

New international development policy

Submission to DFAT

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*The
Australia-Indonesia
Centre*

Introduction

The Australia-Indonesia Centre (AIC) provides this submission to the Minister for Foreign Affairs, the Hon Marise Payne, and Minister for International Development and the Pacific the Hon Alex Hawke MP in support of the new international development policy.

The Australia-Indonesia Centre (AIC) is a bilateral collaborative research initiative established in 2014 by the governments of both nations and supported by universities and industry. The AIC draws together a consortium of 11 leading universities - seven in Indonesia and four in Australia - to advance people-to-people links in science and technology to tackle shared national challenges and promote greater understanding between the two nations. In addition to its bilateral research programs, the AIC supports cultural diplomacy through a short film festival, has explored our respective national attitudes and perceptions of each other, and has developed a bilateral network of future leaders through its engagement and outreach initiatives.

A different model for investment in Indonesia

As Indonesia enters the decade as a middle-income country, continues to expand its middle class and enjoys a favourable economic outlook, we propose that it is time to reframe Australia's development assistance to Indonesia. We acknowledge that inequality and access to services continue to be real challenges in areas of the sprawling archipelago and that hard-fought improvements in democratic governance and anti-corruption at the start of the century remains vulnerable to internal threats. However, with the country's development comes the opportunity to continue to reframe our relationship from that of a traditional donor-recipient to that of a more genuine equal partnership. After all, we are both middle power nations with many critically important and aligned views and interests on strategic issues.

Indonesia is a G20 country making significant progress on massive physical infrastructure projects and is now turning its attention to raising the quality of its human resources and other aspects of "soft infrastructure". As this development agenda has unfolded, Australian development assistance to Indonesia has been moving away from providing support for physical infrastructure projects, and instead toward support for these soft infrastructure projects. These take the form of skills development through education, training programs, capacity building and improving governance structures and arrangements. Providing support for soft infrastructure represents a more sustainable investment model in our relationship with Indonesia, allowing for the transfer of skills with lifelong benefits, which can, in turn, be shared with others. We endorse these moves as a way of ensuring the ongoing relevance and value contribution to our development assistance program.

As we observe Indonesia move forward in physical infrastructure development, the nation is facing challenges to its historic democratic advances and anti-corruption efforts. This is especially true in terms of a steady encroachment on civil liberties, a judicial system that struggles to uphold the rights of individuals and increasing attacks on the Anti-Corruption Commission. There is also the impact of widespread provocative misinformation on social media, together with growing religious supremacism and exclusivism that is fueling moral panics and undermining the plural foundations of the nation. It is thus important for Australia

to invest in supporting Indonesians to sustain the benefits of pluralism, promote good governance practices and strengthen anti-corruption measures. We believe that promoting the academic and intellectual capacity of Indonesians is crucial to this and that universities can play a leading role through capacity building and the development of evidence-based policy through research.

The implementation of an approach that prioritises soft infrastructure and capacity building is intrinsically linked to people. It is delivered people to people, and as such provides the opportunity to deepen Australia's people-to-people links with Indonesia. In an effort to ensure these people-to-people links are strong, sustainable and enduring, the AIC proposes a new model for delivering these soft infrastructure programs; one that sees partnerships for implementation established and institutionalised directly between peers, without reliance on a third-party layer of intermediated management. These are known as peer-to-peer partnerships.

People-to-people links

People-to-people links are key to this new investment strategy. Australia's people-to-people links are already strong, as organisations, businesses, institutions and individuals have connections with Indonesians in the areas of science, technology, education, business, innovation, family and friendships. These links are vital to a healthy, stable, strong and mutually beneficial relationship between neighbours, as they continue to function even during periods of occasional tension between our governments.

Universities also play an important role in forging strong people-to-people links, with the ability to influence Indonesian society, politics and the economy. These are built through student exchange, institutional partnerships and academic and research collaboration and discourse.

For the past 25 years, Australia has been the destination of choice for Indonesian students, with one in four Indonesian students undertaking university studies abroad choosing Australia. More than 22,000 Indonesian students were studying in Australia in 2019. Indonesian students are at university in Australia during a formative time in their lives and return to Indonesia as influential and upwardly mobile adults with strong personal networks and in general highly positive feelings for Australia.

These students often progress to positions of significant influence in government, the private sector, and society, while maintaining enduring positive links with Australia. Alumni networks arising from university study and exchange in Australia are also powerful forces for organisation and mobilisation. Currently, alumni networks across Indonesia are raising funds for bushfire relief in Australia as a generous gesture of affinity and support for Australians.

Institutional partnerships and academic collaboration enable people-to-people links to form between academics, university administrators, policymakers and philanthropists. These networks of influence have the ability to impact politics, society and the economy, not just through formal cooperation in the form of research collaboration and programs, but also through the informal channel of personal relationships and exchanges.

Peer-to-peer partnerships

Australia's current development strategy in Indonesia relies on the basis of service delivery model, usually through professional commercial program implementation intermediaries. Without questioning the effectiveness and integrity of these organisations, this model contains some limitations, especially in regards to long-term, sustainable and institutionalised partnerships. The intermediary is the catalyst that created and sustained the collaborative environment. Once that catalyst completes its project and seeks the next program, there is little to sustain relationships in a dynamic and robust manner. Indeed, project success is often measured from the contracted perspective and interest of the intermediary in a transactional sense. Inputs are measured against project-mandated outcomes among groups brought together by the good work of the intermediary that often dissolves once the program concludes.

This model misses the opportunity to create institutionalised, dynamic and robust partnerships that endure well beyond a specific project intervention and also fails to build institutionalised cooperation among peers within these partnered agencies. Sustainability is only achieved when there is a genuine investment, ownership and ongoing interests involved with the people managing engagements within partnered agencies.

We propose that Australia moves towards a model that prioritises peer-to-peer partnerships in which individuals and/or organisations work together, with both countries contributing to achieving an outcome. In this model, there is less intermediation. Rather, the partner agencies are put into the hot seat of forging partnerships as peers, partners and subjects of the programs rather than as objects of intervention. The groups, organisations and leaders connect and interact directly, with a focus on building long-term partnerships between those delivering programs, rather than the programs themselves. In this sense, we are transitioning from viewing success through the transactional, short-term lens to valuing long-term, sustainable relational progress.

Indeed there are already clear and excellent examples of strong peer-to-peer partnerships in place at an institutional level between Australia and Indonesia that have achieved success. Arguably the most effective has been the peer-to-peer partnership created between the Australian Federal Police and the Indonesian Police, boosted to new levels in the aftermath of the first Bali Bombing. This initial bilateral collaboration has been expanded to have a regional impact. Others include the solid relationships created between the Australian Electoral Commission and the Indonesian General Elections Commission (KPU) since the preparations for the first democratic elections in 1999.

These instances demonstrate that long-term relationships between peers connecting directly can have a meaningful impact beyond the initial goals they set out to achieve. There is great potential for more collaborations like these between government agencies, business, NGOs, or a combination of these through a multi-stakeholder approach.

Academia is an area that has great promise as an avenue for building strong and sustainable peer-to-peer partnerships while building researcher capacity and producing evidence-based research. Academia plays a critical role in Indonesian politics and society.

Many ministerial or senior bureaucratic roles, for instance, are occupied by former academics. Collaborative research programs such as those being implemented by the AIC link academics from a range of backgrounds. Researchers work closely together on projects over several years, with joint ownership and investment in the outcome both professionally and institutionally. Throughout the process, they share ideas, knowledge and networks, champion ideas while building close relationships with each other. These often endure for years after their official research projects have been completed as the academics continue to co-publish, share new findings and even seek additional funding opportunities together.

In addition to this, the approach used by AIC reaches beyond the traditional approach of building on connections between universities and government. We have worked to institutionalise the partnerships, engaging the highest levels at universities and government. Therefore, personal connections created by the AIC are supported by concrete and institutionalised partnerships. This provides a strong basis for building new, creative and large scale programs that grow well beyond the capacity of the personalised connections. The AIC is also connecting researchers with policymakers from district, provincial and national levels, with the aim of finding interdisciplinary, evidence-based responses to complex problems and turning those responses into practical solutions.

Institutions in Australia and Indonesia have already seen the benefit in the peer-to-peer delivery model through the AIC, as part of the university framework. The first phase of research at the AIC saw 11 universities from both countries collaborate on 81 projects that ran between 2014-18, producing training programs, policy roadmaps, reports and publications in areas such as energy, food, water, health and infrastructure. Of the 430 researchers that were engaged in this research work, 60 per cent had never worked with a researcher from the other country. In achieving this, the AIC has created a strong network of partnerships between institutions and researchers built on equality and joint participation. As a result, the second phase of research has seen 11 universities (4 in Australia and 7 in Indonesia) co-invest to participate in the Partnership for Australia-Indonesia Research (PAIR), established through a DFAT Grant which commenced in 2019. PAIR's emphasis on interdisciplinary and demand-driven research is already seeing researchers build deep relationships with each other and with policymakers in central government and South Sulawesi, where the program is based.

There is also an opportunity to take the peer-to-peer partnership between Australia and Indonesia to third-countries such as Timor Leste and the Pacific - where universities from Australia and Indonesia work in collaboration with local universities and policy-makers to conduct demand-driven evidence-based research, translate research into practise and build the necessary capability and skills to impact communities.

We recognise that there is some risk involved in moving away from the old model that employs development assistance contractors who are well-known and versed in the development space. However, that risk should be balanced against the opportunity to create substantive partnerships engaged in the outcomes of programs and invested in the value of relationships. We believe that the government upholds a commitment to be entrepreneurial in their programmatic approaches. Here the peer-to-peer partnership model fits well, with its long-term benefits and implementation becoming part of the strategy to advance Australia's

overall diplomatic, commercial, security and cultural foreign policy objectives. These are the connections that will help advance Australia's interests and ensure the relationship is robust and strong.

Seed funding, co-investment and scale-up as a “proof of concept”

Not only are peer-to-peer partnerships important for relationship building, but this model can also offer opportunities for financial partnerships too. Peer-to-peer partnerships operate on an equal basis, where all partners have genuine ownership of the program. In this situation, another benefit of the peer-to-peer partnership model is that partners are likely to co-invest in development work, as they believe in the outcome of the project.

As Australia seeks to 'do more with less' in relation to the aid budget, it should take advantage of partners looking to co-invest in international development on projects delivered on a peer-to-peer basis that align with Australia's interests. This model involves investing and attracting seed funding from multiple partners in a program in addition to government grants, such as universities, the private sector and multilateral organisations. When the program is underway and demonstrating success, practitioners can be supported to seek opportunities for further funding from partners to spin-off or scale-up elements of the program. The spin-off and scale-up offer further opportunity for practitioners to fill gaps in their existing knowledge and program, continue to build relationships and engage with other parts of the community in their work.

The Revitalising Informal Settlements and their Environments (RISE) which began as a single small-scale project from the AIC to map Jakarta's waterways is an example of this. With the outcomes of the AIC research project, the group attracted further funding from the Wellcome Trust, then later from the World Bank to become a multimillion-dollar impact project aimed at improving access to water and sanitation for people in South Sulawesi and Fiji.

The AIC is also implementing this model with some success on other programs. As outlined above, PAIR began with an investment from DFAT. AIC partners have since contributed funding to PAIR because they believe in the relationships, are invested in the work and want joint ownership of the outcomes. Throughout the program, the AIC will seek opportunities to spin-off and scale up on the projects already underway, to make the most of funding while expanding the scope of research to build on the existing knowledge and generate the most impact.