Richard Moore and Robert Glasser.

ACFID would be happy to provide additional clarity on any of the statements contained within this submission. Requests to meet can be directed to Marc Purcell, CEO, ACFID on (02) 8123 2216.

Summary of Recommendations

Recommendation 1 - Increase public and private investment in international development cooperation.

Recommendation 2 - Establish partnerships with Indo-Pacific and other stakeholders to enable outcomes that are driven by, and match, peer nations' development aspirations.

Recommendation 3 - Establish a baseline perception index for Australia's development cooperation program to help drive enhanced partnership practices for the deliverers of Australian ODA and DFAT.

Recommendation 4 - Exercise caution in adopting a competitive, bloc-based approach to development cooperation and continue to seek ways to trial and implement North-South-South models for co-designing and co-financing development programs and projects, while respecting recipient nations' sovereignty and agency.

Recommendation 5 - Establish a process of consultation and co-design with a diverse variety of stakeholders for a reoriented and revitalised Australian program of development cooperation in Asia and the Pacific.

Recommendation 6 - Recognise the special position of Australian civil society institutions and organisations – and the role of Australian NGOs working in international development – as important soft power assets whose achievements and reputations accrue to Australia in Asia and the Pacific.

Recommendation 7 - ACFID cautions against the temptation to overtly harmonise the work of NGOs and other international development cooperation actors with that of government in line with the purported "national interest."

Recommendation 8 - ACFID encourages the Government to demonstrate leadership in the face of two key challenges in delivering soft power benefit of international development cooperation to Australia:

- (a) elevating the strategic importance of development cooperation;
- (b) tackling climate change in the region, and globally.

Recommendation 9 - Reformulate the rationale for development cooperation in Southeast Asia and ensure that Australia's development program is not reduced to a Pacific fund used to balance China.

Recommendation 10 - Recognise the comparative advantage civil society institutions, including Australian International Development NGOs, deliver in terms of development results, value for money, leveraged financing and soft power gains; and invest proportionately.

ACFID'S MEMBERS

126

FULL MEMBERS



- 23 LARGE NGOs
- 44 MEDIUM NGOs
- 59 SMALL NGOs

18

AFFILIATE MEMBERS



ACFID'S MEMBERS HAVE

4,610

TOTAL EMPLOYEES



- 2,178 OVERSEAS VOLUNTEERS
- 23,356 DOMESTIC VOLUNTEERS

- RECEIVED \$930M FROM 1.55M INDIVIDUAL DONORS
- INVESTED \$1.14BN IN INTERNATIONAL PROJECTS
- DELIVERED 4,105 PROJECTS IN 98 COUNTRIES

GLOBAL ALLOCATION OF MEMBERS' FUNDING FOR

DEVELOPMENT AND HUMANITARIAN PROJECTS

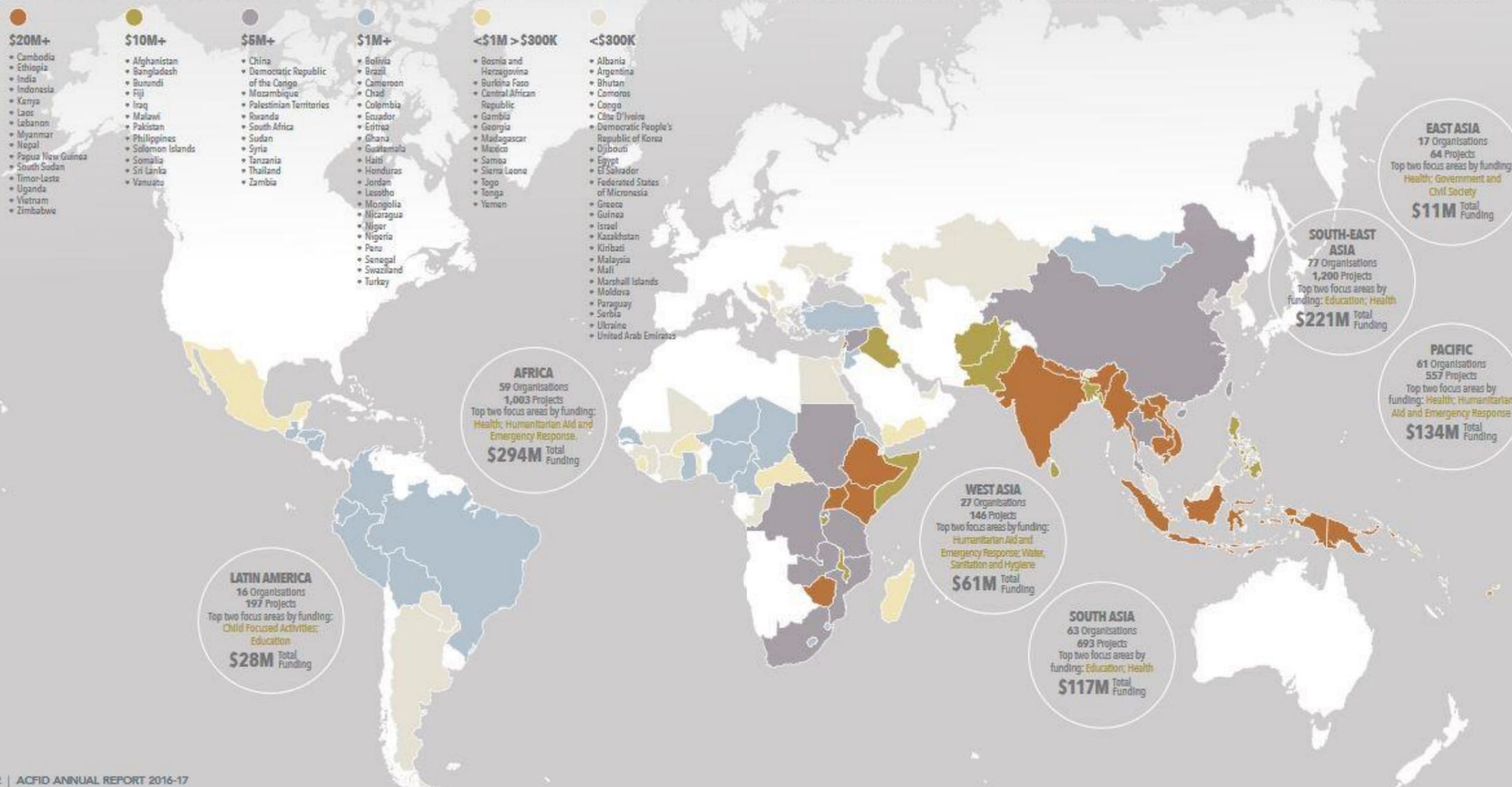


Figure 1: Showing global allocation of ACFID Member funding for development and humanitarian projects, over FY2016-17.

1. The Nature of Attraction and Influence in the Changing Global Context

Recommendation 1 - Increase public and private investment in international development cooperation.

Recommendation 2 - Establish partnerships with Indo-Pacific and other stakeholders to enable outcomes that are driven by, and match, peer nations' development aspirations.

Recommendation 3 - Establish a baseline perception index for Australia's development cooperation program to help drive enhanced partnership practices for the deliverers of Australian ODA and DFAT.

The ability to influence the behaviour or thinking of others through the power of attraction and ideas relies on the establishment of effective relationships and partnerships. The Australian development cooperation program funds organisations and projects that are both a positive expression of Australian values and an effective way to build security and prosperity in the region.

Yet, this point in time when Australia's development cooperation program is of significant strategic importance coincides with an all-time financing low since its inception after the Second World War.⁴

Attraction and influence are cultivated by dynamic and enduring partnerships between people, organisations and institutions. These partnerships are built on the back of mutual respect and trust, and rarely arise out of a project or financial exchange alone. For Australia to be a reliable partner of choice in our region, the primary motivation of our development cooperation program must be a clear and unwavering commitment to development, for example, the Sustainable Development Goals (SDGs) and the achievement of them by ourselves and our partners. Security fears are real in the current geopolitical environment, but the Australian Aid program's comparative advantage as a mechanism for fostering genuine partnership can only be realised if partners trust that our motivations are in their interests and our modus operandi is genuine partnership, nothing less.

Anecdotal evidence and some limited studies suggest that Australia's reputation as a partner of choice for countries in our region is under threat. Without establishing a baseline and means of ongoing verification to measure how Australia's development cooperation is perceived by our partners, it is not possible to manage and cultivate effective partnerships for development nor measure soft power gains and adjust policy appropriately.

2. Australia's Soft Power Objectives, & Key Soft Power Assets & Challenges

Recommendation 4 - Exercise caution in adopting a competitive, bloc-based approach to development cooperation and continue to seek ways to trial and implement North-South-South models for co-designing and co-financing development programs and projects, while respecting recipient nations' sovereignty and agency.

Recommendation 5 - Establish a process of consultation and co-design with a diverse variety of stakeholders for a reoriented and revitalised Australian program of development cooperation in Asia and the Pacific.

2.1 NO BLOC-BASED DEVELOPMENT COOPERATION

Without speculating on the outcome of DFAT's Soft Power Review, ACFID's analysis is that a cluster of recent developments indicates a significant opportunity for Australia to both reorient and revitalise its program of development cooperation so that developing nations' development needs are met. If soft power benefits accrue to Australia, then so be it, but we do not wish to see the aid program instrumentalised.

Accordingly, we caution against the adoption of a Quad-led, bloc-based, "alternative" development offer to China's "Belt and Road" Initiative (BRI) aimed at recruiting ODA recipients to the Indo-Pacific strategic balancing construct now under development by Australia and its "like-minded" nations. Recent Australian strategic analyses, too, point to an ongoing need for Australia to engage both the US and China, nations whose historical and contemporary global positioning underwrite our security and our prosperity.⁵

ACFID calls for a process of consultation and co-design around the future of the Australian program and signals its readiness and capability for participating in such a process. Instead of competitive ODA values-signalling, we point to the rise of calls for the development of models for North-South-South or "triangular" collaboration and co-financing, as explored in detail by DFAT partner The Asia Foundation, for example, and the rise of blended finance methodologies. Outlines for such methodologies are detailed in documents such as 'Financing the 2030 Agenda,' and the 'Roadmap to USD \$100 Billion,' and as such, are already endorsed by DFAT as guides to financing the achievement of the SDGs and the Paris Agreement.⁶ In addition, we point to the ongoing viability of multilateral financing institutions such as the World Bank, Asian Development Bank, and Asian Infrastructure Investment Bank, and to existing pilots for trilateral US-China development cooperation in third countries.⁷

In recognition of the nature and scale of the development challenges now facing our neighbours in Asia and the Pacific, ACFID would not like to see the values outlined in the Foreign Policy White Paper, or the financing apparatus now under construction by the Quad Powers, weaponised against China or nations that accept Chinese development finance, including under the BRI. Nations, and NGOs, should be free to finance development with any combination of resources on offer.

ACFID recognises that the multipolar present is the product of hard-won development gains by colonised and semi-colonised nations since decolonisation. Further, it respects the sovereign foreign policy decisions made by developing nations, including those that espouse non-alignment as a principle of their foreign policy. Accordingly, we call on Australia to uphold the OECD principle that recipient nations' development needs should be the primary factor guiding the formulation of its ODA offer to these nations.

ACFID also points to the extraordinary diversity of Asia and the Pacific, and echoes Prof. Caitlin Byrne's warning that the "competitive" pursuit of soft power can simply "accentuate difference and division, fuel nationalistic sentiments, and heighten hard power aspirations – ultimately undermining relations across the region".⁸ ACFID urges DFAT to remember that equitable cultural exchange and cooperation, including with China, creates better conditions for localised development work that draws on the people-to-people connections for which NGOs are renowned.

2.2 INFRASTRUCTURE COMPETITION

ACFID's members, Australian NGOs active in international development work in Asia and the Pacific, are an important soft power asset to Australia. The work of these NGOs generates not only global social goods such as better health, more jobs, greater food security, and improved climate resilience, but it also generates soft power benefits to Australia which reap the reflected reputational benefits.

Since Armitage and Nye published their "smart power" report, the United Kingdom has also performed a Soft Power review (2014), led by its House of Lords.⁹ Meanwhile, China has launched its "One Belt One Road" or BRI (2013), followed by a new aid agency SIDCA (2018), while additional Asian powers (other than Japan) have also become aid donors, including Korea, India, and Indonesia. Nations like the United States and Australia, along with Japan, India, and to some extent, Indonesia, have also invested in the "Indo-Pacific" concept, and together, these powers also appear to be developing a competitive, infrastructure-based response to China's BRI.

To this end, recent announcements by the United States and European Union appear salient in shaping Australia's next steps to revitalise its program of development cooperation, now at an all-time financing low since its inception after the Second World War.¹⁰ These announcements have included an investment of USD \$113 million in new technology, energy, and infrastructure initiatives in Asia and the Pacific in July 2018, and a USD \$60 billion agency to counter the BRI, which the United States has characterised as an exercise in "debt-trap diplomacy."¹¹ They have also included proposals for a Eurasian "connectivity plan" led by the EU,¹² while the United Kingdom has more than doubled its spending on development cooperation over the past decade, which now totals £14 billion.¹³ Many of these initiatives appear to be justified in terms of "values" purported to attach to the nations launching them, including promoting liberal democracy, sound financial governance, and protecting a "rules-based" international order.

2.3 ACFID AND ITS NETWORKS

Recommendation 6 - Recognise the special position of Australian civil society institutions and organisations – and the role of Australian NGOs working in international development – as important soft power assets whose achievements and reputations accrue to Australia in Asia and the Pacific.

ACFID members work with a wide range of local partners in developing countries all over Asia, the Pacific, the Middle East and Africa, and many are also members of international NGO federations. Their work is also a form of diplomacy, creates, nurtures, and leverages people-to-people relationships in which its success is embedded, and through which Australia, a wealthy nation surrounded by developing countries, derives immeasurable influence and measurable benefit.

ACFID also demonstrates international leadership in international civil society networks such as the International Council of Voluntary Agencies (ICVA), the Pacific Islands Association of Non-Governmental Organisations (PIANGO), the United Nations Sustainable Development Solutions Network, and the global CSO association CIVICUS. ACFID also works with a wide range of Australian partners who themselves possess a broad international reach, including the Department of Foreign Affairs and Trade, the Australian Civil Military Centre, and academic members and associates of the Research for Development Impact (RDI) Network.

2.4 CIVIL SOCIETY AND DEMOCRACY

The specific, “civil society” character of these organisations demonstrates Australia’s commitment to liberal values and democracy independently from Australia’s role in regional infrastructure competition, regardless of whether that role is rationalised in terms of liberal values. Indeed, precisely their non-government character allows them to contribute to Australia’s work of norm-creation and promotion, sometimes due to collaboration with government, and sometimes due to their capacity and freedom to criticise government. As the peak body for NGOs, ACFID operationalises and monitors Australia’s commitment to human rights and the SDGs, high-quality regulatory models, effective and high-quality development institutions and expertise, and effective and responsive programs of development cooperation. All are committed to defending and extending freedom, democracy, the rule of law, racial and gender equality, effective advocacy that does not impose on others, and support for fairness and stability – both in Australia and in the international environments in which they and we operate.¹⁴

ACFID’s advocacy for values-based foreign policy played an important role in contributing to the “values” positioning of the Australian Government’s Foreign Policy White Paper. Indeed, the White Paper also uses the word “development” around 150 times and recognises the importance of issues that NGOs campaign around, including environmental strain, inequality in Southeast Asia, the ongoing value of tackling absolute poverty, *and* a strong need for infrastructure in the developing nations of Asia and the Pacific.

2.5 PEOPLE TO PEOPLE WORK

The rise of network diplomacy and the proliferation of international actors and forums means it is no longer possible to talk of a single, monolithic “national interest,” as non-state actors

and networks enjoy increasing influence while nation-states become increasingly heterogeneous.¹⁵

In this context, and in relationships with government that are both collaborative and contested, NGOs play an essential role in building people to people relationships that connect Australians with our counterparts in developing nations. These connections are forged through cooperative problem-solving efforts around known policy and development challenges.

ACFID member NGOs are incredibly diverse, representing established and emerging faith-based communities, including those based in international diaspora networks, trade unions, feminists and climate activists, humanitarian federations, and networks of volunteers. ACFID member NGO Good Return, for example, provides important thought leadership by raising awareness and providing education on the use of mobile applications in responsible and inclusive finance. Its staff work embedded in international institutions, associations and NGOs, influencing and advising on outcomes and decisions, such as in the National Bank of Cambodia and the Cambodian Microfinance Association. This interaction leaves a good impression of Australia because it is carried out by Australians involved in direct knowledge exchange and capacity building exercises.

Further, as the only Australian crowdfunding microfinance initiative, Good Return's activities enhance Australia's offer to its developing country partners, including those that are signatories to China's BRI. It does so by modelling the values outlined in the Foreign Policy White Paper, without overtly signalling those values as bids in arenas of regional Great Power contestation.

2.6 TRACK 2 DIPLOMACY, CRITIQUE, & NORM PROMOTION

Media globalisation, alongside the proliferation of international forums and cheaper travel, have also lifted the capacity of NGOs to engage in increasingly formalised forms of diplomacy that run parallel to more traditional forms powered by government diplomats. This development allows NGOs to participate in international networks for norm-promotion that create soft power value for states like Australia that both host them and support their participation in multilateral forums. NGOs interact with diplomats from their own – and other – states in a proliferating range and variety of international summits.

Even peak bodies of intergovernmental organisations like the UN Security Council now hold regular consultations with NGOs, who are increasingly being viewed as sources of research input, partners in the field, and advocates for communities who might not otherwise be heard.¹⁶ The diplomatic work that NGOs perform takes place within the “densification” of international diplomacy, which now consists of more actors, working within multilateral networks as well as structured bilateral interactions, within the context of global multipolarity.

In Australia, for example, our national reputation for gender-transformative and disability-inclusive development is a product of the government's work with NGOs. Australia's International Women's Development Agency, for example, made a statement in July this year to the Major Groups and other Stakeholders session in response to Australia's Voluntary National Review in the High-Level Political Forum on Sustainable Development in July 2018. This statement covered Australia's progress against its commitment to SDG5 on gender equality, including its investment in developing the Individual Deprivation Measure that will enable visibility of individual and not only household poverty, including women's poverty.¹⁷

In addition, Australia is the first nation to advocate in international forums for a disability-inclusive development strategy, and the United Kingdom and Germany have since joined Australia in this call. This is important norm-setting work, and the ACFID-member NGO, CBM Australia, has been instrumental in enabling this work through its advocacy.

2.7 DIVERSITY AND CONTESTATION, NOT HARMONISATION

Recommendation 7 - ACFID cautions against the temptation to overtly harmonise the work of NGOs and other international development cooperation actors with that of government in line with the purported “national interest.”

Recommendation 8 - ACFID encourages the Government to demonstrate leadership in the face of two key challenges in delivering soft power benefit of international development cooperation to Australia:

- (a) elevating the strategic importance of development cooperation;
- (b) tackling climate change in the region, and globally.

Effective partnerships and development results are produced not by the harmonisation of diverse actors’ roles but in the creative political tensions inherent in the relationships between NGOs, broader civil society and government, resulting in an increased transparency of communication - ultimately working to Australia’s benefit. The federations and networks that Australian NGOs operate within do not always share the same interests (or *perceived* interests, negotiated within complex interactions with a range of interest groups) as the states in which they are based. Nevertheless, they can produce considerable soft power value for states like Australia when the pressure they exert on these states results in norm-strengthening advocacy by government diplomats, sometimes resulting in significant wins in defending such norms.

The architecture that enables this benefit is NGOs’ capacity to leverage their lessons from the field within a networked capacity for Canberra-based advocacy. Such advocacy draws on both in-house and partner research and evidence (through the Research for Development Impact Network, for example), and enables NGOs’ monitoring of government performance and implementation of international commitments.¹⁸

The pursuit of “national interest” is an act of balancing multiple competing and cross-cutting interests in the name of the nation-state. Harmonisation approaches might correspond with media and security sector analyses that China is using “sharp power” and “debt-trap diplomacy” to surround Australia.¹⁹ Yet they both foreclose genuine debate around China’s true aims and delimit the Australian democratic freedoms that enable NGOs to play their valuable role as civil society institutions engaging in people-to-people and Track 2 diplomacy in international forums. Put simply, the autonomy, branding, and potential soft power of Australian civil society entities is at its best when it is freely able to network, contest and operate at its diverse best. Similar soft power gains could not be made should NGOs be reduced to program delivery agents or otherwise stifled in their operations.

Australia faces a series of important challenges in delivering the soft power benefit of international development cooperation to Australia. The first of these is a lack of political will by government to make the public case for aid not simply as “generous,” or “charitable,” but as an investment in development cooperation driven by Australian values as well as interests.

The “generosity” case for aid is, unfortunately, easily counteracted by statements like “charity begins at home,” often made by domestic interest groups competing for artificially constrained government tax receipts in an increasingly low-wage, low-tax economy.²⁰ This lack of will has resulted in repeated cuts to aid funding over five years, followed by this year’s decision to freeze public aid spending at \$4.0 billion per annum over the forward estimates.

A second challenge is the toxic domestic debate around climate change and energy policy, which has resulted in a “rebranding” of DFAT’s climate initiatives,²¹ and which is preventing Australian NGOs from effectively monitoring DFAT’s progress against its international commitments.²² In addition, and partly to ringfence its climate investment from domestic political pressures, Australia has committed itself to working through the Green Climate Fund to fund international climate adaptation work.

Australia’s international efforts on tackling climate change in foreign policy have been partially undermined because of our overreliance on the Green Climate Fund, which in our view has a series of problems such as: consensus-based decision making leading to paralysis, with some governments playing a spoiler role; and painfully slow operation due to over-bureaucratisation – which in turn does little to support small island states. Further, there is little evidence of community-based adaptation funding, which is a priority area of need. The resulting lack of strategic clarity in relation to Australia’s domestic and international climate work is making it difficult for Australia to show leadership in this space.

3. Policy Options to Build and Leverage Soft Power Assets to Promote Australia's Security and Prosperity, and Strengthen Australia's Reputation in an Increasingly Networked World

Recommendation 9 - Reformulate the rationale for development cooperation in Southeast Asia and ensure that Australia's development program is not reduced to a Pacific fund used to balance China.

In Southeast Asia and elsewhere, while absolute poverty is in decline, relative poverty remains widespread across Asia and the Pacific. Leading development thinker Nancy Birdsall, Senior Fellow at Washington's Centre for Global Development, has pointed out that around 60 per cent of people living in developing countries today are "strugglers" – living above the poverty line of \$1.90 per day or less, but below the threshold enjoyed by the secure middle class (on at least \$10 a day in household income per capita, PPP).²³ Strugglers might have middle class aspirations, but lack security and resilience – a health crisis, unemployment, natural disaster or other household-level economic crisis is sufficient to push this group back into poverty. Strugglers are heavily concentrated in middle-income countries, including the countries of Asia, to which Australia's present and future peace, security and prosperity remain intrinsically tied.

As more Asian countries move towards middle income status, there is an opportunity for Australia to move towards a development cooperation model, which leverages and amplifies the areas where partner countries can support their own development, while making strategic interventions to target populations who are at risk of being left behind. Systems thinking approaches can provide the analysis required to identify these areas, including those in which intervention via the aid program can create an enabling environment for Asian middle-income countries to consolidate their economic gains. Some key areas are public pension and health insurance programs, better access to advanced healthcare, better and more democratic governance, personal security, liberty and human rights, supports for higher productivity achieved through work and study, better public transport and climate-resilient urban infrastructure in the Asian delta cities in which many strugglers live and work. This approach aligns with the commitments outlined in the Addis Ababa Action Agenda, which recognises the role of ODA in consolidating the development gains of middle-income countries.

This transition need not include a scaling back of finance, but rather a re-allocation to areas of more strategic impact and a reformulation of the role of aid in a changing world, away from simply "charity" for people in need abroad, to an important platform for collaboration with our neighbours. It must also be balanced by a continued focus on low income countries, small island developing states and conflict affected countries, not only because assisting these nations helps us counterbalance China, but because these nations are where climate and other forms of vulnerability are so heavily concentrated.

ACFID cautions against allowing the current debate around China's aims in the Pacific to allow DFAT's development focus to narrow to the Pacific. Even in line with the Indo-Pacific framing that the Australian Government has recently adopted, Asia and the Pacific clearly both remain important arenas in which Australia's development cooperation program should remain active.

Moving beyond the language of “aid,” and towards a reformulated rationale for “development cooperation” and “knowledge” and “economic” partnerships will likely assist efforts to reinforce Asia’s relevance and improve the quality of public discussions about Australia’s development program.

Please also refer to recommendations 3, 5, and 6 that relate to policy initiatives:

- **Recommendation 3** - *Establish a baseline measure perception index for Australia’s development cooperation program to help drive enhanced partnerships practices for the deliverers of Australian ODA and DFAT.*
- **Recommendation 5** - *Establish a process of consultation and co-design with a diverse variety of stakeholders for a reoriented and revitalised Australian program of development cooperation in Asia and the Pacific.*
- **Recommendation 6** - *Recognise the special position of Australian civil society institutions and organisations – and the role of Australian NGOs working in international development – as important soft power assets whose achievements and reputations accrue to Australia in Asia and the Pacific.*

4. New and More Effective Partnerships with Other Governments, the Private Sector, Development Partners and Civil Society.

4.1 CIVIL SOCIETY EFFECTIVENESS

Recommendation 10 – Recognise the comparative advantage civil society institutions, including Australian International Development NGOs, deliver in terms of development results, value for money, leveraged financing and soft power gains; and invest proportionately.

Further to content in Section Two, ACFID reiterates Recommendation 6, which urges the government to recognise the special position and comparative advantage of Australian civil society institutions and organisations – and the role of Australian NGOs working in international development – as important soft power assets whose achievements and reputations accrue to Australia in Asia and the Pacific.

NGOs only receive approximately 6 per cent of the current Australian Aid Program funding. According to the Office of Development Effectiveness, “DFAT’s aggregate development results (ADR) provide a measure of aid program results for beneficiaries in a range of key human development areas. Based on ADR figures alone, ANCP is one of DFAT’s best-performing programs: in 2013–14 ANCP represented around 2.7 per cent of the aid budget and delivered 18.2 per cent of the department’s output-level aggregate development results.” The ANCP program is the ‘Australian NGO Cooperation Program’ - \$AUD132m funding to NGOs accredited with ACFID.

Whilst program portfolios exist for private sector related development cooperation (such as the Australian Business Partnership Platform), or small-scale development grants (such as the Friendship Grant scheme), there is currently no coherent investment platform which exists to foster the types of benefits civil society partnerships could bring, as outlined in this submission. ACFID would welcome further discussion on the design of such an investment, or other means of integrating civil society partnerships into all new DFAT investments.

Operating overseas and delivering impact is reliant on international development organisation expertise which bring local knowledge and decades of experience in supporting inclusive development. This is recognised in the private sector players partnering with civil society organisations to deliver their projects under the Business Partnership Platform -almost every recipient is teamed up with a local or international civil society organisation or NGO.

4.2 CIVIL SOCIETY VALUE FOR MONEY

International development NGOs work in leveraged funding scenarios, capitalising on private sector, philanthropic, domestic and international funds to deliver impact with Australian Government funding. ACFID’s State of the Sector Report, which was a joint ACFID/ANU publication, highlights that the average NGO surveyed receives more than half of its revenue from public donations. (*See figure 2, pp15*).

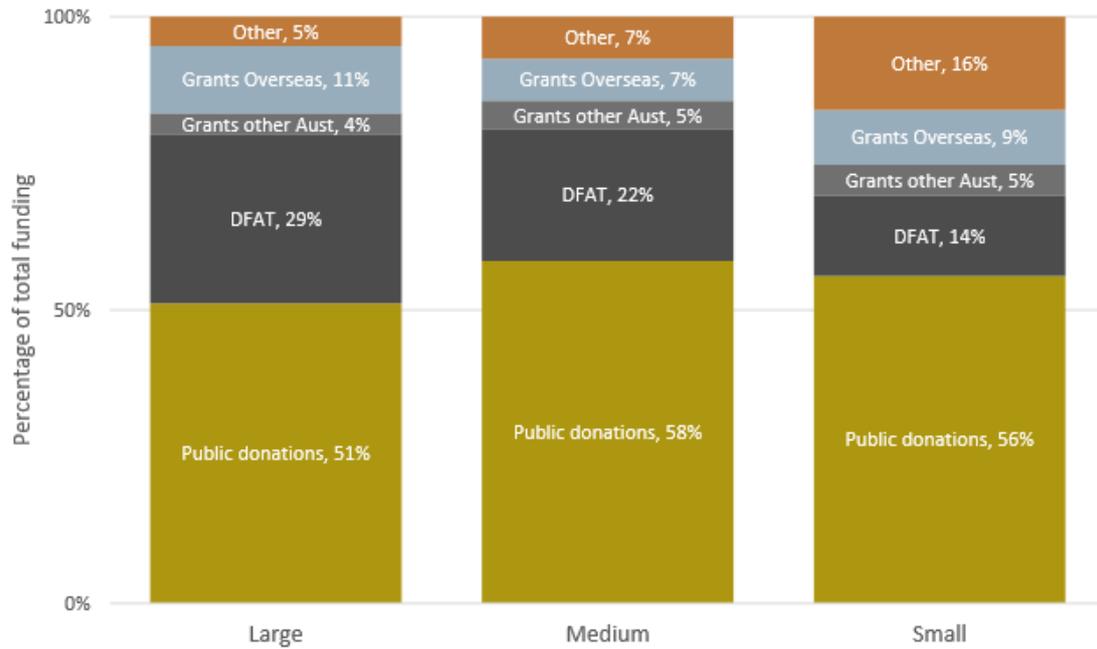


Figure 2: Funding sources for ACFID Member NGOs

Further, significant partnerships already exist between Australian NGOs and the private sector. As per Figure 3, below, 84 per cent of NGOs surveyed by ACFID report that they are either already working in partnership with the private sector or are wanting to form private sector partnerships in the near future. This engagement spans a significant geographical breadth, as seen in Figure 4, pp16.

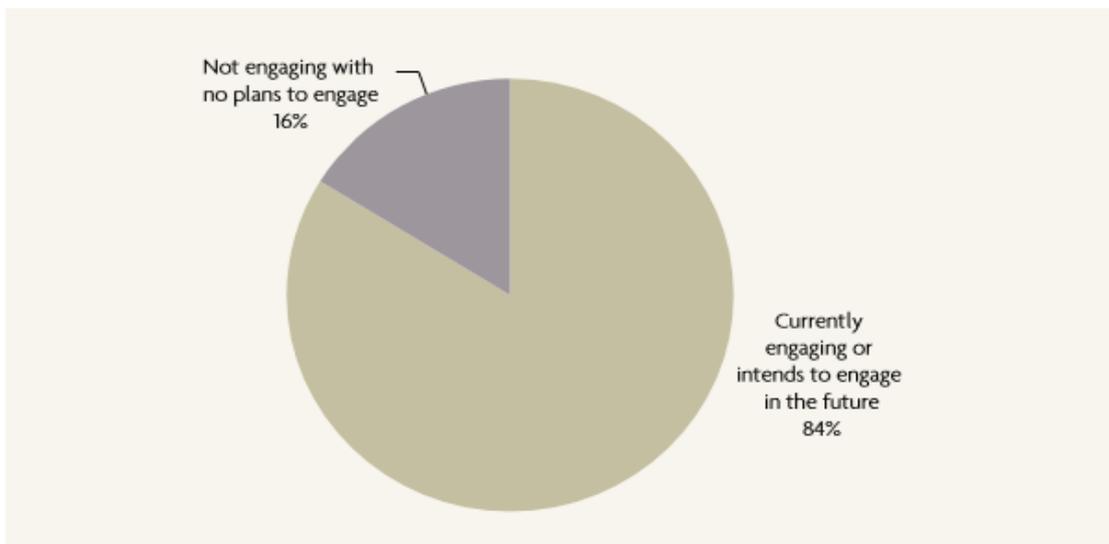


Figure 3: NGO Engagement with the private sector



Figure 4: NGO-private sector engagement around the world

About ACFID

The Australian Council for International Development (ACFID) is the peak body for Australian non-government organisations (NGOs) involved in international development and humanitarian action. Our vision is of a world where all people are free from extreme poverty, injustice and inequality and where the earth's finite resources are managed sustainably. Our purpose is to lead and unite our members in action for a just, equitable and sustainable world.

Founded in 1965, ACFID currently has 121 members and 22 affiliates operating in more than 95 developing countries. The total revenue raised by ACFID's membership from all sources amounts to \$1.65 billion (2016), \$930 million of which is raised from over 1.5 million Australians (2016). 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, 32 Commitments and 90 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.

List of ACFID Members

Full Members:

- ACC International Relief
- Act for Peace - NCCA
- ActionAid Australia
- Action on Poverty
- Adara Development Australia
- ADRA Australia
- Afghan Australian Development Organisation
- Anglican Aid
- Anglican Board of Mission - Australia Limited
- 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
- Australia Hope International Inc.
- Australian Business Volunteers
- Australian Doctors for Africa
- Australian Doctors International
- 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
- Birthing Kit Foundation (Australia)
- Brien Holden Vision Institute Foundation
- Bright Futures Child Aid and Development Fund (Australia)
- Burnet Institute
- Business for Development
- CARE Australia
- Caritas Australia
- CBM Australia
- ChildFund Australia
- CLAN (Caring and Living as Neighbours)
- Credit Union Foundation Australia
- Diaspora Action Australia
- Diplomacy Training Program
- Door of Hope Australia Inc.
- Edmund Rice Foundation (Australia)
- EDO NSW
- Engineers without Borders
- Every Home Global Concern
- Family Planning New South Wales
- Fairtrade Australia New Zealand
- Food Water Shelter
- Foresight (Overseas Aid and Prevention of Blindness)
- Fred Hollows Foundation, The
- Global Development Group
- Global Mission Partners
- Good Shepherd Services
- Good Return
- Grameen Foundation Australia
- Habitat for Humanity Australia
- Hagar Australia
- HealthServe Australia
- Heilala
- Hope Global
- Hunger Project Australia, The
- International Children's Care (Australia)
- International Christian Aid and Relief Enterprises
- International Needs Australia
- International Nepal Fellowship (Aust) Ltd
- International River Foundation
- International Women's Development Agency
- Interplast Australia & New Zealand
- Islamic Relief Australia
- KTF (Kokoda Track Foundation)
- Kyeema Foundation
- Lasallian Foundation
- Leprosy Mission Australia, The
- Live & Learn Environmental Education
- Love Mercy Foundation
- Mahboba's Promise Australia
- Marie Stopes International Australia
- Marist Mission Centre
- Mary MacKillop International
- Mary Ward International Australia
- Mercy Works Ltd.
- Mission World Aid Inc.
- MIT Group Foundation
- Motivation Australia
- Murdoch Children's Research Institute
- MAA (Muslim Aid Australia)
- Nusa Tenggara Association Inc.
- Oaktree Foundation
- Opportunity International Australia
- Our Rainbow House
- Oxfam Australia
- Palmera Projects

- Partner Housing Australasia
- Partners in Aid
- Partners Relief and Development Australia
- People with Disability Australia
- PLAN International Australia
- Quaker Service Australia
- RedR Australia
- Reledev Australia
- RESULTS International (Australia)
- Royal Australian and New Zealand College of Ophthalmologists
- Royal Australasian College of Surgeons
- Salesian Missions
- Salvation Army (NSW Property Trust)
- Save the Children Australia
- School for Life Foundation
- SeeBeyondBorders
- Sight For All
- So They Can
- Sport Matters
- Surf Aid International
- Tamils Rehabilitation Organisation Australia
- TEAR Australia
- Transform Aid International (incorporating Baptist World Aid)
- UNICEF Australia
- Union Aid Abroad-APHEDA
- UnitingWorld
- WaterAid Australia
- World Vision Australia
- WWF-Australia
- YWAM Medical Ships

Affiliate Members:

- Asia Pacific Journalism Centre
- Australian Federation of AIDS Organisations
- Australian National University – School of Archaeology and Anthropology, College of Arts and Social Sciences
- Charles Darwin University – Menzies School of Health Research
- Deakin University – Alfred Deakin Research Institute
- James Cook University – The Cairns Institute
- La Trobe University – Institute of Human Security and Social Change
- Murdoch University – School of Management and Governance
- Queensland University of Technology – School of Public Health and Social Work
- Refugee Council of Australia
- RMIT – Centre for Global Research
- Swinburne University of Technology Centre for Design Innovation
- Transparency International Australia
- University of Melbourne – School of Social and Political Sciences
- University of New South Wales- International
- University of Queensland – Institute for Social Science Research
- University of Sydney – Office of Global Engagement
- University of the Sunshine Coast – International Projects Group
- University of Technology, Sydney – Institute for Sustainable Futures
- University of Western Australia – School of Social Sciences
- Vision 2020
- Western Sydney University- School of Social Sciences and Psychology

* Denotes Interim Full Member

** Denotes Interim Affiliate Member

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