Submission into the “Inquiry into the strategic effectiveness and outcomes of Australia’s aid program in the Indo-Pacific and its role in supporting Australia’s regional interests”

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Introduction

This submission, which is based on research undertaken by and at the Development Policy Centre, addresses four themes of relevance to the Committee’s Inquiry: effectiveness, transparency, aid for trade, and innovation. This cover submission provides the main points and recommendations. More detail can be found in the attachments, as follows:

- Attachment A: 4-page brief on stakeholder survey
- Attachment B: Published article on stakeholder survey
- Attachment C: Blog on lessons learnt from Australian aid support for the Fiji Women’s Crisis Centre (“Challenging Aid Orthodoxies”)
- Attachment D: 2016 aid transparency audit blog
- Attachment E: Medical research blog
- Attachment F: iXc assessment

1. Effectiveness

This Inquiry is into the “strategic effectiveness” of the Australian aid program. Australian aid effectiveness has been a major research focus for the Development Policy Centre since its establishment in 2010. While our focus is mainly on development effectiveness, we would argue that aid that is not developmentally effective is unlikely to be strategically effective. Our research is at two levels: at the aggregate level via stakeholder surveys; and through case studies.

(a) Australian aid stakeholder surveys

Our 2013 and 2015 Australian aid stakeholder surveys provide useful evidence of what aid experts and stakeholders think with regards to Australian aid effectiveness (mainly the executives of the NGOs and contractors who implement Australian aid). The results of both surveys (which had 356 and 461 respondents respectively) are summarised in a four-page brief (Attachment A) and published article (Attachment B). Major findings included the following:

- Three-quarters of the aid experts we surveyed thought that the performance of the aid program worsened between 2013 and 2015. By stark contrast, in 2013, more than three-quarters thought the aid program had improved over the previous decade.

- While this general dissatisfaction was likely related to budget cuts, most of the 17 aid effectiveness attributes the survey asked about showed declines rather than
increases, and some declined a lot, turning from strengths into weaknesses. See the graph below.

Most aid program effectiveness attributes have gotten worse, some a 'lot so

Notes: In both 2013 and 2015, respondents were asked to rate, as strengths or weaknesses, 17 attributes that are important for aid program effectiveness. The ratings are normalised on a scale from zero (great weakness) to one (great strength) with 0.5 being a neutral rating. If the dots lie below the blue line, the rating has worsened over the last two years. Blue dots show an improvement, orange dots a moderate decline, and red dots a large decline (20% or more than the average decline).


- Stakeholders perceived a loss of strategic clarity. They also expressed concern that helping poor people in developing countries had become a less important goal for Australian aid. Australia’s strategic and commercial interests are now seen to play a larger role in shaping the aid program.

- A loss in aid expertise was viewed by the sector as a clear cost of the AusAID-DFAT merger. Nearly three quarters of 2015 respondents viewed staff expertise as a weakness or a great weakness of the aid program, up from half in 2013. More than three-quarters said that the merger had a negative impact on aid staff effectiveness. A number suggested that the loss of staff expertise was not only a product of a large number of AusAID staff leaving after the merger, but also a consequence of an organisational culture within DFAT that didn’t value development expertise.

- Transparency and community engagement went from being strengths of the aid program to weaknesses. The transparency score went down the most after funding predictability. In 2013 fewer than a quarter of respondents thought transparency was a weakness or a great weakness. In 2015 just over a quarter assessed the aid program’s transparency positively. Respondents were clearly concerned about less
information being available about the Australian aid program, and about less effort being made to communicate the positive results of the aid program with the Australian public.

2015 might now seem to be a long time ago. DFAT has made an effort to address some of these issues since, and we are planning a new survey. Nevertheless, we think that this information is still of great use to the Committee, for three reasons.

First, the 2015 survey draws attention to a perceived reduction in effectiveness, and to weaknesses in specific areas which might be driving that reduction. These are certainly worthy of further investigation by the Committee.

Second, it also draws the Committee’s attention to what really matters for aid effectiveness which is not only the broad sectoral priorities (say, infrastructure versus health) but also, more importantly, attributes such as staff expertise and continuity, results orientation, and avoidance of micromanagement. We note the absence of these benchmarks from those used by the government to measure aid effectiveness. The government has chosen benchmarks which are too easy to meet, such as producing country strategies. While some of what matters for aid effectiveness is difficult to measure, it would not be difficult to include measures of at least some of the critical determinants of aid effectiveness, such as transparency, staff continuity, and staff expertise.

Third, DFAT should be encouraged itself to gather stakeholder feedback. Most of the stakeholders we surveyed were those who implemented the aid program: Australian contractors and NGOs. These are, of course, not the ultimate beneficiaries of Australian aid, and they have their own interests. But they are well-informed, they are trusted by the Australian government with billions of dollars, and their views should be taken account of. In general, the relationship between the aid program and its implementors is a very unequal one. Note from the graph above how weakly the aid program scores on quick decision making and avoidance of micromanagement. These are things that really matter to aid implementors and to aid performance, and which deserve much more attention, but which will only be taken seriously if the voices of stakeholders are heard.

(b) Case studies

Researchers at the Development Policy Centre have also undertaken a number of case studies. Some are detailed and in-depth (for example, on the aid-funded effort to tackle malaria in Solomon Islands). Others are briefer, including the Aid Profile series. A number of lessons emerge from these case studies. These are summarised by my reflections on the Fiji Women’s Crisis Centre, or FWCC, (one of the Aid Profiles) which the Australian aid program has been the principal funder of almost from its beginning, from 1990 and continuing to this day. Australia’s annual support is relatively modest – about $1 to $1.5 million a year. But there are very few projects with this longevity in the Australian aid program, and even fewer with such high returns.

What I learnt from studying the FWCC experience, and others like it, is summarised in Attachment C. Apart from concluding that Australia should provide more funding to local
civil society groups (annual funding to FWCC is no more than the cost of a couple of expat advisers), these case studies also point to the need to think long term. The secret of good aid is to uncover promising approaches and build on them. Think of aid in terms of decades rather than years. Indeed, perhaps three decades should be thought of as a standard time for a successful aid project, rather than three years.

**Recommendations on aid effectiveness:**

1.1. In considering strategic effectiveness, the Committee will also have to assess the development effectiveness of the aid program. Our research indicates a perceived deterioration in aid effectiveness between 2013 and 2015.

1.2. Benchmarks for the aid program should include at least some of the critical determinants of aid effectiveness explored in our stakeholder surveys, such as transparency, staff continuity, and staff expertise.

1.3. Stakeholder surveys help improve the aid feedback loop and should be encouraged and continued.

1.4. Make more of an effort to learn the lessons of successful aid programs.

1.5. Especially in countries where we are likely to be providing aid for a long time, think of aid in terms of decades rather than years. Perhaps three decades should be thought of as a standard time for a successful aid project, rather than three years.

**2. Transparency**

As mentioned above, transparency is an important attribute of aid effectiveness.¹ When Julie Bishop took over as Minister of Foreign Affairs, she pledged to make the aid program “more transparent, more open, and more effective” than ever before. Our research has investigated what has happened to transparency under the Coalition. This section draws on research undertaken in 2016 at the Development Policy Centre by Camilla Burkot (then a Research Officer at the Centre) and Virginia DeCourcy (then an intern). The paragraphs that follow are taken from the blog summarising their results (Attachment C). (A detailed report is also available.)

The 2016 exercise replicated, as closely as possible, the methodology of a similar 2013 audit. As in 2013, our focus was on transparency as the project level: the bedrock of aid transparency. We limited our data sources to bilateral (country) program pages of the DFAT website, and examined a total of 27 countries and regional groupings. Two indices were calculated. The first is a ‘preliminary project information index’, which rates projects according to the availability of basic information about the project on the DFAT website – things like whether projects had a title, description, start and end dates, and budget. The second index is an ‘availability of project documentation index’, which captures the different types of documents that are published on the DFAT website for each project.

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¹ Another feature of effective aid is good public communications, which has also been a subject of Devpolicy research: see the 2016 policy brief by Ashlee Betteridge: "Communications post-integration: reloading Australia’s efforts."
The research found that project-level transparency in the Australian aid program had declined. The average preliminary project information index score in 2016 was 54.5%, compared to 79.3% in 2013. The average availability of project documentation index score in 2016 was 35.9%, compared to 41.9% in 2013.

The conclusion of the 2013 audit was that while transparency had improved under Labor, overall the record was “not that impressive”. It noted a “substantial data dump in 2011” but little by way of sustained effort, resulting in “a patchy and out-of-date public information base for Australia’s aid projects.” As the 2013 audit noted at the time, it should not have been hard for the Coalition to do better than Labor in relation to aid transparency. And yet it had done worse.

DFAT maintains, in a footnote published on each project page of its website, its commitment “to high standards of transparency and accountability in the management of the Australian aid program” which will be shown by “publishing information on the aid program on the DFAT website, including policies, plans, results, evaluations and research”. Our audit shows that commitments are not enough. They need to be taken seriously – real political and bureaucratic weight needs to be put behind them – and progress against them needs to be monitored. Transparency should be made one of the official benchmarks by which the Australian government assesses the quality of its official aid.

Australia does comply with the requirements of the International Aid Transparency Initiative (IATI), but only barely; other bilateral donors provide some examples of what more is possible in the world of project-level aid transparency. Go to the UK or US government aid websites and you can find comprehensive and up-to-date project information arranged in a user-friendly way. Even some aid recipients, for example Myanmar, are now developing portals and databases to track aid projects and improve donor coordination in their countries. Increased public access to detailed aid information is clearly the way of the future.

While this research was undertaken in 2016, its findings were echoed in 2018 by the OECD DAC (Development Assistance Committee) peer review of Australian aid, the first recommendation of which was that:

    DFAT should improve its transparency in relation to the timely and accessible publication of activity-level information.

One way to ensure this would be to make project-level transparency be made one of the official benchmarks by which the Australian government assesses the quality of its official aid.
Recommendations on transparency

2.1. As per the 2017 OECD DAC Review of Australian aid, DFAT should improve its transparency in relation to the timely and accessible publication of activity-level information, including by making project-level transparency one of the aid program benchmarks.

3. Aid for trade: aid for migration, an Australian investment bank, and trade-offs

Aid for Trade has also been a major theme for the government. According to the 2016-17 Performance of Australian Aid report, the share of the aid program being spent on aid for trade has increased from 12.9% in 2014 to 23.3% in 2018.

This submission takes no position on whether this should be regarded as an achievement of not, but rather makes three important, separate points.

5a. “Aid for labour mobility” makes more sense for the Pacific than “Aid for trade”

The Pacific island region is the most important region for the aid program. About $1.3 billion, which is almost half of the bilateral aid program, is directed to PNG and other Pacific Island Countries. The Pacific is not a trading region. Remittances are much more important for the Pacific (and Timor Leste) than trade. Remittances are the first or second source of foreign currency for Fiji, Timor Leste, Tonga, Samoa and Vanuatu, and possibly for other Pacific island countries as well. These countries are too remote and isolated to be competitive in the trade of goods. Tourism holds potential for some of these countries, but even the Pacific countries that have developed their tourism sectors, remittances remain an extremely important source of foreign exchange: the second most important for Fiji and Vanuatu. And there is much potential for further gain by expanded mobility as outlined in our joint report with the World Bank Pacific Possible Labour Mobility.

In the Pacific, therefore, aid for trade should mean aid for migration or aid for labour mobility. As with aid for trade, this means facilitating a private-sector activity but in this case one involving the movement of people rather than goods. Australia can do this by:

• Helping the Pacific access existing pathways to Australia and abroad, including the Seasonal Worker Programme (SWP) and the Pacific Labour Scheme (PLS), by:
  • streamlining the recruitment of labour in sending countries
  • promoting the schemes to Australian business
  • protecting Pacific workers in Australia.
• Mitigating brain drain via technical training, including through the Australia Pacific Training College (APTC)
• Promoting school quality
• Reducing the costs of remittances
• Widen the mandate of the Australian-funded Pacific trade and investment promotion body, Pacific Trade and Invest (PT&I) to include the promotion of labour mobility opportunities, and rename it Pacific Trade, Invest and Work (PTI&W).

To its credit, the Australian aid program has started down this path. The new phase of the APTC has a much stronger focus on labour mobility, and the Pacific Labour Facility will provide support to both the SWP and the PLS. However, these are all regional programs. The Pacific bilateral countries need to make labour mobility a focus, as should the World Bank, IFC and ADB all of whom are supported by the Australian aid program to promote private sector development in the Pacific.

The Australian government to its credit has greatly increased labour mobility opportunities for the Pacific by introducing first the Seasonal Worker Programme and now the Pacific Labour Scheme. The aid program needs to adjust to support these programs and maximize their potential. There is no better way for the Pacific to get its people jobs, and its families additional cash, and all, unlike the aid program, at a benefit, rather than a cost, to the Australian economy.

3b. An Australian development finance institution

Various researchers and experts have advocated that Australia establish a Pacific-focused development finance institution to be financed either by Australia alone or jointly with New Zealand. This case has been made (here and here) by former Parliamentary Secretary for International Development (2007-2010) Bob McMullan (now Adjunct Professor at Crawford School of Public Policy and a Visiting Fellow at the Development Policy Centre), here by former World Bank Vice President Jim Adams, and most recently here by Clay O’Brien, an international finance expert.

3c. Cuts to health and education

In the context of a reduced aid budget, an increased focus on aid for trade can only come at the expense of other activities. In the case of Australian aid, it has been at the expense of education and health. The figure below, taken from Australian government statistics, shows that education has been cut from about $1 billion to $600 million, and health from about $800 million to $400 million (these are all nominal figures). This has created space for an increase in spending on infrastructure (From about $500 million to almost $800 million) and in agriculture from about $300 to about $400 million, both of which are counted as aid for trade. Whether or not this shift was worth it, it is important to be aware of the trade-offs.
Recommendations relating to aid for trade

3.1. For the Pacific, focus on aid for labour mobility rather than aid for trade.
3.2. Consider the establishment of a development finance institution or an investment bank with a focus on the Pacific.
3.3. Acknowledge trade-offs: more aid for trade means less aid for health and education.

4. Innovation

(a) Australian Council for International Research

An important theme under innovation is support for global medical research, to tackle neglected diseases and to bring new drugs and diagnostics to the market. Aid program support for global medical research is a recent phenomenon but is increasing.

In research with Camilla Burkot, I argue for a scaling-up of global medical research funding, and for an expansion of the mandate of the Australian Centre for International Agricultural Research to cover global medical as well as agricultural research. Under this scenario, ACIAR would become ACIR: the Australian Centre for International Research. DFAT is not an appropriate home for a large research-funding effort because of its generalist nature and lack of specialist expertise. Our blog on the subject is provided as Attachment E, and a detailed report is also available.

(b) iXc

iXc (the innovationXchange) is one of the Foreign Minister’s flagship aid initiatives, with expenditure of close to $140 million over its first four years of existence. A separate report
provides an assessment of iXc’s first four years (Attachment F). There is a strong case to be made that the Australian aid program would benefit from a greater focus on the development and application of new technological solutions to development problems, and from a greater engagement with the private sector. From these perspectives, the creation of iXc was a very welcome initiative. However, there is a lack of information in the public domain about what iXc has achieved. Rather than attempting to reach an overall assessment, the attached report, written from the perspective of a sympathetic critic, explores a range of factors that are likely to have undermined iXc performance, and reduced its potential. In summary, it argues that there is a strong case to be made that the Australian aid program would benefit from a greater focus on the development and application of new technological solutions to development problems, and from a greater engagement with the private sector. However, it also argues that iXc has suffered from: insufficient focus; a lack of transparency and learning; too high a political profile; and what I call the downsides of innovation – a disregard for the fundamentals of aid effectiveness, an under-appreciation of prior experience, and an over-reliance on one-shot approaches, with insufficient follow-up. These are risks not only to aid effectiveness but also to credibility.

The report concludes with a number of measures to improve iXc performance. These are repeated below as points 4.2 to 4.8

**Recommendations relating to innovation**

4.1. Broaden the mandate of the Australian Centre for International Agricultural Research to cover global medical research and rename it the Australian Centre for International Research. Alternatively, establish a dedicated Australian global medical research funding blog.

4.2. iXc should consolidate its investment portfolio, by narrowing its sectoral remit, and raising the hurdle by publishing and adhering to strict criteria for the receipt of iXc funding. A narrow definition of innovation could lead to reliance on two main criteria for project selection, namely (a) technological development and/or (b) private sector co-funding.

4.3. iXc should publish annual plans and performance reports.

4.4. The Minister should sign off on the iXc strategy, and not be involved in the selection of individual projects.

4.5. iXc should plan ahead of time and execute evaluations on all its projects, and publish them, as well as regular progress reports.

4.6. iXc should develop a strategy for supporting at least one or two promising projects that have received some initial support, so that it can demonstrate results.

4.7. Consideration should be given to increasing iXc’s investment in the Global Innovation Fund, and scaling back and consolidating its bilateral investments.
4.8. An in-depth and independent review of iXc and of its performance over the first four years, should be undertaken.
Since the Coalition’s election in 2013, Australian government aid has changed significantly. AusAID, the government aid agency, has been fully integrated into the Department of Foreign Affairs and Trade (DFAT). There have been unprecedented cuts to the aid budget.

The 2015 Development Policy Centre Australian Aid Stakeholder Survey shows the dramatic impact of these changes.

The Development Policy Centre conducted its first ever Australian Aid Stakeholder Survey prior to the 2013 elections. We assessed the state of Australian aid by gathering input from stakeholders—aid experts who have worked with the aid program regularly and who have first-hand experience of its performance.

In the second half of 2015 we repeated the Australian Aid Stakeholder Survey, using the same methods and asking similar questions. This time, we attracted an even larger number of respondents: 461 in 2015 compared to 356 in 2013.

Our analysis is based on 2015 data, and comparisons between 2013 and 2015.
The majority of aid stakeholders still think Australian government aid is effectively given, but they worry that the quality of Australian aid is getting worse.

The 2015 Australian aid stakeholder survey contains some good news for the aid program. Foremost is that the majority of stakeholders (61 percent) believe the aid program is effective or very effective. Nearly all those involved in implementing the Australian aid program still think that their own aid projects are effective. Many stakeholders also support the greater focus on the Asia-Pacific region, and most back the increased emphasis on aid for trade, although they suggest the government might have gone too far in this regard. Modest improvements in the area of aid management streamlining are suggested, and respondents also note that the problem of rapid turnover of aid program managers within AusAID/DFAT has eased slightly.

But there are also some very worrying signs. Two years ago, 70 per cent of stakeholders rated the aid program as effective or very effective. Now it is 61 per cent. Moreover, three quarters of our aid experts now think that the aid program's performance has become worse over the last two years. By stark contrast, in 2013, more than three quarters of respondents thought the aid program had become better over the previous decade.

This fall in perceived effectiveness is not surprising given the budget cuts. Respondents indicate clearly that the budget cuts have reduced effectiveness. We asked not only about overall effectiveness but about things that matter for effectiveness, some 17 attributes in total, including funding predictability. It was viewed in 2013 as a strength of the aid program, but a lack of funding predictability is now viewed as the biggest weakness of the aid program out of all the 17 attributes.

It would be a mistake to view this deterioration in perceived effectiveness as a temporary effect. Of course, for effective aid there shouldn't be more budget cuts. (Worryingly, still more aid cuts are scheduled for the 2016-17 budget.) But, most of the 17 aid program attributes showed declines rather than increases, and some declined a lot, turning from strengths into weaknesses. Reversing these steep declines will not be easy.

Three factors other than the budget cuts appear to have been particularly important in explaining the perception of reduced effectiveness, and are particularly worthy of our attention. These are the attributes that declined the most and which were clearly associated with individuals' responses to the question about changes in overall aid effectiveness.

First, stakeholders perceive a loss of strategic clarity. They also express concern that helping poor people in developing countries has become a less important goal for Australian aid. Australia's strategic and commercial interests are now seen to play a larger role in shaping the aid program. Relatedly, respondents are unhappy with the new government aid objective, and the aid program is seen to have less realistic expectations than it used to.
All this suggests that attempts to reposition the aid program under a “new paradigm” and as a form of “economic diplomacy” have not yet gained traction. The government has been making the case that aid is good for Australia. It needs to do more to communicate the message that the aid program is good for the world’s poor. And expectations need to be realistic, especially in a constrained aid budget environment, and difficult environments like the Pacific.

Second, a loss in aid expertise is viewed by the sector as a clear cost of the AusAID-DFAT merger. Nearly three quarters of 2015 respondents view staff expertise as a weakness or a great weakness of the aid program, up from half in 2013. More than three quarters say that the merger has had a negative impact on aid staff effectiveness. A number suggest that the loss of staff expertise was not only a product of a large number of AusAID staff leaving after the merger, but also a consequence of an organisational culture within DFAT that fails to value development expertise. This is a problem that DFAT will have to address, or else it will grow over time as more former, senior AusAID staff and advisers leave, and as old projects end, requiring more new programming.

Most aid program effectiveness attributes have gotten worse, some a lot so
Third, transparency and community engagement have gone from being strengths of the aid program to weaknesses. The transparency score went down the most after funding predictability. In 2013 fewer than a quarter of respondents thought transparency was a weakness or a great weakness. In 2015 just over a quarter assess the aid program's transparency positively. Respondents are clearly concerned about less information being available about the Australian aid program. DFAT has committed itself to aid transparency, and its coverage of aid on its website is improving, but clearly more is needed. Giving political backing to a detailed aid transparency commitment – in effect, a new transparency charter – and then reporting performance relative to this standard could quickly reverse the negative perceptions that have developed in this area.

Stakeholders also feel much less of an effort is being made to engage the community in relation to aid. This rating has gone from average to third lowest. This would be a natural area for the new Minister for International Development and the Pacific Steven Ciobo to lead on: communicating the successes and importance of the Australian aid program.

CONCLUSION

The aid budget cuts may not be reversed, but the decline in perceived effectiveness can be. Stakeholders are realistic about the prospects for future aid volumes. But they expect a more effective aid program. It is not as if our aid experts were fully satisfied with the state of our aid in 2013. Far from it. Now, however, while stakeholders still feel that they are delivering good aid, they give some clear indications that the quality of our aid is at risk. Listening to their voices will go a long way to minimising those risks, and putting Australian aid once again on an upward trajectory, if not in terms of volume, then at least, and just as importantly, in terms of quality.
Gauging Change in Australian Aid: Stakeholder Perceptions of the Government Aid Program

Terence Wood, Camilla Burkot and Stephen Howes*

Abstract

In this article, we use data from the 2013 and 2015 Australian Aid Stakeholder Surveys to gauge the extent of the changes to the Australian Government Aid Program since the 2013 federal election. The two surveys targeted the same set of stakeholders of the aid program, and both gathered data on a wide range of aspects of its functioning. As we assess the findings that emerged from the surveys, we situate our work amongst recent academic studies that have looked at the post-2013 aid changes in Australia. Our key findings are that the post-2013 changes to Australian aid have had wide-ranging impacts and have led to deteriorating overall aid quality. However, changes have not affected all aspects of the aid program equally, and some changes are starting to be reversed. In discussion, we examine what these developments mean for the future of Australian aid.

Key words: foreign aid, aid policy, Australia, Australian politics, DFAT

1. Introduction

On the surface, at least, the change of government in 2013 brought dramatic changes to Australian government aid policy. The aid budget was cut repeatedly (Howes 2015). AusAID, the Australian Government’s aid agency, was fully integrated into the Department of Foreign Affairs and Trade (DFAT; Davies 2013). And government policy statements proclaimed the arrival of a ‘New Aid Paradigm’, an increased focus on economic diplomacy, and a new push for innovation in the aid program (Bishop 2014a; Bishop 2014b). At the time, these changes were controversial, generating media commentary and critique. To date, however, there has been little systematic academic work on the changes and their impact. Moreover, that work that does exist has offered very different takes on the post-2013 changes. While some work has taken it as a given that the changes were substantial, other work has downplayed their significance.

In this article, we introduce a new, publicly available dataset that serves as a gauge, not only of the quality of Australian aid as a whole but also of the quality of specific aspects of Australian aid policy. The data come from the systematic surveying of Australian aid stakeholders undertaken both in 2013 and 2015. (The surveys are referred to hereafter as the Australian Aid Stakeholder Surveys.) Because the 2013 data were gathered prior to the change in government and subsequent changes in the aid program, while the 2015 data were gathered far enough after the major changes for their effects to have been felt, the data allow...
insights into the types and magnitudes of change since 2013. Ultimately, our data-gathering project is intended to be ongoing, and its ultimate utility will not just be in describing the 2013 changes. However, in this article, it is these changes that we focus on, and we describe what Stakeholder Survey data suggest has occurred to Australian aid since 2013. As we do this, we examine how well our data fit with the descriptions of change conveyed by existing studies.

The article is structured as follows. In the literature review, we first provide a very brief high-level summation of the post-2013 changes to Australian aid before discussing the three existing academic papers that have offered views on the post-2013 changes. We then look at existing international work focused on systematically studying aid quality. As we do this, we look at the strengths and weaknesses of the methods used in this international work. Following the literature review, we provide full details of how we gathered the Stakeholder Survey data, describe what the Stakeholder Survey data cover and discuss the respective strengths and limitations of the data. In the subsequent results section of our article, we then detail change and continuity as captured by the Stakeholder Surveys. In the discussion we compare our findings to the claims made in existing academic work on the Australian changes. We also discuss what the existing state of affairs suggests about the future of Australian government aid policy.

2. Literature Review

Although, as we will see, the three existing academic papers that discuss recent changes to the Australian Government Aid Program take different views on the significance of those changes, some basic facts are beyond dispute. Eleven days after the 2013 election, the Coalition government announced that AusAID (at that time the Australian government’s aid agency) would be fully integrated into DFAT. Prior to this decision, Australia had a specialist aid agency in some form or another since 1973 (Davies 2013; Davies & Betteridge 2013). A series of cuts to the Australian aid budget also commenced; the first occurring midway through the 2013 parliamentary term. At the beginning of the 2015–16 financial year, cuts of approximately 20 per cent were made to the aid budget (Hockey & Cormann 2014). In both absolute and percentage terms, these were the largest ever cuts to Australian aid (Howes & Pryke 2014). These cuts were followed by additional smaller cuts at the beginning of the following financial year (Howes 2015). Alongside these cuts and changes to the structure of the Australian Government Aid Program, the Australian Foreign Minister, Julie Bishop, stated that she was instigating a ‘New Aid Paradigm’ that would reorient the aid program’s work with a focus on ‘Economic Diplomacy’, which appeared to mean focusing more aid on advancing Australia’s interest and on economic development. The minister also stated that the ‘New Aid Paradigm’ would bring with it more ‘innovative’ aid (Bishop 2014a; Bishop 2014b).

These matters of fact are uncontested in recent academic work. What is contested is the significance of the changes that have occurred, with the three academic studies that have covered the post-2013 period offering different takes. Of the three papers, that of Day (2016) most clearly signals a belief that changes have been significant. Day’s paper focuses more on why changes occurred rather than their magnitude, but it is clear he believes the changes were significant. He refers to the changes as ‘dramatic’ (2016, p. 3) and calls the period in which they occurred ‘tumultuous’ (2016, p. 3). To Day, at least some of this tumult simply stems from the budget cuts and integration. However, beyond budget cuts and structural changes, Day also notes a loss of aid expertise, changes in organisational ethos and increased uncertainty as factors that have impacted negatively on the way Australian aid is given (Day 2016, p. 6).

The second paper to address the issue of recent changes (Rosser 2016) does not have the changes as a central focus, but rather discusses them alongside changes to Australian aid and foreign policy that have arisen as a result of development changes in parts of Asia. Rosser’s overarching argument is that,
in the medium term, there are clear ideological and structural bounds to aid policy in Australia. These bounds have meant that while there have been some differences between Labor and Coalition government aid policy, the differences have been *‘at the margins’* (Rosser 2016, p. 119 emphasis in original). However, by the standards of this constrained policy space, Rosser sees the post-2013 changes as significant:

> While these moves undoubtedly reflect long-held Coalition views that aid policy should be subordinated to the national interest and possibly a desire to enhance DFAT funding, they mark a dramatic shift, not only from Labor’s aid policies, but also their own during the Howard years. (Rosser 2016, p. 129)

Unlike Rosser, the third paper to have focused on Australian aid changes, which is that of Corbett and Dinnen (2016), does focus exclusively on the post-2013 changes to Australian aid. Corbett and Dinnen contend that the recent changes to Australian government aid do not warrant Minister Bishop’s claims of a *‘New Aid Paradigm’* if the term *‘paradigm’* is interpreted as it was by Thomas Kuhn in his work on scientific knowledge (Kuhn 1962, cited by Corbett & Dinnen on p. 88). In practical terms, this seems to mean that Corbett and Dinnen view the changes to aid policy post-2013 as comparatively minor when set amongst the universe of potential approaches to aid that Bishop could have chosen from. Reflecting this, the authors contend that there is considerable continuity, both in Australian aid policy over time and between Australian aid policy and global aid policy. To Corbett and Dinnen, the change that occurred post-2013 was only an *‘incremental change’* (Corbett & Dinnen 2016, p. 99). Moreover, they contend that the so-called New Aid Paradigm has largely represented a reversion to long-held views about aid and development, rather than the arrival of anything new (Corbett & Dinnen 2016, pp. 93–94).

> Although there are differences in the degree to which the different authors attempt to draw upon empirical evidence (with Day being the most empirically oriented), a clear challenge that all three papers face is that, with the exception of aid cuts, and the simple fact of the integration, thus far there has been little primary empirical evidence available to help gauge the impact of the post-2013 changes. Indeed, gathering such information is not easy. However, attempts have been undertaken internationally to try to systematically gather data on the quality of aid programs, both for the sake of international comparison and for the sake of tracking changes over time. It is to this work that we now turn.

Internationally, three academic research teams and one think tank have undertaken sophisticated work attempting to systematically measure aid quality (Center for Global Development & Brookings Institution 2014; Custer et al. 2015; Easterly & Pforte 2008; Easterly & Williamson 2011; Knack et al. 2011). In instances, this work has involved more than one iteration. None of this work has specifically focused on Australia, yet all of the studies have included Australia in their assessments. The work in question has involved two different methods: two of the academic teams (those lead by Easterly and by Knack), as well as

3. In addition to these works, a number of papers have used simple proxies of aid quality (or something similar to it) as independent or dependent variables in regression analysis. While this work is valuable in its own right, we have not included it here because the indices we cover in this literature review provide much more sophisticated takes on the issue of aid quality. Also, there are some studies of aid agency performance available in the grey literature, particularly Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee ‘peer reviews’ of country aid programs. While these are valuable for researchers and aid programs themselves, they tend to be very gentle in their critiques of aid programs and for this reason are of limited utility to someone who wishes to systematically study aid quality. In Australia’s case, there has not been a full peer review since 2013, which makes intertemporal comparison involving the recent changes impossible. This is also the case with reviews of the Australian Government Aid Program that has been commissioned by the government itself (for the most recent of these, see Hollway et al. 2011).

1. Rosser’s argument, for what it is worth, is that the changes have been partially prompted by the rise of China as a foreign policy presence.
2. Although, in the case of budget cuts, they appear to be in accordance with the other authors.
the Center for Global Development and Brookings partnership, have almost exclusively made use of publicly available data or their own observations to create indices of quality; the final academic team (that led by Custer) drew upon their own survey data gathered from the surveyed views of officials in recipient countries.

The indices-based work is of varying sophistication, and the different indices draw upon differing data sources. All three make use of donors’ aid data as reported to the OECD (how much donor countries give, to which countries they give and other specific attributes of the spending, such as the sectors aid is spent on). In addition to this, the work of Easterly and his two different co-authors draws heavily on their assessment of the information available on aid donor websites, while the Knack and Center for Global Development indices draw on surveys of donor practices (typically those conducted by the OECD). For reasons of space, in this section, we only describe the work of Easterly and his collaborators in depth. This particular work is chosen because it provides an easily explicable example of the approach. It should be noted that some critiques that can be made of Easterly’s work are not applicable to the other authors. Reflecting this, when we discuss the shortcomings of the use of indices, we only comment on shortcomings that could be applied to all work in this genre. The work of Easterly and his co-authors has focused on transparency, administrative costs, fragmentation, selectivity and use of ineffective aid channels. Transparency was measured by the aid programs’ reporting to the OECD, available information on aid programs’ websites and whether aid programs would release information when contacted. Overheads were measured by administrative costs as a share of Official Development Assistance (ODA) spent, staffing costs as a share of ODA spent and staff numbers relative to ODA spending. Fragmentation was measured as the extent to which an individual donor fragmented its aid across recipient countries and sectors. Selectivity was measured as the extent to which donors focused their aid on low income countries, well-governed countries and democratic countries. Finally, aid given through inefficient channels was measured as the share of aid given as tied aid, food aid or as technical assistance (Easterly & Pfutze 2008; Easterly & Williamson 2011).

Indices created in this manner can prove useful, especially for approximate cross-country comparisons. However, this method suffers two types of limitation. The first is that indices tend to simplify what good practice is, stripping out (to varying degrees) crucial contextual information. For example, Easterly and his co-authors penalise countries for fragmenting their aid across different sectors.4 This may be reasonable as a broad principle, but it also leads to situations such as Easterly and Williamson’s assessment of sectoral change in New Zealand aid over time (2011, p. 1941):

For example, in 1999 New Zealand concentrated 32% of its aid to post-secondary education; however, over the past nine years, New Zealand has fragmented its aid among more sectors with no sector receiving more than 12% in 2008, and most much less.

This might seem like a trend of considerable deterioration. Yet New Zealand’s aid was so concentrated in 1999 because it gave most of its aid as tertiary scholarships, which were of questionable developmental merit but which served New Zealand’s foreign policy objectives, a fact that had been noted critically both in OECD and New Zealand Government Reviews (Ministerial Review Team 2001, p. 5). Subsequent fragmentation was a product of New Zealand creating a specialised government aid program and starting to more seriously focus on recipient country needs—hardly a deterioration in aid quality.

The existing aid quality indices also miss much that is important. For example, although all of the indices are concerned with transparency, none would have picked up the fact that the quantity and quality of aid project information on the Australian Government Aid

4. The approach of Knack et al. is more nuanced than the other two groups, allowing for some mitigating factors. However, the New Zealand example would have still been scored as deterioration using Knack’s methods.
Program website decreased after 2013 (DeCourcy & Burkot 2016), or that between 2013 and 2015 the detail provided in Australian aid budgets declined substantially before improving again (Howes 2015).

Such limitations are inevitable in any cross-country aid quality quantification undertaking based on publicly available data. The quantity of countries involved will always pull against subtlety and detail. This is not a flaw in the index approach as such, but it does mean that someone wishing to gauge the extent of change in Australian aid since 2013, and to understand exactly where change has occurred, will gain only very limited insights from existing indices. (Another issue is that none of the indices have been updated to contain anything more recent than 2012 data.)

An alternative to indices can be found in the work of the Listening to Leaders research team (Custer et al. 2015). This work has involved a large survey of senior government employees in developing countries. Amongst other focus points of the study were questions on the quality and utility of donor country advice and the extent to which survey respondents felt inclined to engage with specific donors. The dataset produced is rich and provides much fruitful material for analysis. Indeed, the process of gathering data via surveying stakeholders is effectively the same as that we use in our work (although we survey a different set of stakeholders). However, for someone wishing to understand changes to Australian aid since 2015, the Listening to Leaders work has two major limitations: first, it was a one-off study, which eliminates the potential for intertemporal comparisons; and second, the data are primarily focused on a very specific subset of donor-recipient interactions, which means that important areas such as donor transparency, donor interactions with NGOs and donors’ development focus are not covered.

3. Methods and Data

In order to capture both the overall extent of change in the Australian Government Aid Program and the details of specific changes, we draw on two systematic surveys conducted of stakeholders of the Australian Government Aid Program. The first of these surveys was conducted in 2013 prior to the election of that year and the subsequent changes in the aid program. The second was conducted in the second half of 2015, after the reintegration of the aid program into DFAT, after the changes in the focus of the aid program were instituted and after most of the cuts to the aid program’s budget had occurred. To the greatest extent possible, both in terms of sampling and the questions used, the 2015 survey followed the same methodology used to conduct the 2013 Australian Aid Stakeholder Survey. This has allowed for comparison between the 2 years.

Both years’ surveys were conducted in two phases. The first phase involved targeting a population of expert stakeholders: senior managers of Australian NGOs and development contractors. The targeted experts involved all Australia’s larger NGOs and contracting firms as well as a random sample of smaller NGOs. Targeted experts were emailed a link to an online survey questionnaire, and repeated follow-up was used to achieve as high a completion rate as possible. In 2015, this phase ran from 6 July until 6 October. In 2015, 155 stakeholders were targeted in this phase. The response rate was 64 per cent for NGOs and 85 per cent for development contractors. In 2013, the same phase ran from 17 June until 31 August, and 148 expert stakeholders were targeted. The response rate was 65 per cent for NGOs and 84 per cent for contractors.

The second phase of the survey was open to the public and advertised through the Australian National University’s Development Policy Centre website and blog and through associated development networks. Because of the risk of selection bias, we do not draw on data from the second phase in this article; however, overall responses to the second phase were similar to those of Phase 1, and all Phase 2 data are available online. Both Phase 1 NGO and Phase 1 contractor data are included in the following analysis. While it is possible to disaggregate the two groups, for reasons of space, we have reported on them together. Interestingly, while responses to different questions differed somewhat between NGOs and
contractors, their overall assessment of the aid program in 2015 was similar.

It is important to note that the Stakeholder Survey data only capture perceptions of change, not change itself. This means that Stakeholder Survey data are only useful to the extent that we can be confident that stakeholders’ responses are not significantly biased. Because of this, we considered and checked for possible sources of bias as we analysed the data. One possible bias in the 2015 data is ideology and a dislike of the Coalition government. Such a source of bias is plausible, but we do not think it a likely issue in practice. On average, in 2015, private sector contractors offered assessments that were as negative as those from NGO staff. If all our negative assessments had come from NGOs, we would have been more worried about ideological bias; however, this was not the case. Moreover, as can be seen in the online data, stakeholders’ assessments of Foreign Minister Julie Bishop were largely positive, an unlikely outcome if stakeholders were all ideologically opposed to the current government.

Another possible source of bias was the aid cuts in the 2015 federal budget, which may have unduly influenced stakeholders’ assessments of unrelated areas such as aid program effectiveness. This is a potential issue; however, once again, there are good reasons to believe views about aid cuts have not markedly skewed other assessments. Stakeholders’ appraisals highlighted particularly large deteriorations in specific areas such as transparency, expertise of aid program staff and communications. The pronounced deterioration of these areas relative to other attributes asked about is unlikely if stakeholders’ concerns were solely budgetary. Moreover, when we tested to see which aid program attributes were most strongly correlated with stakeholders’ overall assessment of whether the aid program was becoming more or less effective, we found stakeholders’ responses to the question we asked about funding to be less strongly correlated with views on changing overall effectiveness than many other aid program attributes were (results available from the authors on request). This is hard to square with a situation in which stakeholders were so fixated on funding that it distorted their views on all aspects of performance. A further cause for confidence in stakeholders’ assessments is that, in the case of transparency and communications, two areas where major deteriorations were reported by stakeholders, other non-subjective empirical work has highlighted deteriorations since 2013 (Betteridge 2016; DeCouri & Burkot 2016).

Another limitation of the Stakeholder Survey data is that the Phase 1 data did not target aid program employees or key stakeholders in aid recipient countries. This is an acknowledged limitation and one we hope to address in future rounds of the survey. For now, it is worth noting that some Australian government staff and participants from recipient countries did take part in the second phase of the Stakeholder Survey, and that responses from Phase 2 were, as we noted earlier, similar to those from Phase 1.

The 2013 and 2015 Australian Aid Stakeholder Surveys were the first of their kind in Australia. As far as we are aware, they are the first such donor surveys to have been conducted in this manner in any OECD country. (The Listening to Leaders survey described earlier was both multi-country and conducted primarily in aid recipient countries.) All of the data from the Australian Aid Stakeholder Surveys are available online at https://devpolicy.crawford.anu.edu.au/aid-stakeholder-survey/2015.

4. Results

In this section, we draw on the data from the first phase of the Stakeholder Surveys (the targeted phase) to provide a sense of change in the aid program since 2013. First, we look at high-level issues such as changes in the ethos of Australian aid and changes in the overall quality of the aid program, then we look at more specific aspects of aid program functioning.

5. In 2015, we also conducted a stakeholder survey in New Zealand. The results of this survey are not covered here, but data from this survey are available online at the same location that the Australian data can be found.
4.1. Overall Quality

Both 2013 and 2015 respondents were asked to rate the overall effectiveness of the aid program. In both years, the plurality of respondents rated the aid program as effective, although the share of respondents who gave this response fell by over 8 percentage points between the 2 years (from 68 per cent to 60). This is a notable change. More striking though are the differences in responses to the question we asked about trends of improvement or deterioration in the aid program. Here, as can be seen in Figure 1, the shift is dramatic: in 2013, more than three quarters of respondents thought the aid program was becoming more effective; in 2015, three quarters of respondents thought it was becoming worse. Taken together, response to the questions about effectiveness shows clear deterioration in stakeholders’ perceptions of the aid program. They do not point to a complete collapse in quality, but they do highlight a clear change in trend: a program that had been thought to be improving was, by 2015, changing for the worse.

4.2. The Purpose of Australian Aid

The extent to which donors actually give aid altruistically, rather than to advance their own interests, is a contested topic in aid research, with recent research suggesting that on average, aid donors are neither perfectly altruistic nor completely selfish (Heinrich 2013; Hoefler & Outram 2011). In 2013 and 2015, we asked Stakeholder Survey participants to identify the relative importance that reducing poverty, advancing Australia’s strategic interests and advancing Australia’s commercial interests had in guiding the work of the Australian aid program. Figure 2 shows kernel density plots of stakeholders’ responses to the poverty section of this question, comparing 2013 to 2015. As the figure shows, the typical stakeholder in 2015 thought the aid program had less of a poverty focus than was the case in 2013. In 2013, the most frequent response (given by 43 per cent of respondents) was that between 40 and 60 per cent of the emphasis of Australian aid was on poverty, rather than advancing Australia’s interests. In 2015, the most frequent response (given by 54 per cent of respondents) was that just 10 to 30 per cent of the focus of Australian aid was on poverty.

4.3. What Aid Is Spent On

In addition to containing information about the overarching purpose of Australian aid, both the 2015 and 2013 Stakeholder Surveys contained questions about the types of work Australian aid was spent on, although some spending areas were described in different ways in the two different years. Figure 3 shows responses to the 2015 question. By and large, Figure 3 reveals a situation where most stakeholders were satisfied with the types of work the aid program is spending money on. The main exceptions to this are ‘health and education’ and ‘resilience and social protection’, which stakeholders think the government is not focused enough on, and ‘infrastructure and trade’, which stakeholders view as being on the receiving end of too much attention. By way of comparison, in 2013, only about a quarter of respondents thought health and education received too little attention. On the other hand, in 2013, 46 per cent of respondents thought too little weight was placed on sustainable economic development, a clear contrast with the 66 per cent of respondents in 2015 who thought too much weight was
placed on the broadly analogous category of infrastructure and trade.

4.4. Changing Aid Program Attributes

Thus far, the aspects of the aid program that we have discussed have been high level. Capturing stakeholder perceptions at this level is useful; there are obvious practical reasons to be concerned about overall changes in an aid program’s operation. However, beneath the headline shifts, there are many questions to be asked about the specifics of change; it is unlikely that all aspects of Australian aid have changed to equal degrees. Finding out exactly what has changed, either for the better or the worse, is important.

Figure 4 compares the average scores of a suite of specific aid program attributes that we
asked about in 2013 and 2015. Both axes have potential scales of zero to five. An attribute would score zero if all respondents gave it the lowest possible appraisal. An attribute would score five if all respondents gave it the highest possible appraisal. The dashed red line shows a one-to-one relationship. The further an attribute lies from the line, the larger its change was between 2013 and 2015. Attributes below the line deteriorated between 2013 and 2015. Attributes above the line improved.

Notably, there is a reasonable correlation between the 2 years ($r = 0.59$). Although there are some striking exceptions, for the most part, the aid program’s strong points in 2013 were still its strong points in 2015. However, the majority of the attributes charted in Figure 4 lie below the one-to-one line, which suggests most areas of aid program performance have become worse, often substantially worse. Table 1 shows each attribute, its score in both years and the magnitude of change, as well as $p$-values from $t$-tests of the changes. In some instances, such as predictability of funding, deterioration is hardly surprising given the budget cuts. Many of the other changes, however, are not in areas directly related to spending.

The deterioration in many of the attributes is marked. And yet it is not equal across the board. In areas ranging from transparency to staff expertise, the fall in assessment across the 2 years is clear. Yet in other areas, such as staff continuity, the shift is small enough to be effectively indistinguishable from zero, while quick decision-making was actually assessed more positively in 2015.

6. This average was calculated as follows. Each respondent’s response to a question was converted into numeric scales where the most negative possible response was scored one and the most positive possible response was scored five. The quantified responses were then averaged across respondents. More questions were asked about aid program attributes in the survey; however, we have restricted ourselves to this particular suite, because they were all drawn from the same section of the survey, and all have similarly scaled responses.

7. $P$-values come from a two-tailed unequal variance $t$-test, with a finite population correction applied to the standard errors. Because sampling was non-random, the $p$-value should be used only as a heuristic.

8. There were also improvements in attitudes to risk and avoidance of micromanagement, but these were not statistically significant.
Other than predictability of funding, transparency was the attribute that fell the most. As Figure 5 shows, fewer than a quarter of stakeholders thought transparency was a weakness or a great weakness in 2013, yet by 2015, 58 per cent did. The reasons for stakeholders’ concerns were readily apparent to anyone paying attention to the aid program. At that point in time, aid activity data on the website were diminished, historical time series data were not being updated on the website and aid information released alongside the federal budget was much less detailed than it had been. Since that nadir, which coincided with the 2015 Stakeholder Survey, information availability has improved again, although a recent detailed audit of aid program transparency shows that it has not yet reached 2013 standards (DeCourcy & Burkot 2016).

**Table 1 Change in Individual Attributes from 2013 to 2015**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>2013</th>
<th>2015</th>
<th>Difference</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predictability of funding</td>
<td>2.91</td>
<td>1.37</td>
<td>−1.55</td>
<td>0.00</td>
</tr>
<tr>
<td>Transparency</td>
<td>3.44</td>
<td>2.36</td>
<td>−1.08</td>
<td>0.00</td>
</tr>
<tr>
<td>Strategic clarity</td>
<td>3.52</td>
<td>2.62</td>
<td>−0.90</td>
<td>0.00</td>
</tr>
<tr>
<td>Communication and community engagement</td>
<td>2.83</td>
<td>2.12</td>
<td>−0.72</td>
<td>0.00</td>
</tr>
<tr>
<td>Realism of expectations</td>
<td>2.83</td>
<td>2.33</td>
<td>−0.50</td>
<td>0.00</td>
</tr>
<tr>
<td>Staff expertise</td>
<td>2.67</td>
<td>2.19</td>
<td>−0.48</td>
<td>0.00</td>
</tr>
<tr>
<td>Selectivity/fragmentation</td>
<td>2.81</td>
<td>2.36</td>
<td>−0.45</td>
<td>0.00</td>
</tr>
<tr>
<td>Performance management and reporting</td>
<td>3.25</td>
<td>2.82</td>
<td>−0.43</td>
<td>0.00</td>
</tr>
<tr>
<td>Monitoring</td>
<td>3.30</td>
<td>2.98</td>
<td>−0.32</td>
<td>0.00</td>
</tr>
<tr>
<td>Evaluation</td>
<td>2.96</td>
<td>2.78</td>
<td>−0.18</td>
<td>0.00</td>
</tr>
<tr>
<td>Focus on results</td>
<td>3.21</td>
<td>3.11</td>
<td>−0.10</td>
<td>0.02</td>
</tr>
<tr>
<td>Partnerships</td>
<td>2.98</td>
<td>2.89</td>
<td>−0.09</td>
<td>0.02</td>
</tr>
<tr>
<td>Staff continuity</td>
<td>1.51</td>
<td>1.46</td>
<td>−0.05</td>
<td>0.15</td>
</tr>
<tr>
<td>Appropriate attitude to risk</td>
<td>2.78</td>
<td>2.82</td>
<td>0.03</td>
<td>0.54</td>
</tr>
<tr>
<td>Avoid micromanagement</td>
<td>2.37</td>
<td>2.44</td>
<td>0.07</td>
<td>0.26</td>
</tr>
<tr>
<td>Quick decision making</td>
<td>1.96</td>
<td>2.17</td>
<td>0.21</td>
<td>0.05</td>
</tr>
<tr>
<td>Overall average</td>
<td>2.83</td>
<td>2.42</td>
<td>−0.41</td>
<td></td>
</tr>
</tbody>
</table>

Figure 5  Aid Program Transparency
As Figure 6 shows, one area where there was almost no change according to stakeholders was an area of perennial weakness for the Australian Government Aid Program: staff continuity. Staff continuity was the lowest scoring attribute in 2013 and only funding predictability scored worse in 2015. At 1.46 on a scale of one to five, the 2015 score is hardly cause for celebration. Nevertheless, given the integration of the aid program into DFAT and the staffing changes it brought, one might well have anticipated deterioration on this measure. That such deterioration is not apparent points to the sometimes-surprising effects of the 2013 change of government on Australian aid. The new government promised increased transparency, and yet it became much worse. The aid program was fully integrated into DFAT, an event that was surely disruptive for staff, and yet from the perspective of stakeholders, staff continuity continued much as it had before.

On the other hand, stakeholders did notice a large drop in staff expertise. Staff expertise had not been assessed particularly kindly by stakeholders in 2013; however, it was viewed very poorly in 2015. The issue of staff expertise also came up repeatedly in open-ended questions included in the Stakeholder Survey. Here, a number of respondents argued that the loss of staff expertise was not only a product of a large number of AusAID staff resigning or accepting redundancy after the merger but also a consequence of DFAT failing to value development expertise. One respondent, for example, raised the issue of ‘the marked devaluation of aid program management skills and the lack of recognition in DFAT senior management of the depth of expertise required’.

Interestingly, in some areas of aid program work, such as evaluations, and a results focus, where one might have imagined a fall in expertise bringing a commensurate fall in performance, stakeholders’ assessments suggest this has not been the case (both attributes became worse, but not dramatically worse). Integration appears to have had an overarching impact on staff expertise, but the impact of the loss of expertise itself has not been uniform.

Figure 6  Staff Continuity and Expertise
5. Discussion

Assessing the quality of an aid program is not an easy task. Aid programs are multifaceted, with many features contributing to their performance. Moreover, the state of any individual aid program is a product of choices that range from high-level decisions about the ethos of aid giving to seemingly technical decisions about organisational structure, to subtle facts such as whether the cultures of particular government departments value aid expertise. Such subtlety appears beyond the ability of existing aid quality indices to capture. In this article, we have demonstrated how a different approach, the surveying of key aid stakeholders, can produce nuanced empirical grounding for assessing not only the state of aid programs but also the extent to which they are changing over time.

The data from the 2015 Stakeholder Survey provide good evidence to bolster the arguments of those academic studies that have treated the post-2013 changes in Australian aid as an outlier type event—an instance of change that was far from the norm. It could also be the case, as Corbett and Dinnen contend, that the government’s New Aid Paradigm is associated with ideas that are not necessarily new in a historical sense. However, the New Aid Paradigm has clearly been associated with substantial, and important, change within the last 3 years. Stakeholders’ views paint a picture of deteriorating overall aid program effectiveness. Stakeholders’ responses also suggest a change in the ethos of Australian aid giving, as well as changes to the sectoral make up of Australian aid spending and to specific attributes of the aid program.

This much seems clear. What we are less certain of is what will occur over the coming years. One day prior to the release of the 2015 Stakeholder Survey, the then Secretary of the Department of Foreign Affairs and Trade, Peter Varghese, spoke at the 2016 Australasian Aid Conference. In his speech, where he emphasised the importance of development knowledge, he stated that

The reduction in size of the aid budget required a reduction in the size of the workforce to manage it.

But we recognise that delivering a high-quality aid program requires a strong mix of generalist and specialist skills.

This is why we are strengthening our workforce planning to enable us to recruit and retain development professionals and sector experts.

We are taking steps to improve our knowledge capture and transfer between staff, and to refine our extensive program of training and mentoring of DFAT staff. (Varghese 2016)

If these claims translate into substantial effort, a major area of deterioration identified by stakeholders will have begun to be addressed. Similarly, aspects of transparency, as we noted earlier, have begun to improve since 2015. The amount of information available on the DFAT website is still some way short of that available from AusAID, but improvements are occurring.

At this point in time, neither the Australian Labor Party nor the current Liberal-National Coalition government is talking of recreating an independent aid agency akin to AusAID, nor are the two major parties proposing aid spending increases over coming years that would be large enough to offset the 2015–16 aid cuts (Davies 2016). Some of the post-2013 changes seem like they will not be reversed in the foreseeable future. On the other hand, as we showed in Figure 4, the relative strengths and weaknesses of the aid program were not entirely overturned by the post-2013 changes. And while there was clear deterioration in some areas, in other areas, attributes did not deteriorate dramatically. Moreover, in some areas where it had deteriorated, aid quality is improving again now. Together, these facts point to the possibility that, even if its form is forever changed, over time, the overall functioning of the Australian Government Aid Program may start to revert to a pre-2013 state, at least to a degree.

For now, the extent to which this will occur is uncertain. More certain in the future will be the need for a robust empirical base that allows
for the ongoing assessment of Australian aid. We have shown in this article how one type of evidence—the perceptions of aid stakeholders—can contribute to academic work that hinges on understanding the changes. It is not the only evidence that should be used in such work, but for a phenomenon as complex as aid, the views of insiders and experts are indispensable to inform not only academic debate but also policy decisions.

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Challenging aid orthodoxies

By Stephen Howes

The Fiji Women’s Crisis Centre, or FWCC, is housed in a prominent downtown Suva building, its logo and messages blazoned over its fence and walls. In equal parts service provider, sector trainer and public advocate, the FWCC has been a trailblazer not only in Fiji but in the broader Pacific region since its establishment in 1984. It has done more than any other organisation to get gender-based violence in the Pacific on the agenda, and to strengthen services to survivors.
In Devpolicy’s latest Aid Profile, I attempt to tell the remarkable story of FWCC.

In this blog I reflect on the equally remarkable fact that the Australian aid program has been FWCC’s principal funder almost from the start, beginning in 1990 and continuing to this day.

Australia’s annual support is relatively modest – about $1 to $1.5 million a year. But there are very few projects with this longevity in the Australian aid program, and even fewer with such high returns.

**Challenging aid orthodoxy**

Support to the FWCC is one of Australia’s most successful “aid projects”, perhaps the most successful in the Pacific. (A challenge to anyone to come up with a more successful one.)

And yet, apart from the fact that it involves the backing a local champion, Australia’s support for FWCC breaches aid orthodoxy. Aid is meant to get things going. It is to invest in change, not to cover recurrent costs, and certainly not to fund the same project for three decades.

If the success flies in the face of orthodoxy, let’s rethink orthodoxy. Here are four lessons I draw from the FWCC story.

One, use the flexibility of Australian aid to provide more funding to civil society. Rather than relying entirely on supply-side measures, use NGOs to put pressure on and work with government to improve performance. Annual funding to FWCC is no more than the cost of a couple of expat advisers.

Two, provide more funding to local civil society. Most of the hundreds of millions of dollars Australian aid provided to NGOs goes to Australian NGOs. Those Australian NGOs often work with local NGOs, but very few of the latter graduate to receive aid funding directly. FWCC graduated quickly from indirect to direct support, and is a role model in this regard.
Three, don’t fetishise government ownership as the Paris Declaration did. The Fijian government has never owned the FWCC, and at times has been hostile to it.

Four, provide long-term recurrent funding. The secret of good aid is to find out what works, and stick with it. Think of aid in terms of decades rather than years. Perhaps three decades should be thought of as a standard time for a successful aid project, rather than three years.

27 years

It’s not hard to walk away from an aid project that only runs for a couple of years. Perhaps you’ve achieved what you set out to – build something, train someone. In any case, sustainability is a problem for the host government.

But walking away from a 27-year funded aid project is quite another thing altogether. What should the Australian government do? Threaten to walk away to force the Fijian government to come to the table? Or fund the Centre for another 27 years?

If I was running the Australian aid program, I would certainly put pressure on the Centre to diversify its funding. I would also ask the Fijian government why it doesn’t provide more funding. And, more importantly, get Fijians to ask that question of their government.

Yet I would also be patient. It’s a small amount of money doing a huge amount of good. And a historical perspective is needed. In countries like Australia and the United States, women’s and rape crisis centres were, as in Fiji, started by feminist collectives. The first few started in the early 70s, without government funding. Yet, remarkably, as early as the mid-70s, they were already starting to rely on government support. Why has it taken the Fijian government not three but thirty-three (and counting) years to fund its country’s only crisis centre?

Probably because the West experienced a cultural, including a feminist, revolution in the 1960s and 1970s that almost completely bypassed developing
countries such as Fiji. It is clearly going to take longer, much longer, to get the government on board.

In the meantime, advocacy is needed. And that requires independence. From this perspective, aid is not a stop-gap measure, it’s a requirement for success.

While there is of course a long way to go, FWCC and Australian aid, working together over three decades, have fundamentally changed the way in which violence against women is responded to and regarded in Fiji and the broader Pacific. There is a lot we can learn from the FWCC experience about effective aid.

Learn more by reading the full Aid Profile on FWCC, including its history, successes and challenges. Our Aid Profiles series forms the shortlist for the 2018 Mitchell Humanitarian Award, which will be presented at the 2018 Australasian Aid Conference.
What happened to aid transparency under the Coalition?

By Camilla Burkot and Virginia DeCourcy

When Julie Bishop took over as Minister of Foreign Affairs, she pledged to make the aid program ‘more transparent, more open, and more effective’ than ever before. Three years down the track, how is transparency in the aid program faring?

In 2013, the Development Policy Centre published findings from an audit of project-level transparency within AusAID. The audit took place just before the election of the Coalition government and re-integration of AusAID into DFAT. Around the time that the 2013 audit was conducted, more than 50% of respondents to our 2013 Australian Aid Stakeholder Survey regarded transparency as a great or moderate strength of the aid program. By 2016, more

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than 50% rated transparency as a great or moderate weakness. So it seemed high
time to conduct another audit and find out whether there was empirical evidence
supporting our respondents’ perceptions of declining transparency.

To do so we replicated, as closely as possible, the methodology of the 2013 audit.
As in 2013, our focus was on transparency as the project level: the bedrock of aid
transparency. We limited our data sources to bilateral (country) program pages of
the DFAT website, and examined a total of 27 countries and regional groupings:
all of the countries in the Pacific region plus Indonesia and a random sample of
countries in Asia and the Middle East. And then we went through the DFAT
website and recorded the availability of information for each and every project –
239 in total – listed under those countries in July 2016 (more about our
methodology can be found in the report [pdf]).

We then calculated two indices. The first is a ‘preliminary project information
index’, which rates projects according to the availability of basic information
about the project on the DFAT website – things like whether projects had a title,
description, start and end dates, and budget. The second index is an ‘availability
of project documentation index’, which captures the different types of documents
that are published on the DFAT website for each project, including policy and
direction-setting documents; designs and plans; implementation reports and
performance management documents; and reviews and evaluations.

In a nutshell, we found that project-level transparency in the Australian aid
program has declined. The average preliminary project information index score in
2016 was 54.5%, compared to 79.3% in 2013. The average availability of project
documentation index score in 2016 was 35.9%, compared to 41.9% in 2013 – even
after we made exclusions based on changes in how DFAT presents some
documents since 2013, and for projects which commenced within the last two
years and so might not yet have reports or evaluations available. As in 2013,
reports and evaluations published on the DFAT website were on average two
years old.
The conclusion in relation to the 2013 audit was that while transparency had improved under Labor, overall the record was “not that impressive”. It noted a “substantial data dump in 2011” but little by way of sustained effort, resulting in “a patchy and out-of-date public information base for Australia’s aid projects.”

As our colleagues who conducted the 2013 audit noted at the time, it should not have been hard for the Coalition to do better than Labor in relation to aid transparency. And yet it has done worse.

DFAT maintains, in a footnote published on each project page of its website, its commitment “to high standards of transparency and accountability in the management of the Australian aid program” which will be shown by “publishing information on the aid program on the DFAT website, including policies, plans, results, evaluations and research”. Our audit shows that commitments are not enough. They need to be taken seriously – real political and bureaucratic weight needs to be put behind them – and progress against them needs to be monitored. Transparency should be made one of the official benchmarks by which the Australian government assesses the quality of its official aid.

Australia does comply with the requirements of the International Aid Transparency Initiative (IATI), but only complies; other bilateral donors provide some examples of what more is possible in the world of project-level aid transparency. Go to the UK or US government aid websites and you can find comprehensive and up-to-date project information arranged in a user-friendly way. Even some aid recipients, for example Myanmar, are now developing portals and databases to track aid projects and improve donor coordination in their countries. Increased public access to detailed aid information is clearly the way of the future.

In our next post, we’ll take a look at some of the audit findings in more detail, including comparisons between countries, regions, and sectors, and explore the relationship between project budget size and transparency scores. In the meantime, below you can find two tables underlying the key results in this post.
Camilla Burkot is a Research Officer at the Development Policy Centre and Virginia DeCourcy was an Intern at the Centre. This post is the first in a two-part series; find the second post here. The full 2016 Australian aid transparency audit report can be found here [pdf].

Table 1: Average preliminary project information index score

<table>
<thead>
<tr>
<th>Year</th>
<th>Title &amp; project description</th>
<th>Planned dates</th>
<th>Current status</th>
<th>Previous financial year expenditure</th>
<th>Project budget</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>48.9% (FY 2012/13)</td>
<td>47.6%</td>
<td>79.3%</td>
</tr>
<tr>
<td>2016</td>
<td>99.6%</td>
<td>86.2%</td>
<td>0.0%*</td>
<td>0.0%* (FY 2015/16)</td>
<td>86.6%</td>
<td>54.5%</td>
</tr>
</tbody>
</table>

*These categories are no longer provided on the DFAT website in 2016 as they were on the AusAID website in 2013; hence the zero score in both categories in 2016.

Table 2: Average availability of project documentation index score

<table>
<thead>
<tr>
<th>Year</th>
<th>Policy and direction setting documents</th>
<th>Design and plan documents</th>
<th>Implementation and performance management documents*</th>
<th>Reviews and evaluations*</th>
<th>Average score**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>88.4%</td>
<td>66.5%</td>
<td>37.6%</td>
<td>21.5%</td>
<td>41.9%</td>
</tr>
<tr>
<td>2016</td>
<td>32.5%</td>
<td>55.7%</td>
<td>23.6%</td>
<td>28.3%</td>
<td>35.9%</td>
</tr>
</tbody>
</table>

*Only projects that commenced in or before 2011 (for the 2013 audit) and in or before 2014 (for the 2016 audit) were included in the analysis.

Link:
Date downloaded: July 6, 2018
Scaling up Australian aid for global medical research

By Stephen Howes and Camilla Burkot

There is a strong case for scaling up Australian support for global medical research: research leading to the development of new medical products, such as drugs, vaccines and diagnostic tests, to address health problems predominantly affecting people in the developing world.

This case rests on four points. First, the future of aid will increasingly be about the financing of global public goods, whether to combat climate change, to develop new and improved crop varieties, or to discover new medicines and...
vaccines. Second, global medical research seems to yield high social returns. Third, Australia has a strong medical research community. Fourth, there has been growing interest within the Australian government on the subject of medical research. Two recent official reviews (the Hollway Review of aid of 2011 and the McKeon Review of medical research of 2013) have both recommended greater action by Australia in this area. The current Liberal-National Coalition government also seems to show a growing interest, the most recent example being the June 2016 announcement of a health security fund, which includes an emphasis on research.

While it is impossible to come up with a definitive target for the volume of Australian funding for global medical research, it is obvious in our view that such funding should be significantly increased. Doubling it would bring it into line with our spending on global agricultural research. The aim of our new report “Australian funding of global medical research: how to scale up?” is to examine how a significant scaling up of aid for global medical research, such as a doubling, should be managed.

The report argues for a two-pronged approach. First, the current access of global medical researchers to the National Health and Medical Research Council (NHMRC) is valuable and should be expanded. One of the recommendations of the McKeon Review was that the NHMRC should “more fully embrace grant assistance for global health” by opening up grants to international researchers (either alone or in partnership with Australian researchers and institutions) and establishing co-funded grants with global philanthropic organisations. Similar access to the Medical Research Future Fund should also be obtained. All of this funding should be counted as Official Development Assistance (ODA).

Second, additional funding for global medical research should be provided by the Australian aid program. This should not be via additional aid funding for the NHMRC. Such funding is largely investigator-driven and discovery-focused, and needs to be complemented by a more strategic and results-oriented approach.
After examining a number of alternative models, the paper argues for one that has a strong Australian focus, that supports global engagement, and that is external to DFAT. There are a variety of reasons why research management is not an appropriate task for a government department. The best option would be the establishment of a global medical research centre, along the lines of Grand Challenges Canada, established by the Canadian government in 2010. In the Australian context, the options are either to create a new Australian Centre for International Medical Research or to expand the mandate of the Australian Centre for International Agricultural Research (ACIAR) to cover medical research, so that it would become ACIR: the Australian Centre for International Research. Under this scenario, ACIR would finance Australian researchers, often in collaboration with developing country counterparts. It would also be responsible for Australian funding of medical research internationally; for example, Product Development Partnerships (PDPs) of particular strategic interest to Australia.

While we argue that a global medical research centre in Australia is the best way in which to scale up Australia’s contribution to global medical research, we also note that the government is taking a somewhat different route. As per its June 2016 election announcement and as confirmed in the 2017-18 Federal Budget, it is moving to introduce a ‘regional health security partnership fund’. This overlaps with the recommendation of this paper in that it clearly will have an emphasis on research, but differs from it in two regards. First, this new initiative will have an operational as well as a research focus. Second, there is no indication that the government is looking to any entity other than DFAT to oversee this initiative.

The merits of a health security operational initiative can be debated, but even if accepted do not undermine the case for greater spending on global medical research, implemented by a body external to DFAT.

Scaling-up Australia’s contribution to global medical research is long overdue. Our approach to supporting global agricultural research has worked well; we should take a similar approach with regard to global medical research.
iXc: the first four years

Prof. Stephen Howes
Director, Development Policy Centre
Crawford School of Public Policy
The Australian National University

Importance of iXc

iXc (the innovationXchange) was the first major aid initiative of the Coalition government. Indeed, it was only the major new aid spending initiative during the first term of the Coalition government, a time of massive aid cuts. iXc was announced in June 2014 by Foreign Minister Julie Bishop at the time that she launched her new aid policy, initially with the name the Development Innovation Hub. Funding of $140 million over four years was also announced in that speech, though at that time it was not clear that iXc, as it came to be called, would be responsible for the entire budget.

iXc itself was launched in March 2015 by the Foreign Minister who said at the time:

> My ambition for innovationXchange is for it to be collaborative and creative, to produce brilliant but practical ideas, and to make our aid program the best, most effective, sustainable, transformative program that we can deliver.

(Longer extracts from the Foreign Minister’s 2014 and 2015 speeches can be found at the end of this report.) Not surprisingly, given the high profile given to the launch of iXc, it received a fair amount of commentary at the time. See this short article with a range of commentary; this article from the AFR, based largely on an interview with the Foreign Minister; Robin Davies’ analysis; Danielle Logue and Mel Dunn’s analysis (here and here) and other relevant articles, here, here and here. All of these pieces are from 2014 and 2015.

As far as I know, nothing has been written since 2015 (though the Minister herself gave a speech on iXC in 2017 in which she described it as a success). Now, four years one since iXc was first announced, is a good time to look back and see what can be learnt.

What is iXc?

iXc is both a centre within the Department of Foreign Affairs and Trade (across the road from the main DFAT building), and a program of activities. It is supported by the Innovation Resource Facility, which the private contractor AECOM operates (having won a competitive tender), and which provides additional staff to iXc. It is supported by an international, eminent advisory panel called the International Reference Group.

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1 Thank you to Sachini Muller for research assistance, and to all who provided comments. All errors and opinions are my own.

2 In the Coalition’s second term, the Foreign Minister announced a much larger initiative, the Health Security Initiative for the Indo-Pacific Region, with funding of $300 million over five years (compared to $140 million over four years for iXc).
The iXc budget was set at $140 million over four years, from 2014-15 to 2017-18. Its budget is being continued at $35 million a year going forward. I have been informed by iXc that its total expenditure over the four years to date is $135.9 million. The iXc website identifies some 24 projects that it has financed. These are summarized at the end of this report. Total funding for these projects comes to $108 million. However, one project (SEED Pacific) has hardly proceeded (see the discussion below), and it was valued at $20 million. Subtracting it reduces the total to $88 million or 62% of the $140 million total. 11 projects have no costing information provided (or at least I couldn’t find it). There would also be the costs of running iXc and its Innovation Resource Facility. The lack of financial information, and the difficulty of answering the basic question – What has iXc spent its money on? – is one example of the low level of its transparency, discussed further below.

The largest investment is $30 million into the Global Innovation Fund, a multi-donor initiative. Other major investments have been into the Bloomberg Health Partnership ($24 million) which is focused on health data and Frontier Innovators ($15 million) to support social enterprises. “Challenges” – in which proposals are sought in relation to defined problem areas, and the most promising ones selected – have been popular. Ten challenges have been run, in relation to: humanitarian aid, oceans, food, technology, fresh water, education in emergencies, young people and work, social enterprises, water data, and urban sanitation.

As well as managing its own projects, iXc also aims to spread a culture of innovation within DFAT. It has run three internal challenges to solicit new ideas from DFAT staff. It works with other aid teams to promote innovation. It has prepared a “Strategy for an Innovative DFAT” which will be released soon.

Assessing iXc

Any assessment of iXc must begin with the question of whether a greater emphasis in aid on innovation is a good thing or not. For contrasting positions in that debate, see these two articles by Wood (against) and Farell (for). My own view is that while there are potential downsides to a focus on innovation (discussed later in this report), I support a greater emphasis in aid on private sector solutions and on the applications of new technology, which is what, at its core, the focus on innovation seems to be – or at least should be – about. Especially in the Australian aid context, I view these as important counterweights to the position that has dominated and still seems to dominate Australian aid, which is that the aim of Australian aid should be to build capacity and strengthen institutions. Our track record in this area is poor, and I welcome the focus on more practical approaches which an emphasis on innovation brings. I also welcome the injection of more competitive approaches to unearth good ideas through the use of “challenges” which is a vehicle iXc has made much use of. And I can see that there is a case for running such projects not through

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4 All the challenges have awarded the best few submissions funding to pursue their idea. These have not been challenges in the sense of rewarding only a single winner who has managed to “solve” the challenge.
5 Note that Wood is not, of course, against innovation itself, but against an emphasis on innovation, which he argues “affords an advantage to almost any claim made in its name”, and, he also contends, exaggerates the extent to which approaches that work for the private sector will work in development projects.
bilateral programs but through specialized units. I am therefore, at the outset, favourably disposed to a centre/program such as iXc.

It is, however, difficult to assess the achievements of iXc. Many of the selected winners for the various challenges look extremely promising. But, as discussed later, there is very little information about the projects that have received funding. iXc success stories (whether resulting from one of the challenges or any other project) are said to include the push to provide menstrual hygiene products in the Pacific, and support for Tupai, a medical supply chain management system developed for the Pacific by a New Zealand company, msupply, and an Australian company, Beyond Essential Systems. But this is a very short list, and even on these “winners” there is little information available. It would also be extremely difficult to assess the broader impact of iXc on DFAT.

Given the lack of information, this report, rather than attempting to reach an overall assessment, is written from the perspective of a sympathetic critic. I explore a range of factors that are likely to have undermined iXc performance, and reduced its potential. I highlight four weaknesses: fragmentation; a lack of transparency; what I call “the downsides of innovation”; and, finally, iXc’s high political profile.

**Fragmentation due to excessive breadth and low entry criteria**

The 2016 tender for the Innovation Resource Facility (mentioned above) gives a good insight into the very broad range of iXc activities. As the text reproduced in the box below indicates, these activities are described under 11 main headings, many with three or more sub-headings, ranging from renewable energy to crowd sourced equity. This seems much too broad a span of activity for a facility with a relatively small amount of income and a global footprint.

One of the oldest lessons in aid is the need to focus, to avoid fragmentation. Any one of most of the eleven headings below could absorb many times the funding iXc has been given, and the attention of their staff.

<table>
<thead>
<tr>
<th>The range of iXc activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative development financing products (e.g., guarantees, insurance, equity investments, performance-based instruments, returnable capital models, crowd-sourced equity),</td>
</tr>
<tr>
<td>Social impact investing techniques (e.g., gender lens investing, social enterprise and shared value business models),</td>
</tr>
<tr>
<td>Innovative procurement and design techniques (grand challenges, prize competitions, hackathons, co-creation techniques, crowdsourcing concepts, outcome-based approaches to aid delivery),</td>
</tr>
<tr>
<td>Digital and satellite technology, including in humanitarian settings mHealth, eHealth, eHIS, disease detection apps and technologies, and tele-based health technology,</td>
</tr>
<tr>
<td>Shared value and delivering development impact while also building a sustainable and viable business model (social entrepreneurship),</td>
</tr>
<tr>
<td>Science, food and water technology, including fortification, renewable energy and desalination technologies,</td>
</tr>
<tr>
<td>Investment Concept: Innovation Resource Facility,</td>
</tr>
<tr>
<td>Monitoring, GIS tools and mobile based survey techniques,</td>
</tr>
<tr>
<td>Commercial and logistical techniques to improve access to goods and services including drone technology and menstrual hygiene products,</td>
</tr>
<tr>
<td>Commercial and social impact opportunities.</td>
</tr>
</tbody>
</table>
• Co-creation and collaboration partnership development and problem solving techniques.


An example of excessive reach could be the $7.7 million medical research project announced to fund a pilot by the Monash University Eliminate Dengue Program to use the Wolbachia bacteria to stop mosquitoes from transmitting dengue and other diseases to humans. I am not in a position to judge the utility of this research, which is likely extremely high, but I do question whether it makes sense for any organisation to manage just one medical research project, given the demands on expertise such an arrangement would make.

The large number of projects is not only due to a wide sectoral coverage. It is also not clear what features projects need to classify as eligible for iXc funding. The Bloomberg Data Health initiative (funded by iXc with $20 million across 20 countries, subsequently increased to $24 million) aims to improve record-keeping in and data relating to the health sector. The use of mobile telephony for surveys may count as innovative, but much of the project seems to be standard technical assistance, and in fact is described by the project itself as such:

The technical assistance program offered by the Bloomberg Data for Health Initiative is based on the best possible evidence and many years of experience in streamlining CRVS [Civil Registration and Vital Statistics] systems to make them more effective.

The same project account mentions a four-day course, and a three-day technical working group meeting, and a two-day pre-training session. This could all be very useful, but it is hard to understand in what sense it is innovative. It is unclear that having a single possibly innovative component (reliance on mobile data collection) should be enough for the entire project to be classified as innovative, and deemed worthy of funding from iXc. It is disheartening to see that in the 2017 iXc report, discussed further below, one of the very few results highlighted is training provided by this project to “3,900+ individuals.” Training is stock-standard for aid programs, and even training in innovative methods can be hardly be described as innovative in itself.

Clearly, iXc needs a higher entry barrier, that is, more stringent criteria for project selection. There is no shortage of innovation in general in aid, and in any case innovation comes in many different forms. Indeed, probably all aid projects can in some way claim to be innovative. This should not be enough for a project to classify for iXc funding. The bar has to be much higher than that. iXc needs a much narrower set of funding eligibility criteria. In my view, the two under-funded areas which need a central push and so should be iXc’s sole focus are technological innovations and private sector partnerships.

DFAT’s just-released “Innovation Strategy 2018-2021” indicates that, going forward, iXc will specialize in three areas: technology for development; innovation ecosystems; and “scenario analysis and technology roadmapping.” This narrowing of focus will help combat fragmentation, but, again, it is also important that the hurdle for qualifying as an innovative project be raised. The

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For a good discussion of some of the different sorts of innovation in aid see the 2016 speech to the Australasian Aid Conference by the Foreign Affairs Secretary Peter Varghese.
newest iXc project is a World Vision one to provide “coaching, technical and loan support” to small businesses in Myanmar and Ghana. So-called SME (small and medium enterprise) projects, in which small businesses are provided with some mix of technical support and lending, are an aid staple. Again, it might be a great project, and it might be in some ways innovative, but it is very hard to see how it merits iXc funding.

Finally, the heavy reliance on bilateral challenges has led to fragmentation as each challenge results in a number of winners, each of which becomes a separate project. If there is no intermediary involved, iXc has to manage each project. So, for example, in the case of the Pacific Humanitarian Challenge, the five winners selected would have resulted in five contracts for iXc to manage.

Lack of transparency and missed opportunities to learn

iXc lacks transparency. It has one progress report (for 2017) on its website. This is a public-relations document, which provides minimal information, no project ratings, and makes no mention of any possible risks or challenges. Fittingly, in Julie Bishops iXc 2017 speech, she refers to it as a “booklet which highlights our achievements and accomplishments.”

Data at the individual initiative or project level is sparse. Take the Bloomberg Data Health initiative, discussed above. This is one of iXc’s largest projects, at a cost of $24 million. Any project that tries to work across 20 countries for just $20 million has its work cut out, but this may well be an excellent project. Unfortunately, there is no way to tell. Until recently, the only information on the iXc website was a link to a Lancet article that sets out the problem, a link to the Bloomberg website which again has only high-level statements of intent, and a link to a (seemingly random) technical document. Recently a link was added to a so-called mid-term review. Excluding the Executive Summary and the infographic, this is a three-page report.

There are a number of even briefer reports on the “Innovation in Action” iXc webpage, in particular linked to this interactive map. These summarize innovative aid projects supported by iXc, and by other parts of DFAT, all of them apparently successful. But they cannot be regarded as serious evaluations. One of these brief reports is of maps of PNG developed by Geoscience Australia. Contrary to the claims of this report, the maps played no role in helping the response to the PNG 2015-16 drought.

This lack of transparency – and likely of underlying evaluative and performance material – is particularly concerning given the self-stated emphasis by iXc on experimentation and learning, which are two of iXc’s three pillars (the third being partnering). The whole point of innovation is indeed to experiment, and find out what works. But how can you do this without evaluation?

Likewise, the Minister refers to iXc as a “results-driven organisation.” But then where are the results?

iXc recognises the need to undertake more evaluations of its work. It is currently undertaking a review of all its activities, and planning a wider evaluation next year. It is also planning to do an annual Aid Program Performance Report this year (as country programs do). These are all positives,

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7 DFAT’s new innovation strategy also emphasises the importance of program evaluation.
but, while a retrospective aggregate evaluation may help improve management, it will do little if anything to promote learning from evaluation.

The downsides of innovation

As mentioned earlier, an emphasis on innovation, while having strong positives, is not without its risks. iXc’s experience highlights three of these. One is that it seems that the so-called innovative approach to aid gives a license to neglect the fundamentals of aid effectiveness, such as evaluations, honest assessments (warts and all), and risk assessments. As discussed above, iXc has under-invested in evaluations. Moreover, there is a breathlessness to much of the iXc material, and scarcely if ever a mention of risk or failure. According to respected development economist and aid critic, Professor Bill Easterly, aid agencies already have a tendency to “engage in obfuscation, spin control, and amnesia (like always describing aid efforts as “new and improved”) so that there is little learning from the past.”

It seems that emphasising innovation runs the risk of further exacerbating this long-standing weakness of the collective aid effort.

Second, the imperative to position a proposed activity as innovative seems to undermine willingness to learn from experience (another already-widespread deficiency in aid as per Easterly’s critique above). The temptation is to argue that what is now being proposed is very new, and has never been tried before. Therefore, by definition, we cannot learn from the past. Likewise, the desire to engage new partners will introduce a bias against more experienced alternatives.

SEED Pacific was announced by the Foreign Minister at the time of iXc’s launch (March 2015), as the centre’s first project, with funding of $20 million. While the Minister said at the time that SEED Pacific would be open for business in January 2016, two and a half years later, SEED Pacific has barely materialized.

What went wrong with SEED Pacific is unclear. It was intended to be an enterprise challenge fund (ECF) for the Pacific. An ECF is an aid project that co-invests with private sector entities to achieve development goals. The Australian aid program had already financed an Enterprise Challenge Fund through a pilot that operated in both the Pacific and South East Asia from 2007 to 2013. However, perhaps misled by too great an emphasis on innovation, the SEED Pacific design tender documents failed even once to mention that there had ever been an earlier ECF. If iXc had looked at the 2013 evaluation commissioned by DFAT it would have come across the lesson that “[t]he ECF instrument is not appropriate for the Pacific due to issues of scale (minimum grant size) and there is a need for a more proactive instrument of support to the business sector.” One has to ask what the point is of doing a pilot, learning a lesson, and then ignoring it.

However, it is possible, alternatively, that in fact the SEED Pacific concept was sound. Perhaps the evaluation conclusion was wrong. Robin Davies wrote a blog in 2015 titled “ECF Mark II: Is SEED Pacific a better Enterprise Challenge Fund”. While criticizing some aspects of the design, including what he called its “amnesia”, Davies concluded that “the basic idea is good”. If so, it may be that it was the preparation of the project rather than the initial design that was at fault. It may be relevant that the main entity chosen for the design, Think Place, had no experience in development in general

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or in ECFs in particular. This is consistent with iXc’s aim not to be “bound by established processes or traditional partnerships”, and, specifically in the case of SEED Pacific, to, as the Minister put it, “look for a new consortium of organisations ... to create and run SEED Pacific.” It may be that a more experienced entity may more successful at getting the project to the start-line. Finally, it may be that the innovative but complex “co-creation” process to design SEED Pacific was overly complex.

The first announcement from SEED Pacific in over three years (that is, since its announcement in March 2015) was in fact made by iXc in June 2018 on its website. The SEED Pacific page now announces the Pacific Tourism Development Pilot – a partnership between DFAT, Carnival Australia (the cruise company) and The Difference Incubator – which is “identifying and accelerating potential new tourism businesses [in Vanuatu and PNG] and accrediting them as tour providers” to Carnival. DFAT is contributing $1 million, and Carnival over $200,000.

Carnival was one of the companies that participated in ECF. The final report, written in 2013, indicates that “Carnival has also developed a tourism supply chain to help local villagers earn additional income from cruise ship passengers. Carnival worked with 300 households in three locations to train local villagers on quarantine friendly merchandise, and as boat and tour operators.” The ECF evaluation indicates high returns from the Carnival project, and in 2013, AusAID signed an MoU with Carnival to work on the Pacific, including in PNG and Vanuatu. Given the success of the initial project, there is a strong case for a follow-up project, but no case can be made that a design project was needed or justified to develop a follow-up project with Carnival. And it is, again, odd that this new project is referred to as a pilot, and that there is no reference to the long partnership with Carnival and its earlier funding.

One benefit of the ECF was the rigorous evaluation around it, so that lessons could be learnt from it: its many finding are still available on its website. While the SEED Pacific webpage indicates that “[s]ocial impact for SEED Pacific will be measured,” there is no indication of what arrangements have been put in place to ensure that this happens.

Overall, the lesson to be learnt from SEED Pacific is that a pursuit of innovation should not be at the expense of valuing experience, whether of past projects or of implementation partners.

The third risk of an emphasis on innovation is that it can give the impression that successful aid is a matter of one-off transactions. Identify a problem, fund a solution. Much of the iXc work has this flavour to it. As mentioned, it has funded a large number of challenges. These are a useful modality, but these small bilateral challenges give the impression that serious problems can be solved with relatively small amounts of funding: typically the prizes seem to be in the hundreds of thousands. In general, this is misleading. Perhaps there is a case for making a number of quick investments, but there also needs to be a way to pick up the ones that are working. Too many iXc projects seem to have run out of steam very quickly. One of the earliest projects, the Pacific Humanitarian Challenge, set up to “rethink humanitarian response”, set up its own website. The website announces the winners of the humanitarian challenge, back in 2016, but has no information since. The home page of the website plaintively asks the question “Where are they now?”, but has no answer to that question: no link (except to the blog, which finishes with the announcement of the winners), and no
news since 2016. DFAT’s new innovation strategy emphasises the importance of scaling up. A change in tack in this direction would help overcome the impression currently made that iXc loses interest quickly, and moves on.

**High political profile**

More than any other initiative, this one is closely associated with the Foreign Minister Julie Bishop. The very fact that she has given at least three major speeches with an emphasis on aid innovation and iXc demonstrates this, especially bearing in mind that iXc constitutes less than 1% of the total aid program. The Minister’s personal backing of innovation will certainly help promote both innovation as an idea and iXc as a centre within the aid program. But her close association with iXc seems detrimental for three reasons.

First, it seems likely that the Minister’s personal involvement has contributed to the problem of fragmentation. Investments such as the one into the Bloomberg Health for Data initiative, and the MIKTA grand challenge (number 14 in the table at the end of the paper) appear to be Ministerial initiatives.

Second, as noted earlier, and indeed by the Minister herself as well as former DFAT Secretary, the whole point of innovating is that you might fail. As the Minister put it in her 2015 speech:

> Though it is difficult for government to navigate the area of risk, if we are working in collaboration with the private sector - who understand and can build contingencies in for risk - then we certainly have room to move when we are accommodating the risks that we will inevitably come up against in the innovationXchange.

But the more political the initiative, the higher the political price of failure. It is very plausible that the lack of transparency around iXc and the self-promotional nature of its material is due to its close association with the Foreign Minister. It is certainly odd that four years on there is not a single admission of failure from iXc.

Third, the close association of iXc with the Minister makes it less likely to survive a political transition.10

**Conclusion and recommendations**

There is a strong case to be made that the Australian aid program would benefit from a greater focus on the development and application of new technological solutions to development problems, and from a greater engagement with the private sector. From these perspectives, the creation of iXc was a very welcome initiative. However, iXc has suffered from: insufficient focus; a lack of transparency and learning; too high a political profile; and what I call the downsides of innovation –

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9 Apparently, iXc made a deliberate decision not to provide additional funding to the Pacific Humanitarian Fund winners (after the first round). Whether or not this was the right decision, the website creates a bad impression of promising ideas prematurely abandoned, and of enthusiasm quickly dissipated.

10 The Shadow Foreign Minister Penny Wong has referred to iXc as “questionable” and said that she is “unconvinced that the innovationXchange model is the right one.
a disregard for the fundamentals of aid effectiveness, an under-appreciation of prior experience, and an over-reliance on one-shot approaches, with insufficient follow-up.

These are risks not only to aid effectiveness but also to credibility. The mystery around SEED Pacific – iXc’s intended flagship project, announced at its very launch but then disappearing for three years only to re-appear in a very partial form – and the started-but-apparently-abandoned Pacific Humanitarian Challenge undermine confidence in iXc capability. More importantly, political support for iXc will wane if it is not able to do a better job of demonstrating at least one significant breakthrough that it has facilitated.

While more research is needed over a possible way forward, it is possible that one solution to these problems is for iXc to do more with others. It is unclear what special advantage is gained by Australia promoting innovation on its own. The Global Innovation Fund, which iXc supports, seems to do pretty much the same thing that iXc does. And one’s prior expectation is that it would do things better, given that it would have much greater resourcing and experience to draw on. Robin Davies commented back in 2015:

... joining forces with other countries ... is far better than establishing a closed-shop Australian grand challenge program.... Bilateral challenge programs for international development, seeking innovative solutions to social and economic development problems, have proliferated in recent years. Each has established its own, quite complex, administrative infrastructure, most have distributed small grants rather widely, and some have undermined their own viability by operating in excessively small ponds. A collective, catholic and properly-resourced approach to the identification and funding of promising initiatives ... is more efficient and likely to have greater impact.

In addition, it is very unclear that a bilateral aid program does in fact have the appetite for risk that a greater emphasis on innovation would demand. A multilateral or multi-donor approach allows for an arms-length approach and hence lowers the costs of failure.

Of course, one would need to do an evaluation of the Global Innovation Fund. Assuming it was positive, one option would be to shut down most of iXc’s bilateral activities, allowing it to (a) learn the lessons from aid innovation worldwide and (b) work with DFAT aid teams on innovative approaches. Greater reliance on intermediaries for any challenges would also reduce iXc’s project management burden.

It would also be important to review iXc’s mode of operations. It is very unclear how to distinguish between the role of iXc itself, and its staff, and the role of the Innovation Resource Facility.

**In summary, the following steps should be taken to improve iXc performance:**

1. iXc should consolidate its investment portfolio, by narrowing its sectoral remit, and raising the hurdle by publishing and adhering to strict criteria for the receipt of iXc funding. A narrow definition of innovation could lead to reliance on two main criteria for project selection, namely (a) technological development and/or (b) private sector co-funding.¹¹

¹¹ This follows the argument on page 4 that these should be iXc’s two focus areas.
2. iXc should publish annual plans and performance reports.
3. The Minister should sign off on the iXc strategy, and not be involved in the selection of individual projects.
4. iXc should plan ahead of time and execute evaluations on all its projects, and publish them, as well as regular progress reports.
5. iXc should develop a strategy for supporting at least one or two promising projects that have received some initial support, so that it can demonstrate results.
6. Consideration should be given to increasing iXc’s investment in the Global Innovation Fund, and scaling back and consolidating its bilateral investments.
7. An in-depth and independent review of iXc, and of its performance over the first four years, should be undertaken.
Extract from Julie Bishop’s June 2014 “The new aid paradigm” aid speech delivered at the National Press Club

Innovation will be the watch word. Innovation will drive the way we deliver aid. We have taken advice from the World Bank and other likeminded aid agencies and this is ground breaking stuff for Australian aid. Over the next four years we will spend $140 million in trialling and testing development innovations. Finding much more creative and clever ways to achieve better results. Thinking differently and being more entrepreneurial in our approach.

We will become a founding partner in the new Global Development Innovation Ventures program, this is an international program supported by the United States and the United Kingdom aid agencies to identify, test and scale up successful new approaches to development.

I’m particularly enthusiastic, indeed incredibly enthusiastic, about my next announcement. Within the Department of Foreign Affairs and Trade we will establish a new Development Innovation Hub to drive increased innovation throughout Australia’s aid program so that innovation is intrinsic to our thinking and our policy development.

The Innovation Hub will have a mandate to reach out to the best and brightest, inside and outside the Department in Australia and internationally. Using partnerships, personnel exchanges and secondments to make sure we are bringing into our Department ideas and approaches to development from leading innovators – people in the private sector, the academic world and civil society organisations. Our search is on for creative, imaginative thinkers and original or innovative ideas.

For example, we would welcome people who think like Steve Jobs and come up with transformational new ideas. I learned from my days at Harvard how in the early days at Apple, Steve Jobs is said to have made his own pirate flag and flew the Jolly Roger over the building housing his small product development unit, as a sign that this hub would do things differently, challenge the status quo and innovate.

Successful private sector enterprises embrace innovation and manage risk because they realise the most exceptional methods and technologies can be the most difficult to develop but bring the best results. Our innovation hub will be a model for exciting change in the aid program and perhaps elsewhere in public service. So to Ewen McDonald and the Australian aid team – put up the flag, fly the Jolly Roger – could be a kangaroo with crossbones.


Extract from Julie Bishop’s March 2015 speech to launch the InnovationXchange

I believe governments need to learn from the private sector to apply innovation as a principle to deliver efficiency, a better quality of life, productive growth, and positive change. This new centre, the innovationXchange, takes up and responds to that charge.

Our innovationXchange will drive new and exciting technologies, ideas and partnerships in our aid program. We will take seemingly intractable development problems and come up with the best and brightest and most practical ways of solving them. For far too long we have pursued the same path, yet with no better outcomes.

My ambition for innovationXchange is for it to be collaborative and creative, to produce brilliant but practical ideas, and to make our aid program the best, most effective, sustainable, transformative program that we can deliver.

As our first project, I’m combining government support with private enterprise in order to broker new partnerships with a focus on our region. Today I am delighted to launch SEED Pacific. SEED Pacific will harness the collective power of business and society to solve development challenges in the Pacific. I have just returned from visiting Vanuatu to inspect the damage caused by Cyclone Pam and so the Pacific is very much our area of responsibility.

This new project, SEED Pacific, will work with global businesses that will show leadership and innovation in the Pacific. We will design a model that will broker and support the most promising partnerships between businesses and social enterprises, academia and civil society from across the region. These partnerships will
develop business models that bring ideas, new products and new solutions to the Pacific that, while making profit, have a significant development impact.

### List of iXc projects

<table>
<thead>
<tr>
<th>Name</th>
<th>Brief description (drawn from the web)</th>
<th>Other funders</th>
<th>Amount of investment</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SEED Pacific</td>
<td>Seed Pacific is an Australian Government initiative that seeks to leverage private sector knowledge, expertise, capability and investment to tackle development challenges in the Pacific. It will broker and support promising partnerships between large businesses operating in the Pacific (or those looking to establish in this region), local organisations and NGOs, to forge new business approaches that generate both commercial and social impact returns (shared value).</td>
<td></td>
<td>$20 million</td>
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<td>2</td>
<td>The Pacific Humanitarian Challenge</td>
<td>Called on innovators, entrepreneurs, designers, NGOs, and academics to rethink humanitarian response. We received 129 applications from 20 countries and five continents. Ten First Round Winners attended the Design Sprint in March 2016. Each of these teams used the intense rounds of feedback and coaching to further refine their applications. Five teams were chosen for pilot projects.</td>
<td></td>
<td>$2 million</td>
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<td>3</td>
<td>Ideas Challenge 2.0</td>
<td>DFAT’s second internal ideas challenge seeks ideas on five specific DFAT challenges set by our Deputy Secretaries, and representing the breadth of DFAT’s diplomatic, trade, development and consular work, both in Australia and across our overseas network. 139 ideas were submitted by staff from our Canberra, State Offices and over 22 countries in our overseas network. Challenge teams drawn from participants have been formed who are now working to develop solutions to the challenges. These solutions will be pitched to a Ministerial Panel at the end of the year.</td>
<td></td>
<td>There have been three internal ideas challenges in total.</td>
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<td>4</td>
<td>Global Innovation Exchange</td>
<td>The Global Innovation Exchange (GIE) is an open platform that brings funders and innovators together to democratize and accelerate innovation. The Exchange spurs innovation by offering innovators the right resources at the right time through an open platform that brings together people, funding, and data.</td>
<td>USAID; KOICA; Bill and Melinda Gates Foundation</td>
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<td>5</td>
<td>Global Innovation Fund</td>
<td>The Global Innovation Fund invests in social innovations that aim to improve the lives and opportunities of millions of people in the developing world. It uses a mix of grants and risk capital to support breakthrough solutions to global development challenges from social international development departments of governments of</td>
<td>International development departments of governments of</td>
<td>$30 million over four years</td>
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<td>6</td>
<td>Better data for health partnership</td>
<td>Aims to significantly improve peoples’ health outcomes by improving the health information on which government decisions are made. Plans to reach 1 billion people across 20 countries and cities with better data and equip governments with the tools to put that data to good use.</td>
<td>Bloomberg Philanthropies; University of Melbourne; John Hopkins Bloomberg School of Public Health; Union North America CDC, US Centre for Disease Control and Prevention</td>
<td>Initially US $20 million over the first two years (total budget for project is US $100 million over four years from 2015); increased to $24 million</td>
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<td>7</td>
<td>Hamtuk</td>
<td>An Australian-funded development program based in Timor-Leste which is supporting the Government of Timor-Leste’s priority of combating malnutrition. Hamtuk is bringing together a broad range of partners across sectors, including government and non-government organisations, in an effort to combat stunting in Timor-Leste. Goal: reduce the prevalence of stunting in children under two years of age by 10% in target sites in Timor-Leste.</td>
<td>Catalpa International; many government and NGO partners – see here</td>
<td></td>
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<tr>
<td>8</td>
<td>The Blue Economy Challenge</td>
<td>The challenge called for innovators, entrepreneurs, designers, NGOs and academics to rethink advances in aquaculture to provide solutions that ensure both sustainable development and environmental sustainability. We received over 220 innovative ideas from more than 40 countries, with our top ten winners announced at the World Wildlife Fund headquarters in Washington D.C. on 16 September 2016. The Award winners will use the prize money to further develop and implement their solutions and innovations. For more see The Blue Economy Challenge.</td>
<td>$3 million</td>
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<tr>
<td></td>
<td>Program Name</td>
<td>Description</td>
<td>Partner(s)</td>
<td>Funding</td>
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<td>9</td>
<td>LAUNCH Food</td>
<td>To help improve health and nutrition outcomes, Australia has partnered with LAUNCH and USAID Global Development Lab to help create a new paradigm for food around the world. Through LAUNCH Food, we seek to discover, support and scale innovations that will improve health outcomes by enabling people to make healthy food choices. 16 finalists were chosen from 280 submissions. For more see the LAUNCH Food website.</td>
<td>LAUNCH; USAID Global Development Lab</td>
<td>Up to $4 million</td>
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<td>10</td>
<td>Tupaia</td>
<td>Strengthening supply chain management systems for essential medical supplies in the Pacific and Timor Leste, and supporting participating Pacific Island countries to improve the supply of good quality essential medical supplies to help reduce avoidable deaths.</td>
<td>mSupply; Beyond Essential Systems</td>
<td>Initially AUD $2 million</td>
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<tr>
<td>11</td>
<td>Google Impact Challenge</td>
<td>Encouraged non-profits registered in Australia to explore new ways of delivering social impact internationally, using technology. innovationXchange is particularly focused on how technology can make lives better in the Asia-Pacific region. Four teams were chosen.</td>
<td></td>
<td>$500,000</td>
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<tr>
<td>12</td>
<td>Vietnam Water Initiative</td>
<td>Recognising that the private sector is a primary driver of economic growth and poverty reduction, iXc is supporting the NGO East Meets West Foundation (EMW) to deliver innovative approaches that will develop the Vietnamese private sector in rural water supply. EMW will be partnering with the Australian Water Association to pilot new innovative technology.</td>
<td>East Meets West Foundation; Australian Water Association</td>
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<tr>
<td>13</td>
<td>Water Abundance XPRIZE</td>
<td>An open challenge to use technology to improve affordable access to clean water in high humidity areas where water is currently unavailable or inaccessible. It seeks to attract a solution to the lack of access to clean water encapsulated in Sustainable Development Goal (SDG) 6. Water scarcity is a serious issue in the Indo-Pacific region. The Department of Foreign Affairs &amp; Trade’s InnovationXchange and XPRIZE are calling on innovators from around the globe to participate in the Water Abundance XPRIZE to help solve this issue</td>
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<td>US $1.75 million</td>
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<td>14</td>
<td>The Education in Emergencies Challenge</td>
<td>The challenge is a global call for ideas to begin to source new solutions to the delivery of education in emergency situations, particularly focused on girls. 7 winners were chosen from 382 proposals.</td>
<td>Mexico; Indonesia; Republic of Korea; Turkey</td>
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<td>#</td>
<td>Project Name</td>
<td>Description</td>
<td>Organization/Initiative</td>
<td>Funding Amount</td>
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<tr>
<td>15</td>
<td>Preparing young people for the future of work</td>
<td>A challenge that would prepare disadvantaged youth in the Indo-Pacific region for the workforce of the future.</td>
<td>Massachusetts Institute of Technology’s Solve initiative; Atlassian</td>
<td>AUD $1.4 million</td>
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<td>16</td>
<td>Frontier Innovators</td>
<td>Frontier Innovators are entrepreneurs or businesses that are generating revenue while delivering impact that supports the Sustainable Development Goals. Businesses were selected from around the world, but needed to deliver impact for people in developing countries in the Asia-Pacific. See <a href="#">website</a> for more.</td>
<td>First part of iXc’s $15 million initiative supporting social entrepreneurship in the Asia Pacific</td>
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<tr>
<td>17</td>
<td>World Mosquito Program</td>
<td>Supports Pacific Island Country Governments (including Sri Lanka, Fiji, Kiribati and Vanuatu) to reduce the transmission of the dengue virus as well as other mosquito borne diseases including zika and chikungunya. The World Mosquito Program is pioneering the use of Wolbachia technology, which the World Health Organisation (WHO) recommended for further piloting in March 2016. See <a href="#">website</a> for more.</td>
<td>Monash University’s World Mosquito Program</td>
<td>$7.7 million</td>
</tr>
<tr>
<td>18</td>
<td>Water Innovation Engine</td>
<td>A pioneering partnership to stimulate more innovation and investment in the water sector. The WIE brings together governments, funders, and entrepreneurs to foster innovations that accelerate impact for water-related aspects of the Sustainable Development Goals, specifically SDG 6, and seeks to advance the wellbeing of less-advantaged populations in low- and middle-income countries. It includes The Water Data Challenge and The Urban Sanitation Challenge.</td>
<td>Global Innovation Fund; Grand Challenges Canada</td>
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<tr>
<td>19</td>
<td>Coral Reef Innovation Facility</td>
<td>Drives innovative solutions to coral reef management challenges in developing countries.</td>
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<tr>
<td>20</td>
<td>Technology for Development</td>
<td>A report examining the current landscape of development interventions supported by current and emerging technologies</td>
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<tr>
<td>21</td>
<td>ASEAN-Australia Smart Cities Initiative</td>
<td>Australia is working with ASEAN to create cities that are smart and sustainable. Over five years, Australia will provide education, training, technical assistance and support for innovation. This will build on ASEAN’S own efforts to create a community that is competitive, resilient and well connected.</td>
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<tr>
<td>22</td>
<td>GSMA Ecosystem Accelerator</td>
<td>Provides selected local start-ups in developing countries in Africa and the Asia Pacific with grant funding, technical assistance, and the opportunity to partner with mobile operators in their markets to help scale their products and services into sustainable businesses to drive socioeconomic impact.</td>
<td>GSMA Mobile for Development; DFID</td>
<td>$5.6 million over four years</td>
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<td>23</td>
<td>Scaling Frontier Innovation</td>
<td>Supports social enterprises to scale their development impact in the Asia-Pacific region. For more see the website.</td>
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<td>See also no 14.</td>
</tr>
<tr>
<td>24</td>
<td>Catalysing growth in small and growing businesses</td>
<td>This program will bridge the loan gap for struggling businesses with strong growth potential in Myanmar and Ghana. The project will trial an innovative approach to address problems faced by “missing middle” businesses – those which have outgrown microfinance, but are still considered too high-risk to access bank loans.</td>
<td>World Vision Australia</td>
<td>$4 million over three years</td>
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</table>