

**Development
Intelligence
Lab.**

Transactional or transformational?

Navigating the competing purposes of Australia's aid program

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2023 Australasian AID Conference

Outline.

- 1 Purpose
- 2 Tension
- 3 Practice
- 4 Suggestions



“The objective of Australia’s development program is to advance an Indo-Pacific that is peaceful, stable, and prosperous...To achieve this requires **sustainable development** and **lifting people out of poverty.**”

Commonwealth of Australia, DFAT, *Australia's International Development Policy*, August 2023

How the ecosystem read it...



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

Poverty alleviation and human development



Needs, priorities and aspirations of partners first

**LOWY
INSTITUTE**

**Responding to geostrategic concerns not the
overarching concern of the program**

DEVPOLICYBLOG

China haunts the document

How the media read it...

Foreign aid overhaul to counter Chinese expansion



Gender and climate goals top new foreign aid agenda

THE AUSTRALIAN 

Australia overhauls its international aid policy, ups China competition



Australia warns of economic weakness in Pacific as it outlines development goals - without mentioning China





“The Albanese Government’s approach in the [2023-24] Budget will make Australia **more influential in the world**, by investing in all elements of our statecraft including diplomatic power, trade and development.”

Minister for Foreign Affairs, Penny Wong, *Investing to secure Australia’s interests in the World*, May 2023

“We will offer an international development program that is based on partner priorities, is transparent in its approach, **is not transactional in nature** [and] is high quality.”



Minister for International Development and the Pacific, Pat Conroy,
Australia's International Development Policy, August 2023

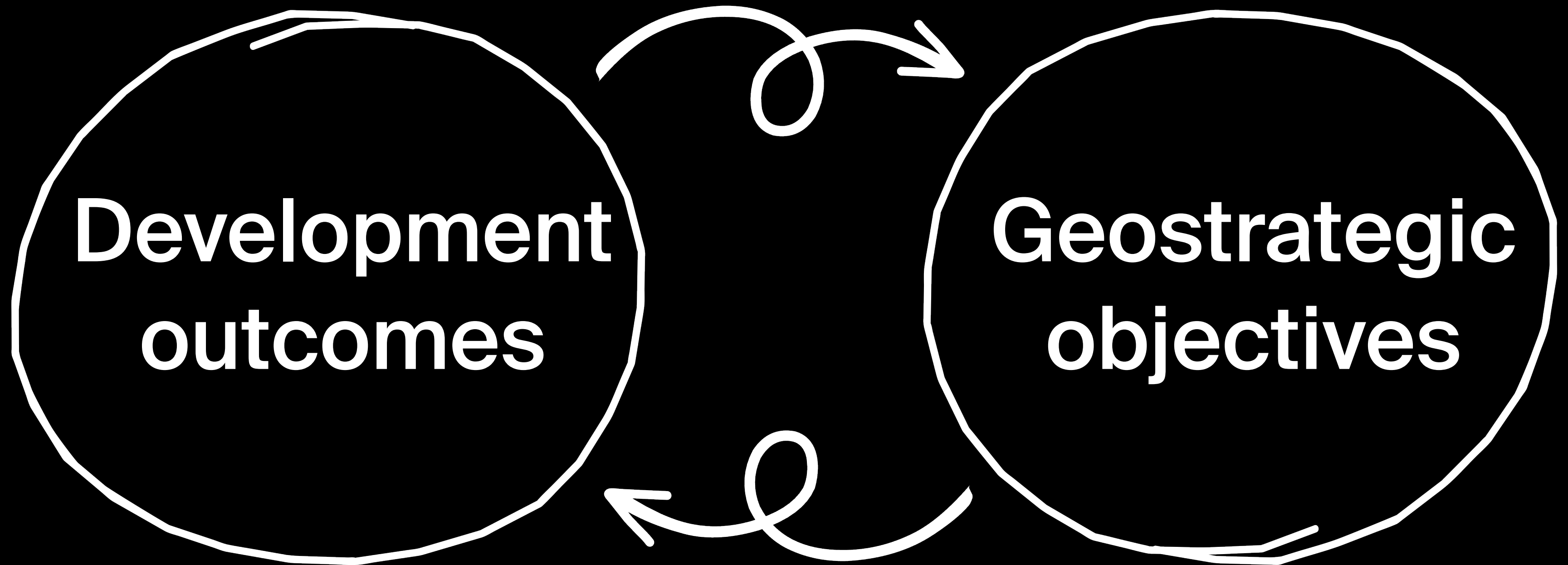
“The development budget became a **bit more transactional** in terms of helping HOMs solve problems they had in the short term. **There's always going to be an element of that** in development policy. I'm not naive about that.”



Minister for International Development and the Pacific, Pat Conroy, *Development Policy Forum*, September 2023

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Tension.



\$17m Pacific Games

Development

“The funding is linked to activities that will not only benefit the Games, but will also deliver longer-term social development benefits.”

DFAT, April 2023



Geostrategic

“Australia will chip in about \$17 million to help Solomon Islands host the 2023 Pacific Games as part of its efforts to counter the growing influence of Beijing in the region.”

SMH, August 2022

Development

- Refurbished dormitories
 - education infrastructure
 - kids in school
 - education outcomes
 - long-term social development
- Sports equipment + facilities
 - sporting infrastructure
 - people do sport
 - health + psychosocial outcomes
 - long-term social development



Geostrategic

- \$17m second-largest contribution to Games after China
 - PRC is prevented from displacing Australia as partner of choice

Economic governance

Development

- Technical assistance on PFM
 - More knowledge + skills
 - Improved budget planning + execution
 - People in SI get better govt services
 - Health, education, justice outcomes

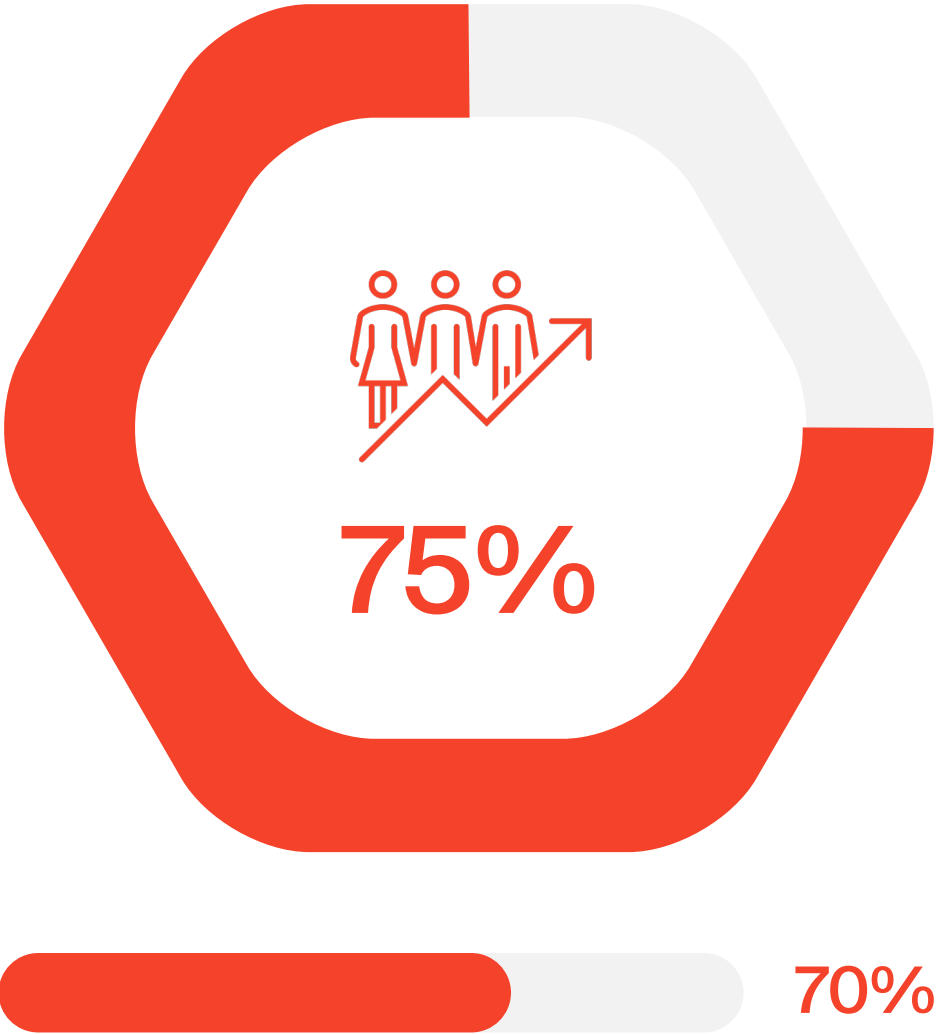


Geostrategic

- Technical assistance on PFM
 - More knowledge + skills
 - Improved budget planning + execution
 - More budget transparency = corruption is harder
 - PRC's methods of building influence/patronage curtailed
 - PRC is prevented from displacing Australia as a partner of choice.

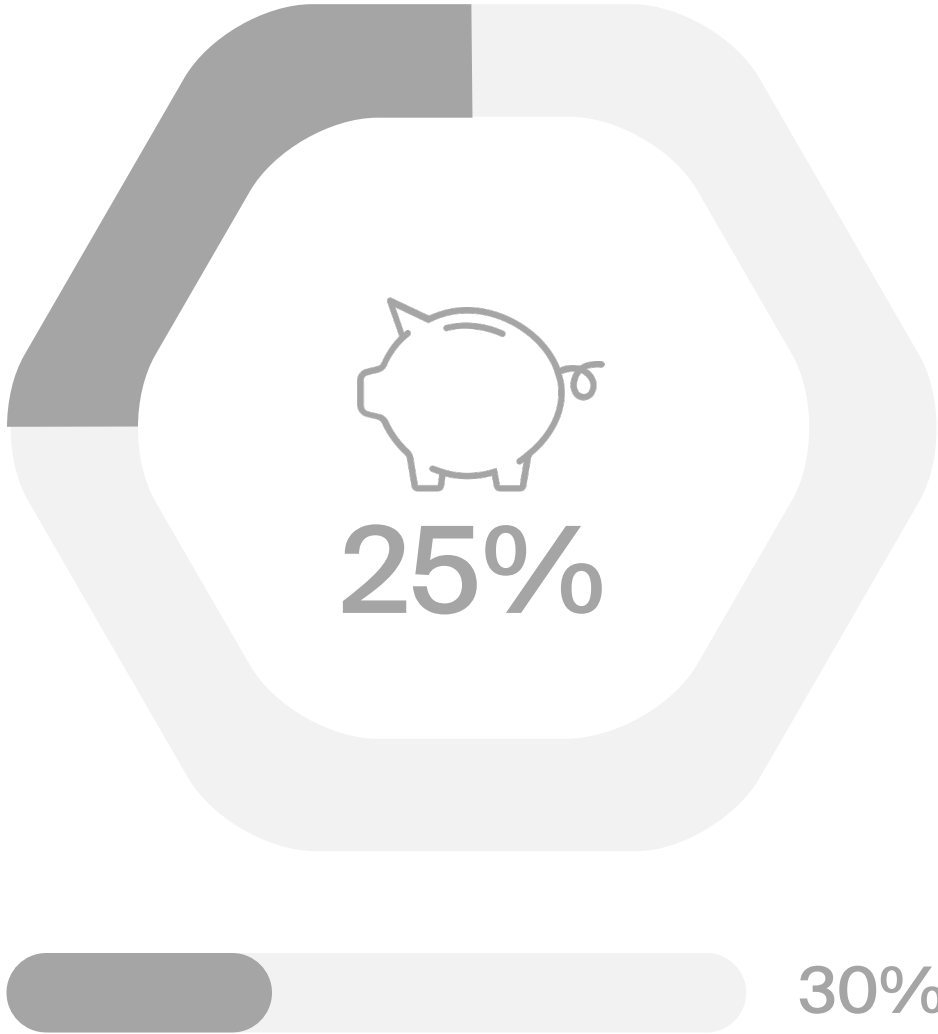
Balance

Development Outcomes

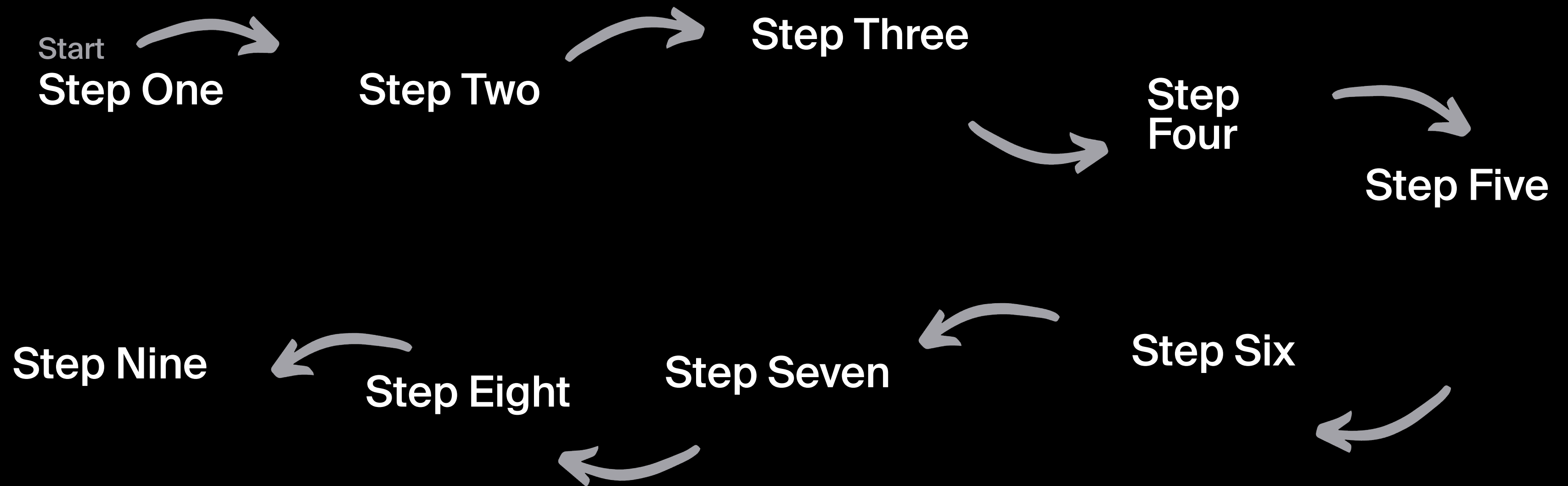


VS

Geostrategic Objectives



Transformational.



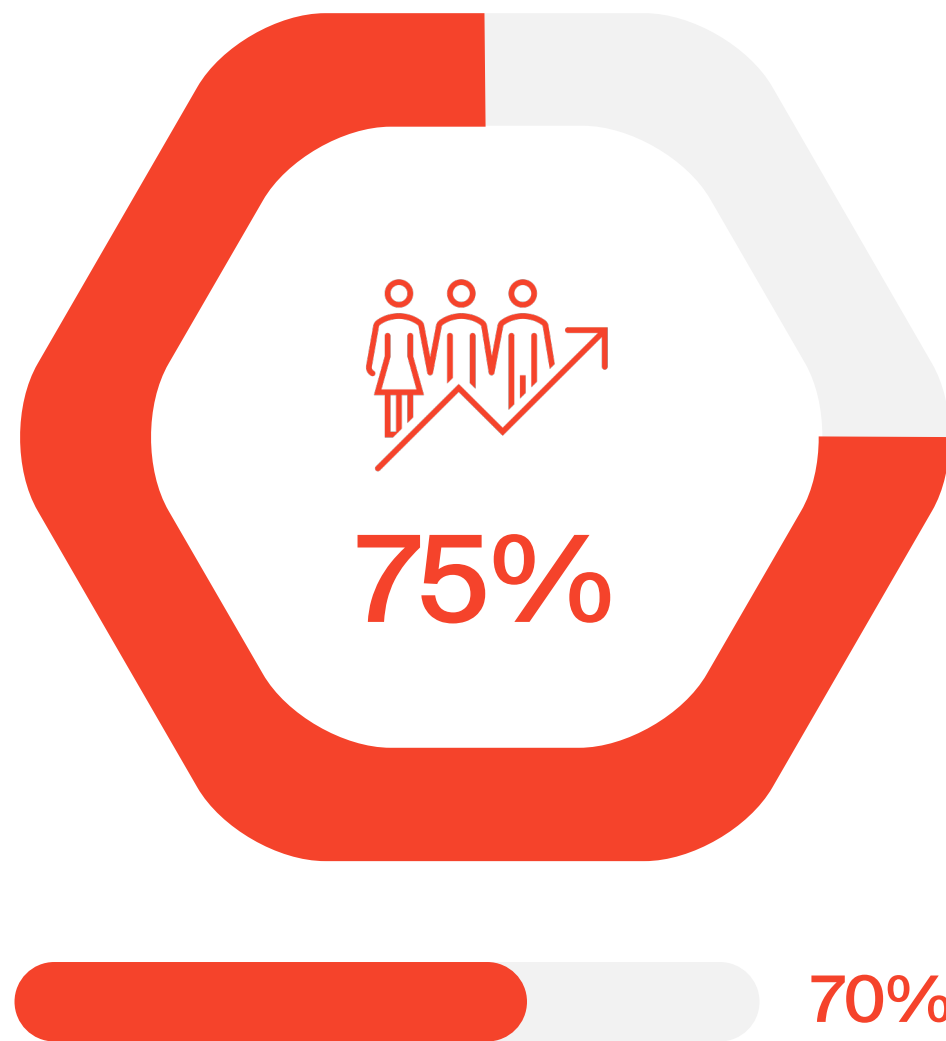
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Transactional.



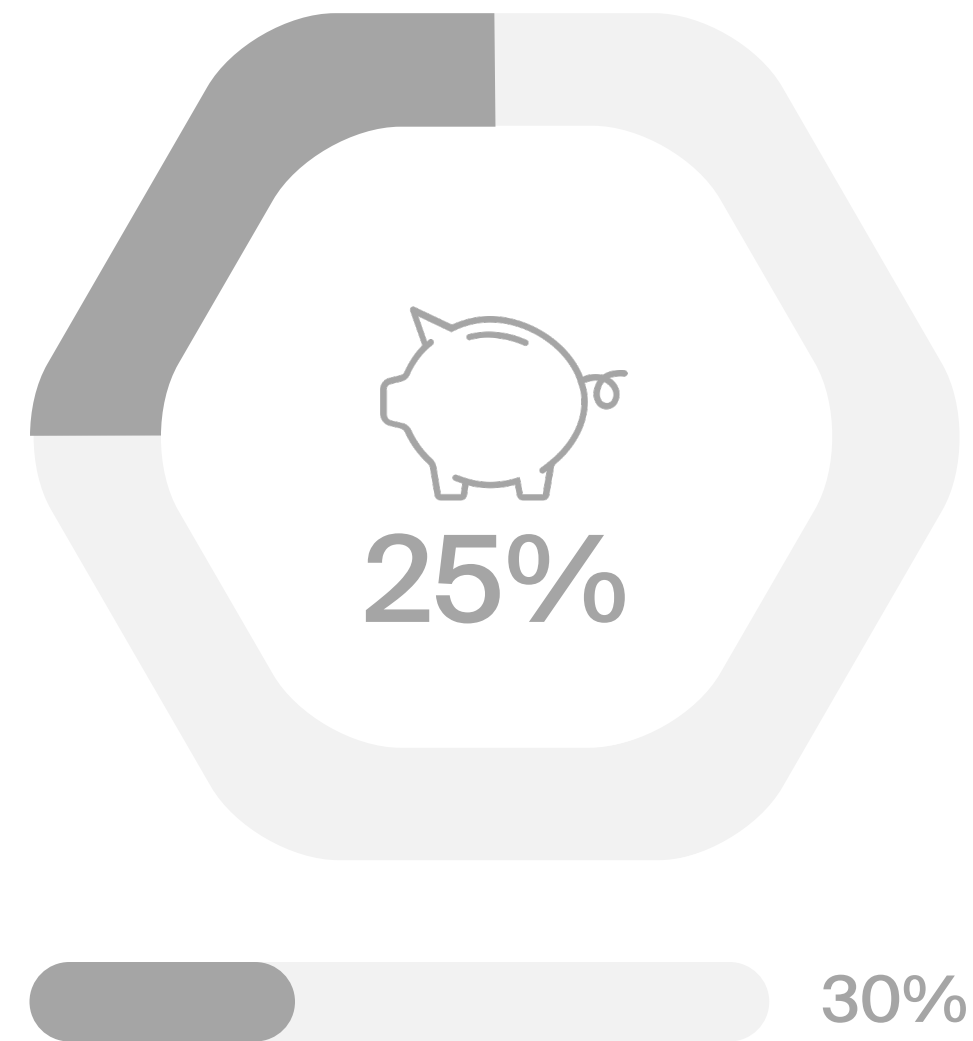
Balance...and patience

Transformational



VS

Transactional



(...and rigour, contestability, bias...)

Suggestions.

- 1 Strategic Clarity**
- 2 Evidence**
- 3 Decision-making frameworks**
- 4 Modalities/toolkit**



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