The Australian Government submits this Memorandum to the OECD Development Cooperation Directorate for the 2018 Peer Review of Australia’s aid program.

The Memorandum’s structure follows the OECD’s Peer Review Reference Guide.

MAY 2017
EXECUTIVE SUMMARY

The Australian Government is pleased to submit this Memorandum as a contribution to the 2018 OECD Development Assistance Committee (DAC) Peer Review of Australia. We recognise the importance of the peer review process to donor accountability, and hope the review will provide important lessons and insights to share with other OECD DAC donor countries.

The Australian Government’s international development policy, Australian Aid: promoting prosperity, reducing poverty, enhancing stability, released in July 2014, sets the current strategic direction for Australia’s development and humanitarian assistance. Australian Aid represents a changed paradigm for Australia’s aid program, establishing a new set of investment priorities and a greater geographic focus. It is clear in its intent to promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction, and recognises the central role of the private sector to development outcomes. Australian Aid is accompanied by a rigorous performance framework, Making Performance Count: enhancing the accountability and effectiveness of Australian aid.

Australia’s political, strategic and economic interests are closely linked to the Indo-Pacific region, particularly South East Asia and the Pacific. We have increased the proportion of country program aid expenditure in the region to over 90 per cent since 2014-15. We have long played a leading role in promoting stability and prosperity in the region of which Australia is part, and where we can leverage our knowledge and partnerships to greatest effect. The diversity of the Indo-Pacific region also demands that we tailor our development assistance to the realities of individual country contexts.

Recognising the different economic growth and human development trajectories for developing countries in the Indo-Pacific region, Australia has adopted a new set of partnerships to guide our development cooperation. For example, in the fast-growing countries of Asia, we are transitioning to models of economic partnership. Our focus in these countries is on leveraging and increasing our partners’ own capacity and resources to grow, and recognises that Official Development Assistance (ODA) represents a diminishing proportion of development finance. In many of the small island developing states of the Pacific, our development partnerships prioritise the challenges of slow growth, climate change, small and isolated markets and providing services in remote environments. The rationale and focus of each of our major bilateral and regional programs is set out in published Aid Investment Plans (AIPs).

While the sectors in which we offer assistance vary across countries according to need and our comparative strengths as a donor, we also acknowledge there are fundamental challenges that face our partner countries as they seek to promote inclusive, sustainable economic growth and reduce poverty. This is why the government has placed gender equality and women’s empowerment as a central element across Australia’s international development efforts, as well as a key issue in our political and economic diplomacy. Under aid program targets introduced in 2014, the government aims to ensure that more than 80 per cent of investments effectively address gender issues in their implementation. The government has also placed a high priority on innovation in foreign policy, recognising that a business-as-usual approach to intractable challenges in today’s world will have little sustainable impact. The Department of Foreign Affairs and Trade’s (DFAT) InnovationXchange (iXc), established in 2015, has initiated exciting new global challenges and partnerships to deliver innovation in development.

Strengthening policy coherence across Australia’s international engagement, as well as between our international and national strategic priorities, has been a driver of key decisions over the last four years. The integration of the former AusAID into DFAT, for example, has strengthened Australia’s policy approach to international development, and combined the expertise and resources to deliver on the government’s political and economic diplomacy objectives. The department continues to strengthen staff capability to meet the integrated department’s objectives, including through an ambitious capability improvement
agenda. Our strong whole-of-government approach to international development has also been advanced through major new policy initiatives such as regional labour mobility, regional health security, and private sector engagement in the aid program.

However, we also acknowledge the need to bring even stronger policy coherence to enhance the effectiveness and impact of Australia’s international development assistance. The development of Australia’s 2017 Foreign Policy White Paper provides a valuable opportunity to recognise the role of diplomacy, aid, trade and domestic policies in promoting regional stability and prosperity. The 2017 Foreign Policy White Paper will provide a comprehensive strategy to guide our international engagement over the next 10 years, situate our aid program within the context of broader foreign policy priorities, and reinforce DFAT’s integrated policy approach.

Beyond improving policy coherence, Australia also recognises the need for greater rigour in the way donors approach development effectiveness. This is why our Making Performance Count framework places a stronger emphasis on results, value for money and linking performance with funding. Ten high-level targets ensure the aid program is delivering against key government priorities. Performance benchmarks assess the effectiveness of investments in each country while robust quality systems assess individual investments against a range of stringent performance criteria. The performance of the aid program is reported on annually in the Performance of Australian Aid report. The Office of Development Effectiveness (ODE) and Independent Evaluation Committee (IEC) continue their role in monitoring the aid program, evaluating its impact and contributing to international evidence on development effectiveness.

While keeping a clear focus on the needs of our region, Australia continues to be active in international forums on global development issues and the establishment of guiding frameworks. The government was a key contributor to the development of the 2030 Agenda for Sustainable Development, including as a lead advocate for Sustainable Development Goals (SDGs) on peace and governance, and oceans, and key elements of the Addis Ababa Action Agenda on Financing for Development. Australia made early commitments to support the 2030 Agenda, including by increasing aid for trade to 20 per cent of the aid budget by 2020 and doubling our investment to 2020 to support developing countries increase domestic resource mobilisation. Australia also continues to play an active role in multilateral organisations and funds. We leverage their expertise, scale and geographic reach to deliver outcomes in ways that are not possible working alone. We are a major financial contributor to global funds, and play a key leadership role in several, including as Co-Chair of the Green Climate Fund.

Australia is highly regarded for upholding the principles of humanitarian action and delivering timely, flexible and pragmatic support to help countries prevent, prepare for and respond to crises. In 2015-16 alone, Australia responded to more than 20 humanitarian emergencies across the Pacific, Asia and the Middle East. A new Humanitarian Strategy, released in 2016, reflects Australia’s commitments under the Agenda for Humanity and the Sendai Framework for Disaster Risk Reduction (DRR), as well as elements of the 2030 Agenda and the Paris Agreement on Climate Change. We continue to maintain a comprehensive in-house capability to assist neighbouring countries affected by disaster, and have strengthened our quality and performance systems for humanitarian action.
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1. GLOBAL EFFORTS FOR SUSTAINABLE DEVELOPMENT

1.1 EFFORTS TO SUPPORT GLOBAL SUSTAINABLE DEVELOPMENT

Australia’s aid program contributes to global sustainable development by promoting prosperity, reducing poverty and enhancing stability, particularly in the Indo-Pacific region. Our program is innovative and responsive to partner needs, and focussed where our efforts and expertise can have the greatest impact. It also reflects global evidence that gender equality is central to long-term prosperity and that every substantial and sustained reduction in poverty has been accompanied by strong and sustained economic growth, and that the private sector is the key driver of growth.

We apply these same principles and approaches in our active engagement in international dialogue and global commitments for sustainable development.

Australia’s active leadership in global dialogue and negotiations on international development aims to ensure the efforts of the international community to promote sustainable development are ambitious but pragmatic, and fit-for-purpose to address priority global public goods and bads. Just as our aid paradigm, reflected in Australia’s 2014 development policy framework, Australian Aid: promoting prosperity, reducing poverty, enhancing stability, provides a contemporary approach to development challenges and opportunities for developing countries in our region, so too does our approach to international development norms, frameworks and commitments.

For example, Australia’s active engagement in the development of the 2030 Agenda for Sustainable Development helped ensure it reflected a modern approach to international development. Australia was particularly influential in shaping the SDGs on growth, gender equality, and peace and governance. Under these SDGs, countries have committed to address critical development challenges including women’s economic empowerment, sexual and reproductive health, anti-corruption and human rights.

Australia worked closely with Timor-Leste to secure the inclusion of SDG 16, which acknowledges that peace and governance are fundamental to development. Australia is supporting efforts to deliver SDG 16 through funding for the United Nations Development Program (UNDP) New Deal Implementation Support Facility to assist fragile and conflict-affected countries engage on, and implement the principles of, the New Deal.

1 For the purpose of management of the aid program, the Indo-Pacific region refers to developing countries in the Asia-Pacific (including South and West Asia), in the Indian Ocean and those bordering the Indian Ocean in East and Southern Africa. This definition broadly aligns with key regional organisations including the Indian Ocean Rim Association, Association of Southeast Asian Nations (ASEAN) and the Pacific Islands Forum. Countries in Africa covered by this definition include Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, Somalia, South Africa and Tanzania. The Indo-Pacific region does not include countries in North or West Africa, Middle-East, Latin America and the Caribbean.
Australia’s development policy is well-aligned with the key elements of the Addis Ababa Action Agenda (AAAA) which provides a comprehensive set of policy actions to finance sustainable development and deliver on the 2030 Agenda. In the area of tax reform and domestic resource mobilisation, Australia was a founding partner of the Addis Tax Initiative and we will double our investment by 2020 (to AUD$32 million) to support developing countries to strengthen their tax systems, increase domestic resource mobilisation and promote good economic governance. Australia is also supporting UNDP’s work in assisting developing countries prepare national development finance plans.

Australia is supporting the removal and reduction of barriers to international trade through the ongoing WTO Round as well as through our regional and bilateral Free Trade Agreements. We have committed to a target of increasing aid for trade investments to 20 per cent of the aid budget by 2020. Australia invested around AUD$1.2 billion in 2015-16 in private sector development to build better business and investment environments, support growth in markets, and maximise the development impact of businesses.

Consistent with the AAAA, Australia has increased the priority afforded to public private partnerships in the aid program, particularly on infrastructure projects, with Australian aid investments in the tens of millions set to catalyse billions in private sector capital. For example, the Philippines Public Private Partnership Centre (a partnership between the Philippines, Australia and other donors) has seen over USD$1 billion in infrastructure projects developed, and a further USD$7 billion in the pipeline. Australia is also supporting the Global Infrastructure Facility (AUD$25 million to date) which brings together multilateral banks, private sector institutions, governments and national development banks to facilitate greater private sector investment in infrastructure in emerging markets and developing economies. Australia was also a founding member of Asian Infrastructure Investment Bank (AIIB), which will deliver much needed infrastructure investment across our region.

Focus on: Australia’s Contribution to the Asian Development Bank

In 2014-15 Australia was a key advocate, through the G20, for the Asian Development Bank (ADB) to undertake balance sheet reforms that saw the merger of the ADB’s ordinary capital resources and its concessional financing arm, the Asian Development Fund (ADF).

This will boost the ADB’s annual loan and grant capacity from USD$16 billion in 2016 to a projected USD$20 billion in 2020. Australia was the second largest donor to the eleventh replenishment of the ADF (2016-19), pledging AUD$468.5 million in May 2016. Eight of the 13 countries eligible for financial assistance from the ADF are Pacific countries and Australian advocacy helped to ensure a doubling of annual base concessional allocations to the majority of Pacific countries from USD$3 million to USD$6 million.

Australia also demonstrates leadership on sustainable development through active participation in multilateral organisations and funds to leverage their expertise, scale and geographic reach to deliver outcomes in ways that are not possible working alone. We formalise our engagement through multi-year strategic partnership agreements, under which our partners receive long-term core funding certainty and clear expectations around performance (discussed further in section 2.3). In our engagement on strategic and institutional reform agendas in several multilateral development banks and global funds, including on their governing boards, we bring influence and expertise to shape better global development outcomes. For example:

- Australia has successfully negotiated for increased engagement in the Pacific in recent years, with World Bank financial allocations increasing fourfold since 2009 to USD$850 million.
- In 2017, Australia co-led the reform of the Global Partnership for Education’s financing and funding architecture, creating innovative mechanisms that allow better engagement with the private sector, philanthropy and multilateral development banks in line with the AAAA.
• In 2016 Australia, as Co-Chair of the Board of the Green Climate Fund, was active in shaping the fund’s forward agenda, developing policies and procedures and building Board cohesion to enhance the fund’s governance and effectiveness. In recognition of Australia’s strong and effective leadership, we were re-elected as Co-Chair in 2017. We are the only country to Co-Chair in consecutive years and have done so in three of the five years of the Board.

• Australia currently co-chairs the new Global Action on Disability (GLAD) Network, alongside the International Disability Alliance, to promote a more inclusive development approach for persons with disabilities.

We also demonstrated leadership on a priority issue for global sustainable development – disaster risk management - throughout the negotiations on the Sendai Framework for DRR. Australia, represented by DFAT, the Attorney-General’s Department (AGD) and Geoscience Australia, advocated for a focus on national responsibility for disaster risk management and domestic resource mobilisation for disaster risk management. Our commitment to follow through on the application of the Sendai Framework, and its predecessor, the Hyogo Framework, is well known. We are the third largest bilateral donor to the United Nations Office for Disaster Risk Reduction (UNISDR) in the Asia-Pacific region. We also support the leadership of the World Bank’s Global Facility for Disaster Reduction and Recovery (GFDRR) to help high-risk, low-capacity developing countries better understand and reduce their vulnerabilities to natural hazards in accordance with the Sendai Framework. In-house, we are implementing our international Sendai commitments through a dual approach of risk-informed investment decisions across the aid portfolio where DRR is a secondary purpose as well as specific investments in activities where it is the primary purpose. Capturing the embedded DRR expenditure under the former is challenging and currently subject to manual stocktakes on an annual basis.

Recognising the threat climate change presents to sustainable development, particularly to small island developing states, Australia played an active role in the negotiation of the UN Framework Convention on Climate Change (UNFCCC) Paris Agreement. We shared our expertise and influenced outcomes, including as Chair of the Umbrella Group (an influential informal group of non-EU developed countries). Australia is focused on implementing the Paris Agreement objectives through more support for developing countries, building our international partnerships and working with the private sector. This includes focusing response efforts on the disproportionate impacts climate change has on women and girls. We are delivering practical assistance bilaterally through our aid program and through contributions to multilateral banks and funds. In December 2015, Prime Minister Turnbull announced that Australia would provide at least AUD$1 billion to build climate change resilience and reduce emissions in developing countries over five years. This includes our AUD$200 million commitment over four years to the Green Climate Fund. As Co-Chair and a member of the fund’s Board, Australia has supported and advocated on the importance of the fund’s resources flowing to the Pacific and other vulnerable developing countries. Our advocacy has helped to secure approval of USD$251 million for six projects in the Pacific in the last 18 months.

Australia is also firmly committed to ensuring the practical experiences of developing countries inform global development agendas and commitments, including as a founding partner and leading funder of the Asia Pacific Development Effectiveness Facility (AP-DEF). The AP-DEF works to ensure international processes, such as the 2030 Agenda and the Global Partnership on Effective Development Cooperation, are strengthened through evidence and perspectives from Asia and the Pacific. It also supports countries to implement their development effectiveness agendas, to better understand and manage development finance flows from all sources (public, private, domestic and international, in line with the AAAA) and to target these to development priorities, including the SDGs. Australia is also part of a regional effort to develop strong, coordinated mechanisms for monitoring and reporting against the 2030 Agenda, including through our active engagement in the Pacific Islands Forum and the UN Economic and Social Commission for Asia and the Pacific.
1.2 POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT

Australia adopts a strong whole-of-government approach to international sustainable development. Our structures and processes at the political and bureaucratic level support regular dialogue and shared decision-making on policies and programs—particularly as they relate to international framework commitments and development priorities for the Indo-Pacific region. At the institutional level, staff from Australian Government Departments and agencies meet regularly, including at Secretary (head of department) and Senior Executive levels, to support cohesive responses to current and emerging foreign, development, and trade and investment policy issues. Australia’s ‘Green Book’ (Australian Engagement with Developing Countries, Part 1: Bilateral Relationships at a Glance and Part 2: Official Sector Summary) provides a snapshot of the various forms of engagement Australia has with developing countries, including ODA flows, trade flows and people-to-people links.

Australian Aid provides the framework for the breadth of our engagement on sustainable development and our priorities at the global, regional and country level. It clearly establishes the objectives that guide the entirety of our ODA expenditure, regardless of which government agency may be the lead implementer of particular initiatives. AIPs translate this shared commitment and prioritisation to the country and regional level.

Economic diplomacy is at the core of the government’s international engagement and is based on four key pillars: promoting trade; encouraging growth; attracting investment; and supporting Australian business. DFAT is leading a whole-of-government economic diplomacy agenda that brings together Australia’s foreign, trade, development and other international economic activities, to deliver greater prosperity for Australia, our region and the world. To guide implementation of this agenda, our overseas missions, and DFAT’s divisions and State and Territory offices, have developed Economic Diplomacy Strategies.

Our approach to the international negotiations on the 2030 Agenda for Sustainable Development was an excellent example of cross-government engagement to ensure policy coherence and a shared commitment to the 2030 Agenda. In the domestic context, government departments, under the joint leadership of the Department of Prime Minister and Cabinet (PM&C) and DFAT, are now working together to ensure a coordinated approach to how Australia gives effect to the 2030 Agenda – and how we will report our progress.

A coherent approach between Australia’s domestic policies and international development objectives has been vital to the success of many of our high priority development programs.

Labour mobility is one such example. Australia currently implements two key labour mobility programs – the Seasonal Worker Programme (SWP), led by the Department of Employment, and the Pacific Microstates-Northern Australia Worker Pilot program (Microstates Pilot) led by DFAT.

The SWP links workers from participating Pacific Island countries and Timor-Leste with Australian employers in the agriculture, accommodation, hospitality and tourism industries. The Microstates Pilot is a five-year program to provide up to 250 citizens of Kiribati, Nauru and Tuvalu access to a multi-year work visa to work in low and semi-skilled occupations in northern Australia. The Microstates Pilot targets non-seasonal industries and businesses that are unable to access Australian workers, in turn supporting northern Australia’s economic development. Designing and implementing both programs has required a coherent and cooperative approach between different federal government agencies in Australia, including DFAT, Department of Immigration and Border Protection, Department of Employment, as well as participating State and Territory Governments. Since 2012, over 15,000 visas have been issued under the SWP.

Another example is demonstrated in our commitment to free and open trade through the Pacific Agreement on Closer Economic Relations (PACER Plus) negotiations which concluded on 20 April 2017. Australia’s ongoing advocacy for free and open trade is well known. We recognise the positive benefits that accrue to
developing countries when we support effective trade policies and agreements. This agreement will promote the economic development of Pacific Forum Island countries through greater regional trade and economic integration. In addition to locking in duty-free access to the Australian market for PACER Plus Parties, Australia will support the parties to build their capacity to trade, including by modernising their customs and biosecurity systems.

Australia’s focus on **gender equality** and elimination of violence against women is a strong example of a domestic public policy priority that also aligns with a critical global issue on which Australia plays an important leadership role. For example, the priority in the aid program on ending violence against women is also a strong domestic policy priority. As such, there is strong collaboration between DFAT, the Office for Women, Australian Bureau of Statistics and Department of Social Services. DFAT’s *Gender Equality and Women’s Empowerment Strategy* integrates this agenda across DFAT’s portfolio, with commitments in foreign policy, aid for trade and economic diplomacy, development and corporate management. It outlines a suite of tools and resources available to promote equal opportunities for women and men, from development assistance programs to Australia’s advocacy in international forums such as APEC, the G20 and the UN. Dedicated funding supports efforts to end violence, advance women’s economic empowerment and strengthen women’s leadership. Detailed internal guidance supports the strategy, including Guidance Notes, a Gender Expertise panel through the standing Australian Aid Advisory Services Offer facility, and a Gender Network and collaboration platform for DFAT staff. DFAT is also committed to promoting gender equality and women’s empowerment in our internal practice, as underlined in the department’s Women in Leadership Initiative (discussed further in section 4.3).

**Focus on: Regional peace and security through RAMSI**

Australia accepted a request by Solomon Islands in 2003 to help halt five years of ethnic tensions and armed criminality. Between 2003 and 2017, Australia led the 15-nation Regional Assistance Mission to Solomon Islands (RAMSI) to assist the Government in restoring law and order. From the outset, stabilisation and reconstruction efforts were a collaborative partnership between RAMSI and the Solomon Islands Government, which meant Government ministers and legislators had decision-making primacy and calibrated the pace and direction of reforms.

RAMSI was endorsed, drawn from and overseen by Pacific Islands Forum (PIF) nations. The offer of assistance and mission construct, however, was primarily developed in Canberra under the auspices of an Australian Government Inter-Departmental Working Group, and in consultation with the Solomon Islands Government. RAMSI was notable in that it was the Government’s first international operation that included a state building component and integrated DFAT, Defence, the Australian Federal Police, and personnel from more than seven other agencies. RAMSI commenced operations under the strategic direction and leadership of a DFAT ‘Special Coordinator’ who acted as its principal representative to SIG. RAMSI’s multinational ‘Participating Police Force’ was led by the Australian Federal Police and its five-nation military component was commanded by the Australian Defence Force. Other key Australian agencies, including AusAID, Treasury and the Department of Finance, together helped restore basic functions of government to Solomon Islands.

Between 2003 and 2017, Australia deployed thousands of police, military, civilian advisers and diplomats under RAMSI. Australia’s investment approached $3 billion over 14 years (95 per cent of RAMSI’s funding). It helped the Solomon Islands Government restore law and order immediately and remarkably peacefully. RAMSI removed 3,700 weapons from the community and arrested 6,300 Solomon Islanders in its first three years, the majority of whom were processed through courts and prisons revitalised by RAMSI. The first decade of support gave rise to a host of new government infrastructure and strengthened democratic and public service accountability systems, as well as a Solomon Islands’ economy that had grown by more than 80 percent. In 2017, RAMSI transferred the final elements of responsibility for policing and national security to a well-trained and partly re-armed police force that itself trains other police forces in the Pacific.
The Australian Government’s 2015 *Strategy for Australia’s Aid for Trade Investments* has helped ensure a coherent approach to **trade and development**, and investments that are effective in meeting the needs of developing countries. As a strong advocate of open trade and investment – which help create an enabling environment for economic growth and development – Australia has set a target to increase aid for trade investments to 20 per cent of our aid budget by 2020. We are on track to meet this target, with aid for trade expenditure expected to reach 19.5 per cent in 2016-17 (or a value of AUD$748 million).

Australia designs its aid for trade investments so they achieve development and trade objectives simultaneously, while closely involving the private sector, empowering women, and adopting innovative market-based approaches. Some examples of Australia’s innovative and coherent approaches to aid for **trade** investments include:

- With the World Bank and World Economic Forum, Australia is providing assistance to developing countries to undertake reform in their trade processes, including their implementation of the World Trade Organization’s Agreement on Trade Facilitation.
- With the World Intellectual Property Organisation, Australia is placing scientists from developing countries in the world’s leading research organisations to develop better treatment options for neglected tropical diseases, malaria and tuberculosis.
- Through the International Labour Organization’s Better Work Program, Australia is helping improve workplace conditions and reducing gender discrimination in export factories in developing countries.
- Australia is delivering trade in services training to Least Developed Countries (LDCs) to demonstrate how services can contribute to sustained and inclusive economic growth, particularly in relation to the use of the World Trade Organisation Least Developed Countries Services Waiver.
- With the ADB, Australia is assisting small and medium sized enterprises in developing countries in the Pacific and South-East Asia to improve their access to trade finance by strengthening the prudential practices of banks.
- With New Zealand, Australia funds an aid for trade program to assist developing ASEAN Member States to implement their obligations under the ASEAN-Australia-New Zealand FTA (AANZFTA) and to advance economic integration among the parties of the agreement.

Beyond aid for trade, Australia’s **trade policies** seek to take account of developing countries’ needs and situation where appropriate. This is reflected in Australia’s approach to providing complete duty-free quota-free (DFQF) for imports from LDCs. Some LDCs, such as Bangladesh and Cambodia, have seen increases in their exports to Australia since the introduction of the DFQF preferences. Australia also demonstrated leadership on the World Trade Organisation LDC Services Waiver, which allows granting LDC services and services providers preferential access to WTO Members’ markets. Reflecting Australia’s continued commitment to access to medicines at home and abroad, Australia has also actively encouraged WTO Members to accept the Protocol Amending the World Trade Organization Agreement on Trade Related Aspects of Intellectual Property Rights. The protocol, which contributes to providing better access to generic medicines for developing countries and LDCs, entered into force on 23 January 2017. Australia accepted the protocol in 2007 and passed implementing legislation in 2015.

The recently published report on Australia’s **whole-of-government engagement** in Afghanistan, *Afghanistan: Lessons from Australia’s Whole-of-Government Mission Report*, commissioned by the ADF - in coordination with DFAT and the AFP, outlines the strengths, good practices and challenges of Australia’s mission in Afghanistan at the whole-of-government level. The report notes the specific challenges posed during the early period of Australia’s Afghanistan mission, which was framed and directed by our military intervention, and left civilian departments and agencies with limited visibility of changes occurring on the ground. It also references the establishment, part way through the mission, of a working group of officials to inform and coordinate the work of relevant government departments. In 2017, the working group, known as the ‘Tange
Group’ continues to be a relevant and valuable forum. For future missions like Afghanistan, the report recommends that inter-departmental coordination structures be established from the outset.

We recognise there is always room to strengthen policy coherence, including across the wide spectrum of Australia’s international engagement. The 2017 Foreign Policy White Paper, due to be released in late 2017, will be an important step in this regard. The White Paper will establish a comprehensive whole-of-government framework to guide Australia’s international engagement over the next 10 years, enabling us to seize opportunities and manage risks across our international agenda. It will establish a framework for how we can promote open economies and facilitate the movement of goods and services; advance relations with our international partners; support global rules and institutions; and best use our assets, including our aid program, to pursue our international interests.

A number of public submissions on the 2017 Foreign Policy White Paper were focussed on Australia’s development cooperation program and its critical importance to Australia’s pursuit of its foreign policy interests. Reflecting that an effective foreign policy requires whole-of-government engagement, the White Paper Taskforce includes staff from the PM&C; Australian Treasury; the AGD; Department of Immigration and Border Protection; the AFP; Department of Defence, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and DFAT.

The theme of deeper collaboration and engagement with the broader Australian Public Service (APS) is also reflected in DFAT’s Capability Improvement Plan (see Chapter 4.3). Led by a Deputy Secretary, collaboration and engagement forms one of seven priority work streams and aims to deliver more comprehensive, innovative and integrated policy outcomes. Increasing inter-departmental secondments, the inclusion of collaboration goals in business plans and the establishment of inter-departmental policy working groups are examples of the department’s expanding capability in this area.

### 1.3 GLOBAL AWARENESS

The Australian Government uses a range of approaches and instruments to raise awareness, interest and active engagement in Australia on international development issues, policies and programs. We use a suite of targeted public diplomacy and communication activities in this effort. DFAT’s active engagement with the media contributes to informed coverage of Australia’s foreign policies and programs, with our media team frequently responding to media enquiries about the aid program. DFAT also provides high-quality communication to the public through websites and digital media channels.

In 2015-16, DFAT increased its social media presence by 25 per cent and drew on new platforms to engage with different audiences. The department’s aid communications emanate from Canberra and from Australia’s network of overseas missions. The department’s central social media accounts are primarily dedicated to communicating the Australian aid program; 74 of Australia’s overseas missions maintain social media accounts and are encouraged to communicate the objectives and outcomes of the Australian aid program to local audiences.

The inaugural Global Heads of Mission meeting in March 2017 brought together all Australian Heads of overseas posts and included extensive outreach to state and territory capitals, as well as regional and rural Australia, to engage in dialogue with Australians on foreign policy issues, including on the benefits of our aid program.

Throughout the negotiations of the 2030 Agenda, DFAT held regular round table sessions with civil society to discuss progress and priorities. DFAT continues to be in regular contact with peak bodies such as the Australian Council For International Development (AFCID), Australia’s peak body for the not for profit aid and development sector, and Global Compact Network Australia, the business led platform on corporate sustainability, to discuss and coordinate on the 2030 Agenda. A sector-led Australian SDGs Summit in 2016
brought together government, the private sector, Non-Government Organisations (NGOs), academia, and other stakeholders. The summit investigated creative and collaborative ways to deliver on the 2030 Agenda, demonstrating a real and coordinated commitment within Australia and across sectors. The summit resulted in statements of support from the CEOs of over 30 leading businesses, as well as civil society and academia.

More recently, in the work to develop Australia’s 2017 Foreign Policy White Paper, the Australian Government has ensured extensive outreach to key domestic stakeholders. The White Paper Taskforce held a wide range of face-to-face consultations with individuals and organisations in Australia (24 roundtables or workshops and more than 60 individual meetings were held), and the public were invited to make written submissions (over 4600 individual submissions were received along with more than 8500 campaign related submissions including from the Campaign for Australian Aid).

The Australian Volunteers for International Development (AVID) program contributes to Australia’s public diplomacy efforts by raising awareness of the government’s aid program overseas and in Australia, and contributing to Australia’s positive reputation in the region. The program provides opportunities for skilled Australians to undertake volunteer assignments across our region that foster people-to-people linkages and build the capacity of local host organisations. Volunteers work in sectors such as health, education, rural development, governance and law and justice. In 2016-17, the AVID program will support approximately 1,200 skilled volunteers in 24 countries (95 per cent in the Indo-Pacific region). The Returned Australian Volunteer Network, established in 2015, connects over 13,000 volunteers deployed under Australian Government-funded programs over the past 60 years, enabling them to continue to tell stories and share ideas and resources, long after returning home from their assignments.

Our diaspora communities also make an enormous contribution to Australia’s bilateral relationships with developing countries, and play an essential role in driving economic growth in their countries of origin. In 2015, for example, an estimated AUD$3.5 billion in remittances flowed back to our bilateral aid partners from diaspora communities based in Australia. Recognising the influence diaspora communities have as emerging actors in the development and humanitarian sectors, DFAT is continuing to build its relationship with Diaspora Action Australia and the broader Diaspora Learning Network. In September 2016, DFAT helped fund the inaugural Diaspora in Action Conference: Working together for peace, development and humanitarian response, at which the Minister for International Development and the Pacific gave the keynote address. Following the conference, DFAT hosted a roundtable in November 2016 to discuss future opportunities for collaboration. DFAT is liaising with the Diaspora Learning Network on preparations for their second conference in 2018 and possible support for some of the network’s key activities. These activities reflect DFAT’s objective of engaging with new development actors, and trialling innovative and inclusive approaches to aid delivery and strategic policy development.

However, despite the range of domestic activities we undertake to raise awareness of global development issues and our aid program in Australia, we continue to face challenges in communicating its benefits to Australians. Australia, as with many other donor countries, is facing anti-globalisation and nationalist sentiment in its domestic context. This means we need to do better to explain, not just the details of our work in support of sustainable development, but why our support to developing countries, particularly in our own neighbourhood, is directly in Australia’s national interest.
2. **POLICY VISION AND FRAMEWORK**

2.1 **FRAMEWORK**


Under the policy, the purpose of Australia’s aid program is ‘to promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction’. *Australian Aid* recognises that economic growth – through private sector development – is the primary driver of poverty reduction and that human development, including investments in education, health and gender equality, is essential to saving lives and supporting sustainable livelihoods.

Australia’s political, strategic and economic interests are strongly situated in the [Indo-Pacific region](https://en.wikipedia.org/wiki/Indo-Pacific_region), particularly South East Asia and the Pacific. *Australian Aid* focuses the government’s development assistance in this region, where Australia has long played a leading role in promoting stability and prosperity.

To deliver on its vision, *Australian Aid* defines six priority investment areas:

- Infrastructure, trade facilitation and international competitiveness;
- Agriculture, fisheries and water;
- Effective governance: policies, institutions and functioning economies;
- Education and health;
- Building resilience: humanitarian assistance, DRR and social protection; and
- Gender equality and empowering women and girls.

These priorities reflect the needs of developing countries, particularly those in the Indo-Pacific region, to build inclusive workforces, economies and institutions while managing challenges such as distance from markets, health threats and natural disasters. They also reflect the relevant experience and expertise Australia can provide in areas such as private sector growth, agriculture, water management, education, health and DRR.

*Sustainability* is a core objective of Australia’s development assistance, and is emphasised in *Australian Aid’s* purpose statement. Consideration of the sustainability of development impacts is woven into all aspects of the design, implementation and evaluation of Australia’s development assistance, forming one of six investment design quality criteria that are regularly assessed through design, Aid Quality Checks (AQCs) (see chapter 6.1) and evaluation.
Australia’s development policy recognises that a one-size-fits-all approach to development cooperation is inappropriate and ineffectual. This is clearly the case in the Indo-Pacific region, where there is wide diversity in the human development and economic growth trajectories of our partners. While some are still striving to move out of LDC status, others are rapidly growing Middle or Upper Middle Income Countries. Some of our partners are landlocked while others are small island states. A large number of our partner countries are also fragile or conflict-affected.

To reflect this diversity, and the current realities and prospects for each partner country according to its own development vision, Australia has adopted a much more context-specific approach in its development cooperation. For example, Australia has transitioned from traditional forms of development assistance to new economic partnerships with fast-growing countries in Asia, such as Indonesia, Vietnam and the Philippines. Our engagement in these contexts is now more clearly focussed on policy advice to further enhance and sustain economic growth.

In parts of the Pacific, Australia’s development partnerships are increasingly targeting the unique challenges small island states face in building economic resilience, such as small and isolated markets, generating local employment opportunities, climate change, and cost-effective service delivery in remote environments. These tailored, country-specific approaches are defined within Australia’s AIPs (discussed further in Chapter 4).

Australia’s development policy framework is also well-aligned with the 2030 Agenda for Sustainable Development. The Australian Government developed Australian Aid while actively contributing to the formulation of the SDGs and AAAA. In particular, the six investment priorities of Australia’s aid program directly align with the goals:

- Infrastructure, trade facilitation and international competiveness (goals 7, 9, 11 and 17);
- Agriculture, fisheries and water (goals 1, 2, 6, 12, 13, 14 and 15);
- Effective governance: policies and institutions and functioning economics (goals 8, 10 and 16);
- Education and health (goals 3, 4 and 5);
- Building resilience: humanitarian assistance, DRR and social protection (goals 1, 11 and 13); and
- Gender equality and empowering women and girls (goals 1, 3, 4, 5, 8 and 16).

The government continues to actively examine policies and programs to determine how Australia’s development assistance can further support the 2030 Agenda, and how we can most effectively communicate and report on our efforts.

2.2 PRINCIPLES AND GUIDANCE

The Australian Government takes a comprehensive approach to the social, economic and environmental aspects of development, promoted and supported through strategies and guidance on specific sector and thematic issues. A range of sector and thematic strategies (available on the DFAT website) form part of the Australian Aid policy framework, providing further information on our approaches to the six investment priorities of the aid program and on key cross-cutting issues. They have been informed by international research and best practice, and the lessons of our past investments, and include:
• Humanitarian Strategy (May 2016);
• Australia Awards Global Strategy (November 2016);
• Australia Global Alumni Engagement Strategy (April 2016);
• Australia’s International Strategy to Combat Human Trafficking and Slavery (March 2016);
• Gender Equality and Women’s Empowerment Strategy (February 2016);
• Private Sector Development (October 2015);
• Social Protection (September 2015);
• Education (September 2015);
• Economic Infrastructure (July 2015);
• Aid for Trade (June 2015);
• Health for Development (June 2015);
• Disability Inclusive Development (May 2015);
• Effective Governance (March 2015);
• Agriculture, Fisheries and Water (February 2015);
• Mainstreaming Climate Change Across the Aid Program (2016); and

For example, Australia’s approach to effective governance, as set out in *Effective Governance: Strategy for aid investments*, provides guidance to operational teams on how to design, implement and assess governance programming. Further policy and programming guidance is set out in DFAT’s Election Handbook, Governance Performance Assessment Note, Political Economy Analysis Guidance Note, and new combined policy framework and guidance note, *Development Approaches to Countering Violent Extremism*.

### Focus on: Inclusivity in Australia’s aid program

Australia recognises that inclusion is critical to aid effectiveness and to the broader aims of sustainable, inclusive economic growth and poverty reduction. DFAT’s *Gender Equality and Women’s Empowerment Strategy* was launched in February 2016. The strategy takes a twin-track approach of both targeted gender investments as well as a ‘mainstreaming’ approach, placing gender equality and women’s empowerment centrally in Australia’s foreign policy, economic diplomacy and development efforts. This policy focuses efforts in three core areas where progress for women and girls has lagged—ending violence against women, women’s leadership and women’s economic empowerment. DFAT has a robust process for measuring progress in both the targeted and mainstreamed areas, with a goal of 80 per cent of investments across all sectors effectively addressing gender in their implementation. Internal guidance supported by dedicated, specialist gender staff within DFAT strengthens Australia’s efforts in securing results for women and girls.

Australia is recognised internationally as a leading provider of disability-inclusive development assistance. The government’s twin-track approach—supporting disability-specific aid investments as well as including people with disabilities as participants in development work across all sectors—is set out in *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia’s aid program*, and further supported by an internal Guidance Note, Performance Assessment Note and Design Guide.

Recognising that indigenous peoples often experience disproportionate rates of poverty, and are at increased risk of exclusion and marginalisation, the government has undertaken a series of internal institutional reforms to ensure mainstream aid investments are meeting the very specific interests of indigenous peoples in our partner countries. Australia’s approach is set out in DFAT’s *Indigenous Peoples Strategy* and *Indigenous Peoples Guidance Note*.
Australian Aid reflects the government’s clear commitment to poverty reduction. Since the 2013 peer review, the government has increased the focus on promoting economic growth as a prerequisite for poverty reduction, increasing employment opportunities and thus lifting living standards for poor and vulnerable communities. Ensuring these opportunities reach the poorest and most disadvantaged is a priority across Australia’s development assistance. Around one quarter of Australia’s development assistance was directed to LDCs in 2015-16.

Each of our sector and thematic strategies also articulate how Australia’s aid investments contribute to poverty reduction. Many include a focus on particular marginalised and vulnerable populations, such as people with disabilities and women and girls. For example, the Strategy for Australia’s aid investments in social protection outlines how Australia’s increasing focus on social transfers protects poor people from the worst impacts of poverty, and helps ensure vulnerable and marginalised communities benefit from our efforts to increase economic opportunities in partner countries.

Poverty reduction is also the focus of Making Performance Count’s third strategic target on reducing poverty. This has ensured that all major country and regional program AIPs set out context-specific priorities and investments to promote growth and poverty reduction, based on economic, political and social analysis.

Australia is taking steps to further strengthen its focus on poverty reduction and to ‘leave no one behind’. For economic growth to make the greatest inroads into poverty reduction, growth must be strong and sustained. Those at the bottom end of the income distribution should benefit disproportionately from this growth. While the majority of AIPs and thematic strategies already prioritise inclusive growth, forthcoming policy guidance will ensure this position is more prominent and consistent across Australia’s development assistance portfolio.

The Effective Governance strategy articulates Australia’s commitment to helping build peace and stability in fragile and conflict-affected settings. This is a strong priority for Australia’s aid program, particularly given that 10 of Australia’s top 15 partner countries are fragile or conflict-affected.

Australia’s approach in this field has continued to evolve since the 2011 Framework for working in fragile and conflict-affected states, which identifies three priorities of building more responsive states, preventing violence and building resilient communities.

Australia also supports and engages actively in international forums on conflict and fragility, and women peace and security, including the New Deal, International Dialogue on Peacebuilding and State building and International Network on Conflict and Fragility. We also support the UN Department of Political Affairs, UN Peacebuilding Fund (to which Australia has committed AUD$10 million over 2016-18), the Global Acceleration Instrument (AUD$5.5 million) and the World Bank’s State and Peacebuilding Fund, on whose Board Australia sits (Australia has provided AUD$6.1 million since 2010-11).

DFAT is currently preparing new guidance that will build on the 2011 Framework and reflect new, multi-dimensional understandings of fragility as articulated in the OECD DAC’s 2015 States of Fragility report. The new guidance will focus on fragility challenges in Australia’s region—which are characterised by persistent subnational conflict in Asia and fragility in the Pacific—and set out an integrated approach across foreign policy and development. Training of staff in Canberra and in overseas missions, DFAT’s Conflict and Fragility Community of Practice, and research partnerships, will continue to support and inform Australia’s approach to fragility.

Australia approaches violent extremism as a subset of its work on conflict and fragility. Fragile states, weak governance and conflict provide fertile grounds for violent extremist recruitment. Following a 2016 revision of the DAC’s Reporting Directives on Peace and Security to define certain countering violent extremism activities as ODA eligible, DFAT developed the new framework Development Approaches to Countering Violent Extremism to strengthen the delivery of Australian development assistance in this area.
Australian Aid articulates Australia’s pragmatic approach to managing risk, including a greater acceptance of programmatic risk and failure as a consequence of engagement in fragile settings. DFAT’s Aid Programming Guide (APG) and other internal guidance support teams to manage risk in fragile and conflict-affected situations, and to use remote monitoring of development investments when necessary. DFAT is currently preparing a more systematic approach to anticipating, analysing and managing emerging risks of conflict, fragility and atrocities, including by establishing a Global Watch Office to monitor and respond to emerging overseas events on a 24-hour basis. This will strengthen already robust processes of horizon scanning across government, and strengthen Australia’s contributions to preventative efforts globally, including through the Stabilisation Leaders Forum Early Warning and Action Working Group, which Australia initiated and currently Co-Chairs.

2.3 BASIS FOR DECISION-MAKING

Australian Aid guides the government’s decision-making on bilateral, regional and global development assistance. As previously noted, the six investment areas set out in Australian Aid provide the focus for Australia’s development assistance efforts, and at least 90 per cent of Australia’s country program aid is to be focussed on the Indo-Pacific region. AIPs then set out the priorities at the country or regional program level, based on strong economic, political and social analysis. Thematic strategies and internal guidance support staff to make appropriate programming decisions and manage aid-related processes.

Australian Aid also sets out four tests to guide Australia’s engagement and inform decision-making on specific proposals and individual investments:

- Pursuing national interest and extending Australia’s influence
  - Is the development assistance in Australia’s longer-term strategic and economic interests, taking into account the benefits of a prosperous and secure region to Australia?

- Impact on promoting growth and reducing poverty
  - Does the development assistance best tackle constraints to growth and poverty reduction, taking into account the poverty situation and other sources of development finance such as domestic resources?

- Australia’s value-add and leverage
  - Does the development assistance leverage existing efforts and complement, not displace, partner countries’ responsibilities?

- Making performance count
  - Is the development assistance likely to achieve value for money and perform in line with Making Performance Count?

Australian Aid outlines the government’s commitment to work with the partners best able to achieve effective, efficient and innovative development results in a particular context. Australia works in close cooperation with partner governments in each country context. Other partners include the private sector, multilateral organisations, NGOs, volunteers and volunteer organisations, philanthropic organisations, universities and think tanks, as well as a range of federal and state government agencies. See Figure 1 for a breakdown of Australia’s ODA expenditure in 2015-16 by partner type.

Maintaining a large and diverse range of partnerships enables Australia to bring global experience, deep expertise and new and innovative ideas to bear on complex development challenges. Australia prioritises multi-stakeholder partnerships where they can further increase development impact, in line with SDG 17.

Australia actively promotes collaboration among partners in-country, and often takes a leadership role in forging consensus and collaboration between donors, partner governments and other stakeholders. For example, as the largest bilateral donor to basic education in Lao PDR, Australia has a leading role in
coordinating efforts in the sector, including by Co-Chairing with the EU and Lao PDR the Education Sector Working Group, which plays a key role in sharing information and coordination among stakeholders.

Australia also engages in a small number of trilateral cooperation projects with emerging economy donors. These projects were designed with close attention to the sectoral and organisation competencies of each of the partners involved. While Australia recognises the potential benefits from participating in trilateral cooperation, including knowledge sharing and utilising comparative advantage, we acknowledge the challenges that come with the added complications and resource-intensive nature of these partnerships. Australia’s work with emerging donors, including through trilateral cooperation, is guided by the Framework for Engagement: Emerging Economy Donors, an internal document.

The government’s eight Value for Money Principles provide a framework for assessing which partners offer the most effective, efficient and innovative option to achieve development objectives in a particular context. These principles give effect to the legislative obligations on the use of Australian Government resources, and position value for money as the key consideration underpinning all development assistance activities. Partner Performance Assessments (PPAs) and Multilateral Performance Assessments (MPAs) are used to regularly review key implementing partners against standard criteria. These reviews inform decisions on future partnerships and are reflected in the annual Performance of Australian Aid report.

![Figure 1: Australian ODA by partner type, 2015-16](image)

The government engages comprehensively with multilateral partners to increase the reach and scale of Australia’s development assistance, to leverage other sources of influence, expertise and financing, to coordinate multi-stakeholder efforts, and to build global consensus on shared challenges. Rather than adopt a specific multilateral development policy, the government engages with multilateral organisations where they can best contribute to Australia’s overarching development policy objectives.
Australia uses its credibility and influence to encourage strong engagement from multilateral organisations in the Indo-Pacific region. For example, Australia’s advocacy has secured increased investment from the Green Climate Fund in Pacific Island countries. Multilateral engagement also provides reliable avenues for the government to contribute to global challenges beyond the immediate region, for example through Australia’s contribution of AUD$220 million from 2016-17 to 2018-19 in response to the humanitarian crisis in Syria, which is primarily directed through UN agencies.

The government introduced the MPA process in July 2015 to ensure multilateral funds are used effectively. MPAs build on the earlier Australian Multilateral Assessment process but place greater emphasis on the link between performance and funding, and streamline the administration of the assessment. MPAs are subject to a peer review process and are approved at First Assistant Secretary level. MPAs are conducted on the multilateral organisations that receive the majority of Australia’s contributions to core funding—approximately 20 organisations receive between 90-95 per cent of total Australian aid core funding. MPAs focus on six categories that reflect current Australian development policy priorities: (i) results and impact; (ii) relevance and alignment with Australia’s priorities; (iii) value for money; (iv) partnership behaviour and contribution to wider multilateral system; (v) organisational capacity; and (vi) organisational governance.

On average, Australia assesses each major multilateral partner every three years, timed to inform key funding or governance decisions relating to that partner. The first round of MPAs was completed in December 2015. The summary of assessment findings and ratings against each of the high-level criteria is included in the annual Performance of Australian Aid report.

The government also uses PPAs to consider performance of multilateral organisations at the country and program level. PPAs are required for any aid delivery partner (including commercial partners, NGOs and multilateral organisations) receiving earmarked funding in excess of AUD$3 million. PPAs focus on assessing how well implementing partners are delivering on their commitments, as distinct from the quality of the aid investment itself. Information obtained from PPAs is used to inform program performance assessments, funding decisions, and MPAs.

Australia continues to work collectively and collaboratively with others to improve multilateral effectiveness through membership of the Multilateral Organisation Performance Assessment Network (MOPAN). Since taking on the role of MOPAN Chair during 2013, and using this role to promote dialogue about multilateral effectiveness and to strengthen MOPAN, Australia has remained an active participant in strategic and technical working groups. For example, Australia led the recent MOPAN review of the World Bank (completed in March 2017) and contributed to the development of MOPAN’s current (renewed) methodology. Australia recognises the intensive process and impact of an assessment on a multilateral organisation, and draws on the MOPAN experience to reduce duplication and promote efficiency in our own multilateral engagements.
3. FINANCING FOR DEVELOPMENT

3.1 OVERALL ODA VOLUME

The Australian Government is committed to delivering an affordable, sustainable and effective aid program. In 2016-17 Australia’s ODA budget is AUD$3.828 billion and will increase to AUD$3.912 billion in 2017-18. A further increase will occur in 2018-19 to AUD$4.010 billion. ODA will then be maintained at 2018-19 levels until 2020-21. In 2021-22 ODA will grow in line with the Consumer Price Index.

Australia has made several geographic and sector-specific commitments on ODA spending to help drive implementation of our policy priorities. These include investing at least 90 per cent of our country program aid in the Indo-Pacific region, increasing Australia’s aid for trade investments to 20 per cent of the ODA budget by 2020 (both set out in Making Performance Count), and investing at least AUD$1 billion of ODA over five years to build climate resilience and reduce emissions (announced by Prime Minister Turnbull during the Paris Agreement talks).

DFAT publishes an Australian Aid Budget Summary (the ‘Orange Book’) each May, which sets out Australia’s estimated country, regional, thematic and global program allocations for the forthcoming financial year (the Australian financial year runs from July-June).

Australia routinely assesses progress against geographic and sector-specific commitments. For example, progress against Australia’s commitment to spend at least 90 per cent of country program ODA in the Indo-Pacific region, and to increase aid for trade investments to 20 per cent of the ODA budget by 2020, are both reported annually in the Performance of Australian Aid report.

Australia provides the OECD DAC with detailed quality assured statistical reports that conform to DAC specifications and rules.

3.2 BILATERAL ODA ALLOCATIONS

As outlined previously, the government has refocussed Australia’s development assistance on the Indo-Pacific region, where Australia’s political, economic and strategic interests are strongest, and where Australia’s assistance can make the most difference. Australia’s top five bilateral partnerships by ODA allocations in 2016-17 are Papua New Guinea, Indonesia, Solomon Islands, Timor-Leste and Afghanistan.

The four tests set out in Australian Aid (see Chapter 2) guide allocations across our development assistance program. The six investment priority areas outlined in Australian Aid guide ODA allocations at global, regional and country program levels. An estimate of the breakdown between these priority areas is
published each year in the *Australian Aid Budget Summary* (see Figure 2), and actual figures are reported in the *Performance of Australian Aid* report. Decisions to support investments in each priority area are made in line with policy guidance including thematic strategies and AIPs, and in consideration of where Australia’s development assistance can achieve the best impact and value for money.

**Figure 2: Estimated Australian ODA by investment priority 2017-18**

The majority of Australia’s bilateral ODA spending is managed by – and through – DFAT’s geographic teams which determine the appropriate allocation of expenditure in line with Australia’s development policy priorities and partner country need. DFAT policy divisions also manage a portfolio of investments to support international and cross-country activities in priority sectors and on thematic / cross-cutting issues. These divisions are also responsible for supporting and monitoring the alignment of Australia’s aid investments against sector and thematic strategies.

This division of responsibility generally works well. However, it can present challenges in balancing country-based decisions and global or sectoral targets.

### 3.3 MULTILATERAL ODA ALLOCATIONS

Multilateral organisations are important partners for Australia, extending the scale, reach and impact of our development assistance, and bringing global resources and expertise to bear in our region. Australia works with multilateral organisations where they present the most effective and value for money option to achieve the government’s development objectives, in line with the four tests and six priority investment areas outlined in *Australian Aid*. In 2015-16, Australia delivered 41 per cent of ODA through multilateral organisations (see Figure 1 in Chapter 2.3).

Australia’s MPA process ensures that decision-making on multilateral allocations is performance-based. Multilateral organisations receiving Australian core funding are rigorously assessed on six criteria, including results, impact, relevance and alignment with Australia’s priorities (see also Chapter 2).
3.4 FINANCING FOR DEVELOPMENT

Australia is increasingly using models that blend grant financing with other forms of public and private finance to both catalyse and leverage investments in development, particularly in emerging economies in South and South East Asia. We do this through our partnerships with organisations that specialise in reducing risk for private investors. For example, Australia is a member of the Private Infrastructure Development Group (PIDG), which leverages 17 dollars in private sector investment for every Australian aid dollar. PIDG mitigates risks and addresses market failures in infrastructure projects in developing countries. Our co-financing partnerships with multilateral development banks enable us to leverage their financing, expertise and business links to deliver development outcomes in a wide range of areas, including health, education, aid for trade, governance, food security and infrastructure. We are trialling new bilateral approaches to more effectively catalyse private investment, such as the Investing in Infrastructure program in Cambodia and the Investing in Women Initiative.

Remittances are an important source of finance for many developing countries, with an estimated USD$442 billion sent globally to developing countries in 2016, far exceeding global ODA. Australia continues to advocate for reduced remittance costs, particularly in the Pacific, through a number of global forums, including the World Bank Global Remittances Working Group and the G20 Global Partnership for Financial Inclusion. To help facilitate affordable and accessible remittance flows between Australia and the Pacific, Australia also supports transparency initiatives such as the Send Money Pacific remittance price comparison website, which allows users to compare the cost of sending remittances to eight Pacific countries. Australia is also supporting initiatives that enable greater access to financial services in the Pacific such as the Pacific Financial Inclusion Program (PFIP), a Pacific-wide program helping low-income households gain access to quality and affordable financial services and education.

Increasing Domestic Resource Mobilisation (DRM) is integral to financing the 2030 Agenda for Sustainable Development and the AAAA. In recognition of this, Australia is a founding member of the Addis Tax Initiative (ATI). Australia’s work on DRM will be guided by the Framework for Supporting Tax Policy and Administration through the aid program. This framework sets out a whole-of-government approach to increasing support for tax policy and administration reform in partner countries. It also aligns with Australia’s development policy which identifies a role for the aid program in developing the capacity of countries to mobilise domestic resources.

Australian Aid emphasises that development assistance must be nimble and catalytic to be effective in the changing global landscape, and that the private sector is an essential partner to achieving sustainable development outcomes. This is recognised in the Australian Foreign Minister’s Ministerial Statement on Creating Shared Value through Partnership which sets out how the government works alongside the private sector.

The Strategy for Australia’s Aid Investments in Private Sector Development outlines how we will work to promote private sector growth. The economic empowerment of women is a key contributor to achieving this growth. Launched in 2015, the Business Partnership Platform is a signature initiative through which Australia co-funds businesses and their partner NGOs, academia or other organisations, to create new business opportunities while also directly addressing specific development objectives in partner countries.

Engaging the private sector is a priority across all sectors and geographic programs. This is embodied in the strategic target that all new investments engage the private sector, as set out in Making Performance Count (this target was first achieved in 2015-16). Sector strategies and AIPs outline how Australia will engage the private sector in particular contexts, which is subsequently evaluated in annual Aid Program Performance Reports (APPRe). DFAT’s iXc also supports country and regional programs to consider new and innovative ways to collaborate with private sector entities (see Chapter 4). Aggregate Development Results (ADRs)
collected by DFAT indicate that the value of private sector investment leveraged in Australia’s aid program was AUD$411 million in 2015-16.
4. STRUCTURE AND SYSTEMS

The Australian aid program’s structures and systems have undergone a process of modernisation since the 2013 OECD DAC Peer Review. This process was, however, well underway at the time of the 2015 mid-term review of Australia’s aid program.

Australia has undertaken significant work to reshape the aid program to deliver on the priorities and targets set out in Australian Aid and Making Performance Count, including through the development of 25 country and regional programs AIPs. DFAT has strengthened the systems for assessing the performance of key partners to better link performance with funding. A comprehensive APG assists Australian Government officials and implementing partners to plan and deliver high-quality aid programs that align with government policy, and can demonstrate results and value for money.

4.1 AUTHORITY, MANDATE AND COOPERATION

As outlined in Chapter 1, Australia applies a whole-of-government approach to aid delivery. The individual skills, strengths and expertise of a range of government departments – including Commonwealth, State and Territory government departments and agencies – are utilised in delivering Australia’s aid program. However, DFAT holds the mandate to lead on the development and delivery of Australia’s aid program on behalf of the Australian Government.

On 1 November 2013, DFAT assumed responsibility for Australia’s aid program following the abolition of AusAID. The subsequent integration of AusAID into DFAT occurred in a phased manner and in line with core principles set out in a Change Management Plan. A fully integrated organisational structure took effect on 1 July 2014. DFAT’s current organisational structure is at Annex 3.

DFAT’s Executive and several senior committees oversee the strategic direction and quality of Australia’s aid program. The Departmental Executive is the department’s major governance body. It receives a regular report on the operation of the aid program. A subset of the Departmental Executive also considers the strategic direction of the aid program as part of the regular reviews of the performance of overseas missions and Canberra-based divisions.

The Development Policy Committee (DPC) provides strategic vision and oversight of development policy. The DPC is chaired by a Deputy Secretary and membership comprises 14 members of the Senior Executive Service drawn from across the department. The committee is supported by a Secretariat located in the Development Policy Division. The DPC’s functions include:
Providing development policy leadership and advice to ministers and the department;
Advising on development and implementation of the strategic aid framework;
Monitoring DFAT’s implementation of the aid program against government priorities, along with sectoral and thematic performance against agreed strategies;
Considering strategic aid budget priorities;
Advising on development of priority sectoral or thematic policies and strategies;
Strengthening knowledge management, research and capability-building on development issues; and
Providing direction for Australia’s participation in key international development forums.

The Aid Investment Committee (AIC) oversees Australia’s aid investment portfolio, ensuring it aligns with government policy, achieves the intended development impact and promotes value for money. The AIC is chaired by a Deputy Secretary and membership comprises 14 Senior Executive Service level staff with aid-related responsibilities. The AIC is supported by a Secretariat located in the Contracting and Aid Management Division. The AIC’s functions include:

• Endorsing and reviewing AIPs for all major country and regional programs with an annual total ODA allocation of AUD$50 million or more;
• Approving the progression to design of high-risk and/or high-value (AUD$100 million or more) investment concepts;
• Reviewing the pipeline of aid investments and; trends identified in the Aid Operations Report;
• Implementing recommendations from program evaluation reports and significant changes in aid management guidance and practice; and
• Advising on how to strengthen the department’s aid management capabilities, including on business process and workforce issues.

The IEC is an advisory body that oversees the work of the ODE. ODE is charged with measuring and reporting on the effectiveness of the Australian aid program (see Chapter 6 for more information on ODE). The IEC’s objective is to strengthen the quality, credibility and independence of ODE’s work program, which includes a program of independent evaluations, support for evaluations conducted by program areas, and quality assurance of aid performance management systems. This work forms the basis for its role in quality assuring and verifying the performance assessments in the Performance of Australian Aid report. The IEC comprises an independent chair, two independent members and a DFAT Deputy Secretary. A representative of the Department of Finance attends as an observer. The Minister for Foreign Affairs appoints all external members.

The Audit and Risk Committee provides independent assurance and advice to the Secretary and Departmental Executive on DFAT’s risk management and fraud control arrangements; internal control framework; external accountability responsibilities; and internal and external audit activities, including in relation to the aid program. The seven-person committee is chaired by a Deputy Secretary and includes four external members. The committee reports directly to the Secretary. The department also appointed a Chief Risk Officer in February 2017 (discussed further in section 4.2).

As outlined in Chapter 1, the DFAT Secretary and members of the executive meet regularly with counterparts across government to develop cohesive responses to current and emerging foreign, trade and investment, and development policy matters, as well as shared management challenges. DFAT provides advice to other government agencies on development considerations relating to Australia’s foreign, security, trade, migration, environment and other policies through a range of consultative mechanisms and inter-departmental working groups.
Within DFAT’s current organisational structure, development policy and aid program management responsibilities are integrated throughout the department, residing in geographic, multilateral, trade, policy and economic divisions:

- The Development Policy, Contracting and Aid Management and Humanitarian Divisions are responsible for international development and humanitarian policy and programming guidance and support. Teams in these divisions also have the policy lead on a range of sector and thematic/cross-cutting issues;
- The Multilateral Development and Finance, and Multilateral Policy Divisions are responsible for engagement with the UN, International Financial Institutions and global funds. Teams in these divisions also take the policy lead on private sector engagement, gender and several other priority sector and thematic issues;
- The Investment and Economic Division leads the department’s approach to the G20, APEC and the OECD. Australia’s approach to international climate change negotiations and integration of climate action across the Australian aid program is also managed in this division;
- The Office of Trade Negotiations leads the department’s approach to the World Trade Organisation;
- The iXc works across the department to promote and support innovative approaches to development challenges; and
- Geographic divisions and associated overseas missions are responsible for managing country and regional aid programs. Their responsibilities include setting strategic direction consistent with the aid policy and country priorities, investment design, program implementation, managing development relationships with partner governments and other development stakeholders, Monitoring and Evaluation (M&E), and performance reporting. There is flexibility in how aid management responsibilities are divided between missions and geographic divisions, taking into account the scale of aid and level of engagement required, balanced with costs, resourcing, security and availability of local expertise.

A high degree of consultation takes place in the deliberation and formulation of trade and development policies. For example, trade officials participate in the department’s DPC and the AIC. In addition, trade officials provide relevant advice to development colleagues across the department, including providing training on aid for trade investment design to program managers at overseas missions. There is also a strong whole-of-government approach, including in the implementation of aid for trade investments. For example, aid for trade investments on:
- sustainable supply chains have involved the Department of Employment;
- quarantine issues have been undertaken in partnership with the Department of Agriculture and Water Resources;
- patents and copyright have involved the agency Intellectual Property Australia; and
- competition law has been implemented through the Australian Competition and Consumer Commission (ACCC).

4.2 SYSTEMS

In 2014, DFAT released an APG to assist aid program managers and financial delegates plan and deliver high-quality aid programs. The APG sets out DFAT’s operational framework for ensuring the aid program aligns with government policy, and can demonstrate results and value for money. It details mandatory processes and recommended approaches for aid planning and management, and is supplemented by comprehensive policies, guidelines, tools, templates and training.

AidWorks is DFAT’s aid management IT system used to administer the Australian aid program. It is integral to aid program planning, investment management and agreement management, as well as program reporting and analysis. AidWorks supports key business functions, including budget and financial
management, procurement and performance management. An AidWorks redevelopment project is underway to improve system usability, functionality and reporting capability.

Published AIPs outline Australia’s strategic development objectives in a country or region, generally for a four-year period. The strategic priorities identified in AIPs must satisfy the four tests set out in Australian Aid (outlined in Chapter 2) and be informed by the government’s policy and performance frameworks. AIPs include a set of performance benchmarks for the life of the AIP. These reflect intended results, significant milestones and measures of improved operational effectiveness or efficiency. AIPs also outline the key mutual obligations for partner governments and Australia. Progress against objectives, performance benchmarks and mutual obligations is assessed and reported annually through APPRs.

DFAT has well defined design requirements that, through contestable processes, produce quality investment designs. A formal design is required for all investments of AUD$3 million or more. In the case of investments over AUD$10 million, a concept note is also required. Concepts and designs are subject to independent quality assurance against Investment Design Quality Criteria. If the design is for an investment valued at AUD$50 million or more, peer review is mandatory. Extensive guidance, training and tailored support is available to assist staff develop designs.

Investment quality reporting (IQR) is a high priority for the Australian Government’s aid program. It helps drive continuous improvement in the performance of Australian aid investments and is the basis for assessing progress against the aid program’s strategic target of achieving value for money. Quality reporting is mandatory for all aid investments and agreements, valued at AUD$3 million and above.

IQR assesses and reports on the performance and results of individual aid investments and delivery partners during the implementation of an investment or at its completion. IQR comprises three elements:

- AQCs, Final Aid Quality Checks (FAQC), and Humanitarian Response Aid Quality Checks (HAQC);
- ADRs; and
- PPAs.

DFAT’s program teams (typically with overseas missions in the lead) prepare AQCs each year using evidence gathered from implementing partner reporting, monitoring visits, reviews and evaluations. The AQC assessment enables investment managers (DFAT staff) to review how well aid investments are performing against standard quality criteria, record practical actions to improve performance and provide information about the results of Australian aid investments. HAQCs use slightly different assessment criteria to AQCs and must be completed for humanitarian interventions.

In the final year of an investment, a FAQC is conducted instead of an AQC. Each FAQC provides information on the overall performance of an investment against planned outcomes, and reflects on the performance of an investment throughout its life. The FAQC report also identifies major results and lessons learned to inform future designs and strategic directions.

AQC, HAQC and FAQCs are quality assured. Independent moderation ensures that the assessment of investment performance is robust, contested, and that suitable management responses are identified and implemented. ODE assesses the robustness of AQC ratings through an annual spot-check and reports on the results in an annex to the Performance of Australian Aid report.

There are strict management procedures for dealing with underperforming aid investments. Aid investments will be cancelled if value for money standards are not met and improvements are not achieved within one year. This supports the Australian Government to direct funding to aid investments with a greater chance of success.

ADRs are indicators of development impact that can be aggregated across the aid program to demonstrate the contribution of Australian aid to development outcomes. ADRs must be reported for all aid investments of AUD$3 million or more, and where the resulting value exceeds a reporting threshold. There are currently
20 indicators, of which 19 broadly align with the SDGs. ADRs include data on development results achieved by other Australian Government Departments and agencies (OGDs). The contribution of OGDs to the aid program is included in the annual *Performance of Australian Aid* report.

Each year agreement managers must complete an assessment of implementing partners’ performance in relation to specific agreements (commercial agreements and grant agreements). PPAs are mandatory for commercial suppliers, NGOs and multilateral organisations with agreements valued at AUD$3 million or more. They are not required for partner governments that are also implementing partners (i.e. via budget support) or for core contributions to multilateral organisations, which are assessed through the MPA process (see Chapter 2.3).

The Australian Government is committed to high standards of transparency and accountability in the aid program, as reflected in its policy framework, *Australian Aid*. DFAT gives effect to this commitment through publishing information on the aid program on its website, including policies, plans, results, evaluations and research. In line with Australia’s strong focus on performance, transparency also entails a more open discussion about the performance of the aid program, and individual aid investments. This includes frank admissions when failures occur (and understanding why they occur), as a critical step in learning for better outcomes. Australia is also a member of the International Aid Transparency Initiative.

DFAT provides detailed information on the Australian aid program in an open and accessible format on its website, including:

- The *Australian Aid Budget Summary 2017-18* ("The Orange Book");
- The annual *Performance of Australian Aid* report;
- Independent evaluations by ODE and program areas;
- AIPs, APPRs; and
- Aid Factsheets.

The department also provides procurement and contracts information through the AusTender website. DFAT is actively examining ways in which it can improve the completeness and timeliness of aid information in the public arena. DFAT has updated its internal guidance on aid transparency over the past year to help staff deliver on the government’s commitment to aid transparency, and a team in the Development Policy Division now conducts a twice-yearly stocktake to assess the currency of information on the DFAT website. Feedback is provided to ‘transparency focal points’ across relevant parts of the department. Over 450 new aid-related documents were published on the department's website in 2015-16, representing an increase of over 50 per cent from the previous year. The publication of DFAT program evaluations particularly improved, with two-thirds of evaluations completed in 2015-16 being published on the DFAT website – a significant improvement from 2014, when approximately one-third were published. However, maintaining the currency of aid information on the website is proving to be resource-intensive. DFAT is exploring the feasibility of establishing an interactive online aid portal to help improve the accessibility of detailed aid information but will need to ensure such a step could be managed within existing resources.

The Australian Government has legislation and accompanying rules that govern the expenditure of public monies, with transparency a defining feature. DFAT has centralised large and complex procurements and employs procurement specialists to manage high-value or high-risk aid procurements and provide support to aid grant processes. This approach promotes effective, efficient and ethical use of funds through the active management of risks and promoting fairness and equity in the allocation of aid funding. DFAT has comprehensive documentation to support the procurement process across all levels in the department and provides training across the procurement and contract management life cycle.
Given the priority placed on effective outcomes, accountability and transparency, DFAT engages early with suppliers and makes opportunities publicly available by publishing:

- Upcoming tender opportunities through its Annual Procurement Plan;
- Investment concepts, draft designs and draft tenders;
- Tender opportunities; and
- Details of the outcome of procurement and aid grant processes.

DFAT’s *Adviser Remuneration Framework* (ARF) provides a consistent, comprehensive and rigorous approach to the use and remuneration of aid advisers. Adviser use and remuneration is monitored through annual Adviser Stocktakes and key findings reported in the *Performance of Australian Aid* report. The ARF is reviewed biennially to ensure that the rates remain appropriate. The current review will also analyse whether the structure of the ARF promotes diversity as part of a broader focus on promoting diversity in the aid supplier market.

Since the last OECD review in 2013, DFAT has implemented a range of procurement initiatives which make procurement more effective and efficient for both suppliers and the department. These include:

- The Aid Advisory Services standing offer (the AAS) provides an efficient global solution for the procurement of technical aid expertise. The AAS, established in 2013, covers 18 aid categories with over 630 standing offers across 330 suppliers. DFAT is reviewing the AAS over the next 12 months;
- Outcome-based scopes of services and payment structures – where tenderers are asked to tender against a clear set of outcomes rather than outputs;
- Less prescriptive tender documents and processes – where tenderers are asked to propose their own payment regimes and innovative approaches to achieving defined outcomes;
- Providing more information to the market before tenders are released, resulting in higher quality bids and engaging industry in the direction of the aid program;
- Consolidating aid investments to focus on fewer, larger investments to increase the impact and effectiveness of our aid, as well as reduce the administrative overheads required to manage the program;
- Simplifying procurement procedures for DFAT staff, which increases DFAT’s internal efficiency and effectiveness;
- Professionalising procurement in DFAT, ensuring higher-risk procurements are run by professional and skilled officers and that there is training available for staff who conduct lower-risk and low-value procurements;
- Applying more rigour in aid grants processes, through the establishment of clearance processes for large or risky investments.

DFAT is implementing a range of measures to further improve risk culture across the department. To drive these efforts, an Assistant Secretary level Chief Risk Officer was appointed in February 2017, to be supported by a new Enterprise Risk Section. While DFAT’s Chief Risk Officer will play a key leadership role, risk management remains the responsibility of all DFAT staff. Risk training is mandatory for all staff.

Heads of Mission and Senior Executive managers oversee program risks and are responsible for nurturing a proactive risk culture in their teams. All staff are encouraged to engage with risk in a positive and transparent way to facilitate innovation and improve policy development and service delivery. DFAT does not seek to eliminate risk but ensure that it is able to identify risks early, make sound decisions on how to manage these risks, and determine if the risks are acceptable.

All aid investment concepts must include a risk assessment. This process evaluates risks across the operational / physical environment, fraud, safeguards and partner relations. Australia maintains a zero tolerance approach to fraud and corruption. Investment concepts assessed as high-risk are reviewed by
relevant policy areas and the AIC. DFAT’s Aid Risk Management Processes are set out in the APG with additional guidance provided in the Assurance and Risk Management System (ARMS) Operational Procedures and DFAT’s Guide to Better Risk Management.

Specific Fraud Control and Anti-Corruption Awareness training is mandatory for all staff working on the Australian aid program. DFAT also offers the training to development partners. The implementation of an ARMS during 2018 will further support the assessment and management of risk in Australia’s aid program.

To minimise the risk of adverse social and environmental impacts and ensure the aid program can be delivered effectively and efficiently, DFAT considers a number of safeguards when planning, designing, delivering and evaluating aid investments. All aid investments must complete a risk and safeguards assessment which includes screening checklists designed to ensure that potential adverse impacts are identified early and adequately addressed. Safeguards apply to environmental protection, child protection, and displacement and resettlement.

Due Diligence Assessments represent a structured approach for assessing a potential implementing partner’s ability to deliver including identifying strengths and risks in using the partner. All new aid implementing partners are required to have a Due Diligence Assessment prior to entering an agreement with the Australian Government.

DFAT’s portfolio ministers have challenged the department to become one of the Australian Government’s most innovative – developing fresh policy options, forging new approaches to addressing longstanding challenges, and rethinking its corporate processes. DFAT’s Secretary has encouraged staff to work at developing a culture where creativity and diversity, openness, the testing of new ideas, embracing of risk and acceptance of failure in the quest for success are the norm, rather than the exception. DFAT’s Innovation Strategy aims to give effect to these goals, enabled by a ‘How-To’ guide for work areas and a number of practical initiatives, such as annual awards, which incentivise innovation within the department.

The commitment to embedding innovation into DFAT’s culture is exemplified through a series of internal Ideas Challenges that have been launched to crowd source ideas on how to improve the department’s operations and impact. Under the initial challenge, 392 ideas were submitted with more than 40 per cent being implemented in some way. Central to the success of these Challenges is a purpose-built web platform to enable staff from across the department’s global network to openly share information and work collaboratively.

The innovationXchange (iXc), DFAT’s development innovation hub, was launched in March 2015 to catalyse and support innovation across Australia’s aid program. Three core pillars – to experiment, partner and learn, set the foundation for the iXc’s approach to better identify, test and scale high impact innovations. The iXc harnesses the expertise, creativity and networks of global leaders in business, civil society, philanthropy and academia to drive innovation.

A 14-member International Reference Group (IRG) brings together leading innovators to provide strategic guidance on the priorities of the iXc. The IRG comes together on a six-monthly basis to discuss innovative approaches and new partnerships, critically assess progress and make recommendations to Australia’s Minister for Foreign Affairs on future directions.

The iXc has established an Innovation Resource Facility (IRF) to access high quality technical advisory services to bring new approaches to the design and delivery of aid investments. The IRF has also been designed to provide access to non-aid related innovation skills to enhance DFAT and other Commonwealth Government departments’ innovation capabilities.
Focus On: Innovation – Experiment, Partner, Learn

Experiment: Since inception, the iXc has used a number of different challenge models and partners to tap into the wealth of creativity that emerges from seeking the best global ideas to address difficult development challenges. The Blue Economy Aquaculture Challenge called on innovators, entrepreneurs, designers, NGOs and academics to rethink advances in aquaculture to provide solutions that ensure both sustainable development and environmental sustainability. From 220 applicants across 41 countries, 10 winners were selected to share in AUD$3 million funding to develop their innovations and access training, advice and networks.

Partner: The partnership between the iXc and Bloomberg Philanthropies is bringing improved data for health decision-making to 20 countries and one billion people. This is the first time Bloomberg Philanthropies has partnered with a bilateral aid program. The first two years have seen Solomon Islands introduce international standard death certificates and the Philippines and Myanmar are using verbal autopsy. Another first is the iXc’s partnership with Tata Group and XPRIZE, global leaders in designing and implementing innovative competition models to solve intractable problems. We’re bringing XPRIZE’s expertise into the development sphere through delivering the Water Abundance XPRIZE competition, seeking a novel approach to water availability and quality issues faced by many developing communities by sourcing water vapour from the air in a sustainable, affordable and scalable way. AUD$1.5 million will be awarded to the organisation that provides a technological solution to the challenge of extracting 2,000 litres of water from the air, per day, using 100 per cent renewable energy, at a cost of less than two cents per litre.

Learn: While the iXc was launched with a specific mandate to catalyse innovation in a more systemic way, innovation is not entirely new to the Australian aid program. However, one of the key challenges was sharing the stories and lessons of innovation. The iXc has developed an interactive map as a storytelling platform that highlights novel aid delivery across the department. Beyond building institutional knowledge to inform future programming and to stimulate new ideas, the map also serves as an advocacy tool, promoting public awareness of poverty in the Indo-Pacific region and the changing nature of Australia’s development assistance.

4.3 CAPABILITIES THROUGHOUT THE SYSTEM

Since the integration of AusAID into DFAT, the department has actively sought to strengthen staff capability to meet the integrated department’s objectives, including through the implementation of a Capability Action Plan (CAP). The CAP responded to recommendations of the Australian Public Service Commission’s (APSC) Capability Review of DFAT, conducted in mid-2013, as well as the needs of the new integrated department.

The CAP program was led by Senior Executive Service business sponsors, in conjunction with relevant work areas, for key focus areas of: organisational culture, strategic planning and empowering staff, risk management and business planning, working collaboratively, innovation and knowledge management, and strategic thinking and policy-making. The program was designed to facilitate integration by identifying and building the capabilities required to support the operations of the department across all of its functions, including the continued delivery of a high-quality aid program.

The current phase of the capability improvement work is being guided by a Capability Improvement Program (CIP), launched in July 2015. The CIP seeks to deliver significant and sustainable improvement in DFAT’s performance over the longer-term and comprises a broad-ranging and ambitious agenda across seven work streams:

- Organisational strategy, planning and performance;
- Leadership and organisational culture;
- Risk and innovation;
- Workforce development;
• Collaboration and engagement;
• Knowledge and Information Management; and
• Communications.

Reflecting the importance attached to this program of work, each work stream has a Champion at Secretary or Deputy Secretary level, as well as a Senior Executive Service level work stream leader who is responsible for ensuring the program of work continues to be driven forward in a coordinated way.

The department has carefully managed its human resources to ensure effective delivery of the Australian aid program. At February 2017, DFAT had retained 69 per cent of Australian-based staff employed with the former AusAID. The department has also commenced a range of initiatives to ensure aid expertise is strengthened across the department, with opportunities available to all DFAT staff.

DFAT’s organisational structure has remained largely unchanged since the adoption of the first integrated structure in 2014. As outlined in section 4.1, management of the aid program has been integrated throughout the department. It is a measure of the depth of integration that all Deputy Secretaries have some responsibility for aid program delivery.

DFAT maintains a diverse workforce of highly-skilled and motivated Australian and locally engaged staff. DFAT’s workforce is primarily made up of officers capable of working across many of the department’s policy, program management, service delivery and corporate management functions. Regular policy and corporate recruitment is undertaken to maintain staff numbers and expertise. While many staff are considered to be ‘generalists’, some have nonetheless developed expert levels of knowledge and experience in aid delivery and development policy issues. A smaller number of specialists bring particular expertise, qualifications and skills required for certain roles, and to strengthen the department’s capability in critical areas. DFAT has recently engaged a range of specialists to deepen aid expertise. These include humanitarian specialists, procurement specialists, development economists and Senior Executive Service level gender, health and governance advisors.

DFAT currently maintains over 100 overseas missions. Roughly a quarter of our Australian-based positions include responsibility for aid program delivery. Development positions are concentrated in the Indo-Pacific region. DFAT’s posting selection processes carefully consider the need for aid expertise and have been effective in deploying staff with relevant development experience. Five senior former AusAID officers have been deployed as Australia’s Head of Mission to key aid delivery locations including PNG, Solomon Islands, Vanuatu, Cambodia and Bangladesh. Experienced former AusAID officers are also serving as Deputy Heads of Mission in India, Vietnam, New Zealand, Kiribati, Tonga, Japan, Solomon Islands, Thailand, the Philippines, UN New York and Lao PDR.

In August 2015, DFAT’s Executive endorsed an initial two-year strategic Workforce Planning Framework. The framework is the first for the department and provides an overview of the issues facing DFAT Australian and Locally Engaged Staff (LES) and sets out a pathway to improve workforce planning capability. It includes Work Function Sponsors specifically focussed on the development of career paths in and across functional areas, including aid program management and development policy. A new online portal has been developed to assist employees to navigate the diverse range of career paths available in the department.

Establishing a more mature workforce planning capability is a key investment in modernising the department’s approach to improving its human resources capabilities and developing a workforce able to deliver the department’s agenda. An equally important requirement is effective leadership at all levels in the organisation. The launch of a Leadership Strategy and accompanying Leadership Charter in April 2015 provide a framework for strengthening DFAT’s leadership capabilities by highlighting the key behaviours expected from officers at all levels as they go about their work.

Close alignment of the maturing workforce planning activity with the newly established Diplomatic Academy’s faculty structure (discussed later in this section) will provide the department with a strong
foundation for future workforce planning and capability development. The development of a five-year strategic workforce plan is underway with the intent that it will complement the release of the new 2017 Foreign Policy White Paper. The department’s medium to long-term capability requirements, including development and aid program expertise, will be a key consideration of this process.

A range of incentives are provided to staff posted to **fragile environments** to compensate for the adverse effects on lifestyle or welfare, as well as to incentivise employees to consider such posts to fragile environments as an important part of their career in DFAT. Posting conditions are regularly reviewed in the context of the external environment. Conditions in fragile environments will often include hardship allowance, regional leave fares, additional hardship leave provisions, and special location supplements. The department provides training on working in fragile and conflict-affected states to develop a core understanding in support of conflict and fragility-sensitive programs. This training is targeted at all DFAT staff working in policy and program roles as well as staff in corporate areas supporting country program teams.

DFAT launched a **Women in Leadership** initiative in December 2014 to look into the reasons why women’s career progression in DFAT is not equal to that of men. An external consultant was engaged in February 2015 to look into the barriers to women reaching leadership positions in the department and made recommendations. At the same time, internal data analysis examined gender trends across the department’s operations.

DFAT’s **Women in Leadership Strategy**, launched in November 2015, is based on the recommendations of that review, the ‘Women in DFAT’ data paper and staff feedback and suggestions. The strategy’s goal is a workplace which maximises performance and capability by enabling all staff to thrive equally. The strategy identifies action areas under four headings: leadership and culture; accountability and inclusion; embedding substantive equality; and mainstreaming flexible work and dismantling barriers for carers. The strategy sets three and five-year targets for the representation of women at SES Band 1 and Band 2 levels. DFAT aims to achieve 40-40-20 gender balance at Senior Executive levels (Band 1 and 2) by 2020.

DFAT’s strategy is consistent with, and in many cases is leading, the approach taken by the broader public service to address gender equality issues. The **Australian Public Service Gender Equality Strategy (2016-19)**, launched six months after DFAT’s, requires agencies to set gender targets and publish action plans. DFAT is setting the pace in this area and is often called on to share experiences with other agencies.

Good progress is being made on strategy implementation including some progress towards our targets. New flexible and remote work arrangements policies were launched in January 2017 and training is being rolled out to assist managers and divisions effectively implement the policies. DFAT has established a staff Workplace Gender Equality Network (WGEN) to advocate for policies that promote gender equality and upwards feedback is sought on managers’ practice of inclusive leadership at the end of cycle performance management processes. The next challenge is identifying and tackling unconscious bias; a key step towards creating a more inclusive workplace where all staff can contribute fully. DFAT has engaged a leading expert in the field to work with the department on mitigating all unconscious bias, including through workshops for managers, briefings for selection panels and eLearning for all staff.

DFAT’s **Diplomatic Academy** (The Academy) was established in May 2016 as a leading-edge learning and development hub for all staff working to advance Australia’s interests internationally and to support the department’s drive to improve organisational capability. The Academy enables a continuous, career-long investment in skills and capability for all officers (Australian-based and locally engaged). In time, it will also be a key resource for the wider APS and regional governments.

The Academy is facilitating the sharing of skills, knowledge and expertise through a range of learning development activities, and embedding the 70:20:10 approach to learning methodology. Once fully established, the Academy will provide formal and informal opportunities for learning on a continuous basis, allowing officers to refresh and enhance their skills at different points in their career. The Academy will also
support the department’s workforce planning process by matching learning opportunities to the department’s capability needs.

The Academy is being established in a phased manner across nine faculties which cover the breadth of DFAT’s operations. During the establishment phases, the Academy is assessing capability and learning needs in each faculty area, and building a comprehensive curriculum to meet those needs. Once fully operational, the Academy will offer a comprehensive annual curriculum comprised of foundation, practitioner and expert level courses, delivered through a diverse mix of face-to-face, blended learning and remote learning mechanisms – including e-learning and web-based programs. Programs will draw internally on the experience and expertise of serving departmental officers, and will also include professionally developed and delivered course material sourced from external providers. The department, through the Diplomatic Academy, also supports individual officers through a Studybank Program (studies assistance) which allows for career-linked personal study programs, usually at practitioner and expert levels.

The Academy’s faculty-based structure allows it to maintain close links with all areas of the department’s operations. During the establishment phase, Faculty Heads are providing strategic guidance on the analysis, design and development of relevant programs. Once fully established the Academy will work with Faculty Heads continually to review existing programs against capability and learning needs and to evaluate the quality and impact of training programs on DFAT operations. In order to ensure the Academy offers the highest quality programs, relevant content and contemporary learning methods, an Advisory Board has been established comprising members of the DFAT Senior Executive, representatives of other government agencies and external advisers from academia and other relevant sectors.

The Academy’s International Development Faculty, jointly led by the heads of DFAT’s Contracting and Aid Management Division and Development Policy Division, was launched in April 2017. This Faculty focuses on developing staff skills in four learning streams: aid program management; Australia’s development policy; development principles; and humanitarian principles and practice.
5. DELIVERY MODALITIES AND PARTNERSHIPS, GLOBALLY, REGIONALLY AND AT COUNTRY-LEVEL

5.1 PARTNERING

Australian Aid outlines the Australian Government’s commitment to work with others to enhance the impact and value of Australia’s development assistance. In line with SDG 17, Australia’s development assistance is delivered through a diverse range of partnerships including partner governments, the private sector, multilateral organisations, NGOs, volunteer organisations and philanthropic organisations, among others. Australian Aid commits the government to working with the most effective partners in achieving development results at the global, regional and country level. As discussed in Chapter 2, the government works with the partners best placed to address development needs in each particular context. The choice of partner is informed by several factors, including a detailed assessment of the needs and capabilities in a given context, as set out in sector strategies and AIPs. The choice of partner is also guided by performance assessments, as set out in Making Performance Count, and the government’s eight Value for Money Principles.

To promote gender equality outcomes at the country level, Australia often works with relevant local actors familiar with the local context and with strong networks that can help foster change. Opportunities to promote appropriate peer-to-peer learning and leadership are also created, for example through the ten-year, AUD$310 million Pacific wide Pacific Women Shaping Pacific Development Initiative, overseen by a board of Pacific Islanders. Internationally, Australia works with partners such as UN Women to promote gender equality in line with SDG 5.

Australia’s investment in scholarships and fellowships (Australia Awards) supports partner country governments to progress their development goals by targeting critical skills gaps. Australia Awards help build the capacity of partner countries for sustainable economic growth and poverty reduction.

While Australia’s development assistance budget is confirmed on an annual basis, the government enters into a range of long-term financial commitments for individual investments or core funding for development organisations. Australia’s engagement with multilateral partners such as the World Bank, Global Fund, and UN agencies is founded on multi-year funding commitments, which increase predictability and, through significant core funding support, support the flexibility of these agencies to channel Australian funds where they will achieve the largest impact.
Focus on: Australia-NGO Partnership agreements

DFAT's strategic policy and program engagement with NGOs in the aid program is guided by DFAT and NGOs: Effective Development Partners Framework (2015). This framework was developed in consultation with ACFID. DFAT engages with NGOs on several programs, including the Australian NGO Cooperation Program (ANCP). The ANCP undertakes a rigorous accreditation process to provide matched annual funding to the most effective Australian NGO partners. In 2016, the Gender Action Platform (GAP) was launched, awarding AUD$10 million in competitive grants to accredited NGOs. From July 2017, the GAP will support six projects, for up to three years, currently addressing gender equality in the Indo-Pacific region that scale up good practice or trial innovation. Consistent with the ANCP, the implementing Australian NGO will commit AUD$1 for every AUD$5 in grant funding over the life of the project.

The government is also increasing the predictability of its development assistance in some fragile contexts through multi-year funding commitments, for example its pledge to contribute AUD$320 million over four years from 2017-2020 to Afghanistan, in line with Australia's longstanding support for the country's peace, security and development. Australia’s AUD$220 million multi-year package of assistance in response to the Syria crisis (see Chapter 7.1) ensures funding predictability over multiple years while allowing for flexibility between funding streams to effectively blend humanitarian and development objectives.

Minimising transaction costs and increasing consolidation is a key focus for the government, embodied in the strategic target to ‘reduce the number of individual investments by 20 per cent by 2016-17’ (set out in Making Performance Count). This was achieved in July 2016 by moving towards fewer, larger investments. In the Pacific, for example, the average size of an Australian aid investment was AUD$15 million in 2008-09, whereas the average in 2013-14 was AUD$23 million.

Australia is committed to using country systems where these represent an efficient and appropriate use of funds, in line with international commitments such as the Busan Partnership. While use of country systems is not a default, country systems are assessed as part of the overall process of determining the most appropriate approaches and types of aid. Even where it is not feasible to use country systems in full, as in many fragile states, emphasis is placed on aligning where possible. The assessment process is tailored to identify those components of systems that are robust enough to use, and those that need to be further strengthened before using – hence avoiding an all or nothing choice between budget support on the one hand and parallel implementation on the other.

Australia’s approach reflects our experience that using country systems where those systems are not robust does not result in positive development results, due to implementation difficulties or misappropriation of funds. This approach also allows the government to give a clear message to partner countries in terms of what risks are identified, and to engage in dialogue on strategies to strengthen systems.

The 2016 Progress Report on Making Development Cooperation More Effective, published by the Global Partnership for Effective Development Cooperation, showed Australia either performing strongly or improving our performance in on-budget development cooperation and the use of country systems (32.8 per cent of funds to the government sector used country systems in 2015, up from 23.5 per cent in 2010).

Australia engages in multi-donor budget support as an effective means of progressing economic and PFM policy reforms and supporting service delivery. For example, in Pacific Island countries, Australia has worked closely with the World Bank, Asian Development Bank, New Zealand and the European Union to develop an innovative approach where all donor partners pool their funding to support and incentivise a jointly agreed set of economic and PFM reforms led by Pacific Island governments. This approach ensures donors coordinate their dialogue with partner governments to advocate for continued progress on reforms.
Focus on: Working through Partner Systems – Samoa

The Australian aid program uses Samoan Government systems to the greatest extent possible, including for planning, budgeting, procurement and audit. In 2015-16, around 70 per cent of Australian funding was channelled through Samoan Government financial systems. This maximises the impact of Australia’s support by leveraging Samoa’s staff and budget resources, and supports Australia’s policy dialogue and engagement. Samoan Government systems are audited through an Assessment of National Systems. For example, along with the Samoan Government, the World Bank, the Asian Development Bank and New Zealand, Australia has supported a Joint Policy Action Matrix (JPAM) of economic, structural and public financial management (PFM) reforms. Key achievements under the JPAM have included: the introduction of electronic systems for filing and paying taxes; the first annual impact assessment of Samoa’s Tourism Marketing Strategy to improve future targeting of tourists; and approval of a revised policy on ownership, performance and divestment of public bodies to facilitate greater private participation in the state owned enterprise sector over time.

Australia actively seeks coordination and partnership with other country donors to learn from each other’s experience, prevent policy fragmentation and duplication of effort and to maximise the leverage and reach of its development investments by collaborating with other donors. Australia has development partnering agreements with 11 fellow donor nations – Canada (2015), China (2013), France (2012), Germany (2012), Japan (2011), New Zealand (2009), the Republic of Korea (2009), Singapore (2015), the United Kingdom (2014), Brazil (2010) and the United States of America (2010), which are available on the DFAT website.

Australia holds regular senior officials’ level development dialogues with key donor partner countries. These dialogues are an opportunity to deepen collaboration for effective development cooperation, share experiences and learn from each other. Over the 2015-16 period, for example, Australia held bilateral development dialogues with the US, UK, Canada, Germany, Japan and the European Union. Regular and ad hoc dialogues on development policy issues are also held with a number of countries, including with non-DAC members. Australia also engages in delegated cooperation arrangements with the European Union, the United States, Canada, Germany and the United Kingdom in a range of sectors. A commitment to maintaining strong partnerships and mutual learning is also reflected in periodic secondments with other donors. We also work closely with a range of bilateral partners at the UN, Multilateral Development Banks and various other multilateral forums, especially in our constituency groups on boards.

Australia’s development assistance has been fully untied since 2006, in line with the government’s longstanding commitment to openness in trade and competition. A condition of untied aid is that all large value open tenders are advertised through AusTender, the OECD DAC and UN Development Business websites without eligibility restrictions.

5.2 COUNTRY LEVEL ENGAGEMENT

Across all development investments, Australia tailors its assistance to each country context, requiring a deep understanding of political, economic and social issues and drivers. Our diplomatic, trade and aid program efforts aim to foster country-led reform initiatives and assist local champions implement workable solutions to development challenges.

Australia is committed to the principles enshrined in the Busan Partnership of partner country ownership and strong mutual accountability. Australia’s development assistance is designed, implemented and evaluated in close consultation with partner countries, and with a view to supporting local priorities, processes and reform commitments. This commitment is reflected in the strategic target set out in Making Performance
Count which ensures progress by Australia and the partner country against mutual obligations forms part of annual aid program performance assessments.

Australia’s aid partnerships with Pacific countries also exemplify our commitment to mutual accountability and ownership. These partnerships set out respective commitments by Pacific partners and Australia and link to national development plans. The partnerships include benchmarks to be met by both parties, and these inform annual aid program performance assessments and high-level consultations. These principles reinforce both partner country leadership of development policy and effective development efforts, and the maintenance of genuine and practical development partnerships with Australia.

The partnerships give effect to Australia’s commitment, under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, to increasingly align assistance with partner government planning and implementation systems. We are working with New Zealand, the development banks and other development partners in the region to achieve this.

Australia is also supporting regional initiatives such as the Pacific Islands Forum Compact. Under this compact, Australia works with Pacific Island countries and other development partners to improve the coordination and use of development resources in the Pacific, and promote shared accountability for progress against regional and national objectives. The compact commits forum members to a number of actions, including country peer reviews and country reporting on national development plans.

Australia also utilises performance-based funding in certain contexts, and does so in a transparent manner. One example is the case of our health sector budget support in Solomon Islands. Australia’s arrangement with the Solomon Islands Government makes clear that a condition of Australian support, including performance-linked funding, is that Solomon Islands maintains a certain level of funding to the health sector through its national budget and to provinces in the ministry’s annual budget.

Australia plays a strong role in supporting the ‘New Deal for Engagement in Fragile and Conflict Affected States’ through its role on the Steering Committee of the International Dialogue on Peacebuilding and Statebuilding and as an active member in the International Network on Conflict and Fragility. During the first phase of New Deal implementation, Australia was Timor-Leste’s development partner. Australia was a signatory to the 2016 Stockholm Declaration that renewed commitment to the New Deal for a further five years. Australia continues to use the New Deal principles as a framework for implementing global commitments on aid effectiveness in fragile and conflict-affected situations, and will look to use the New Deal as a means of supporting implementation the SDGs in these contexts.

DFAT was actively engaged in the 2015-16 Monitoring Round of the Global Partnership for Effective Development Cooperation (GPEDC) and worked closely with many partner governments in our region to ensure quality of data. A good example of this was in Vietnam, where Australia supported the Government of Vietnam with funding and technical assistance to undertake multi-stakeholder consultations and input to the monitoring round. The monitoring report noted improvement in the timeliness of Australia’s reporting to the OECD DAC. The report ranks Australia average, or above average, on most criteria including: alignment with country priorities, use of country results frameworks, aid predictability and untied aid.

The Australian Government places a strong emphasis on development effectiveness, including by capturing and applying lessons from our aid investments, and from broader international experience. DFAT’s Aid Evaluation Policy, which is overseen by the ODE, deepens our understanding of what works and what does not in different contexts.

ODE conducts and publishes evaluations and assessments of aid quality to help our aid deliver better outcomes. Australia also publishes an annual Aid Evaluation Plan. In 10 years of operation (2006-2016), ODE has published 45 evaluation and performance reports, and monitored the implementation of its recommendations across Australian aid policies and investments, including bilateral aid partners, multilateral
and NGOs. ODE’s work is complemented by evaluations commissioned by individual country and regional programs (see Chapter 6 for further information).

Australian overseas missions accredited to ODA-eligible countries maintain a small grants program known as the Direct Aid Program (DAP). DAP sits alongside Australia’s longer-term country and regional development strategies, providing a flexible means to support local community efforts towards poverty reduction in line with Australia’s wider foreign policy, trade and public diplomacy objectives. Missions work closely with local and international NGOs to identify development needs in the areas of their jurisdiction and effective means to deliver practical and tangible outcomes. DAP projects promote local ownership, foster partnerships with local organisations, and support Australian Government policies, such as gender equality and disability inclusiveness.
6. RESULTS, EVALUATION AND LEARNING

6.1 MANAGEMENT FOR DEVELOPMENT RESULTS

Since 2013, the Australian Government has placed a stronger emphasis on development results, value for money and linking performance with funding. The performance framework for the aid program, set out in Making Performance Count, assesses performance at three levels, as outlined in Annex 4.

At the whole of aid program level, **10 strategic targets** assess the aid program against the government’s policy directions and monitor progress in measurable terms, such as increasing the proportion of funding dedicated to aid for trade investments to 20 per cent by 2020. Progress is reported annually through the Performance of Australian Aid report, which presents a consolidated summary of the progress, results (including aggregate development results – refer to Chapter 4) and challenges faced by Australia’s aid program over the previous year.

The second level at which performance is assessed is the program level. For country and regional programs, **AIPs** set out the specific objectives and development outcomes Australia’s development cooperation seeks to achieve in a given context, along with mutual obligations and performance benchmarks. For example, the AIP for Papua New Guinea sets out measurable benchmarks relating to training and domestic violence services in order to assess progress towards the broader objective of improved public sector services. For Pacific programs, Australia has negotiated complementary Aid Partnership agreements which further elaborate on respective governments’ priorities and responsibilities.

Annual APPRs report progress against AIP objectives. APPRs assess progress based on key development results achieved and progress against performance benchmarks and mutual obligations. All country and regional programs above AUD$50 million are required to have Performance Assessment Frameworks (PAFs). PAFs provide the results framework for reporting progress in APPRs. They are structured to reflect the results chain and set out the expected development outcomes, outputs and targets to be achieved by the program. Performance benchmarks are usually drawn from PAFs. Programs smaller than AUD$50 million may either use a PAF or investment level M&E frameworks to assess achievement of AIP objectives. For global programs, performance is assessed against program-specific performance frameworks. The results are reported through MPA and evaluations undertaken by the ODE.

The third level focuses on individual investments for which performance is assessed through annual AQCs. Further information on the AQC process is provided in Chapter 4. Investment level M&E frameworks, operational reviews and evaluations are the key sources of information for preparing AQCs. Like PAFs at the program level, M&E frameworks at the investment level are structured to reflect the results chain by gathering disaggregated information to support reporting from outcomes to outputs and activities. Supporting data is drawn from partner country M&E systems and results frameworks wherever possible.
In summary, performance and results information generated at the individual investment level feeds into assessments of program performance, which in turn provides the basis for assessing and reporting results for the aid program as a whole.

ODE’s spot-check of a statistically significant random sample of 2015–16 AQCs (32 per cent of all AQCs) confirmed that AQCs continue to be a robust and integral part of DFAT’s aid performance management system, which is broadly consistent with previous spot-checks. Analysis also suggests that the robustness of gender equality ratings has improved over the last three years.

On the other hand, the spot-check has identified some consistent challenges in AQCs providing strong evidence about the link between outputs, and the outcomes that projects ultimately aim to achieve. Without this link, and without evidence of outputs and emerging outcomes it is not straightforward to explain and justify the basis for effectiveness ratings, and for ODE to verify that they are reasonable. Linked to the challenge of assessing effectiveness is the quality of project M&E systems. Getting these systems right has been a longstanding challenge for DFAT’s aid program, particularly for large and complex programs. Given M&E systems provide key data from which project effectiveness is managed and reported on, further improvements to these systems are important to support sound aid management. To support such improvements, in 2017 ODE commenced a review of investment-level monitoring and evaluation systems. The review will identify factors that contribute to, or inhibit, good quality monitoring and evaluation and recommend measures to improve the monitoring and evaluation of aid projects.

Our budgeting and monitoring processes support a focus on results. As set out in Making Performance Count, one of our strategic level targets is ‘Ensuring value for money’. Investments not delivering value for money are required to improve within one year or be cancelled. This target requires that from 2014-15, at least 85 per cent of investments are implemented satisfactorily, meet effectiveness and efficiency standards, and reflect value for money principles. Effectiveness and efficiency are two of the quality criteria used in AQC assessments. Where aid investments perform well, Australia will look for ways to increase their funding or replicate them in other countries or sectors, as appropriate.

Evaluations published by ODE in 2016 reaffirmed that the aid program is well managed, and that there is a commitment within DFAT to learn from evidence. This is evidenced by the recent Review of Uptake of ODE Recommendations, which considered 11 ODE evaluations published in 2014 and 2015, found that all recommendations from these evaluations were being implemented by the department. Further, the number of recommendations classified as ‘fully implemented’ has increased over time, indicating continuous efforts to improve aid activities based on evaluation recommendations.

6.2 EVALUATION SYSTEM

The ODE is an operationally independent unit within DFAT that measures and reports on the effectiveness of Australia’s development assistance. ODE’s independent oversight and evaluation work is an important check and complement to DFAT’s aid performance management system. ODE’s depth of expertise has been recognised in the 2016 Award for Excellence in Public Sector Evaluation from the Australasian Evaluation Society, the second time in three years that ODE has won this award.

ODE prepared the government’s new Aid Evaluation Policy, launched in November 2016. Evaluation in DFAT takes place at two levels. First, ODE undertakes strategic evaluations, which are assessments of Australian aid that focus on key policy directions, specific development themes and sectors, or large programs (geographic or global) ODE determines the strategic evaluations it will undertake based on a number of established principles outlined in the policy. Second, program evaluations are undertaken by individual country, regional and thematic programs. Each program determines what will be evaluated based on their specific information needs. Programs are responsible for funding these evaluations.
To support high-quality evaluations and promote impartiality, ODE evaluations and quality assurance work are overseen by an independent board, the IEC (see details in Chapter 4). To ensure evaluation findings are objective, program evaluations are led by a person who is not directly involved in the management of the program(s) being evaluated. At the same time, inclusion of DFAT staff in evaluation teams is also encouraged, as a means of promoting evaluation capacity and ownership of findings, and ensuring evaluation teams understand the institutional context.

The policy also introduces strong oversight arrangements for evaluation. The new Annual Aid Evaluation Plan records all strategic and program evaluations DFAT will complete in a given calendar year. DFAT’s Secretary approves the plan which is shared with the Minister for Foreign Affairs and Minister for International Development and the Pacific. The plan is published on the DFAT website.

The policy outlines departmental roles and responsibilities for evaluation. In addition to conducting strategic evaluations, ODE oversees the policy, provides support to programs to conduct program evaluations, and compiles and monitors the implementation of the Annual Aid Evaluation Plan. ODE receives a dedicated budget each year to fulfil its roles. The policy also specifies the role of DFAT senior managers in deciding on and approving program evaluations.

Australia works closely with our partner donors on evaluation. ODE formally engages with other donor evaluation units through the OECD DAC Evaluation Network to share lessons and learn from others. The Aid Evaluation Policy specifies that DFAT will engage with partner governments and implementing partners early in evaluations to ensure these partners have ownership of evaluation design and implementation. The government also provides funding to BetterEvaluation, a collaborative initiative which aims to strengthen evaluation capacity and practice.

6.3 INSTITUTIONAL LEARNING

To ensure evaluations are used by DFAT and the broader aid community to improve development programs, the Aid Evaluation Policy specifies that all strategic and program evaluations and their management responses should be published on the DFAT website. Strategic evaluations are published on the ODE webpage, while program evaluations are published on the webpages of individual programs and linked to a central repository on the ODE webpage.

ODE ensures the findings from strategic evaluations are accessible by developing four-page evaluation summaries and disseminating key messages internally. Strategic evaluation findings are also discussed at a regular external forum co-hosted by ODE and the Australian National University (ANU). In addition, ODE reports on the implementation of recommendations from strategic evaluations through the Review of Uptake of ODE Recommendations. This report has been completed annually since 2014 and demonstrates that recommendations from strategic evaluations are being implemented. When developing this report, ODE also seeks feedback from relevant programs to improve the conduct of future evaluations.

ODE also regularly reviews the quality and lessons from program evaluations through the Review of Operational Evaluations. Two such reviews have been completed, one covering 2012 program evaluations and one covering 2014 program evaluations. Both reviews summarised key lessons from program evaluations to encourage learning from these evaluations. The 2014 review also reported on the number of recommendations from program evaluations that had been agreed to. DFAT does not have a centralised approach to tracking the implementation of recommendations from program evaluations, as this is the responsibility of program areas. However, ODE monitors and reports on the publication of evaluations and completion of management responses, which provides a reasonable guide to the use of program evaluations.
DFAT is committed to improving the quality of its advice, decisions and actions across the wide spectrum of Australia’s international engagement. To give effect to this commitment, the department has developed a Knowledge Management Framework (launched in March 2016), and an associated Roadmap for Change to make practical improvements to DFAT’s management of knowledge and information. The Knowledge Management Unit (KMU), established in the Development Policy Division because of the strong benefits to the aid program from improved knowledge management, now supports reforms across the department.

The KMU is a member of the APS-wide knowledge management Communities of Practice. It follows relevant media, sharing and disseminating within DFAT the insights gained through publications such as its Communities of Practice Bulletin. The unit hosts topical seminars, workshops and events, often involving guest speakers from outside DFAT. The Development Policy Division pilots initiatives under the Knowledge Management Framework such as Communities of Practice on policy issues and more open access to electronic databases.

The KMU is also embedding the application of Insights from behavioural economics to better design, implement and evaluate policies, programs and services, particularly in the aid program but also more widely across the department. The first pilot project identified was in the aid program (East Timor nutrition project) with more to follow.
7. HUMANITARIAN ASSISTANCE

7.1 STRATEGIC FRAMEWORK

Australia’s humanitarian action and disaster risk management efforts are anchored in the building resilience investment priority of Australian Aid. In May 2016, the existing Humanitarian Action Policy (2011) and Disaster Risk Reduction Policy (Investing in a Safer Future, 2009) were replaced by a single Humanitarian Strategy. The strategy contains four strategic objectives: strengthening international humanitarian action; reducing disaster risk; supporting preparedness and effective response; and enabling early recovery. The new strategy reflects Australia’s commitments under the World Humanitarian Summit’s ‘Agenda for Humanity’ and ‘Grand Bargain’; the Sendai Framework for DRR, and relevant elements of the 2030 Agenda for Sustainable Development and Paris Agreement on Climate Change.

We are currently working to give more definition to the overarching strategy through a supplementary Pacific Humanitarian Strategy aligned with the Framework for Resilient Development (FRDP) agreed by Pacific Island Forum leaders in 2016. The Pacific Humanitarian Strategy promotes a shift in three critical areas of Australia’s approach: increasing localisation; greater emphasis on prevention and preparedness; and deeper engagement in recovery and reconstruction based on the principle of ‘build back better’ in order to build resilience to future hazards. Consistent with the FRDP, our development assistance will integrate DRR and climate risks.

Australia has a flexible approach to our support in crisis contexts that does not draw rigid boundaries between funding streams. This enables packages of support to be constructed that blend humanitarian and development objectives through the lenses of ‘building resilience’ in protracted crises and ‘building back better’ in the aftermath of rapid onset disasters. The three-year AUD$220 million package of assistance in response to the Syria crisis reflects our commitment under the Grand Bargain to increase multiyear humanitarian planning and funding. The Syria package draws on humanitarian funding to support three components, including a resilience-building component focussed on education and livelihoods. We have also announced an AUD$100 million three-year humanitarian and stabilisation commitment to Iraq.

In the responses to Tropical Cyclone Pam in Vanuatu and Tropical Cyclone Winston in Fiji, Australia channelled funding through existing development programs to Ministries of Health and Education to assist with the rapid repair of infrastructure and replacement of associated equipment (for example, pharmaceuticals and learning materials). As well, in the latter case, Australian funding channelled through the World Food Programme helped to top up the Fiji Government’s social protection payments to 71,700 people dependent on social welfare. Monitoring of these payments found 72 per cent of beneficiaries received their entitlement without needing to wait or travel long distances.
We have been less successful, however, in drawing these objectives together in the case of slow onset disasters. An internal review of our response to the 2015-16 El Nino event in the Pacific found there were missed opportunities for early preventive and preparedness actions.

Australia’s global humanitarian budget for Financial Year 2017-18 is AUD$399.7 million, distributed across four budget lines: Global Humanitarian Partnerships (AUD$132.3 million), DRR, Preparedness and Response (AUD$39 million), Protracted Crises (AUD$78.4 million), and the Emergency Fund (AUD$150.0 million). The global budget is supplemented, as required, from bilateral and regional budget line items over the course of the year such that humanitarian expenditure reported to the DAC will usually exceed this figure. Overall, humanitarian expenditure has tracked at between seven per cent and ten per cent of ODA since the last peer review (see Figure 3).

<table>
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<th>Humanitarian Expenditure as a Percentage of Total Australian ODA</th>
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**Figure 3: Humanitarian Expenditure**

### 7.2 EFFECTIVE PROGRAM DESIGN

The criteria for determining Australia’s response to a call for international humanitarian assistance from the government of an affected country or the UN Emergency Coordinator are defined in the *Humanitarian Strategy*. These are:

- The needs of the affected population, including gender and protection considerations;
- The scale of the disaster and affected government response capacities, circumstances and preferences, including whether a request for assistance has been made;
- Australia’s national interest and capacity, including where our resources will be most efficiently and effectively deployed;
- Funding and plans of other donors;
- The capacity and activities of humanitarian partners on the ground;
- Geographic location – Australia is committed to supporting our near neighbours, while continuing to be responsive to humanitarian requests globally;
- Good Humanitarian Donorship principles, including delivering predictable, flexible, diversified and longer-term funding arrangements with limited earmarking and ensuring our support is conducive to recovery and development;
- The principles and approaches we advocate internationally; and
- The lessons learned by us and our partners in previous responses.

Within this framework, Australia places priority on meeting humanitarian needs in the Indo-Pacific region while also contributing to addressing the burgeoning humanitarian burden elsewhere around the globe. Given our geographic location, there is a high expectation among our neighbours that Australia will play a leading role, particularly in response and recovery efforts in support of Pacific countries. Nonetheless, the bulk of the humanitarian budget continues to be directed towards protracted crises beyond our immediate...
region – notably the Middle East, Afghanistan, Myanmar, South Sudan and Somalia – due to the humanitarian need.

Making principled humanitarian action as local as possible is a priority reform commitment of Australia’s humanitarian program. It reflects a prominent call by participants at the Pacific Regional Consultations for the World Humanitarian Summit in June 2015, and commitments Australia made through endorsing the ‘Grand Bargain’ on humanitarian reform. However, like other donors, we will face challenges in achieving this reform, including supporting effective institutional development of national actors in fragile and small-island developing states; providing accessible funding and contracting opportunities for national partners; and measuring qualitative progress towards localisation in diverse contexts. Reflecting the increasing willingness and capacity of national actors in the Indo-Pacific region to lead response efforts, Australia will seek to ensure that global dialogue on localisation provides space for diverse, contextualised and locally-driven priorities.

Key strengths of Australia’s approach to humanitarian localisation include building national capacities for humanitarian preparedness and response, and supporting longer-term DRR, early recovery and resilience programs. The National Disaster Management Office (NDMO) program of the Australian Civilian Corps (ACC) has provided multi-year institutional capacity support to national and local responders in the Pacific since 2013.

Under the program, ACC specialists deploy each year into NDMOs to enhance disaster preparedness and to deliver surge support when disasters strike. Specialists provide technical assistance in areas including disaster risk management, logistics, and information management. The program has deployed 21 ACC specialists to date and operates across the Pacific. Specialists have strengthened institutional capacity in multiple ways, including: support for a National Humanitarian Policy in Fiji; formulation of a disaster risk assessment strategy in Samoa; and an evaluation of standard operating procedures for the National Emergency Operations Centre in Vanuatu.

Australian responses to emergencies with health consequences have also focussed on strengthening local capacity. For example, by training and mentoring acute health workers in the Pacific, Australian Medical Assistance Team (AUSMAT) representatives improve the skills of first responders, and create people-to-people links that strengthen locally led responses.

**7.3 EFFECTIVE DELIVERY, PARTNERSHIPS AND INSTRUMENTS**

The recent package of assistance in response to the Syria crisis underwent the full aid investment design process resulting in a multi-year commitment totalling AUD$220 million over three years. It represented a significant shift in the way Australia approaches funding in protracted crises and entailed: scenario-mapping; a shift from needs-based funding allocations to vulnerability-based funding allocations to build resilience; flexible contract arrangements; and withholding a proportion of funds in out-years to meet emerging priorities.

The Australian Government has a comprehensive in-house capability to assist neighbouring countries affected by disaster. DFAT-led crisis response teams may be deployed to assist both coordination of Australian assistance and to supplement capacities at overseas missions. We have access to a suite of

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2 In FY2015-2016, AUD$207.8 million out of AUD$362.9 million (57 per cent) was expended in protracted crisis situations.
3 From 1 July 2017, the ACC will be merged with our support for RedR Australia deployments to produce a single civilian deployment mechanism.
4 The NDMO Program operates in Fiji, Tonga, Samoa, Vanuatu and the Republic of the Marshall Islands, and has previously included Timor-Leste.
**standby mechanisms** that draw on our domestic capabilities: medical teams under AUSMAT (in partnership with the National Critical Care and Trauma Response Centre), search and rescue teams under Urban Search and Rescue (USAR) (in partnership with Queensland Rural Fire Service and New South Wales Fire Service) as well as the ACC deployable capability of approximately 350 civilian specialists. We also fund civilian specialists to provide surge support to UN agencies responding to humanitarian crises further afield. For example, in 2015-16 through the **UN Standby Partner Program**, Australia supported 84 deployments.

We also have a contract with HK Logistics – a **private sector** company – to manage stockpiles of relief supplies in Brisbane, Sydney, Jakarta, Lae and Port Moresby and to provide rapid logistical support when international disaster responses are mobilised. The stockpiling capacities are further enhanced by arrangements with United Nations Humanitarian Response Depots (UNHRD) to access relief supplies from its Kuala Lumpur warehouse, as well as providing funding support to United Nations Population Fund (UNFPA) and Australian Red Cross to pre-position supplies in our region.

Our uplift capability is further increased by mobilising ADF assets, including aircraft and ships. For example, following Tropical Cyclone Winston in Fiji, the ADF transported over 2,172 tonnes of stores and equipment; flew 47 sorties by C-130 and C-7 aircraft to deliver humanitarian aid to outlying islands; and airlifted 140 tonnes of supplies to people in need by helicopter.

Australia has commenced use of **Relief Tracker**, an online tool to manage our humanitarian data and the data of humanitarian partners in real time during sudden onset disasters in our region. The data collection and geospatial mapping tool is designed to strengthen the accuracy and accountability of Australia’s response measures and investments; inform more rapid and precise decision-making with the affected government in the early stages of a crisis; support more effective coordination between partners; and improve communication with the public. The tool also has the potential to improve coordination of international assistance by the affected country and Australia plans to leverage the tool to continue strengthening national leadership and regional cooperation in the Pacific.

Australia has a mature and tested set of **partnerships** with a range of organisations that we seek to support when international assistance is called for by the government of an affected country. The **ODE evaluation** of the tropical cyclone Pam response\(^5\) noted that ‘DFAT made strategic use of a suite of partners often used in crisis responses. DFAT intentionally prioritised working with partners that had a pre-existing presence in country or strong regional relationships, which undoubtedly supported an appropriate response.’

Our core support to **multilateral agencies** (International Committee of the Red Cross (ICRC), United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), United Nations High Commissioner for Refugees (UNHCR) and World Food Program (WFP)) may be supplemented in response to particular appeals. We also have agreements with six **Australian NGOs** (the Humanitarian Partnership Arrangement), which will be replaced by a new arrangement (the Australian Humanitarian Partnership) from 1 July 2017.

Australia is a lead donor in supporting **sexual and reproductive health and rights** in humanitarian crises. Since 2007, Australia has supported the Sexual and Reproductive Health Program in Crisis and Post-Crisis Settings (SPRINT), delivered by the International Planned Parenthood Federation). SPRINT provides safer birthing environments, family planning services, HIV prevention and treatment, protection against sexual violence and assistance to survivors of rape and violence in crisis-affected situations. To date, SPRINT had responded to 71 humanitarian crises and reached over 890,000 people with crucial services.

At a policy level, Australia works through **inter-agency platforms**, such as the Inter-Agency Standing Committee (IASC) Emergency Directors Group, which Australia co-chaired in June 2016, and through individual agency donor support groups (e.g. UNOCHA, ICRC, UNISDR, UNHCR ExCom and WFP Executive

Board) to promote common policy positions among donors and UN partners. Australia co-convened (with UNOCHA and New Zealand) the World Humanitarian Summit Pacific Regional Consultations in Auckland and was actively involved in the summit itself, including the negotiations leading to the Grand Bargain. Typically, we seek to champion risks, needs and vulnerabilities within the Indo-Pacific region in these dialogues. A notable success has been establishment of a WFP Pacific regional office in Suva from late 2015.

Operationally, the FRANZ Arrangement between France, Australia and New Zealand was established in 1992 to exchange information and to ensure effective coordination of humanitarian responses in the Pacific. During the Tropical Cyclone Winston response, for example, FRANZ coordinated our respective military assets, delivery of supplies, and agreed on a division of labour to avoid duplication of assistance and support the Fiji Government’s efforts effectively.

Australia is focused on supporting humanitarian innovation and seeking new and effective ways for the private sector to contribute to humanitarian responses. As part of this agenda, we are investing in innovative humanitarian emergency relief supplies. In 2015 we also ran the Pacific Humanitarian Challenge, an opportunity for innovators, entrepreneurs, designers, NGOs, and academics to rethink humanitarian response. We are currently supporting the five challenge winners to further develop their products and ideas in the Pacific region. This includes the use of survey drones to help responders provide timely assistance during a disaster and investments in communications technology to allow mobile phones to be used even when traditional telephone signals have been disrupted.

### 7.4 ORGANISATION FIT-FOR-PURPOSE

Under the Australian Crisis Management Framework, DFAT is the lead Australian Government agency in responses to crises that affect Australians and Australian interests overseas. DFAT has a Crisis Response Protocol, which maximises the crisis management and humanitarian response capability within the department, and supports DFAT’s coordination and leadership role in preparedness for and response to crises overseas.

The focal points in DFAT for Australia’s efforts in the humanitarian domain are the Humanitarian Response Branch (HMB) and the Stabilisation and Recovery Branch (SRB) within the Humanitarian, NGOs and Partnerships Division (HPD). The First Assistant Secretary of HPD is also Australia’s Humanitarian Coordinator. Several geographic desks and overseas missions in crisis-prone countries also have dedicated humanitarian staff. A dedicated Communications Officer within HPD manages the communication strategy (see below for more information on communications).

In a major response, an Inter-Departmental Emergency Task Force (IDETF) supports whole-of-government coordination. DFAT also stands up the Crisis Centre, which is responsible for coordinating the whole-of-government response and preparing key information products – it is the single source of advice, especially to Ministers. If a crisis has a significant humanitarian element, DFAT will also stand up the Humanitarian Operations Centre (HOC). In this case, the HOC manages the operational response to the humanitarian crisis and the Crisis Centre maintains its information management role and acts as the single source of advice. To support these mechanisms, DFAT has a range of staff trained across policy, consular, humanitarian, media and communications functions on standby. This includes the Crisis Response Team that is deployable to the affected country, and the Crisis Cadre that staffs the Crisis Centre and helps staff the HOC.
Focus on: Australia’s whole-of-government response to Tropical Cyclone Winston

Tropical Cyclone Winston hit Fiji in February 2016, the strongest cyclone ever recorded in Fiji. It caused 44 deaths and affected around 540,000 people (about 62 per cent of Fiji’s population). DFAT led the whole-of-Australian Government response, working closely with the Fijian Government and coordinating one of Australia’s largest civil-military mobilisations in response to a humanitarian crisis overseas. DFAT activated the Crisis and Humanitarian Operations Centres, and collaborated with relevant domestic agencies, including Emergency Management Australia and Department of Health.

DFAT deployed its Crisis Response Team, including consular officials, humanitarian specialists, policy, media, logistics and technical officers. The department also worked closely with the ADF on the deployment of the HMAS Canberra and establishment of an airbridge which flew 29 flights containing relief supplies and response personnel. In total, more than 1,000 Australian defence and civilian personnel were deployed to the region. Regional coordination was enhanced through links between Pacific Islands Forum members and close collaboration with our partners under the FRANZ Arrangement.

DFAT coordinated the delivery of an initial relief and early recovery package of AUD$15 million. We worked with the Fijian Government and NGO partners to assist more than 200,000 people, including by providing shelter and hygiene kits and access to safe water. Close cooperation with the Fijian Government throughout the response ensured this assistance was delivered in accordance with its priorities and through its coordination mechanisms. Officials from across our state health services were deployed as the AUSMAT and embedded with Fijian health officials to restore access to medical services in remote locations.

The Australian Government provided an additional AUD$20 million longer-term recovery package to rebuild schools and health facilities, replace damaged medical equipment, restore water and sanitation services and repair markets.

DFAT staff are involved in training personnel across the ADF on civil-military cooperation in crisis response. DFAT works closely with the ADF to ensure that international guidelines, such as the “Oslo Guidelines” and the Asia-Pacific Regional Guidelines for the use of Foreign Military Assets in Natural Disaster Response Operations (2010), are fully incorporated into Defence doctrine. In recent civil-military exercises, DFAT has prioritised the Women, Peace and Security agenda in UNSC1325 to inform new military doctrine. The ADF and DFAT are also working closely to develop a civil-military chapter of the Multi National Forces Standard Operating Procedures (MNFSOP). The ADF also regularly includes DFAT and civil society organisations in exercises to reinforce relevant civil-military doctrine, such as Talisman Sabre.

To enhance coordination between DFAT and the ADF, officers from each agency are embedded with their counterparts. For example, DFAT has a liaison officer at Headquarters Joint Operations Command (HQJOC) and a secondee at the Australian Civil Military Centre, and the ADF provides DFAT with one full-time and one part-time liaison officer from HQJOC.

7.5 RESULTS, LEARNING AND ACCOUNTABILITY

Australia has taken significant steps to strengthen systems to monitor performance and quality in the humanitarian domain and to build a culture of monitoring, evaluation, accountability and learning among officials. ODE has published three related evaluations since 2013: Australia’s response to the Horn of Africa Humanitarian crisis, 2011 (2014); Australia’s Humanitarian Response to the Syria Crisis (2014); and Humanitarian Assistance in the Pacific: An evaluation of the effectiveness of Australia’s response to cyclone Pam (2017).
DFAT is finalising an evaluation of emergency support to the education sector after Tropical Cyclone Winston in Fiji. This will be published as the first of two annual evaluations by HPD for 2017 under the new DFAT evaluation policy. The second will be on Australia’s humanitarian assistance to Myanmar. Other humanitarian-related evaluations which are expected to be published in 2017, include the Australian response to El Nino in PNG; Tropical Cyclone Pam Recovery Program in Vanuatu; the Afghanistan Reconstruction Trust Fund; Australia-Afghanistan Community Resilience Scheme; and Australia’s response to the Nepal earthquakes. DFAT has also completed an internal review of its response to the 2015-2016 El Nino event in the Pacific and conducted an after action review of internal processes and systems after all major responses. Management responses are regularly monitored for implementation.

The department removed the automatic exemption of humanitarian investments from IQR processes in October 2013 and developed a new HAQC template. Regular MPAs (or the equivalent) have been conducted for all major multilateral humanitarian partners.

Australia has also strengthened our humanitarian M&E capability through a partnership with New Zealand’s Ministry of Foreign Affairs and Trade, resulting in the development of a joint M&E humanitarian response framework. The framework will be piloted in the next sudden onset event in the Pacific.

Australia supports international efforts to improve performance and quality of humanitarian programs through our multi-year partnership with The Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP). We also have strong research partnerships with the ODI Humanitarian Policy Group and the Melbourne-based Humanitarian Advisory Group.

Australia is also aiming to enhance accountability to communities that we seek to assist through our efforts to localise responses to the most appropriate extent possible. We will join the donor stakeholder reference group convened by Core Humanitarian Standard Alliance to develop a self-assessment tool for donors and funding entities. This partnership will also promote accountability to affected populations by Australian and Pacific NGOs by sponsoring training on the Core Humanitarian Standard on Quality and accountability later in 2017.

A guiding principle of the Humanitarian Strategy is ‘to be accountable to the Australian people and the communities we seek to assist’. DFAT is communicating to the Australian public on humanitarian activities through website updates, videos and strategic social media networks. This includes online collaboration with humanitarian partners and utilising social media accounts across DFAT’s ministerial and global network to communicate with partners and affected communities. DFAT leverages high-profile events, including for World Humanitarian Day, International Women’s Day, and anniversaries of disasters in our region to communicate the government’s objectives to lawmakers, the media and other influencers in Australia.

DFAT is also developing a new website portal (“Crisis Hub”) to publish timely, consistent and data enriched content on Australian-funded humanitarian responses and activities. This portal will also include information about other humanitarian-related content, such as government-NGO partnerships and DFAT’s humanitarian strategy; use Relief Tracker to communicate Australia’s response to humanitarian crises in a more effective and accurate way through maps and infographics; and highlight ways the Australian public can help affected communities.
8. ANNEX 1: PROGRESS AGAINST 2013 DAC PEER REVIEW RECOMMENDATIONS

<table>
<thead>
<tr>
<th>2013 PEER REVIEW RECOMMENDATIONS</th>
<th>DFAT PROGRESS AGAINST RECOMMENDATIONS as of May 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Australia is encouraged to share publicly its achievements and challenges of making national and foreign policies coherent with development aspirations.</td>
<td>• The purpose of integrating AusAID into DFAT in 2013 was to align Australia’s foreign, trade and development policies and programs in a coherent, effective and efficient way. Communicating the new emphasis on policy alignment has been a priority. Since 2013, the government has sought to promote the objectives, achievements and challenges of its integrated approach across a range of initiatives and sectors. For example, the government’s economic diplomacy agenda—which draws together Australia’s domestic and international trade, investment, foreign, development and business policy streams—is widely promoted through websites, social media, events and other advocacy channels. • Portfolio ministers routinely engage in public discussion and debate on the achievements and challenges of aligning Australia’s domestic, foreign and development policies, including through speeches, panels, online forums and other events in Australia and internationally. • The government’s 2017 Foreign Policy White Paper, due for release in September 2017, will lay out a coherent, combined policy vision for the next decade, and will assist in strengthening public messaging around Australia’s integrated approach to international engagement.</td>
</tr>
</tbody>
</table>
### 3.1 Australia is in a very strong position to deliver a growing aid budget effectively and efficiently. In line with its commitment to punch at or above its weight in international development, Australia should achieve its stated aid goal of 0.5 per cent ODA/Gross National Income (GNI) by 2016/17.

- The government is committed to delivering an affordable and effective aid program that reduces poverty and promotes sustainable economic development.
- The government will not commit to a prescriptive, time-bound aid target as a percentage of GNI until the domestic economy is back on a sustainable footing and Australia is in a fiscally strong position to support this aspiration.
- Australia’s ODA budget will increase in 2017-18 and 2018-19. ODA will be maintained at 2018-19 levels until 2020-21. In 2021-22 ODA will increase in line with CPI.

### 3.2 In line with its Transparency Charter and the government’s decision in 2012 to change its approach to counting in-country refugee costs, Australia should state clearly what refugee costs will be counted as ODA over the coming years and explain how the costs are calculated.

- Australia has historically reported limited expenditure under the in-donor refugee costs category, with the exception of the financial years 2012-13 and 2013-14, when applicants were granted a temporary visa, pending determination of their refugee status.
- An applicant’s status is now determined prior to arrival and, if granted refugee status, they receive a permanent residency visa. They are classed as “integrating into society”; therefore, any associated costs are not ODA eligible. From 2014-15, no expenditure relating to in-country refugee costs has been reported as ODA.

### 4.1 Australia should consolidate its impressive organisational reform by ensuring that staff understand and implement the new corporate culture by making, as planned, information management and accounting systems fit for purpose; and continuing to tweak ways of working.

- DFAT, the lead Australian Government Department for the aid program since October 2013, has been implementing extensive reforms and a comprehensive CIP with direct benefits to the quality of Australia’s aid program. Seven work streams under DFAT’s CIP are achieving important efficiencies and organisational effectiveness: Organisational Strategy, Planning and Performance; Leadership and Organisational Culture; Risk and Innovation; Workforce Development; Collaboration and Engagement; Knowledge and Information Management; and Communications.
- **DFAT’s Strategic Framework 2015-19, Corporate Plan 2016-2020**, values statement, business planning and risk management frameworks, red tape review, and a workforce plan, have all combined to help staff understand and follow corporate priorities and systems.
- In March 2016, after an extensive period of consultation and testing, DFAT also launched its **Knowledge Management Framework** to guide reforms in internal and external information management. The framework includes a *Roadmap for Change* that is driving reform across a broad spectrum of activities, including in areas directly relevant to the aid program such as behavioural economics and collaboration sites for staff to share knowledge and work together on issues. A number of initiatives under the roadmap are agreed by the Departmental Executive but not yet underway. These will be rolled out by DFAT as resources permit.
4.2 Australia should continue to implement the second phase of its workforce plan to ensure that staff are capable of delivering the objectives set out in the aid policy and that it has the skills to manage a range of partnerships and aid modalities, including programme-based approaches.

- DFAT undertook a workforce planning activity shortly after AusAID’s integration into the department. The resulting two-year Strategic Workforce Planning Framework outlined a suite of activities to strengthen workforce capability.
- A key activity under the two-year plan was implementation of an occupational model (Work Function Model) and capability profiling across the functions. DFAT will be finalising this profiling exercise by mid-2017 with role descriptions and capability statements available through an internal DFAT Careers Portal. The Development and Aid Management Workforce Planning Committee comprised members from across the aid and development function, and provided oversight and guidance to this process.
- The Development Faculty of the Diplomatic Academy offers over 60 courses to assist employees deepen their knowledge and expertise of the development function. Innovative approaches to course delivery, such as the “workshop in a box”, maximises the number of staff with access to learning content.
- Development of a five-year strategic workforce plan will take place throughout 2017 to ensure the department has the capability to execute the priorities outlined in the 2017 Foreign Policy White Paper. Ensuring the sustainability of international development and aid programming capability will be a key consideration of this activity.
- Options for the department’s long-term workforce capability will be explored through the 2017 workforce planning activity.

5.1 Australia should increase the medium-term predictability of aid for all its partner countries by providing public, regular and timely rolling three-to-five year indicative forward expenditures as it does for some partners.

- In accordance with the Australian Government Budgeting and Reporting Framework, Australia’s ODA Budget over the forward estimates (four years) is reported in Budget Paper No. 1 (Budget Strategy and Outlook).
- DFAT reports its component of the ODA budget in the Portfolio Budget Statements (PBS). The PBS provides a breakdown of country, regional, global and humanitarian and emergency response allocations for the current year and forward estimates.
- In addition to these budget documents, DFAT produces the Australian Aid Budget Summary that provides further detailed information regarding the ODA budget allocations and total expenditure.
- Australia’s ODA budget allocations and program priorities are consistent with the strategic framework outlined in the government’s international development policy – Australian aid: Promotion prosperity, reducing poverty, enhancing stability.
The government has emphasised its focus on the Indo-Pacific region, committing to spend at least 90 per cent of country program ODA in the region, providing increased predictability for our development partners.

<table>
<thead>
<tr>
<th>5.2 Australia needs to increase the share of aid delivered through program-based approaches, and make use of partner country systems for programme design, management, expenditure, monitoring and reporting, as recommended in the 2008 peer review. In particular, it should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) meet its target for 2014 of increasing the share of aid using partner systems by 30 per cent and once achieved identify and agree more ambitious milestones with partners</td>
</tr>
<tr>
<td>(ii) in countries where Australia considers the use of partner systems to be too risky, it should continue to support partners’ efforts to strengthen their financial management systems and build up capacity to manage program-based approaches.</td>
</tr>
</tbody>
</table>

| • DFAT undertakes regular assessments of partner government PFM systems to identify opportunities to use systems now, and areas that need improvement before Australia is able to use these systems. Since 2012, DFAT has undertaken 15 Assessments of National Systems and completed five updates. |
| • Australia will continue to base decisions on context specific assessments of the risks and benefits of using these approaches. This reflects our experience that using partner country systems where those systems are not robust does not result in positive development results. Our assessment process is tailored to identify those components of systems that are robust enough to use, and those which need to be further strengthened before using – hence avoiding an all or nothing approach. The assessments also enable us to better support partner government efforts to strengthen their own systems by informing the design of appropriate reform programs targeted at key weaknesses and risks. |
| • Australia is also supporting PFM strengthening in countries such as the Philippines where Australia has committed AUD$30 million for a six-year program (2011-2017) and budget support to Pacific island countries linked to policy reforms, including PFM actions. |
| • Australia is also developing a PFM Framework to enhance DFAT’s capacity to engage in dialogue with partner governments and other donors on PFM reform. Once released, the department plans to support the framework’s implementation with targeted engagements with relevant staff in Canberra and at overseas missions. The department also plans to expand coverage of staff training in this area. |
| • The 2016 DAC Development Progress report showed that Australia’s use of country systems increased from 23.5 per cent of disbursements to the government sector in 2010 to 32.8 per cent in 2015, an increase of nearly 40 per cent since 2010. |
6.1 Australia should build on its achievements with reporting headline results by ensuring that it captures and reports results that are being tracked in more detail within individual programmes and reported in independent and operational evaluations.

- Australia’s AIP for country and regional programs include performance assessment frameworks. These frameworks identify key results – in the form of benchmarks and indicators – expected to be achieved during the duration of the AIP.
- Progress against these results are captured through annual reporting on the performance of country and regional programs (APPRs – 26 produced in 2015-16) and individual investments (AQCs – 432 completed in 2015-16).
- In 2015-16, Australia’s ODE reviewed the quality of 35 operational evaluations completed in 2014. The review found that evaluation quality is good but that operational evaluations are not being used to their full potential. Review recommendations are being implemented including through a new Evaluation Policy released in November 2016.

6.2 Australia should strengthen, as planned, the focus on learning from successes and challenges in its overall reporting on results.

- In November 2016, DFAT released a new Aid Evaluation Policy. A key feature of the policy is the introduction of an annual evaluation plan which is approved by the Secretary and monitored by ODE. The policy also strengthens publication and management response requirements.
- The annual Performance of Australian Aid report discusses successes and challenges, drawing on the findings of Aid Program Performance Reports, operational evaluations and ODE strategic evaluations.
- ODE and DFAT’s IEC quality assure the annual Performance of Australian Aid report. ODE has expanded its spot-checking regime on project level AQC reports so as to ensure these remain credible and robust.
- For each evaluation, ODE circulates a cable and prepares a four-page summary brief to help busy staff access key findings and recommendations. ODE staff also regularly deliver presentations on key evaluations at seminars co-hosted with the ANU.
- For the 2017 reporting cycle, ODE will trial a new verification process, which will require ODE to validate ratings in a sample of (final) AQC reports.

7.1 Australia should expand its disaster risk reduction programmes to all partner countries; and share its tools and good practices with other donors.

- Australia prioritises DRR as a part of the ‘Building Resilience’ pillar, one of the six pillars of the government’s international development policy framework.
- Australia is exceeding the recommended international target that at least one per cent of ODA is directed to DRR. Australia’s DRR spend was AUD$106.4 million in 2012-13, AUD$124.7 million in 2013-14, AUD$91.8 million in 2014-15, and AUD$116 million in 2015-16 (ranging from 1.8 per cent to 2.9 per cent of Australia’s ODA). This includes both targeted DRR investments and other Australian aid investments in our partner countries that are contributing to DRR and resilience building.
• Australia’s Humanitarian Strategy (2016) outlines Australia’s policy to integrate DRR and climate risk considerations in Australian aid investments to create a platform for building resilience. DFAT is increasingly mainstreaming climate change and disaster risk reduction and resilience building across the development program, particularly in the Indo-Pacific region.

• For example, Australia takes an explicit ‘build back better’ approach to its recovery and reconstruction programming – underway in Vanuatu and Fiji – to reduce the impact of future disasters. In Australia’s Nepal education program, 169 schools that had been retrofitted to improve earthquake safety survived the 2015 earthquakes and provided much needed safe shelter and community spaces. Where identified as a priority, targeted investments are being implemented. For example, in Somalia, Australia is investing in early warning systems, livelihood diversification and asset preservation strategies that are building the resilience of chronically vulnerable people in pastoral and peri-urban communities.

• Australia actively participated in the development of the Sendai Framework for Disaster Risk Reduction. Australia wants to help partner countries reduce the damages and losses caused by disasters, and is committed to supporting countries to implement the risk reduction ambitions outlined in the Sendai Framework. This is particularly being done through: our support to UNISDR and Global Facility of Disaster Risk Reduction (GFDRR); work being done through our humanitarian partners; and increasingly through Australia’s bilateral and regional investments supporting reform processes within partner countries in our region.

• In 2016 Australia, as Co-Chair of the Board of the Green Climate Fund, was active in shaping the fund’s forward agenda, developing policies and procedures and building Board cohesion to enhance the fund’s governance and effectiveness. In recognition of Australia’s strong and effective leadership, we were re-elected as Co-Chair in 2017. We are the only country to Co-Chair in consecutive years and have done so in three of the five years of the Board.

• Australia’s integrated approach to tackling climate change and disaster resilience was highlighted at the 2016 Pacific Island Forum Leaders meeting, when Prime Minister Turnbull announced a AUD$300 million commitment (2017-2021) to help the Pacific manage climate change and improve disaster resilience. The framework for this investment is being finalised.

• In parallel, Australia is developing a Pacific Humanitarian Strategy to outline our commitment to working with Pacific Island countries and stakeholders. It details the strategic focus of our localised capacity building efforts through which we are sharing tools and good practices in DRR (including disaster preparedness) and building back better in recovery and reconstruction. It will inform our bilateral and regional relationships as well as our donor coordination efforts.
<p>| | |</p>
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<thead>
<tr>
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<tbody>
<tr>
<td>7.2</td>
<td>Australia should demonstrate how its criteria for who, what and where to fund have been applied to actual grant decisions each year.</td>
</tr>
<tr>
<td></td>
<td>• In May 2016, DFAT released a new Humanitarian Strategy that set out 10 guiding principles on how Australia delivers it humanitarian assistance, as well as nine specific criteria on how Australia determines its humanitarian response in a crisis.</td>
</tr>
<tr>
<td></td>
<td>• High-level information on funding decision outcomes are announced by Australia’s Foreign Minister, and communicated by DFAT to Parliament (Senate Estimates) and key implementing partners.</td>
</tr>
<tr>
<td></td>
<td>• From 2017, DFAT will establish a new online ‘Crisis Hub’ during crises, providing up-to-date information on specific response activities and priorities.</td>
</tr>
<tr>
<td></td>
<td>• The new Australian Humanitarian Partnership (DFAT’s partnership arrangement with Australian NGOs), commencing in July 2017, will include new dialogue arrangements in order to more clearly articulate the rationale for funding decisions.</td>
</tr>
<tr>
<td></td>
<td>• DFAT will consider raising this matter as a formal agenda item at the twice-annual DFAT – Australian Council for International Development Partnership meeting.</td>
</tr>
<tr>
<td></td>
<td>• Australia’s focus on disaster prevention (risk reduction) is being captured in the focus of two key reform processes that are underway in Australia’s humanitarian program - our civilian deployment capability (formally the ACC) and NGO humanitarian partnerships (the Australian Humanitarian Partnerships).</td>
</tr>
<tr>
<td></td>
<td>• Australia’s current and planned activities will continue to strengthen understanding of the importance of DRR in achieving sustainable development outcomes and effective humanitarian action. This will be complemented by a focus on improving the use of risk information in country programs to facilitate effective DRR activities.</td>
</tr>
</tbody>
</table>
9. ANNEX 2: DFAT ORGANISATIONAL STRUCTURE
## 10. ANNEX 3: DFAT AID PROGRAM HUMAN RESOURCES PROFILE

<table>
<thead>
<tr>
<th>Area</th>
<th>2017 APS*</th>
<th>2017 LES</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>6</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Europe</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>25</td>
<td>17</td>
<td>42</td>
</tr>
<tr>
<td>New Zealand &amp; Pacific</td>
<td>95</td>
<td>166</td>
<td>261</td>
</tr>
<tr>
<td>North Asia</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>South Asia</td>
<td>27</td>
<td>39</td>
<td>66</td>
</tr>
<tr>
<td>South East Asia</td>
<td>83</td>
<td>159</td>
<td>242</td>
</tr>
<tr>
<td><strong>Total Overseas</strong></td>
<td><strong>244</strong></td>
<td><strong>392</strong></td>
<td><strong>636</strong></td>
</tr>
<tr>
<td>Australia</td>
<td>909</td>
<td>-</td>
<td>909</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1153</strong></td>
<td><strong>392</strong></td>
<td><strong>1545</strong></td>
</tr>
</tbody>
</table>

*Note: 2013 AusAID LES number included approx 150 enabling staff (e.g. office managers) that are no longer categorised as development staff*

*Includes Head of Mission positions where a significant aid program exists*
11. ANNEX 4: ACRONYM GLOSSARY

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAAA</td>
<td>Addis Ababa Action Agenda</td>
</tr>
<tr>
<td>AANZFTA</td>
<td>ASEAN-Australia-New Zealand Free Trade Agreement</td>
</tr>
<tr>
<td>AAS</td>
<td>The Aid Advisory Services standing offer</td>
</tr>
<tr>
<td>ACC</td>
<td>Australian Civilian Corps</td>
</tr>
<tr>
<td>ACFID</td>
<td>Australian Council for International Development</td>
</tr>
<tr>
<td>ADF</td>
<td>Asian Development Fund</td>
</tr>
<tr>
<td>ADF</td>
<td>Australian Defence Force</td>
</tr>
<tr>
<td>ADRs</td>
<td>Aggregate Development Results</td>
</tr>
<tr>
<td>AIC</td>
<td>Aid Investment Committee</td>
</tr>
<tr>
<td>AIB</td>
<td>Asian Infrastructure Investment Bank</td>
</tr>
<tr>
<td>AIP</td>
<td>Aid Investment Plan</td>
</tr>
<tr>
<td>ALNAP</td>
<td>Active Learning Network for Accountability and Performance in Humanitarian Action</td>
</tr>
<tr>
<td>ANCP</td>
<td>Australia-NGO Cooperation Program</td>
</tr>
<tr>
<td>ANU</td>
<td>Australian National University</td>
</tr>
<tr>
<td>AP-DEF</td>
<td>Asia Pacific Development Effectiveness Facility</td>
</tr>
<tr>
<td>APG</td>
<td>Aid Programming Guide</td>
</tr>
<tr>
<td>APPR</td>
<td>Aid Program Performance Report</td>
</tr>
<tr>
<td>AQC</td>
<td>Aid Quality Checks</td>
</tr>
<tr>
<td>ARF</td>
<td>DFAT’s Adviser Remuneration Framework</td>
</tr>
<tr>
<td>ARMS</td>
<td>Assurance and Risk Management System</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ATI</td>
<td>Addis Tax Initiative</td>
</tr>
<tr>
<td>AUSMAT</td>
<td>Australian Medical Assistance Teams</td>
</tr>
<tr>
<td>AVID</td>
<td>The Australian Volunteers for International Development</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
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<td>---------</td>
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</tr>
<tr>
<td>CAP</td>
<td>Capability Action Plan</td>
</tr>
<tr>
<td>CIP</td>
<td>Capability Improvement program</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CSIRO</td>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
</tr>
<tr>
<td>DAP</td>
<td>Direct Aid Program</td>
</tr>
<tr>
<td>DFQF</td>
<td>Duty-free quota-free</td>
</tr>
<tr>
<td>DPC</td>
<td>Development Policy Committee</td>
</tr>
<tr>
<td>DRM</td>
<td>Domestic Resource Mobilisation</td>
</tr>
<tr>
<td>DRR</td>
<td>Disaster Risk Reduction</td>
</tr>
<tr>
<td>ExCom</td>
<td>Executive Committee</td>
</tr>
<tr>
<td>FRANZ</td>
<td>France, Australia and New Zealand</td>
</tr>
<tr>
<td>FAQC</td>
<td>Final Aid Quality Checks</td>
</tr>
<tr>
<td>FRDP</td>
<td>Framework for Resilient Development</td>
</tr>
<tr>
<td>GLAD network</td>
<td>Global action on Disability (GLAD) Network</td>
</tr>
<tr>
<td>GFDRR</td>
<td>Global Facility for Disaster Reduction and Recovery</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>GPEDC</td>
<td>Global Partnership for Effective Development Cooperation</td>
</tr>
<tr>
<td>HAQC</td>
<td>Humanitarian Aid Quality Check</td>
</tr>
<tr>
<td>HMB</td>
<td>Humanitarian Response Branch</td>
</tr>
<tr>
<td>HOC</td>
<td>Humanitarian Operations Centre</td>
</tr>
<tr>
<td>HPD</td>
<td>Humanitarian, NGOs and Partnerships Division</td>
</tr>
<tr>
<td>HQJOC</td>
<td>Headquarters Joint Operations Command</td>
</tr>
<tr>
<td>ICRC</td>
<td>International Committee of the Red Cross</td>
</tr>
<tr>
<td>IDETF</td>
<td>Inter-Departmental Emergency Task Force</td>
</tr>
<tr>
<td>IEC</td>
<td>Independent Evaluation Committee</td>
</tr>
<tr>
<td>INCAF</td>
<td>International Network on Conflict and Fragility</td>
</tr>
<tr>
<td>IQR</td>
<td>Investment quality reporting</td>
</tr>
<tr>
<td>IRF</td>
<td>Innovation Resource Facility</td>
</tr>
<tr>
<td>IRG</td>
<td>International Reference Group</td>
</tr>
<tr>
<td>iXc</td>
<td>Innovation Exchange (DFAT)</td>
</tr>
<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
</tr>
<tr>
<td>MNFSOP</td>
<td>Multi National Forces Standard operating Procedures</td>
</tr>
<tr>
<td>MOPAN</td>
<td>Multilateral Organisation Performance Assessment Network</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>MPA</td>
<td>Multilateral Performance Assessment</td>
</tr>
<tr>
<td>NDMO</td>
<td>National Disaster Management Office</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>ODE</td>
<td>Office of Development Effectiveness, Australian Department of Foreign Affairs</td>
</tr>
<tr>
<td>OGD</td>
<td>Other Australian Government departments and agencies</td>
</tr>
<tr>
<td>PACER Plus</td>
<td>Pacific Agreement on Closer Economic Relations</td>
</tr>
<tr>
<td>PAF</td>
<td>Performance Assessment Framework</td>
</tr>
<tr>
<td>PBS</td>
<td>Portfolio Budget Statements</td>
</tr>
<tr>
<td>PFIP</td>
<td>Pacific Financial inclusion Program</td>
</tr>
<tr>
<td>PFM</td>
<td>Public Financial Management</td>
</tr>
<tr>
<td>PIDG</td>
<td>Private Infrastructure Development Group</td>
</tr>
<tr>
<td>PIF</td>
<td>Pacific Islands Forum</td>
</tr>
<tr>
<td>PPA</td>
<td>Partner Performance Assessment</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SPRINT</td>
<td>Sexual and Reproductive Health Program in Crisis and Post-Crisis Settings</td>
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<td>SRB</td>
<td>Stabilisation and Recovery Branch</td>
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<td>SWP</td>
<td>Seasonal Worker Programme</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>UNHRD</td>
<td>United Nations Humanitarian Response Depots</td>
</tr>
<tr>
<td>UNISDR</td>
<td>United Nations International Strategy for Disaster Reduction</td>
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<tr>
<td>UNOCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs</td>
</tr>
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<td>USAR</td>
<td>Urban Search and Rescue</td>
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<td>WFP</td>
<td>World Food Program</td>
</tr>
<tr>
<td>WGEN</td>
<td>Workplace Gender Equality Network</td>
</tr>
</tbody>
</table>
12. ANNEX 5: KEY REFERENCES

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