Chapter 20

Australia's development assistance—on the ground

20.1   While the committee acknowledges the need for strategic and coherent planning in formulating its development assistance programs for the region, it is also aware of the importance of the practical implementation of that plan. In this chapter, the committee considers how effectively Australia delivers its assistance on the ground to the people of the Pacific island countries.

20.2   As noted in chapter 18, an important part of the capacity-building component of Australia's assistance programs is concerned directly with the effective transfer of skills. A number of programs involve people from the Pacific islands working in their equivalent department or agency in Australia, and Australian personnel working in-country with their counterparts in the Pacific. The committee has referred to the many government departments and agencies engaged in this type of activity, especially those working closely with people from the region. These include scientists in ACIAR, officials from Australian Customs, Treasury, DAFF, Defence, the Auditor General, Ombudsman and APRA. The second volume looks in particular at the work that the AFP is doing in building capacity. From the outset, the committee acknowledges the fine work that these Australians are doing in Pacific island countries.

20.3   In its report on peacekeeping, the committee considered at length Australia's efforts in Timor Leste and Solomon Islands to build local capacity in areas such as administration, governance, and law and order. It underlined the importance of Australians working in these areas having a sound understanding of, and respect for, cultural differences and an appreciation of the different norms and customs.[1] Identical concerns about the importance of cultural awareness training, selection of appropriate personnel and their ability to transfer skills to local people were raised during the current inquiry. For example, a number of witnesses recognised that although Australian workers may be highly qualified in their area of expertise, it did not necessarily follow that they were well equipped to impart their skills and knowledge to local people. One witness suggested that 'Australians do not understand the Pacific'.[2]

20.4   Evidence before this committee also reinforced the message from the committee's peacekeeping report that Australians delivering assistance to the region

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1   Senate Standing Committee on Foreign Affairs, Defence and Trade, *Australia's involvement in peacekeeping operations,* August 2008, p. 163.

2   Dr Max Quanchi, *Submission 24*, p. 3. See also Australia Pacific Islands Business Council, *Submission 60*, attachment, 'Comments on the report of the Senate Committee on Foreign Affairs, Defence and Trade', p. 5; Professor Moore, *Committee Hansard*, 26 March 2009, p. 6; and *Submission 10*, pp. 5–6.

must be aware of the potential pitfalls and difficulties when endeavouring to build capacity, such as avoiding the long-term problems of dependency. The committee believes that there is no need to restate the material covered in the peacekeeping report. It does, however, elaborate on one particular aspect of technical assistance that it believes warrants closer attention—the difficulties achieving the permanent transfer of skills.

Technical assistance

20.5   The Office of Development Effectiveness noted that Australia's aid program directs a high proportion of its funds to technical assistance, 'perhaps as much as 50 per cent of program spending'.[3] Furthermore, AusAID's report on economic governance noted that technical assistance in this area is 'increasingly being delivered by Australian public servants (deployees) rather than contracted consultants'. It indicated that this was a trend across the aid program, but was 'particularly evident in the governance sector'. According to the report, this use of donor-country civil servants is an innovation in the international development context and has attracted interest from several other countries.[4]

20.6   In its report on peacekeeping, the committee noted that Australians engaged as technical assistants often faced the difficult decision of when to complete a task and when to stand aside and allow their local counterpart to take over. For example, advisers in 'line' positions are there not only to get the bureaucracy functioning but to train their counterparts to take over these functions. In 2007, Mr Potts, DFAT, identified the problem of turning Australian advisers into administrative staff almost by default, particularly in a fragile environment like Solomon Islands or even in larger countries such as PNG. He said it was not something 'we would want to do without at least knowing it is happening and then assessing the implications'.[5]

20.7   AusAID's report on economic governance also noted that in some cases capacity may be so lacking that Australian personnel are required to fill key positions. It observed, 'The question of whether personnel providing technical assistance should *do* or *build* is a complex one, and much has been written on the most effective modes of capacity building'. It stated that most personnel 'occupy a grey area where they do some of both'.[6]

20.8   Mr Motteram, Treasury, similarly noted that Australian officials working closely with their counterparts in Pacific island countries face difficulties ensuring that

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3   AusAID Office of Development Effectiveness, *Annual Review of Development Effectiveness 2007,* pp. ix and 32.

4   AusAID, *Economic governance, Annual thematic performance report 2006–07,* 2008, p. 19.

5   See Senate Foreign Affairs, Defence and Trade Committee, *Australia's involvement in peacekeeping operations,* August 2008, p. 236; and *Committee Hansard*, 13 September 2007, p. 7.

6   AusAID, *Economic governance, Annual thematic performance report 2006–07,* 2008, p. 20.

their skills and knowledge are transferred.[7] He informed the committee that one of the first challenges was 'to recognise when we are going to step away from doing to actually assisting others to advise ministers'. In his view, Australians may have to make hard choices:

> Effectively someone has to decide, quite frequently at this stage, 'Should I provide my best advice through the minister…[or] should I spend some time building capacity?'…The real challenge for our people involved in the Pacific is to work out when to accept a second-best argument and when to put more time into the capacity building of their counterparts…but when the crunch comes when a budget needs to be put in, my feeling is that at the moment there is too much reliance on our contributions. That is putting it very broadly, but that is an issue that we need to manage in partnership with the management of the treasuries with whom we deal.[8]

20.9   Treasury noted that its officers do not direct their work in host countries, 'so for all intents and purposes they are working as employees of these ministries'.[9] In some cases, they may find themselves in circumstances where there is uncertainty about whether to serve the interests of the host country or meet what they believe are obligations to Australia. In this regard, Mr Motteram explained that 'there may be conflicts of interest from time to time'. [10] He informed the committee that:

> …when we put our people into that kind of assistance it is very important for them to gain the trust and working respect of their colleagues. One thing we do not do is talk to them very much on anything other than personnel issues. We have an annual recall, but effectively we put very senior people in these roles who are able to make those sorts of decisions on the spot and deal with those nuances. It is important for us and for the effectiveness of our staff that we are not seen to be tracking each of the decisions that are made or the economy per se.[11]

20.10   Mr Burch added:

> …we are always very conscious about understanding the limits of our influence in these countries. The Australian government seeks to be influential through a number of channels, but we have a very clear understanding about what it is that we are trying to do here in terms of helping these countries. We are getting a better understanding of the basic value of helping to improve outcomes here by helping them to help themselves. You should be clear on our objectives.[12]

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7   *Committee Hansard*, 20 November 2008, pp. 5–6 and 17.

8   *Committee Hansard*, 20 November 2008, p. 6.

9   *Committee Hansard*, 20 November 2008, p. 8.

10   *Committee Hansard*, 20 November 2008, p. 15.

11   *Committee Hansard*, 20 November 2008, p. 13.

12   *Committee Hansard*, 20 November 2008, p. 15.

20.11   A similar dilemma arises for Australian advisers in situations where corruption may be present. The committee has already noted the matter of corruption in the region. In considering this problem, the Office of Development Effectiveness observed that technical advisers working in environments where corruption exists may be confronted with instances of corruption, maladministration, or both. It came to the view that such situations 'can place them in a difficult and sometimes dangerous position' concluding that there should be clear guidance on this issue.[13] It stated:

> All Australian Government deployees, including those working as technical advisers, need to understand Australian and partner government financial and administrative procedures. They also need explicit guidelines on what they are expected to do when they confront corruption. These should be shared with the partner government. The guidelines need to be clear about the consequences for advisers should they be seen to be condoning or participating in corruption.[14]

20.12   In the committee's view, this observation applies also, but more generally, to any situation where an Australian working in an overseas country finds him or herself in a situation of real or potential conflict of interest.

Recommendation 21

20.13   The committee recommends that AusAID review its training programs for all Australian officers deployed overseas as part of Australia's ODA effort. The review should give particular attention to managing conflicts of interest, working in environments where corruption exists and maximising skill and knowledge transfer.

Institutional strengthening

20.14   The comments made by the Office of Development Effectiveness about the need for guidelines also reinforce the importance of appropriate training. Without doubt Australian officers have to make difficult decisions in often very different cultural and workplace settings. In doing so, they are building up a valuable body of experience and understanding of how to deal with complex situations and also, more broadly, how to be more effective in building local capacity in the region.

20.15   Another important lesson that Australia's technical advisers are learning concerns the patience required in institutional strengthening. Indeed, Treasury has come to appreciate that building and strengthening state institutions is a long-term and complex task. According to Mr Motteram:

> …the issues of building another finance ministry are a lot more complex than we thought in 2003. We are a little humble at this stage in Treasury.

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13   AusAID Office of Development Effectiveness, *Approaches to anti-corruption through the Australian aid program: Lessons from PNG, Indonesia, and Solomon Islands,* 2007, p. 36.

14   AusAID Office of Development Effectiveness, *Approaches to anti-corruption through the Australian aid program: Lessons from PNG, Indonesia, and Solomon Islands,* 2007, p. 37.

> We are prepared to say that it is quite a complex process in trying to build capacity within another sovereign ministry, and the issues are more than technical. We see our role now as assisting others, building capacity with individuals in the Treasury, thinking about the institutions themselves and the systems that go to make up a well-functioning public finance system, and Treasury as well.[15]

20.16 He explained further that while they are in-country, advisers will want to achieve change, but reform in areas such as microeconomics is quite a complex area involving reforms that do not occur overnight. Mr Motteram noted that an underlying challenge in motivating staff was to regard the job 'as building the capacity of local public servants to provide good advice to ministers to make whatever decisions…that they wish to make'.[16] He cited experiences in Solomon Islands to highlight the difficulty in capacity building, suggesting that it 'probably took a little too long to recognise that we had moved past stabilisation of the Treasury':

> …in the Solomon Islands there were criminals wandering around the Treasury demanding money and so on. We moved fairly quickly from that phase. One of the first allocations was to build a fence around the place. The physical security aspect was quite important there. Now we are working with the Solomon Islands's government and our partners in the ministry to emphasise building capacity within that ministry in terms of the people there but also the institution itself. That is a far subtler and more difficult exercise than getting the budget into order initially. We are recognising that there are generational issues associated with this.[17]

20.17 The Office of Development Effectiveness also referred to the importance of managers being 'more realistic about what can be achieved and more specific about the changes the aid program intends to bring about'.[18]

20.18 Clearly, Australian personnel engaged in providing technical assistance have over recent times built up an impressive body of knowledge and understanding of the difficulties and complexities in institutional strengthening. Mr Motteram informed the committee that they now have a growing number of staff with experience in Pacific island countries and when issues arise, there is a pool of people able to contribute with 'more insights and sympathy'. In his view, this development is an unidentified benefit and its engagement in capacity building in developing countries is yet to be matched.[19] Treasury has compared its work with other countries such as the United States, France and the Netherlands and found:

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15 *Committee Hansard*, 20 November 2008, p. 3.

16 *Committee Hansard*, 20 November 2008, p. 6

17 *Committee Hansard*, 20 November 2008, pp. 3–4.

18 AusAID Office of Development Effectiveness, *Annual Review of Development Effectiveness 2007*, p. ix.

19 *Committee Hansard*, 20 November 2008, pp. 3–4.

> …we do not see much evidence of complete immersion, in a sense, that goes on of placing people in these treasuries for two or three years at most. We put people in the treasuries for a long time to do the roles there, whereas the other treasuries provide assistance on a project-by-project basis. If you need assistance in debt issuance then someone will come from the United States Treasury to help you out on that project, whereas the dimensions of our engagement are about building up the long-term capacity of that Treasury to operate.[20]

20.19   Mr Motteram explained that there is 'a much greater whole-of-government focus in Australia's interventions than there are in the other countries. We have a deeper concept of that compared to other jurisdictions'.[21] Thus, through their efforts as support staff in countries such as PNG, Treasury officials have seen 'an improved strategy towards financial planning'. They have also learnt some important lessons.

Committee view

20.20   The committee believes that if Australia is to improve its effectiveness in delivering assistance to the region, it must make a concerted effort to ensure that lessons learned are captured and used to benefit all engaged in Australia's ODA. Training that draws on the body of knowledge and experience that Australian officials are building is critical to achieving continuous improvement in the delivery of Australia's aid program.

Training and preparedness

20.21   In its report on peacekeeping, the committee recognised that a high priority should be placed on training for overseas service. It acknowledged that there were limits to the resources and time that could be devoted to training but even so, it drew attention to the patchwork of institutions and organisations providing training on behalf of the various agencies. It found:

> …if Australia is to achieve an effective whole-of-government training framework, it must begin by finding a way to integrate the separate training programs and *ad hoc* courses into a coherent whole. While allowing agencies to continue to train their personnel for their specific functions, this whole-of-government approach would avoid duplication, identify and rectify gaps in training and promote better cooperation and coordination among all participants in the field. A central agency is required to provide overarching strategic guidance and planning that would give coherence to the agencies' individual and joint education and training programs.[22]

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20   *Committee Hansard*, 20 November 2008, p. 4.

21   *Committee Hansard*, 20 November 2008, p. 4.

22   Senate Standing Committee on Foreign Affairs, Defence and Trade, *Australia's involvement in peacekeeping operations,* August 2008, p. 179.

20.22   The committee's findings in 2008 about training still have currency. In light of additional evidence, the committee also believes that an added emphasis in training should be placed on making better use of people returning from service in the region. Treasury provides a clear example of the way in which Australian government agencies are building a wealth of expertise. It is important that the lessons to be learnt from their experiences are captured and used in educating and training Australian personnel preparing for future deployment.

20.23   Professor Moore and Mr Jackson proposed the establishment of a Pacific Regional Training Institute that would address some of the committee's concerns regarding the training needs of Australians preparing for service in the region. Their thesis rests on the premise that Australia needs a strategic integration of effort in the Pacific. They suggested that to achieve this objective, a new approach is needed to reformulate education and training into a structure that would 'better meet regional needs and overcome observed deficiencies in the delivery of development aid'. In their view, a Pacific regional training institute would, *inter alia*, 'orientate Australians and New Zealanders intending to work in the Pacific to cultural nuances and to techniques of navigating through the complex situations in which they will operate'.[23] Professor Moore suggested that the institute would cater in particular for those seconded from a department such as Treasury who go into a line position and not so much to AusAID people, many of whom are consultants who have been working in these areas for a long time.[24]

20.24   The proposed institute, however, would also include training courses or programs for people from Pacific island countries in matters such as governance, public service management, conflict resolution and issues related to social and economic development. Professor Moore was of the view that the Australia Pacific Technical College, based in Fiji with a couple of different campuses, was 'a very good initiative' but there was merit in training from an Australian base rather than in the Pacific. He explained that the institute would not replace training in the Pacific but people—middle to higher-level public servants in the Pacific—would have the opportunity to see an operating bureaucracy that is not their own.[25] According to Professor Moore, 'Middle-level public servants from Australia and…the Pacific, would establish relationships which may go on for 20 years while both become more senior in the public service'.[26]

20.25   Professor Moore was of the view that there was advantage to be gained from preparing public servants through one institution that provides substantial training. In his view, by putting people through a more rigorous regular training system, 'you will

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23   *Submission 3*, p. 6.

24   *Committee Hansard*, 26 March 2009, p. 6.

25   *Committee Hansard*, 26 March 2009, p. 3.

26   *Committee Hansard*, 26 March 2009, p. 6

get more bang for your bucks'.[27] He noted that because Brisbane is the gateway for so many international flights from the Pacific, there would be an advantage situating it in Brisbane.[28]

20.26   Since the committee made its recommendation in 2008 about reviewing the training provided to Australian officers to be deployed overseas, the government has proceeded with a number of initiatives including the establishment of the Asia Pacific Civil–Military Centre of Excellence and the proposed deployable civilian capacity.

Asia Pacific Civil–Military Centre of Excellence

20.27   The Asia Pacific Civil–Military Centre of Excellence was opened on 27 November 2008 and is located in Queanbeyan, New South Wales. Its key objectives are to:

- develop best practice in civil–military training, education, doctrine, research and implementation;

- support cohesive civil–military effectiveness in disaster and conflict management overseas; and

- strengthen national, regional and international engagement in civil–military affairs.[29]

20.28   The centre is managed by the Department of Defence and the organisational structure anticipates a staff of 20 personnel, including five Defence civilian personnel, a military affairs adviser and four reservists from a larger pool on a rotational basis. DFAT, AusAID, the AFP and Attorney-General's each provide two secondees. The Centre is headed by an Executive Director, and New Zealand has been approached to fill the deputy director position.

20.29   Part of its strategic plan commits the centre to 'value-add to the work of Australian Government departments and agencies, and non-government sector agencies with a role in conflict and disaster management overseas'. It states:

> We promote enhanced whole-of-government and whole-of-nation approaches to disaster management, humanitarian assistance, stabilisation and reconstruction, governance and rule of law assistance, and conflict prevention, with a primary focus on the Asia Pacific region.[30]

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27   *Committee Hansard*, 26 March 2009, p. 7.

28   *Committee Hansard*, 26 March 2009, p. 7.

29   Asia Pacific Civil–Military Centre of Excellence, *Strategic Plan, 2009–2011*, April 2009, p. 3, http://www.civmilcoe.gov.au/uploads/files/Strategic_Plan_2009_V2.pdf (accessed 2 July 2009).

30   Asia Pacific Civil–Military Centre of Excellence, *Strategic Plan, 2009–2011*, April 2009, pp. 3–4, http://www.civmilcoe.gov.au/uploads/files/Strategic_Plan_2009_V2.pdf (accessed 2 July 2009).

20.30   Despite this last statement, which includes matters such as governance, rule of law and conflict prevention, the focus of the centre's plan is on the post-conflict or post-crisis phase and does not appear to entertain the much longer-term capacity building that is the main concern of the committee's inquiry. Before commenting further on the work of the centre and its relevance to the committee's inquiry, the committee considers the proposed deployable civilian capacity.

Deployable civilian capacity

20.31   Increasingly over recent years, many countries and international organisations have acknowledged the need to have deployable civilian expertise standing ready to assist in the immediate aftermath of conflict.[31] A number of countries have already taken steps within their respective administrations to improve their civilian capacity for stabilisation, nation building and crisis management operations. They include the United States, the United Kingdom, Canada, Germany and the European Union.

20.32   Currently, a taskforce, led by AusAID and comprising members from Defence, AFP, PM&C, the Australian Government Solicitor and Attorney-General's, is at the policy formulation stage of developing the proposal for an Australian deployable civilian capacity. It is to report back to government later in 2009. Mr Robert Jackson, who is leading the team, informed the committee that no new agency would be created. Australia's deployable civilian capacity is not intended to be a humanitarian initiative, it is to provide 'technical experts for post-conflict and post-disaster environments to start the stabilisation and reconstruction phase'. He explained that the term 'reconstruction' should be interpreted in a broader context—'the economy, the machinery of government and essential services as well'. The intention is to have people pre-identified 'so that it speeds up the time in getting people onto the ground to assist'.[32]

20.33   At this early stage in developing Australia's deployable civilian capacity, the committee is limited in its ability to comment. Even so, it appears that with its focus on post crisis intervention, it also does not address the committee's concerns about achieving an effective whole-of-government training framework for those engaged in longer-term overseas development assistance.

20.34   The committee can see, however, significant areas of overlap in the transition from an immediate recovery phase to the institutional strengthening phase so important in Australia's ODA program. Indeed, *Defence White Paper 2009* recognised that Australia's second most important strategic interest is 'the security, stability and

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31   UN Security Council, 'Security Council hears 60 speakers, asks Secretary-General to advise organisation within one year on best ways to support national peace building efforts', 20 May 2008. SC/933, http://www.un.org/News/Press/documents/2008/sc9333.doc.htm (accessed 2 July 2009) and UN Security Council, Annex to letter dated 2 May 2008 from the Permanent Representative of the UK to the UN addressed to the President of the Security Council, S/2008/291.

32   *Committee Hansard*, 19 June 2009, pp. 40–41.

cohesion of our immediate neighbourhood'. It recognised that Australia should 'continue to play a leading role in supporting internal stability and effective governance with the countries of our immediate neighbourhood'.[33]

20.35   The committee is concerned that two institutions have recently been established with a strong focus on peacekeeping and disaster relief but with little attention given to nation building, preventative diplomacy or risk reduction. Indeed, the committee sees a missing link or a disconnection between Australia preparing people to respond to a post-conflict or crisis situation and preparing people to engage in capacity or nation building.

20.36   In this regard, the committee notes the proposal for a Pacific Institute that would focus on this important phase of helping states to strengthen their capacity for economic and human development in a stable environment. By being better able to help countries in the region achieve political stability and good governance, become self sufficient and resilient to the effects of natural disasters, Australia would hopefully avoid or minimise the need for assistance in conflict or emergency situations.

20.37   In the committee's view, the proposal for such a training institute has great merit. Even so, because of the two recent initiatives, and the establishment of the AFP's training centre at Majura in the ACT, the committee is not inclined to suggest yet another body to deal with the training and preparation of Australian officials to be deployed to the region. It is suggesting, however, that measures be taken to draw together the experiences and knowledge that is accumulating over time by those engaged in the region, especially by those working to build capacity. The committee would like to see a commitment by government to a regime of continuous improvement in the delivery of Australia's ODA where lessons learnt from previous engagements are converted into policies, procedures and doctrine and passed on to those about to serve in the region.

20.38   The committee has drawn attention to the enormous range of Commonwealth officers involved in providing assistance to the region. Clearly, if Australia is to have an effective whole-of-government training framework, it must begin by finding a way to integrate the current separate training programs and *ad hoc* courses into a coherent whole.

20.39   The committee suggests that the Australian Government consider steps that could be taken to strengthen the relationship between the Asia Pacific Civil–Military Centre, the deployable civilian capacity and the various bodies involved in preparing Australians engaged in ODA. The intention would be to establish a visible and well-connected network of training institutions concerned with the broad issue of human security in the region. It would include those engaged in immediate post-conflict or

33   Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030,* Defence White Paper 2009, 2009, p. 42.

emergency or humanitarian relief operations, through to those involved in longer-term capacity building programs as well as institutions providing language and cultural awareness training for deployees. It would be an effective means of disseminating information on best practice and be especially valuable in developing expertise on Melanesia and the region more generally.

Strategic relationship between ANU and the public service

20.40   An effective central body, however, is needed to ensure that the network functions effectively and that public officials preparing for overseas deployment benefit from the range of available expertise.

20.41   The Prime Minister's recent proposal to see a new re-invigorated strategic relationship established between the ANU and the Australian Government may well provide the solution. He observed that because 37 per cent of the 160,000 members of the Australian Public Service live in Canberra, it would be sensible 'to harness the resources of our national university to enhance the administration of the Commonwealth'. According to Mr Rudd:

> What we need in Canberra is a much more robust and integrated exchange of ideas between our academics, our politicians and our public service, and more intensive professional preparation for senior roles in government. Imagine if this country engaged its academics in thinking about the way ahead for the public service with initiatives which, in their totality, would be like the Kennedy School of Government at Harvard. [34]

20.42   Mr Rudd envisaged a relationship between the ANU and the public service that would put 'education and research at the centre of building robust public policy—'A relationship that grows excellence in policy analysis, policy advice and public sector strategic leadership'. He referred to the good work being done through the collaborative Australia New Zealand School of Government, which is dedicated to promoting public sector leadership and policy. In his view:

> The next challenge is how do we take that to the next level? How do we meet the future professional needs of our official community? [35]

20.43   Part of the response to this challenge could be to set up a special unit, under the proposed partnership between ANU and the public service, that would serve as the hub of a network of all organisations engaged in preparing officials for overseas service. It would include institutions such as CDI, relevant research schools and NGOs working in the Pacific region. The Asia Pacific Civil–Military Centre, the deployable civilian capacity and the AFP's training centre at Majura would form an

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34   Prime Minister of Australia, Speech, '2009 Annual Burgmann College Lecture', Australian National University, 27 August 2009.

35   Prime Minister of Australia, Speech, '2009 Annual Burgmann College Lecture', Australian National University, 27 August 2009.

integral part of this network concerned with human security and building capacity in Pacific island countries.

Recommendation 22

20.44   The committee recommends that the Australian Government make a commitment to strengthening the relationship between the Asia–Pacific Civil–Military Centre, the deployable civilian capacity and the other bodies involved in training Australians engaged in ODA. The intention would be to establish a visible and well-integrated network of training institutions concerned with the broad issue of human development and security in the region. It would bridge any potential gaps between the immediate recovery phase and long-term development and conflict prevention phases.

20.45   Furthermore, it recommends that the Australian Government appoint a central body to oversee this network and ensure that adequate funding, if needed, is available to establish and maintain this network. The Prime Minister's proposal for a new re-invigorated strategic relationship established between the ANU and the Australian Government provides the opportunity for the establishment of such a body.

Conclusion

20.46   Although Pacific island countries cannot change the physical circumstances of their size, natural resources, remoteness and susceptibility to natural disasters, they can make themselves more resilient to the adverse effects that often flow from these inherent impediments. In order to achieve and sustain economic growth, they need to find ways to make better use of their natural resources, develop their skill base, keep the costs of production to a minimum, expand their overseas markets and moderate the devastating effects of cyclones, floods, droughts and other weather extremes. They also need to create an environment that encourages entrepreneurs and attracts investors by improving economic infrastructure, governance, including financial management, the capacity of their bureaucracies to deliver essential services and their regulatory environment.

20.47   Australia is the main source of aid to the Pacific and has an extensive aid program. Work is being done, for example, in agriculture, fisheries, forestry, mining, managing natural disasters, climate change, economic infrastructure, education, health, financial management, governance, law and order, land tenure and financial services. Across the range of these sectors, Australian funding is being used for research and development, for building and improving infrastructure, and to provide advice, training, education and technical assistance.

20.48   Although the committee recognises the fine work that Australia is doing through its ODA programs to help Pacific island countries develop their economies and improve the living standards of their people, it identified areas where Australia could increase the effectiveness of its assistance. The committee was of the view that Australia could do more to:

- ensure that aid reaches those most in need;

- respond to the urgent call from Pacific Island countries to help them meet the challenges of climate change;

- find more effective ways to ease the burden on Pacific island countries of monitoring and policing activities in their EEZs and representing their interests in regional and international organisations;

- ensure that the benefits deriving from Australian assistance do not fade as projects come to an end and funds and technical assistance are withdrawn;

- better align Australian assistance with the priorities of recipient countries and of other donor countries;

- strengthen Australia's whole-of-government effort by having a more coherent plan and implementation strategy;

- incorporate the work of state, territories and local governments and NGOs in Australia's ODA;

- help improve the quality of statistics available on key economic and human development indicators; and

- foster a culture of continuous improvement by making the monitoring and evaluation of projects more rigorous.

20.49   The committee made a number of recommendations addressing these areas. Some called on the government to give greater attention to specific areas including climate change, tourism, the non formal education sector, the problem of brain drain, and working with the private sector. Others required specific action such as the re-appointment of a Pacific Investment Commissioner. The overarching recommendations, however, were concerned with improving the overall effectiveness of Australia's ODA through better planning and integration of projects and a more robust system of monitoring and evaluating programs.

SENATOR RUSSELL TROOD
CHAIR