



Australian Volunteers International submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry

Into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region

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1. INTRODUCTION

This inquiry provides an opportunity to broaden the thinking that underpins Australia's international development program. It is an opportunity to explore innovative and diverse approaches to delivering international development programs in the Indo-Pacific region for the mutual benefit of communities in the region, and Australian citizens and organisations in the private, public and not-for-profit sectors.

Australian Volunteers International (AVI) firmly believes that all parts of our society can be involved in international development, which should not be viewed as an exclusive enterprise. Partnerships of private, public and not-for-profit sector organisations – powerful cross sector alliances – have the potential to strengthen Australia's international development program and to bring greater benefits to all parties and a clear return on investment. International volunteering agencies like AVI, with its skilled volunteers and a network of global partnerships, can play an important role.

The Joint Standing Committee on Foreign Affairs, Defence and Trade has been invited by the Australian Government to inquire into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region. AVI encourages the committee to examine new delivery models of people-centred development for Australia to contribute to poverty reduction and human development through programs that help to create the enabling environment for sustainable economic development and secure livelihoods for citizens.

Foreign Minister, the Hon Julie Bishop MP, recently described a new paradigm in Australia's international development assistance. In a speech at Queen's Hall in the Parliament of Victoria, the Foreign Minister said aid must be a catalyst to promote economic growth and reduce poverty through a strong emphasis on 'aid for trade' and building an enabling environment for the private sector.

"A large part of our development effort needs to be about providing an environment in which the private sector can thrive. Australia's development assistance program will now respond to this reality."¹

The Foreign Minister said the Government's policy of 'economic diplomacy' would leverage all aspects of Australia's international engagement in pursuit of trade, job creation and growth. Australia would promote prosperity by enabling the private sector to drive growth. A future development assistance budget would explore innovative ways to promote private sector growth. New kinds of partnerships between the private sector and the government would be explored, and different models could provide solutions for intractable challenges.²

The Government's position on economic diplomacy suggests at least four pillars for engagement to which AVI has contributed, and continues to contribute, through a diverse array of partnerships in Asia and the Pacific:

- Trade – build the capacity of countries to participate in the global trading system; AVI's work under this pillar includes English language training, for example, in China and Vietnam where it was explicitly recognised that this would enable them to participate in the global economy
- Growth – build regional human resource capacity to ease bottlenecks and address constraints including poor infrastructure to allow for sustainable economic growth; AVI's work under this pillar includes vocational education and health projects to build and sustain human capital
- Investment – improve the attractiveness of investment through more effective governance, transparent and effective revenue collection systems, for example; AVI's work under this pillar

¹ *A new paradigm in development assistance – harnessing the private sector*, a speech by Foreign Affairs Minister, Julie Bishop, Queen's Hall, Parliament of Victoria, 29 April 2014 – page 1

² *Obid*, pages 2 & 3

includes governance projects with Transparency International, and public sector reform building the capacity in the Pacific of governments for effective tax and customs regimes through the Pacific Technical Assistance Mechanism (PACTAM)

- Business – fostering investment in the private sector through small and medium enterprise, micro finance, improving economic livelihoods; AVI's work under this pillar includes work with small enterprise in the Pacific, women and micro finance in Bougainville, and savings clubs for women in Solomon Islands to build financial literacy.

Concerns were expressed in a recent Senate Foreign Affairs, Defence and Trade References Committee Inquiry about the potential for short term diplomatic or trade imperatives to override longer term aid and development priorities. The following clarification was provided by the Secretary of the Department of Foreign Affairs and Trade, Peter Varghese, at a public hearing of the Senate Committee's Inquiry into Australia's overseas aid and development assistance program³:

"When I talk about aid for trade I am not talking about using the aid program to advance the commercial interests of Australian companies; I am talking about the use of the aid program to strengthen the capacity of developing countries to participate in the global trading system, because the more they participate in the global trading system the more their economy will grow. So it is really building up the infrastructure for engaging in the global trading system."

AVI believes there is further untapped potential to contribute to economic diplomacy through, for example, collaboration between international volunteering organisations (like AVI), and Australian corporations, to build technical and non-technical capacity of organisations in the Indo-Pacific region.

In developing new approaches, Australia can take advantage of the demographic trends in our nation (baby boomers), the trend by large corporations to integrate corporate social responsibility programs into their core business, and global trends in international development, particularly in international volunteering.

This submission to the Joint Standing Committee Inquiry provides examples of AVI experience, global trends in international volunteering and the principles that we believe should guide policy development. AVI's submission recommends new forms of collaboration leveraging the strengths, networks and institutional knowledge that exist in Australia and in the region – for the benefit of Australia and communities in the region. The committee is invited to consider recommendations concerning possible incentives to increase the involvement of the private sector in international development partnerships and recommendations concerning procurement and funding.

Pressure on budgets is an added incentive for the Australian Government to consider greater flexibility, new types of partnerships, and innovation in the delivery of international development programs.

2. AUSTRALIAN VOLUNTEERS INTERNATIONAL

Australian Volunteers International (AVI) is Australia's most experienced international volunteer sending agency. Since 1951 more than 10,000 assignments have been completed in 90 countries throughout the Pacific, Asia, Africa, the Middle East and Latin America working with 2,500 partner organisations. Partner or 'host' organisations include governments, peak bodies, non-government organisations and civil society groups.

³ Report - Australia's overseas aid and development assistance program, Senate Foreign Affairs, Defence and Trade References Committee, 27 March 2014 – Chapter 2, page 16

AVI is a global leader in connecting people and organisations internationally to learn from each other and achieve shared goals. We achieve this by providing opportunities for Australians to volunteer to live, work and learn in partnership with people of other cultures. Through this 'people-centred' development, skilled volunteers contribute to developing communities and bring a reciprocal benefit to Australia.

While AVI's programs and activities have been reshaped and re-engineered over time, the vision has remained relevant and cogent. The common thread in all AVI activities is the building of people-to-people relationships through an approach that emphasises reciprocity and respectful mutual learning.

AVI affirms that all people should have access to resources to meet their basic human needs, the opportunity to achieve their potential, and a right to make decisions about their own development and to participate in the development of their own society.

AVI's strongly-held perspective is based on the strengths of our 60+ years experience built with the following components:

- long-term, cross-culturally appropriate and effective technical assistance that builds lasting relationships with developing countries
- skilled volunteers placed in response to locally identified needs, working in partnership with the local organisation under the management of the local employer
- partnership with local employing organisations to achieve the building of capacity of local institutions, good governance and civil society, particularly through the strengthening of public and community sector planning, management and service delivery
- volunteer awareness of the cross-cultural dimensions of their role, awareness of need for adaptability and openness to two-way learning from a dynamic experiential learning process
- maintenance of a strong commitment to the importance of direct people-to-people links in affecting development that is appropriate, effective and sustainable and builds international learning and links between the two countries
- integration into Australian culture and life of the individual and collective cross-cultural experience and understanding gained by 9,000 returned volunteers.

The interest and engagement of Australian Volunteers continues when they return home. The alumni represent a significant resource of informed knowledge and experience. Many returned volunteers remain in contact with their partner organisations and continue their support.

AVI is a partner in the Australian Government funded Australian Volunteers for International Development (AVID) program. The value of the international volunteering program, as part of Australia's overall aid program, was recognised in the Office of Development Effectiveness evaluation of the AVID program released in February 2014.

The evaluation confirmed that AVID is making an effective contribution to Australian and partner government development objectives. It is also an effective public diplomacy mechanism. Volunteers benefit from their experience and bring expertise and professionalism that host organisations value highly; they are often compared favourably to volunteers from other countries or paid technical advisers. Volunteers contribute to the capacity of host organisations, develop people-to-people links and generate goodwill for domestic and foreign diplomacy.⁴

⁴ ODE, *Evaluation of the Australian Volunteers for International Development (AVID) program*, January 2014, pp 1-2.

3. PRINCIPLES

In a funding constrained and increasingly globalised environment, AVI believes the following principles should guide the next stage of policy development for Australia's overseas aid program to meet poverty reduction and economic development objectives in the Indo-Pacific region.

- emphasis on response to locally identified needs
- adoption of innovative, nimble and flexible approaches – different ways and means of delivery and modalities including cross sector alliances (private, public and not for profit sectors)
- options to capture and shift project focus, based on lessons learned
- development of programs that offer a range of diverse approaches recognising that there is no 'one size fits all' approach
- inclusion – micro, small and medium enterprises in consideration of economic development; acknowledgement of needs of particular demographic groups including women, people with disability and youth
- focus on development of capacity of institutions, organisations and individuals to ensure ongoing sustainability
- focus on mutually beneficial partnerships – Australian non-government, public and private sector, and local communities and governments in the Indo-Pacific region.

4. POST-2015 INTERNATIONAL DEVELOPMENT AGENDA

In July 2012, the UN Secretary-General Ban Ki-moon convened a panel of eminent persons, including Indonesian President Susilo Bambang Yudhoyono and British Prime Minister David Cameron, to make recommendations on the vision and shape of the development agenda post-2015. The report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, released in May 2013, identified that the future development agenda to 2030 needed to be driven by 'five transformative shifts'. These were:

- Leave no one behind.
- Put sustainable development at the core.
- Transform economies for jobs and incentives.
- Build peace and effective, open and accountable institutions for all.
- Forge a new global partnership.

The Foreign Minister, the Hon Julie Bishop MP, has highlighted the positive contribution of the private sector and trade in reducing poverty. Ms Bishop has commented that:

"The new framework needs to take account of the barriers of development – poor governance, insecurity and instability'. She emphasised that 'economic transformation and job creation, as well as sound institutions and peaceful societies, must be core to the post 2015 agenda'.⁵

Research shows that peace is associated with better business environments, high per capita income, higher educational attainment and stronger social cohesion. The Institute for Economics and Peace (Australia) recently developed a conceptual framework called the Pillars of Peace to describe the factors that create, sustain and reinforce peaceful societies. The framework is based on empirical research linking peace with key economic, governance and cultural attitudes as well as with formal and information institutions.

⁵ Statement by the Hon Julie Bishop MP, Minister for Foreign Affairs, Special Event to follow up efforts made towards achieving the Millennium Development Goals, 25 September 2013, available at http://www.un.org/millenniumgoals/pdf/Australia_GA_Spec_Event_25Sept13.pdf (accessed 23 April 2014).

The institute has defined eight inter-dependent and mutually reinforcing factors, which intersect all sectors and groups in a society, that are associated with peaceful environments and can be measured:

- a well-functioning government – governance, accountability, effectiveness, rule of law, voice of citizens in decision-making
- a sound business environment – level and quality of infrastructure, business sophistication and innovation, quality of employment opportunities, regulations
- an equitable distribution of resources – access to health or first order needs, land, water, education and justice
- an acceptance of the rights of others – level of tolerance and acceptance of different individuals and groups, community relationships
- good relations with neighbours – relationships with different communities and countries
- free flow of information – access to information, freedom and independence of the media, and extent to which citizens are informed and engaged in the political process
- a high level of human capital – the stock of skills, knowledge and behaviours that impact on citizens' contributions to the community
- low levels of corruption – abuse to gain undue advantage in government, business or community life.

The research will help facilitate stronger evidence-based policy in development assistance. The research reaffirms AVI's view about the value of inclusive international development.

The Pillars of Peace research can also be used as a reference tool in identifying indicators and tracking the progress of the post 2015 development agenda.

5. CURRENT CONTEXT OF INTERNATIONAL VOLUNTEERING

Government aid programs worldwide have expanded, including international volunteering programs, to reflect new development opportunities and challenges.

British and Canadian Aid Agencies, Department for International Development (DFID) and Canadian International Development Agency (CIDA), lead a wide field of foreign government aid agencies in their innovative and integrated approach to international volunteering. This approach includes funding organisational twinning programs and exchange programs. (Information about AVI response to twinning programs is provided in section 8.3 Twinning programs – organisations and institutions.)

International volunteering globally has seen a shift to:

- demand rather than supply led approaches
- a focus on the organisational development of local host organisations
- programmatic approaches focused on specific sectoral or issues eg. HIV/AIDS, rural livelihoods, governance, maternal health and education
- two way volunteering between donor and recipient communities
- specific rather than generalist expertise
- more options to fulfil organisation needs in developing countries including research, leadership programs, access to project funds, networking opportunities, and staff exchanges with organisations in donor countries.

Other trends that need to be factored into the new context for international volunteering – pertinent in the Australian context for this Inquiry – are the:

- changing demographics of developing communities with very high youth populations
- appetite for developing countries to build their internal capacity for volunteering

- demand by developing countries for older international volunteers with professional skill sets and significant experience
- increasing interest of large outward looking global corporations, government departments and community organisations in donor countries in sharing their skills and expertise as part of a long term relationship rather than donating dollars
- increase in numbers of ‘baby boomers’ wanting to contribute their high level expertise and experience by volunteering
- increase in youth organisations designing, funding and managing development programs based on youth-youth mentoring and development.

The Australian Government has an opportunity to enhance Australia’s international development program and meet its objectives of economic growth and poverty reduction in the region by endorsing an innovative, strategic and more integrated mix of program options. The model of international volunteering provided by AVI through a variety of programs co-created with Australian and overseas partner organisations is ideally suited to this approach.

6. INTERNATIONAL VOLUNTEERING AND QUALITY OUTCOMES IN AID AND DEVELOPMENT

Through the work of skilled international volunteers, AVI has contributed to the main thrust of Australia’s development cooperation programs across Asia and the Pacific by providing experienced and cross-culturally aware technical expertise to build local capacity and provide support for institutional strengthening at comparatively low cost.

In the recent evaluation of the AVID program by the Office of Development Effectiveness, host (partner) organisations were asked about their experiences with their recent Australian volunteers.

“Host organisations agreed that their most recent Australian volunteer helped their organisation to develop its capacity by helping the organisation meet its goals or deliver its programs (82 per cent agreed), or by helping their staff learn new skills (81 per cent).

Most host organisations were confident their organization would be able to sustain its capacity gains once the volunteer left. Most (83 per cent) saw their organisation as continuing to benefit from their most recent volunteer, and three-quarters (73 per cent) of host organisations said they remain in contact with their Australian volunteer.

More than two-thirds of host organisations agreed that their Australian volunteer contributed to their organisation’s ability to develop their own capacity, including helping them to think about how their work could be more effective (78 per cent) or to clarify their objectives and strategies to manage their affairs better (67 per cent).”⁶

International volunteering’s strengths lie in the sharing and gaining of experience and skills at the local level. At AVI, 60 years of practice confirms the original premise that ethical and sustainable development must be defined by local people, not the donor country and their needs.

Growing understanding of these imperatives has led to the recognition of the need for more participatory, people-centred and culturally appropriate approaches to development. This has been translated into program design both by multilateral organisations and in government to government aid flows across the globe. The World Bank, for example, has recognised that development and the development agenda must be people-centred:

⁶ Evaluation of the Australian Volunteers for International Develop program by the Office of Development Effectiveness, January 2014, pages 44-45

“We know that to be sustainable, development needs to be broadly inclusive ... too often in the past, the World Bank focused too much on the economics of growth, without a sufficient understanding of the social, the political, the environmental and the cultural aspects of development.”⁷

In discussing volunteer capital as a new source of growth towards empowered globalisation, the World Bank articulates:

Volunteer capital is as important as – and perhaps more important than – many other forms of capital participation in the development process. ... Human voluntarism as a new set of values and perspectives ... should become the principal guide to a new way of doing economic development.”⁸

Indeed... volunteers are providing the services that the ‘egotistic’ market has decided to forget ... they correct the negative external effects of markets (local and global) and in the jargon of economists are correcting market failures.”⁹

Aid projects intended to facilitate ‘democratisation’ and ‘good governance’, but without due regard for local cultural context and social dynamics, provide many salutary examples of flawed design and missed opportunity. Such assistance has often been considered by recipients to be paternalistic and contemptuous of local processes. At worst it may be counter-productive and destructive.

... the key to effective ... development work (is) acquiring a sympathetic understanding of the values and beliefs of local counterparts. What is important is ... the relationship that develops over time between the individual volunteer and the local populace. In those instances where the volunteer is perceived as empathetic with the local culture and interested in participating in it as fully as possible there is mutually beneficial influence.”¹⁰

7. AVI PRIVATE AND PUBLIC SECTOR PARTNERSHIPS – EXAMPLES OF COLLABORATION

7.1 Benefits of AVI partnership

AVI’s global reputation for innovation and professionalism in international volunteering is recognised through independent studies and enduring, strong corporate, donor and academic partnerships.

Working with over 2,500 partner organisations in 90 countries across the Pacific, Asia, Africa, Latin America and the Middle East, AVI has demonstrated success in matching, placing and managing 10,000 individual assignments with local partners. AVI maintains long-term sustaining relationships of mutual benefit with partners in every region.

AVI has a successful track record working with the Australian Government through the Department of Foreign Affairs and Trade and the former international development agency, AusAID, in delivering programs including Australian Volunteers for International Development (AVID) and the Pacific Technical Assistance Mechanism (PACTAM).

⁷ Judith Edstrom, Sector Manager, Social Development Division of the World Bank, “Multilateral Reports: The World Bank”, *Social Development Review*, 3, 1, March 1999

⁸ Alfredo Sfeir-Younis, “Volunteer capital: a new source of growth towards empowered globalization”, *International Symposium on Volunteering – Final Report*, 2001, p. 13

⁹ Sfeir-Younis, *op.cit.*, p.14

¹⁰ Dane Smith, “Building relationships – ending conflict through mutual self-understanding”, *Worldview Magazine*, National Peace Corps Association, Vol. 15, no. 2

As well as delivering major government contracts, AVI has extensive experience in the design and delivery of bespoke programs for clients in the public, corporate and education sectors, including ANZ Bank, Macquarie University and the University of Melbourne.

AVI's support for private sector development in many countries has encompassed vocational training, enterprise development, and activities to support an enabling environment for business.

Working with AVI provides direct benefits for the individuals who volunteer, partner organisations in Australia, and the local partner agencies with whom Australian Volunteers work in developing communities overseas.

Research¹¹ jointly conducted by Monash University and AVI concluded that the skills highly valued by employers and well developed by international volunteers are:

- interpersonal, communication and teamwork skills
- cross-cultural communication skills
- organisational and management skills
- initiative, resourcefulness and adaptability
- problem-solving skills.

These skills are widely regarded as essential for leadership development in the public, not for profit and private sectors. By working with international volunteering organisations like AVI, organisations in all three sectors can leverage the benefits of international volunteering in career, personal and leadership development.

7.2 AVI and the ANZ bank, Indo-Pacific region

AVI and ANZ worked in partnership to deliver a win-win model for ANZ and local non-government organisations across Asia and the Pacific. The Super Regional Volunteer Program was designed to provide organisational capacity development for partners working with local communities and to align with the ANZ strategy in the Asia-Pacific region. ANZ employees were given the opportunity to undertake a three month skilled volunteer placement with long established AVI partners.

This partnership recognised the:

- synergies gained from working in a spirit of mutual benefit
- potential to complement and build on each other's strengths
- importance of contributing to developing communities
- global benefits of building civil society
- importance of the reciprocal learning derived from volunteering in developing communities
- cross-cultural understanding that comes from working in partnership with peoples of other cultures.

The program provided invaluable outcomes for the partner organisations.

- **Indonesia** – Volunteer with marketing expertise supported a fair trade group, Pekerti, to improve their sales by developing, launching and promoting an ethical shopping website; staff were coached on communications planning and writing; overseas enquiries and sales increased.
- **Solomon Islands** – Volunteer with human resources expertise designed a human resource management system for the Solomon Islands Development Trust; an employee handbook including

¹¹ The 2007 study by Australian Volunteers International and Monash University Brook, J., Missingham B., Hocking R. and Fifer D.: *The Right Person for the Job – International Volunteering and the Australian Employment Market*, was the first study in Australia to document the skills developed by Australians who volunteer overseas and examine how these skills match the needs of Australian employers.

child protection policies was launched; processes were improved and managed gained increased confidence in HR issues.

- **Fiji, Kiribati and Solomon Islands** – Volunteer with financial services expertise worked with the Pacific Islands Private Sector Organisation, based in Fiji, to develop financial literacy materials; delivered workshops for small business owners including women in business; participants demonstrated strong sense of empowerment and confidence after the workshops.

The program added new dimensions to the ANZ 'licence to operate', and contributed to a better understanding of the communities in which they work. It also provided emerging leaders with a unique opportunity to develop personal capabilities, to enhance leadership skills and to develop a 'wide angle lens' as global citizens.

The partnership was valued and supported at the highest levels of the business. In June 2012, Chief of Executive Officer, Mike Smith, said:

*"For ANZ to realise the full potential of our super regional strategy, we need our leaders to have well rounded experiences, capabilities and an international mindset to create real value for all our stakeholders."*¹²

7.3 AVI and the Oil Search Health Foundation, PNG

The Oil Search Health Foundation was established by the oil and gas exploration and development company, Oil Search Ltd, in part to meet corporate social responsibility objectives and also to provide an efficient mechanism to fund small health services for communities living alongside the extensive liquefied natural gas pipeline. Funding is sourced predominantly from Oil Search Limited and the Geneva-based Global Fund to Fight AIDS, Tuberculosis and Malaria.

AVI has worked with the Foundation to develop local staff capacity on a reproductive health project and both parties are keen to extend the partnership into other maternal and child health projects to benefit villages along the liquefied natural gas (LNG) development pipeline.

AVI and the Foundation are discussing future programs for Australian volunteer placements in rural health projects developed and implemented by the Foundation and donor partners to meet the needs of local communities. A long-term partnership with the Oil Search Health Foundation provides another avenue for skilled professional Australian volunteers to contribute to community development and inclusive economic growth in PNG. Oil Search Ltd has been operating in Papua New Guinea since 1929. Most of the Company's assets are located in PNG, where it holds an extensive spread of oil and gas production and exploration licences. The Company's main growth asset is its 29% interest in the PNG LNG Project, a world scale development operated by ExxonMobil.

7.4 AVI and Engineers Without Borders, Indo-Pacific region

The Australian Trade Commission has identified resources, energy, and major infrastructure to be among the priority investment areas for foreign direct investment. The engineering industry plays a key part in supporting Australian economic growth while improving the infrastructure for our neighbours, and is fundamental to lifting the living standards of the most vulnerable populations.

AVI and Engineers Without Borders Australia (EWB) have developed an initiative to strengthen the emerging engineering sectors and implement an integrated response to long-term technical needs across the profession. With a combined 70-years of experience in building technical and non-technical capacities

¹² ANZ Super Regional Volunteer Program Report, June 2012

of communities, there is immense potential for collaboration – for leveraging each other’s strengths, networks and institutional knowledge areas.

The three year program would include 12-18 month long volunteer placements and short-term skilled volunteer opportunities, professional workshops delivered locally or in Australia, and other modalities depending on the project needs. The focus is on institutional strengthening and capacity development across the government, community, business and education sectors. It is intended to include projects to:

- provide opportunities for young Australian professionals to build the total capacity of engineering institutions, businesses and government
- build the tertiary and vocational education sectors in engineering and engineering affiliated disciplines (e.g. planning, architecture, drafting and surveying) across the engineering and technical career pathway lifecycle.
- develop and implement industry-based learning pathways for those studying and entering into the workforce, for example, cadetships with local corporate engineering sector
- develop and implement training programs that complement basic engineering education including topics such as quality management, environmental impact assessment, social impact assessment, and occupational health and safety
- facilitate the development of peak industry bodies and professional associations
- implement leadership and outreach programs to encourage more women and girls in technical sectors, encourage linkages and skill sharing between young Australian professionals and their regional counterparts, and ensure holistic development of engineers including skills such as problem solving, communications and project management.

7.5 AVI and the Planning Institute of Australia, Sri Lanka

A clear and effective regulatory framework is a precondition for operating effective business, as well as providing protections and safeguards for the rights of citizens. Planning (town planning and urban development) is one such element of a regulatory framework.

In the aftermath of the devastating Indian Ocean tsunami on Boxing Day 2004, the planning and rebuilding task for Sri Lanka was enormous. AVI worked with the Planning Institute of Australia (PIA) and the Institute of Town Planners in Sri Lanka to develop a volunteer program to help plan and rebuild areas of Sri Lanka affected by the tsunami. The volunteers developed a revised National Physical Plan with the National Physical Planning Department, and assisted local planners in current planning projects.

The AVI partnership with the PIA ensured high quality management of volunteers – not only to minimise risks but also to ensure that the volunteer planners were as effective as possible in the local context. AVI also assisted with the management and security of the volunteers during their assignments.

PIA Chief Executive Officer, Kirsty Kelly, has described the Institute’s work in Sri Lanka as a “clear demonstration of what planning is really about...with the potential to make a genuine difference in people’s quality of life, their ability to sustain a livelihood and in restoring the natural environment.”

The PIA is one of many Australian Partnership Organisations supporting volunteer assignments through AVI.

7.6 Responding to foreign Government policies on investment and trade

In many countries where Australian volunteers work, it has been a catalyst for, or precursor to, improvement or expansion in aid, development or trade relationships. In 1995, the then Australian International Development Agency, AusAID, noted the potential for former volunteers to assist in the expansion of Australia's commercial and trade interests in Asia and the Pacific.¹³

AVI and Long Bien Vocational College, Vietnam

The partnership between AVI and Long Bien Vocational College (LBC) provides a clear and current example of the benefits of engaging directly with the private sector through an international volunteer mechanism. This partnership supports Australian Government priority areas of Human Resource Development and Economic Integration, and is similarly aligned with the Vietnamese Government's related priorities in these areas.

LBC is owned and operated by Garco 10, one of the largest garment companies in Vietnam. The company directly employs graduating students to work locally in Vietnam and in other economies in the region. LBC trains mostly disadvantaged youth (including a large proportion of women) from all over Vietnam, which demonstrates the way in which private sector partnerships such as this can support economic participation and inclusive growth.

The LBC mission is to:

- provide quality vocational training in the areas of industrial sewing, fashion and design, business management, industrial garment equipment, business finance and accounting and information technology
- train and supply manpower to national and local companies in Vietnam
- meet the human resource requirements for Vietnam as well as for the export of labour to foreign countries.

AVI has supported the College through the provision of English language training and curriculum development through the AVID program since 2012. The partnership arose because the College recognised that it required improved knowledge and skills in modern teaching methodologies in order to fulfil its mission and its plans for significant future growth. Working daily with highly skilled English native speakers and teachers is the most effective way to improve the knowledge and skills of the College's English teaching staff and students, and the partnership has been very successful to date.

The Government of Vietnam has been clear in its support of partnerships between vocational training centres and the private sector, with the Vietnamese Minister for Labour, Invalids and Social Affairs (MOLISA) remarking in 2012:

"According to MOLISA, since 2007 when the Law on Vocational Training officially came into effect, the links between businesses and vocational training centres have considerably improved. About 40 per cent of businesses have cooperated with vocational training centres...but we need more."

The College intends to 'internationalise' and diversify its activities. New courses to be developed and offered will include: retail management, furniture design, tourism, nursing and mechanics. Teaching methods and curriculum must be upgraded to international standards. The need for a strong partnership between AVI and LBC will become increasingly important.

¹³ Review of Volunteer sending Agencies, AusAID, 1995, p. 56

Vietnam's transition to a market economy

For at least two decades, the Government of Vietnam has been encouraging economic growth through foreign investment and trade. This created a strong demand by public and private sectors for professionals with globally oriented business and communication skills.

English language training (ELT) is regarded as necessary to develop the skills required for the transition to a market economy. English language skills are important for accessing markets and information, trade, tourism, and for the transfer of technology and skills. Enhanced English language skills are highly sought after.

AVI's work with partner organisations in Vietnam for 20 years has responded to the demand. AVI volunteers have supported educational institutions to provide relevant training.

The feedback from AVI's partners throughout the two decades of volunteer placements in Vietnam is that AVI volunteers are highly valued as 'native English speakers' and that their work contributes to the creation of income-generating skills. English language training generally contributes to Vietnam's greater engagement with the global society.

In January 2012, the President of Vietnam awarded AVI the Friendship Medal, citing:

"...the achievement in assisting Vietnam in developing Vietnamese human resources and economic integration."

English Language Training in China

Since 1979 the Chinese government has promoted English as China's official international second language. English language proficiency is regarded as pivotal to attracting foreign investment and developing foreign trade linkages. National policy is for English to be taught in primary, secondary and tertiary institutions and native speakers are in high demand. English is a prerequisite for advancement to higher education and for access to international study, and domestic and international employment opportunities.

Over 25 years, AVI held consecutive Memorandum of Understanding with the State Bureau of Foreign Experts of the People's Republic of China (under the State Council) to provide support for the internationalisation of higher education and the provision of ELT expertise in key western provinces.

AVI's work to strengthen education in China via ELT saw the placement of 146 volunteers over this period. Most volunteers were located in tertiary institutions where they worked as teacher trainers, English language teachers, English as a second language instructors or business English teachers.

Some volunteers worked for civil society organisations. For example, from 2005 to 2012, consecutive volunteers worked with the Eastern Tibetan Training Institute where they designed and delivered hospitality and eco-tourism courses that were directly linked to local employment outcomes.

Deep cross-cultural exchange and mutual understanding accrued as a result of AVI's China program. Evaluating the program, AVI's partners in China felt that the 'invisible things', such as volunteers introducing and modelling new ways of thinking and working, had the greatest impact on their organisations, staff and students.

8. NEW MODALITIES AND INNOVATIVE APPROACHES

AVI believes that diversity and innovation in the style and delivery of international development will occur if an inclusive approach is taken and opportunities are extended to different groups in Australia. Targeted groups could include, for example, youth and diaspora communities who have much to offer and much to gain from these opportunities. Other modalities include organisational twinning programs.

8.1 Diaspora community programs

Diaspora communities who live within Australia are also very interested in giving back to their home community. For example, communities from Africa, East Timor (now Timor Leste) and Solomon Islands have provided volunteers who've stepped up to respond to disasters and to take part in institutional rebuilding in communities. AVI has also worked with diaspora from Cambodia and Lebanon.

In May-June 1999, AVI conducted a skills audit of the Timorese diaspora in Australia in preparation for a likely ballot result endorsing independence for Timor-Leste. This work was done in close coordination with CNRT (National Council of Timorese Resistance,) the peak body of Timorese organisations striving for independence.

This skills audit enabled AVI to marshal many highly credentialed Timorese to return to Timor-Leste, initially as volunteers. AVI now enjoys close connections and a high reputation among influential Timorese, some of whom have achieved Ministerial positions (Emilia Pires, Isabel Guterres and Joao Goncalves). Others have important civil service roles (Vicki Tchong) and yet more are civil society leaders.

AVI's contacts with Pacific Island diaspora communities in Australia show clearly that there is interest in programs for teams of young skilled professionals – a collective approach is culturally appropriate in Pacific societies – to enable them to constructively reconnect with their islands of origin. AVI is working with the Tongan community, to develop other useful models to engage young skilled professionals with their home communities to enhance the capacity of emerging leaders of both diaspora and home community.

AVI is aware that the Tongan diaspora, particularly youth, use technology (for example, social media) to maintain links abroad and they are well represented as a network of global citizens making significant social and economic contributions through this network.

8.2 AVI and Macquarie University NSW – PACE International

Participation and Community Engagement (PACE) is a partnership between AVI and Macquarie University to ensure that all students and staff across all faculties – Business and Economics, Science, Human Sciences and Arts – participate in a community engagement project.

PACE provides students and staff experiential learning opportunities on community projects in developing countries. The program works in partnership with organisations overseas to achieve locally identified priorities. The experiences gained by the university participants are accredited units that provide opportunities to work in an international context and to gain skills making them more work ready.

Participants have supported organisations in the Cambodian legal sector to conduct casework and prepare documents for child rights, women's rights, land rights and human rights cases. Other projects have included development of marketing tools to reach communities in Borneo, and role modelling for children and youth in residential shelter in the Philippines. Youth volunteers are highly valued by the partner organisations as their fresh eyes and enthusiasm introduces innovative ideas and ways of working. Since

the partnership began in 2009, 431 students have contributed 2011 weeks of work with 20 partner organisations in 10 countries. This is equivalent to AUD\$1,389,329 in support.

This is an excellent example of a joint program that meets the needs of all stakeholders: students, academic staff, and partner organisations and ultimately the communities in which they work. Some of the key success factors include the whole-of-university approach, the commitment of time and resources, and the program being seen as a key part of the institution's core business.

Macquarie views the program as a bold innovation that will ultimately change the way universities perceive service learning and the role they play in a global economy.

8.3 Twinning programs – organisations and institutions

Long -term sustaining partnerships are key to the success of Australian and Indo-Pacific engagement.

Twinning is the pairing of like institutions, organisations or networks to exchange knowledge and build capacity on both sides of the partnership. It promotes reciprocity and emphasises mutual benefit, and usually leads to innovation through the unexpected outcomes that come from strong and deep relationships where the value of the relationship is much greater than the sum of its parts.

Twinning extends the more traditional forms of international capacity building as it involves long-term partnerships, significant people-to-people linkages through transfer of staff, and ongoing collaboration. A variety of inputs can occur through this type of partnership, for example, training and secondments for staff development, in-kind support and sharing resources. Long-term relationships characterised by deep understanding lead to good outcomes for both parties.

International twinning often occurs in a complex cross-cultural context between organisations with varying levels of capacity and stakeholder engagement. Twinning crosses all sectors – government, community sector and corporate - and in all areas of endeavour – health, education, arts and culture, sport, environment, livelihoods, community services, research etc.

AVI has long supported organisational twinning as diverse Australian organisations (professional, local, service delivery, policy and research) can work with counterpart organisations in the Indo-Pacific region on jointly planned programs of collaboration. International experience has shown that this practice plays a valuable role in developing capacity and promoting enduring relationships based on shared interests and concerns. Collaboration can encompass a variety of approaches to sharing expertise, technology and strategic thinking, including training, secondments, exchanges, and joint research.

Organisational twinning presents opportunities for the private sector in Australia – for individual corporations and peak bodies. It would also significantly expand the number of Australian organisations who become stakeholders with an informed interest in the Indo-Pacific region and Australian relations with countries in the region.

Twinning programs differ from other approaches to capacity building. They are dynamic and success is dependent on the strength of partnerships. These partnerships then provide the basis for establishing and sustaining strong bilateral and multilateral cooperation into the future. Twinning succeeds in capacity building because it is simple and harnesses current structures. It is sustainable because it is partnership based¹⁴.

¹⁴ APEC Twinning Implementation Essentials – A Toolkit for APEC Fora (2008), published by Asia Pacific Economic Cooperation Secretariat

The Australian Department of Foreign Affairs and Trade (DFAT) commissioned Beasley Intercultural to research and design an International Partnership (Twinning) Framework for Capacity Building in APEC economies. The framework was published by APEC in 2009 and would be an excellent place from which to build an ongoing mechanism.

8.4 Innovation fund for small to medium size solutions

In partnership with Planet Wheeler, AVI runs a small grants scheme called the Community Grant Scheme which provides a vital resource for overseas partner organisations. In 2012-13 grants totalling nearly \$200,000 were awarded to 25 partner organisations across 19 countries. This money resourced projects in disability inclusion, health, child protection, sustainable livelihoods, human rights and community education.

AVI believes that in a funding constrained environment, there is an opportunity for the Australian Government to promote locally developed solutions to locally identified development issues at moderate cost, working through Australia's Posts. The aim is a more flexible approach allowing for innovation and closely tailored solutions. Currently there are limited opportunities for agencies and local communities to pitch good ideas to solve local problems.

Disbursed preferably at Post, Innovation Fund grants would be available to international volunteering organisations and other non-government organisations working in partnership with local communities. AVI recommends consideration of a \$10 million fund for grants.

AVI also acknowledges that in the report of its recent inquiry on Australia's overseas aid program, the Senate Foreign Affairs, Defence and Trade References Committee, noted the establishment of a Global Development Innovation Ventures (GDIV) initiative by the US Agency for International Development and UK Department for International Development.

This investment platform is 'designed to source powerful solutions from anywhere in the world, test them using rigorous methods and staged financing, and bring to scale those that offer more value for money than standard practice and improve the lives of millions'.¹⁵

The Committee recommended that Australia support this initiative to develop innovative solutions to 'intractable development challenges' and noted that Minister Bishop had undertaken to join GDIV.¹⁶

8.5 Understanding and promoting good practice

AVI believes that understanding, applying and promoting 'good practice' is a strong foundation for success. Examples of good practice community development activities by Australian organisations working in the Indo-Pacific region could assist the Australian Government in its endeavour to encourage more private sector involvement in development.

A snapshot of current and recent 'good practice' and 'best fit' activities by Australian companies working in collaboration with local communities and/or Australian non-government organisations including international volunteering organisations could provide a useful benchmark. It could also include examples of business activities successfully reaching target groups such as women in micro-enterprises, youth in remote areas etc.

¹⁵ USAID, 'USAID and DFID announce Global Development Innovation Ventures to Invest in Breakthrough Solutions to World Poverty', Press Release, 6 June 2013 available at: <http://www.usaid.gov/news-information/press-releases/usaaid-and-dfid-announce-global-development-innovation-ventures> (accessed 23 April 2014)

¹⁶ Report - Australia's overseas aid and development assistance program, Senate Foreign Affairs, Defence and Trade References Committee, 27 March 2014 – Chapter 6 Conclusion, page 97

AVI recommends that the Australian Government fund a benchmarking exercise to establish and promote good practice and best fit activities and community engagement. This exercise would focus on identifying and reflecting upon:

- What is working well – evidence-based, community-endorsed activities (e.g. success of telecommunications companies in reaching marginalised groups with low cost products; success of financial products reaching groups such as women in micro-enterprises)
- What has the potential to be scaled up or moved to another environment (e.g. Australian companies working in Pacific Island countries offering staff opportunities to volunteer locally)
- What are the key success factors involved in good practice, programs and/or policy which can be identified, analysed and synthesised into a theory and model of change (e.g. technological innovations, targeted community engagement practices)

This initiative, funded for 9-12 months, could be conducted by an appropriate agency with a university partner.

9. RECOMMENDATIONS

1. That the Joint Standing Committee on Foreign Affairs, Defence and Trade recommends the following benchmarking initiative be funded by Department of Foreign Affairs and Trade:
 - a) This benchmarking project would capture examples of 'good practice' and 'best fit' activities by Australian companies working with non-government organisations and/or civil society groups in Asia and the Pacific.
 - b) The aim of this initiative is to demonstrate to other corporations the opportunities for Australian companies to enhance their business by contributing to communities, and to demonstrate the 'best fit' in different local contexts.
2. That the Joint Standing Committee on Foreign Affairs, Defence and Trade in its Final Report explicitly acknowledges the value and benefit of the Australian Volunteers for International Development program and its ability to leverage expertise, resources and networks of the private sector in collaborative efforts to achieve outcomes beneficial to a range of stakeholders
3. That the Joint Standing Committee on Foreign Affairs, Defence and Trade recommends a new step in the procurement processes of the Department of Foreign Affairs and Trade to ensure maximum innovation in the design and delivery of international projects. A design and delivery checklist would become part of the procurement process demonstrating that all options have been considered. This could include:
 - a) the different modalities available for delivery and their value in different settings
 - b) the potential for international volunteering organisations and other non-government organisations as working partners with Australian public and private sector organisations.
4. That the Joint Standing Committee on Foreign Affairs, Defence and Trade recommends the Department of Foreign Affairs and Trade encourages Australian corporations to partner with ACFID accredited international volunteering organisations and host organisations in the Indo-Pacific region to deliver projects of mutual benefit. Further, the Government seeks a commitment that:
 - a) private sector participation at an organisational level and through opportunities for individuals to participate are part of corporate social responsibility commitments
 - b) corporations ensure their human resource and industrial relations frameworks do not prohibit such involvement, thus making staff and company involvement cost effective
 - c) risk is mitigated and the best outcomes secured by the careful selection, preparation and management of volunteers by corporations working in partnership with accredited agencies.
5. That Joint Standing Committee on Foreign Affairs, Defence and Trade invite the Australian Government to investigate possible incentives or tax effective measures to make it more attractive for the private sector to get involved in international partnerships with international volunteering organisations. Measures could include, for example:
 - a) providing grants for business to offset the cost of funding an overseas placement for a staff member
 - b) treating the salary of staff on international volunteering assignments as a tax deduction for a corporation.

6. That the Joint Standing Committee on Foreign Affairs, Defence and Trade recommend the Department of Foreign Affairs and Trade provides a new Innovation Fund of \$10 million for small to medium sized projects in the Indo-Pacific region:
 - a) focused on small, innovative, flexible and nimble solutions for local issues
 - b) available for larger, long-term projects that increase the capacity of institutions dealing with large infrastructure projects, for example, engineering sector work with public service or sector peak bodies to safeguard Australia's investment in the region
 - c) available to international volunteering organisations and other non-government organisations working with local organisations and communities
 - d) disbursed at Post and/or Canberra level.
7. That in consideration of the value and benefit of AVID in particular, the Joint Standing Committee on Foreign Affairs, Defence and Trade recommends the Department of Foreign Affairs and Trade funds innovation/pilot programs that specifically:
 - a) use professional skills of diaspora communities in Australia to contribute to economic growth, industry plans and long term sustainability of communities
 - b) address regional systemic and structural issues through multi-sectoral, multi-country projects that leverage the skills and experience of international volunteering organisations and the professional sectoral skills of private sector organisations.
8. That the Joint Standing Committee on Foreign Affairs, Defence and Trade recommend the Department of Foreign Affairs and Trade initiates a twinning program to be delivered by the AVID core partners, Australian Volunteers International, Australian Red Cross and AusTraining International, to ensure that:
 - a) professional business associations are linked in the region
 - b) professional networks based on international volunteering placements grow
 - c) mentoring and workshops focused on building local capacity in economic growth particularly small to medium enterprises are successful
 - d) capacity in industries is relevant to each country and region, for example, agriculture, extractive industries or tourism.
9. That the Joint Standing Committee on Foreign Affairs, Defence and Trade recommend the Australian Government:
 - a) reaffirm a commitment to ensuring that Commonwealth contracts with law firms require a percentage of pro bono work, and that this be explicitly extended to international contracts for pro bono work (in Australia or overseas)
 - b) investigate this arrangement for its relevance and efficacy for other sectors, for example, engineering and international infrastructure projects.