

What lies around the corner?

**Issues that ActionAid Australia should
anticipate.**

A Report to ActionAid Australia

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Executive Summary

By looking at issues that are likely to have an impact on its key stakeholders (its intended beneficiaries, those making inputs to its work and those who can influence its operating environment), and then considering such issues in a risk management setting, it is possible to build a picture of possible developments ActionAid Australia (AAA) should anticipate as it develops a new strategic plan. Relevant developments have been put together in six categories, as follows:

A. MORE INFORMATION WILL BE AVAILABLE TO THE POOR AND EXCLUDED AND WILL POTENTIALLY EMPOWER THEM.

1. The information revolution reaches poor and excluded people.

AAA needs to recognise the implications for poor people of lower transaction cost of information dissemination – and the reduced ability of leaders to control access to it. Empowerment can be rapidly expanded and AAA's solidarity and campaigning activities will also benefit – so long as the potential of this information revolution is fully understood and accommodated in forward planning.

2. Commitment to aid effectiveness is developing a strong momentum

The Paris Declaration and the follow up in Accra, including the International Aid Transparency Initiative, have created momentum. AAA must both help to ensure this continues and help poor people to use the resultant transparency to hold donors and recipients accountable for the use made of aid intended for them. If transparency is to be empowering, it must be developed in a way that meets the needs of people, not institutions. AAA must also make sure its own transparency is adequate.

B. DEMOGRAPHIC TRENDS WILL CHANGE THE PROFILE OF POVERTY AND EXCLUSION AND REQUIRE SOME ADAPTATION OF STRATEGIES.

Some oft-mentioned demographic trends such as the youth bulge and increases in urban poverty do not need to be repeated; but two demographic issues have specific relevance for AAA:

1. The location of the bulk of the poor and excluded is shifting.

The location of the "bottom billion" is a global issue but there is a specific dimension in Australia's neighbourhood. Andy Sumner put the focus on middle income countries but we need to distinguish between the needs of poor and excluded people in countries with broad-based development and those in two-tier economies.

1a. The poor and excluded in broadly based middle income countries are at risk of being cut adrift

Many such countries will be graduated from official aid, cutting their poor and excluded adrift and more than ever dependent on support for NGOs.

1b. In two-tier economies, the rights of the poor and excluded will be extremely vulnerable

Juxtaposition of resource extraction industries and subsistence livelihoods can create problems including poor governance and the "Dutch disease". These can create or exacerbate the fragility of

states, some of which are located in the Asia/Pacific region. Women are likely to bear the brunt of the problems created through two-tier economies.

2. The middle classes in poorer countries are expanding

Several poorer countries will have rapidly expanding well-educated middle classes, whose potential support for the rights of the poor and excluded in their own countries must be taken into account by AAA. As well as their ability to provide financial support and to campaign for empowerment of their fellow citizens, they can also play a role in lobbying their governments and donors to ensure more effective use of aid. With several middle income countries becoming donors, the role of the middle classes in lobbying those governments to ensure effective use of their aid will become vital. More generally, they provide the basis for a strong NGO sector that could take over leadership of many of the roles currently undertaken by “northern” NGOs.

C. EMERGENCY NEEDS WILL GROW

1. Humanitarian needs challenge the viability of strategies for longer-term development

Growth in the frequency and intensity of emergencies – natural and man-made – must be anticipated. Climate change will drive the former; several factors can generate conflict, leading to more vulnerability. Handling the interface between emergencies and longer-term development is already problematic. More emergencies will also shift the balance of funding more away from development. Australians tend to give more for emergencies; they also tend to give more for appeals to address emergencies at home. These factors could challenge the viability of AAA to operate independently without relying on government funding unless it can strengthen its profile as an organisation that can respond effectively to emergencies.

2. Incorporating a rights-based approach to humanitarian assistance will face severe challenges.

The dominant emergency/humanitarian model is fundamentally top-down. Needs of victims are assumed and there is little attention given to participation. The key role played by actors such as security forces with little experience of a rights-based approach exacerbates this problem. With the likelihood of some situations of virtually permanent emergency, especially in fragile states, efforts to establish a rights-based approach to aid will therefore require an approach that integrates emergency and development strategies. AAA is well-placed to address this and can thereby both tackle the top-down mindset of current humanitarian models and ensure that it is seen as an effective manager of both emergency and longer-term development needs.

D. PRIORITIES FOR THE POOR AND EXCLUDED WILL CONTINUALLY SHIFT.

Continually evolving priorities of the poor reinforces the need for a rights-based approach that allows them to lead on stating those needs. It also points to the need **to update the MDGs to reflect new approaches and priorities**. The existing targets go some way towards reflecting needs beyond income but they are the outcome of a top-down approach. They use aggregate measures at a global level that provide no scope to address regional challenges and inequality, to put human rights at the heart of development co-operation or to go beyond the issues of percentages to reflect issues of quality. Considerable effort will be needed to ensure more relevant new targets after 2015.

E. AID WILL BECOME INCREASINGLY COMPLEX.

1. New funding and aid delivery theories and mechanisms will proliferate.

We are already seeing a proliferation of theories on why aid has “failed”. A range of “new” approaches is already being touted. Failure to achieve some of the MDG targets could encourage further exploration of approaches such as more use of market forces (even though the poor lack effective demand) and delivery tools that create more incentives, such as the Cash of Delivery approach being touted by the Center for Global Development. Each must be considered on its merits and simplistic approaches that ignore rights of the poor need to be challenged.

2. Australia’s official aid program will increasingly be delivered by agencies other than AusAID.

There has been a substantial rise in the proportion of the aid program delivered by other government departments in recent years. With a focus on security and on technical aspects of governance, this trend is likely to continue. This fragmentation has implications for the coherence of the aid program and its overall effectiveness which AAA needs to address both as a delivery partner and through its campaigning. .

F. SUPPORT FOR AID IN AUSTRALIA HAS GROWN BUT THIS TREND COULD EASILY BE REVERSED.

1. AAA faces strong competition for public support and cannot be complacent.

A new aid fatigue following the end of the current MDG phase, an upsurge of the “charity begins at home” mindset and possibly more direct links between Australians and individuals or groups in recipient countries are factors that could erode support for development NGOs. Public understanding of the HRBA is limited but there is strong support for human rights as a dimension of poverty reduction in some segments of the community and a campaign to raise general awareness could inter alia mobilise such segments in campaigning..

2. Funding of NGOs through AusAID will potentially increase as part of the rapid increase in the aid budget but there are several uncertainties and trade-offs.

NGOs can expect increased funding through AusAID as part of the expansion of the aid budget. This may come with new conditions, especially if AusAID shows a preference for big ticket items, seeks to reduce geographical and sectoral fragmentation or squares away the tensions between scaling up and aid effectiveness by establishing performance indicators that favour quantitatively measurable, short term impact activities. This would inter alia make empowerment work vulnerable.

3. Beyond the immediate future, even the commitment to increase the aid budget to 0.5% of GNI cannot be assured and the overall level of aid could even fall.

Bipartisan support for the commitment is vulnerable and populist pressures combined with general budget issues could even endanger the current government’s resolve. Post-modern politics and probable continuation of narrow majorities will create new uncertainties, including reliance on independents whose understanding of aid must be addressed. Public attitudes will play a major role in determining the future level of ODA in this political scenario. Their overall commitment to aid, without seeing it in terms of narrow self-interest, is uncertain.

There are other threats; e.g. increased aid transparency could lead to more exposure of “failures” than successes, especially if the media choose to focus on the negatives. AAA’s response will need to take account of media developments – including the likelihood that further cuts in investigative reporting will favour simplistic and often inaccurate analysis.

4. ODA quality will remain vulnerable, both through the spend imperative and because of pressures to divert it to “national interests”.

Notwithstanding commitment to aid effectiveness and probable recommendations from the Aid Effectiveness Review to reinforce this, aid quality will remain vulnerable – especially if there is a trade-off justifying continued commitment to increased aid through more overt focus on national interest. AAA and other NGOs will need to campaign strongly against efforts to distort priorities away from the needs of the poor and excluded.

National security will, as in the past, be emphasised by governments as a rationale for aid. There can be an intersection between pursuit of Australia’s national security and the needs of poor and excluded people but experience shows that the latter may be given only lip service. With growing attention to fragile states, AAA must anticipate growing demands for attention to interaction between civilian participants and security forces, placing strains on HRBA. Its own past experience places it in a position to take a lead in addressing these tensions.

Its own staff could be caught up in a growing tendency to regard even humanitarian workers as legitimate targets in situations of violent conflict. This requires careful risk management.

Bringing it all together

These prospective developments can be drawn together to form a set of clear messages that AAA should take into account in planning its future strategy. These reflect some of the messages provided by Alex Evans in his paper for AAI but are presented in such a way as to make clear the specific implications for AAA.

1. An information explosion can be a two-edged sword.

The combined effect of the information revolution and the commitment of donors and recipients to transparency in aid provides considerable opportunities for AAA. It must not however be complacent. If it is to perform effectively in empowerment, solidarity and campaigning, it will need to think creatively about how to harness the emerging trends, building on existing examples of imaginative innovation such as the “We Can” program in South Asia and Ushahidi. If it is complacent about this, it risks being marginalised. It must also make sure its deeds match its rhetoric. Its own transparency must be blameless or its credibility will suffer.

2. It’s not so much where the poor and excluded are, it’s why they remain poor and excluded.

AAA must see its target as poor people, not poor countries. Resource-rich countries will grow in importance as a challenge to a HRBA, threatening accountability and creating two-tier economies in which absolute and relative poverty will grow. In considering possible new countries in which to work, ActionAid should consider such countries as priorities, given the scale of the problem and the scope for empowerment to change the situation – to drive a demand for “Fair Shares”.

3. Put the rising forces of the middle classes of poorer countries at the heart of the strategy.

The rapid growth of the middle classes in many poorer countries is a potent force. The fight against poverty and exclusion will be won only by working with them. AAA needs to tap into them to “bring news from elsewhere” and plan on the assumption that, by 2020, they will be leading the efforts to achieve full human rights for all people.

4. A HRBA cannot be limited to AAA’s own work.

AAA cannot expect the effectiveness of its HRBA to be maximised unless it becomes the central tenet of all international development activities. Three particular challenges should be addressed:

- Transforming approaches to emergencies to overcome top-down approaches, ensuring recognition that victims of disasters and conflict have rights too..
- Putting human rights at the centre of future targets. In the current MDGs, human rights are only reflected by proxy.
- Anticipating further battles with AusAID and other donors to put a HRBA at the heart of the work AAA will be undertaking.

5. Beware of purveyors of one-line solutions

There are plenty of theories on why aid “hasn’t worked” and plenty of solutions – such as “leave it to the market” and “throw more money at the problem.” AAA needs to play its part in responding to such notions, especially to the extent that they undermine a HRBA.

6. Be prepared for battles to maintain the level and quality of Australian aid

Nothing can be taken for granted. Commitments to increase aid can be reversed or can be compromised by increased incursion of “national interest.” As Alex Evans said, AAA will need to “be a storyteller” - saying what aid has achieved, why simple solutions may not work and why using aid for ulterior motives is not only selfish but can be short-sighted. AAA needs to “specialise in coalitions”, some of them possibly not currently on the radar, and look at how solidarity activities can create potent international coalitions that put voices from poorer countries in the lead.

Introduction

The brief for this exercise was to focus on possible developments of relevance to ActionAid Australia (AAA) up to 2020, to be used in developing the organisation’s next Strategic Plan. Relevance would be determined by the extent of potential impact on AAA’s future operations; specifically:

1. What AAA should work on;
2. Where AAA should do this work;
3. How AAA should do this work (tactics, methodologies, and approaches).

Key points of reference were the draft version of the ActionAid International (AAI) Strategic Plan and the paper “Development Futures 2020” prepared by Alex Evans for AAI.

The brief was to concentrate primarily on developments in Australia, since much of the global work had been covered off in Alex Evans' paper. Some review of developments further afield was not ruled out, especially to the extent that such developments might have specific implications for AAA.

Methodology

The starting point was to identify AAA's key stakeholders (i.e. those stakeholders who can have an impact on AAA's work) and to consider possible developments that could have an impact on them. Following an initial meeting with a focus group in AAA, at which the stakeholder analysis was considered and some helpful comments taken into account, a range of meetings was held with AusAID, ACFID, the Crawford School at ANU and some other NGOs. A full list of those meetings is attached at Annex A. A literature review was also undertaken. A full list of the literature covered is attached at Annex B.

Developments, once identified, were assessed through a risk management prism – i.e. likelihood and prospective impact – to determine whether they needed to be included in this report.

Presentation

The results achieved from the above approach identified many developments that cut across several different stakeholders. This made it unfeasible to present the findings by stakeholder category. Instead, developments are addressed according to themes that provide links that facilitate consideration of their implications for strategic planning.

Some of the developments considered have wider implications than for AAA alone, being essentially global in their reach, but have been included because they complement others that do have a specific relevance to AAA. For example, the first development considered, the likely consequences of the information revolution, does not have an identifiable dimension for AAA except as part of the AAI network, but complements the second development – the growth of focus on aid effectiveness – which is seen as having implications for AAA.

The Key stakeholders

Three categories of key stakeholders were used:

- 1) Those who provide AAA's raison d'être – i.e. poor and excluded people.
- 2) Those who provide inputs to AAA's work – its staff, its supporters (seen both as financial contributors and as resources to be mobilised for activities such as campaigning) and other sources of funding or knowhow, such as AusAID and other aid organisations.
- 3) Those who influence AAA's operating environment – within Australia these include the public, media, government and the political process in general and other NGOs. More broadly, the list includes governments and civil society in partner countries, including NGOs, international organisations and other players who can influence the economic, environmental, social and political space within which AAA operates.

KEY DEVELOPMENTS TO 2020

- A. MORE INFORMATION WILL BE AVAILABLE TO THE POOR AND EXCLUDED AND WILL POTENTIALLY EMPOWER THEM.**

1. The information revolution reaches poor and excluded people

In Alex Evans' paper, a key uncertainty is the impact of the "avalanche of technology" on the poor and excluded. The impact of that avalanche is already being felt. Access to mobile phones and even the internet has reached the poor and excluded and the transaction costs of communication and distribution of information has accordingly fallen sharply. Additionally, it has become much harder for information to be withheld from people as a means of control.

The impact is already being seen in several ways, including new initiatives that allow more rapid and thorough transmission of information to heighten awareness of rights, permit stronger links between different groups so that they can learn from each other, develop a more comprehensive picture of the extent to which duty bearers are honouring their rights and identify opportunities to demand accountability.

This trend cannot be ignored and further growth must be anticipated. It will have an impact across the full range of AAA activities, creating new opportunities for achieving the change and transformation that AAA seeks to accomplish. Empowerment will be facilitated by harnessing these new options to increase the speed and thoroughness of awareness raising and the consciousness of poor and excluded people, and to facilitate collection of data on the standards of service delivery in order to provide a stronger basis for accountability. Solidarity will be reinforced through improved means of establishing linkages between different groups of poor and excluded people, not just within regions or countries but internationally. This can in turn increase opportunities for campaigning. AAA will be able to draw on more comprehensive and accurate data in a range of activities such as monitoring of aid impact.

AAA must incorporate the current technology into its own rights programs. This includes looking at ways to increase the capacity of rights holders to use the technology - especially women, given the risk that they might otherwise be excluded from access to the increased information. It must also stay ahead of the game, anticipating further progress in the use of technology to disseminate information. In this regard, it must assume that, like Moore's Law of computer capacity, the capacity for information dissemination will continue to rise rapidly.

Another challenge that AAA should address is what the rapid growth of information availability will mean for specific areas in which it works and may work in the future. Considering this through the prism of the AAI draft Strategic Plan, there is ample opportunity for AAA to play a lead role. For example, objective 2, with its focus on participatory democracy, can be greatly promoted by harnessing relevant technology to drive increased awareness and accountability. The scope for this has already been seen in the Middle East, where AAA may play a greater role by building on its existing presence. Much the same could be said for Indonesia, where empowerment activities are needed to reinforce the democratic base and especially to counter some forces that might otherwise erode human rights – especially the rights of women and girls.

2. Commitment to aid effectiveness is developing a strong momentum

The 2005 Paris Conference established an international commitment to focus on aid effectiveness. The momentum created in Paris was picked up in the Accra Action Agenda and, in particular in the International Aid Transparency Initiative. As with other dimensions of the Paris outcome, such as commitments on ownership, harmonisation etc., transparency offers great potential in terms of the

interests of the poor and excluded but it currently remains just that – potential. By 2020, it could either be just another entry in the ledger of ideas that came and went or it could be seen in retrospect as a turning point when rhetoric was turned into reality.

NGOs can play a major role in scrutinising the action of signatories to the Paris Declaration. The transparency dimension is especially important from the perspective of a HRBA. Just as lowered transaction costs of information dissemination provides opportunities for the poor and excluded to hold duty bearers accountable for the way in which their rights are addressed through overall standards of governance, a culture of greater transparency in aid provides the same opportunities with respect to development co-operation. With its focus being on both donors and recipients, It therefore should complement the impetus created by easier information dissemination, especially in those countries where aid flows remain a substantial proportion of the total resources available for addressing the rights of the poor and excluded.

For the commitment to transparency to achieve its full and substantial potential, several conditions must be met. First, it must lead to genuine changes in the way in which data on aid is revealed. There is plenty of evidence of new initiatives by donors to provide data but closer scrutiny is needed to check whether anything significant remains withheld. Will there be full disclosure of the results of all evaluations (or, as a consequence of commitment to transparency, will future evaluations be limited to “safe” subjects)?

Second, will data be provided in a form that is readily understood – and in a timely fashion? The key test here is whether transparency operates in a way that suits the poor and excluded, rather than simply meeting standards set by the donors. In particular, data must be provided in a form that allows users to contrast and compare. AAA needs to anticipate a possibility that, commitments to harmonisation notwithstanding, each donor will provide data in its own style, making it hard for users to grasp the whole picture.

Lack of consistency will make it particularly hard to assess what resources are available to each recipient government. The use they make of donor funds is equally important from a HRBA perspective and this further strengthens the need to AAA to play a part in pressing for standardised forms of reporting.

For NGOs to play an effective role, they must of course demonstrate that their own operations meet the same standards they expect of others – in achieving genuine transparency and in converting that into effective accountability.

AAA will need to review its own data, including results of evaluations, and to consider not just the extent to which this is in the public domain but the form in which it is provided – does it provide a sound basis for accountability, especially for to the poor and excluded? This is critical since AAA needs to anticipate a growing focus on full accountability over the next decade and must ensure it is fully and effectively accountable to the rights holders with which it works.

Scrutiny of the standard of transparency in the agencies providing Australian aid is a step that AAA would presumably carry out in collaboration with like-minded NGOs. Monitoring tasks here would include not only steps that the Australian Government takes to honour its commitments under the IATI but the extent to which response to the 2010 Reform of the FoI Act has promoted true openness. Furthermore, given the growing proportion of the aid program that is delivered by agencies of the government other than AusAID, a key task is to ensure that all parts of government

are subject to the same standards of transparency. All this has resource implications for AAA if it is to play an effective part in ensuring that the potential of transparency in promoting greater aid effectiveness is to be achieved.

Full transparency is a necessary but not sufficient condition for accountability. One key objective must be to change incentives of those responsible for delivering aid so they do not ignore inconvenient evaluation lessons, provide only token opportunities for participatory approaches or continue other practices that run contrary to a HRBA. Another is to strengthen the capacity of the poor and excluded to exploit the opportunities created by the transparency agenda by themselves, rather than having to rely on NGOs to speak for them.

In geographic terms, a graphic example of the opportunities for exploiting transparency is provided in the Palestinian Territories, where a multitude of donors operate. With no prospect of early resolution of the problems and hence with little chance that full Palestinian rights will be achieved through political progress in the foreseeable future, donors are likely to address their own complicity by providing even more aid. Again, an assessment of the future indicates that donors will remain more comfortable providing a large proportion of such assistance through NGOs.

Through its existing presence and through the potential for leading AAI expansion, AAA is well placed to help its network of partner organisations to demand greater co-ordination and harmonisation of reporting processes by such donors to facilitate greater accountability to the intended beneficiaries. This opportunity strongly complements the broader prospect, considered above, for empowerment and accountability based on the information revolution.

Another dimension of transparency is the greater openness to scrutiny in the international supply of and demand for resources, as exemplified by the Extractive Industries Transparency Initiative (EITI). This will potentially reduce exploitation, erode the foundations of which much bad governance is based and reduce the potential for conflict for control of such resources. There is again potentially a key role for AAA to play in ensuring that the principles of the EITI are translated into practice; given the link between valuable extractive resources and state fragility, as well as the general problems created by two-tier economies (see below), this could be a major challenge for AAA in some of its area of actual or potential operation.

B. DEMOGRAPHIC TRENDS WILL CHANGE THE PROFILE OF POVERTY AND EXCLUSION AND REQUIRE SOME ADAPTATION OF STRATEGIES.

Several demographic trends have been well covered in various analyses of the near future. These include the trend towards increased urban poverty and the development of a “youth bulge”. These do not need to be further covered here since there is no specific AAA perspective that could not be covered by the AAI strategy. Two such demographic trends are however worth covering because of the potential for implications that AAA could need to address specifically.

1. The location of the bulk of the poor and excluded is shifting.

Just where are most of the poor and excluded? Andy Sumner says they are now mainly (75%) in middle income countries. This is not a development that requires responses that are specific to AAA. There is however an issue of how a middle income country is defined. There is a world of difference between the challenge of addressing the rights of poor and excluded people in pockets of entrenched poverty in a country which has achieved its middle income status on the basis of broad-

based economic growth and that of the rights of such people in a country where the wealth has come from narrow economic opportunities such as mineral extraction, creating a two-tier economy..

In both cases, there are glaring examples of inequality – which in terms of exclusion requires attention to the added burdens created by relative as distinct from absolute poverty. There are however significant differences. Australia has examples of both types of middle income country in close proximity; Indonesia is an example of the former type, PNG and potentially other Pacific countries are examples of the latter.

1a. The poor and excluded in broadly based middle income countries are at risk of being cut adrift

One issue that must be anticipated in middle income countries with broad-based economic development is the likelihood that rising average prosperity will lead to their graduation from aid, cutting large numbers of poor and excluded people adrift. Official donors already face a dilemma in countries such as India, where the capacity to develop nuclear weapons and ostentatious demonstrations of extraordinary wealth lead to public questioning of continuing aid.

The governments of such countries are themselves tending to emphasise a preference for higher level technological support, trade concessions etc. rather than continued aid. AAA needs to anticipate a need to take over greater responsibility for those left behind.

1b. In two-tier economies, the rights of the poor and excluded will be extremely vulnerable

In the more narrowly based middle income countries, three potentially problematic and very probable developments have great implications for the poor and excluded.

First, there is a clear link between abundance of valuable extractive resources and poor governance. The potential gains from such resources can undermine the need for governments to establish a compact with the bulk of their people so there is no sound basis to work on empowerment. Regime change, often with the involvement of outside interests, can also be an attractive option when there are such lucrative potential rewards. Consequently, poverty and exclusion are unlikely to be addressed and may be seriously exacerbated by outbreak of conflict. State fragility is thus a likely outcome in such situations. The EITI initiative is a response to this situation and, as already indicated, it is a sign of progress that NGOs such as AAA should work to support and to ensure it is sustained and developed to meet new challenges.

Second, a two-tier economy tends to generate upwards movements in the exchange rate, reflecting the financial inflows from the extractive industries and reducing the competitiveness of others who rely on exports for their livelihood. The serious impact on coffee producers in PNG as a result of the appreciation of the kina illustrates this problem, widely known as the “Dutch disease”.

Third, in order to gain access to resources, people may be “relocated”, a gentle term to cover what may be a total destruction of ways of life, cultures and security. Provisions intended to guarantee the rights of such people can to be virtually meaningless even when attached to projects such as dam constructions financed by the major international bodies such as the World Bank so the incidence and severity of breaches of basic standards of human rights must be anticipated as even greater without such supervision.

Such problems can lead to such a widening of income inequality, erosion of rights and even violence that they should be addressed as likely developments in future years. In most cases, women will bear a disproportionate share of these consequences, in some cases potentially reversing much of

what has been achieved in terms of strengthening their rights. For example, small-scale enterprises, which are so often the means by which women can achieve progress out of poverty, will be most at risk in situations where the larger and more powerful tier dominates economic decision-making and infrastructure priorities. Displacement too has a critical gender dimension; women typically bear the greater part of the burden of keeping families together and creating a new home – while the anger and frustration of men often manifests itself in a rise in gender-based violence.

Several countries with actual or potential two-tier economies exist in Australia's region and, in particular, in countries where Australia is the major donor. Australia therefore should be regarded as having a responsibility for addressing the prospective rights deprivations in these countries, especially as some are or could become part of the growing phenomenon of "fragile states". Where AAA already has a direct presence, these problems need to be anticipated in its rights programs.

Elsewhere, it may consider advocacy activities to represent the plight of those affected; however, in the absence of an on-the-ground presence, its locus standi might be questioned. A forward-looking issue therefore is whether, as part of the expansion into new countries foreshadowed in the draft AAI strategic plan, AAA might lead the way into some of the two-tier economies of the region. In terms of the criteria set by AAI for such expansion, there is already some basis - e.g. "potential for political influence..." etc. In terms of the five strategic objectives of the draft plan, there are again several points where such an expansion would be relevant. For example, it could be seen as addressing the rights issues which underpin the three promises under objective 1 – "By 2017 we will have advanced people-centred economic alternatives that deliver a sustainable and just future for people living in poverty."

2. The middle classes in poorer countries are expanding

Rapid economic growth in many poorer countries has created a substantial and growing middle class who are well educated and potentially aware of human rights issues. With many of the poor and excluded now living in middle income countries, the juxtaposition of rich and poor is intensified. This provides a basis for rapid expansion of "southern" NGOs which might potentially take over much of the role of empowerment, solidarity and campaigning currently led by "northern" NGOs. The next decade could see NGOs in poorer countries taking the lead in promoting empowerment, in directing the spread of solidarity and in determining the nature and objectives of campaigning activities. There is an important gender dimension to this. As part of the phenomenon of middle class expansion, a more confident, better educated and more aware cohort of women is emerging, demanding equal rights for themselves and increasingly for all women. This cohort provides an extraordinarily potent force on which empowerment, solidarity and campaigning efforts can build to achieve women's rights.

There is nothing new about southern NGOs. AAA bases much of its work on interaction with them as it dispenses with old approaches that were based on inserting its own people directly into the field. The prospective development lies in the transition of leadership from the current northern NGOs (which, for the purposes of this analysis, include AAI). This could overcome some of the existing credibility problems (e.g. who do NGOs speak for?) and tensions based on perceptions that northern NGOs "extract" information from their southern colleagues. Harnessing the potential power of middle classes in poorer countries can also lead to fresh sources of income for the contribution made by civil society to addressing the problems of the poor and excluded.

One important dimension of this involves the prospective future expansion of the funding role of donors who have hitherto been recipients. These donors can apply different criteria to their support from those that traditional donors are trying to apply. This may be a positive development – traditionally south/south cooperation has been supported on the premise that southern donors are best placed to understand the needs of those they set out to help. Alternatively, if such support is based on narrow self-interest, their contributions can undermine overall aid effectiveness and reverse the gains being made in terms of empowerment. Operating outside the disciplines of the DAC and often disinclined to sign on to international compacts such as the IATI, the best source of pressure to make these donors more accountable generally will come from within – from their own civil society. Of course this presupposes the existence of a genuinely independent civil society, which highlights a problem in the case of, for example, China.

Ignoring the expansion of southern middle class potential risks seriously limiting the impact of northern NGOs and risks inviting criticism that they maintain a neo-colonial attitude to their role, wanting to retain power and keep themselves in business. From a HRBA perspective, this risk is especially serious – rhetoric based on empowerment can look empty if, while endeavouring to strengthen the voices of the poor and excluded, a HRBA approach ignores or denies the opportunities to empower NGOs that are closer to those poor and excluded.

This is a development AAA should be addressing as part of the global strategy of AAI but with specific responsibility since it operates in some of these actual and prospective new donor countries – notably China but also India and, looking further, some of the South East Asian countries. It therefore already has some direct experience of the potential of middle class civil society in such countries. This phenomenon is of central importance to a HRBA. AAA should consider it not only where it already works but in terms of future expansion. For example, it would be fully consistent with the AAI strategy for AAA to consider how it might potentially work with the emerging middle classes in Indonesia, a middle income country but with substantial remaining incidence of poverty. With Indonesia potentially to benefit substantially from the promised rapid expansion of Australia's ODA, AAA should consider how it might respond. The democratic base in Indonesia remains vulnerable, notably from groups whose beliefs and interests are inimical to participatory expansion of rights – especially those of women. This makes the AAA approach, based on a HRBA, entirely appropriate to apply – helping to harness the forces of better educated and more affluent Indonesians to resist such groups. This is one case where the “national interest” of the Australian government and ActionAid's approach would be entirely consistent.

AAA should therefore consider whether its current strategy adequately addresses the opportunities for interaction with a rapidly growing middle class and with southern NGOs that are based on their financial inputs and activism. This includes considering a strategy for building capacity that extends beyond specific rights programs – e.g. to help them to engage in broad-ranging campaigning that raises awareness and mobilises better educated and more affluent sections of the community in their own countries in the same way that AAA operates in Australia. Could AAA also develop strategies that would ultimately lead to “southern” NGOs taking a lead role in campaigning in Australia and internationally, based on their own research, lesson learning and data collection?

The potential impact of campaigns led by southern NGOs needs to be seriously addressed. Such campaigns could include transparency issues, including the effectiveness of the EITI, climate change negotiations etc. One target for such campaigning might be the role to be played by the G20 as it replaces the G8 as a leader of global policy on development. AAA should consider whether future NGO leverage on Australian government positions in the G20 could be strengthened by allowing the lead to be taken by southern NGOs operating as themselves rather than just as voices incorporated in an AAA submission. This is a logical progression of AAA's work; for example, solidarity efforts need to anticipate opportunities to use the emerging middle classes of partner countries as the nucleus of international coalitions intended to create the change that lies at the heart of the HRBA. This includes change to establish and maintain women's rights. Several of the promises of the AAI draft strategy incorporate specific gender targets. The growing cohort of confident educated and aware women in partner countries, earlier mentioned, needs to be at the heart of AAA work to contribute to achieving these targets.

C. EMERGENCY NEEDS WILL GROW

The next decade will see further increases in the frequency and severity of natural disasters. Key aspects of this that should be covered off as part of the AAI strategy include the impact of climate change, creating more rapid and slow-onset disasters that highlight the importance of challenging the traditional top-down humanitarian response.

Climate change can also exacerbate tensions over resources such as water, adding to the prospect of growth in the causes of conflict. Other such factors include efforts of autocratic regimes to resist the growing demand of their people for their rights based on heightened awareness driven by easier access to information, new forms of warfare based on international crime (such as the drug wars in Latin America) and even an increase in international recognition of the primacy of the principle of Responsibility to Protect. The link between crime and conflict is especially problematic. It parallels the link between extractive industries and conflict but without the capacity to make crime dealings more transparent, there is no opportunity to address the problems comparable to the EITI.

The need to assume nothing except uncertainty about the likelihood of conflict is well illustrated by the case of Côte d'Ivoire, which rapidly moved from stability and relative development success to civil war, with over one million people displaced.

Two aspects of the trends in emergency/humanitarian needs require attention from a specific AAA perspective.

1. Humanitarian needs challenge the viability of strategies for longer-term development

The prospect of frequent appeals for public and official funding for emergencies can threaten the allocation of adequate resources for longer-term development. Data suggests that, while the Australian public recognises that both require equal attention, they nonetheless tend to give more in response to appeals linked to emergencies. This trend is exacerbated by public appeals for domestic disasters (which are also likely to increase in frequency and intensity as a consequence of climate change). This development is of even greater concern for an NGO such as AAA that does not have strong "brand recognition" in the context of emergency relief.

AAA's profile as an agency that responds effectively to emergencies may therefore need to be enhanced. This can be done without having to trade-off its commitment to a longer-term vision of empowerment. This is addressed now is considering the challenge of approaching humanitarian assistance through a human-rights prism.

2. Incorporating a rights-based approach to humanitarian assistance will face severe challenges.

AAA needs to address its contribution to Objective 4 for the AAI draft strategic plan – i.e. development of alternatives to the “dominant humanitarian model” at a time when humanitarian needs are growing. This can be considered as an opportunity rather than a threat so long as AAA can demonstrate the effectiveness of a HRBA in emergency responses.

This is an issue that needs to be addressed as part of the general challenge of integrating emergency and development agendas. This challenge has been intensified as the international community encounters increasing instances of perpetual emergency due to poor or non-existent governance in fragile and failed states and to the growth of slow-onset emergencies such as famine. It is also better understood as a consequence of the recognition that responses to emergencies must reflect needs that extend beyond food and shelter. Listening to those affected by such emergencies has created better understanding of their needs, covering an increasingly complex array of activities, including protection, psychosocial and mental health support, human rights, responses to gender-based violence and income generation.

A significant part of AAA's response to this challenge lies in interaction with international organisations such as UNHCR and should be considered as part of the AAI strategy. Its own challenges involve influencing official Australian responses to incorporate a HRBA and in creating greater public recognition that its experience in and commitment to such an approach makes it a reliable and effective agency in handling emergency responses.

Despite the obvious point that greater understanding of the complexity of the needs of those affected by disasters and conflicts has been achieved through a basic element of a HRBA – i.e. giving a voice those affected – it will take more to shift the traditional top-down mindset. In cases where, as in Australia, official responses involve increasing numbers of agencies, the task of changing that mindset is further complicated. Assumptions that could be made about awareness of participatory approaches when dealing with AusAID will need to be reviewed if, for example, a HRBA is to be effectively integrated into the responses provided by Australian security forces.

If AAA is to play a meaningful role in addressing AAI's objective 4 and several other promises, such as promise 7 under Objective 3, concerning “greater safety and freedom from violence in public spaces for at least 5 million women and girls”), it will need to continue its efforts to facilitate greater understanding in both civil and military quarters of the need to review procedures for humanitarian responses, to learn the lessons from past problems and, in particular, to highlight the limitations of top-down standard approaches that fail to respond effectively to the full range of needs of those affected. This is not simply an issue of campaigning. Its own activities, when funded by others, could be compromised by design that fails to reflect a HRBA. Even if independently funded, such activities could be adversely affected by association with other activities that erode the empowerment of those affected by emergencies.

At the same time, any campaign that aims to change public perceptions of AAA's capacity for emergency response should not be inhibited by concern that this would involve a trade-off with its more established empowerment role. A basic premise must be that victims of disaster and conflict must be given the same rights as the longer-term poor and excluded.

D. PRIORITIES FOR THE POOR AND EXCLUDED WILL CONTINUALLY SHIFT.

The value of a HRBA as a means of ensuring that responses to the needs of the poor and excluded are adjusted in a timely and effective manner should be effectively demonstrated over the next decade as a range of factors change the nature and scale of those needs. are some of the developments that need to be anticipated. Some of the developments that need to be anticipated are climate change, new economic shocks (in part created by resource scarcity), periodic but intensifying food insecurity (generated by a combination of climate change, economic forces and competing demands for scarce resources), changing health needs (new pandemics, growing incidence of non-contagious health problems such as the effects of smoking), attention to excluded groups that have hitherto been given inadequate attention, such as the physically and mentally disabled, and a growing awareness by the poor and excluded that their rights require attention to qualitative aspects of service delivery.

The MDGs must be updated to reflect new approaches and priorities

Within the overall strategic direction of AAI, with its emphasis on empowerment, solidarity and campaigning work to ensure that responses are relevant and timely, AAA should consider the part it should play. One important focus of attention should be the role of the MDGs. The time-bound targets set for the current MDGs conclude in the middle of the decade. Review of the successes and failures will be an important task. AAA must consider what it can do to contribute to continuation of the role played by the MDGs in mobilising international support for the poor and excluded.

The existing targets go some way towards reflecting the diversity of the needs of the poor and excluded. They are however a result of a top-down approach, reflecting aggregate measures at a global level that provide no scope to address regional challenges, to demand a focus on issues of inequality, to put human rights at the heart of development co-operation or to go beyond the issues of percentages to reflect on issues of quality.

Targets that reflect only quantitative indicators can be especially misleading for women. Even if a target for, say, school enrolment levels is disaggregated to ensure that girls gain the same increases in access as boys, failure to address also the quality of education potentially is more serious for girls. Prevailing social structures will generally make it easier for boys to transform their lives in the absence of quality education.

The AAI draft strategy strongly reflects this need to go beyond simple aggregates in education. Promise 13 aims to ensure that, by 2017, "at least a million children (50% of them girls) in communities where we work will be educated in good quality, transformed public schools, enabling them to become active citizens committed to ending poverty and injustice." The value of this

approach therefore lies not just in the emphasis on quality of education but in linking that quality to the concept of transformation. It is not simply the act of going to school that is important for poor and excluded children, especially for girls, but in the capacity of the education they receive to transform their lives.

The MDGs reflect prevailing attitudes of the mid-1990s. Governments drove the agenda and used a tick-the-box approach to progress on key indicators that were quantitative and thus easily measured. Passage of time also highlights the extent to which the MDGs fail to address issues that were not understood at that time, such as the impact of climate change.

It cannot be taken for granted that development co-operation after 2015 will be guided by new targets at all but the likelihood that any new targets will adequately reflect a HRBA approach is even more doubtful. The consequences of failure to renew the MDG targets are potentially serious – unless some alternative way can be found to galvanise international efforts. The advantages of the MDGs in this respect is that they have provided some succinct indicators that have been understood by and acted as a rallying point not just by those directly involved in development co-operation but by the wider community. There is hence a risk that new indicators that reflect the complexity of needs and to go beyond global aggregates may jeopardise the political and popular power of the MDGs that has been achieved through their clear and concise nature.

For AAA, with its concern for a HRBA, this risk must be weighed against the consequences of a set of post-2015 targets that fail to give any more recognition to human rights as the basis for addressing the needs of the poor and excluded than their predecessors. Such an outcome would indicate that no progress has been achieved in establishing the central importance of a HRBA.

AAA cannot take on the world over these issues. Its focus must be on using empowerment, solidarity and campaigning to create mutually reinforcing pressure on those it can hope to influence and who will have some say in the way in which the post-2015 targets are developed. Within Australia, this primarily means the Australian Government. Beyond Australia, AAA's opportunities lie primarily in those countries in which it has rights programs and in encouraging those it seeks to empower to campaign for a commitment to a HRBA to be reflected in the positions their duty bearers take on the post-2015 targets. This represents a higher order objective than a focus on service delivery etc. but is a natural progression in the ambition of efforts to empower. In considering such higher order objectives, the potential mobilisation of middle class support in partner countries – considered earlier – is especially relevant. To be effective, any such campaign must be based solidly on evidence, showing the benefits achieved through a HRBA.

E. AID WILL BECOME INCREASINGLY COMPLEX.

The emergence of new donors – countries that were hitherto recipients – and of high-profile corporate giving is a global development that needs to be addressed. While welcome on one level, it can lead more aid lying outside the newly enhanced disciplines of ownership, harmonisation, alignment and transparency that are intended to generate greater aid effectiveness.

Two other aspects of increased complexity are identified here, with specific implications for AAA.

1. New funding and aid delivery theories and mechanisms will proliferate.

The next decade will continue the trend of the emergence of new theories on how aid should be financed and how it should be used. Notions such as a tax on financial transactions, the recommendations of the Task Force on Innovative Funding for Health Systems and proposals for more market-based funding are examples of a phenomenon that will continue. At the same time, AAA should anticipate even more theories on effective aid delivery, to add to the grand designs and best seller books already produced by people such as Jeffrey Sachs, Bill Easterly and Paul Collier.

These are global phenomena and responses can be developed as part of the overall AAI strategy. AAA does however need to observe the impact of such theories and mechanisms on the aid debate in Australia. For the most part this will involve playing its part in the overall NGO response to efforts to promote “answers” to poverty such as those put forward in “Dead Aid”.

A more complex and potentially difficult task will be addressing the impact of new approaches on Australia’s official aid program. Such innovations may be encouraged by the search for increased aid effectiveness. There is likely to be a particular focus on approaches that seek to increase “competition” or incentives in aid. Many of these new theories – especially those that claim that aid is inefficient and advocate more reliance on the market – may seem to have obvious flaws to experienced aid practitioners. For example, more market-based approaches ignore the basic problem of poverty as market failure because markets operate through effective demand, which the poor and excluded lack. However, their excessive simplicity can be what most appeals to wider audiences. Serious risks can therefore arise if they are ignored by NGOs.

Similarly, new aid mechanisms need to be carefully assessed. They may appear in official aid programs, with implications for real as distinct from perceived aid effectiveness. Greater risks arise when NGOs find such mechanisms introduced into their own government-funded activities. A significant group of such innovations centres on the notion that aid should be more competitive. This is intended to provide stronger incentives to those delivering aid to get it right. This has led to the unveiling of “new” mechanisms such as the Center for Global Development’s “Cash on Delivery” scheme, the US Millennium Development Corporation and voucher schemes designed to allow recipients to choose between different suppliers. In its attitude to such approaches, AAA needs to offer considered comment based on sound research and experience. Potential issues include trends that run contrary to the Paris Declaration commitments on harmonisation and alignment.

2. Australia’s official aid program will increasingly be delivered by agencies other than AusAID.

The rise in the proportion of Australia’s ODA delivered by other government departments has risen from 6% in 1996-97 to 25% in 05/06. This trend will continue as the Australian Government identifies an increasing range of specialist governance and security issues that it seeks to address on a government-to-government basis. This has several implications for AAA as a provider of support to rights holders, as a partner funded by government and as an advocate for more effective aid.

With an increasing number of points of delivery within government, the key risk for AAA is that inappropriate activities – e.g. technical assistance for capacity building that weakens any sense of accountability - can undermine efforts to empower rights holders. Getting this concern across becomes more complicated with the need to explain the HRBA to several different audiences. Furthermore, while the mechanisms set up to increase accountability within AusAID such as the Office of Development Effectiveness are intended to cover all parts of the aid program, AAA should anticipate considerable difficulty in getting this mandate operational. For AAA, therefore, both in seeking to safeguard the impact of its own activities and as an advocate for more attention to a HRBA in the official aid program, the prospect is for increasing complexity and consequently a need for redoubled efforts, based on carefully prepared and solidly researched evidence.

F. SUPPORT FOR AID IN AUSTRALIA HAS GROWN BUT THIS TREND COULD EASILY BE REVERSED.

Attitudes to aid in Australia can affect AAA through their impact on its inputs and its operating environment. Key stakeholders that need to be considered are AAA's supporters, actual and potential, AusAID, the government more generally, the public as a whole and the media.

1. ActionAid faces strong competition for public support and cannot be complacent.

AAA's need to compete for public donations has already been addressed above in the context of the priority given to emergencies. As well as the general problem of relatively low awareness of AAA, it has a more specific problem in terms of low recognition as an agency dealing with emergencies.

As already suggested, AAA should not approach this as a trade-off. Rather, it should seek to heighten public awareness that its commitment to a HRBA is a strength not only in longer-term development but also in responding to emergencies.

As part of this approach, AAA could build on some favourable perceptions. Although human rights, apart from the specific issue of women's rights, evince no public recognition as a key priority, there is some recognition of the importance of empowerment. This could provide a basis on which to build stronger understanding of a HRBA. AAA should not therefore be coy about the HRBA; it can for example seek to build on the strong support for human rights in some segments of the community, enlisting the support of those segments as activists in creating wider community awareness.

Another potential strategy involves linking empowerment to tackling corruption, which is widely seen publicly as a key concern. The message here is clear – corruption is a deprivation of human rights and can really only be properly addressed by a HRBA to raise awareness and strengthen accountability.

An approach based on what AAA actually does, rather than rebranding itself narrowly in terms of emergency response, should help to attract supporters who are prepared to go beyond donations to take part in campaigns or even to consider volunteering. Honesty can thus bring its own rewards.

2. Funding of ActionAid and other NGOs through AusAID will potentially increase as part of the rapid increase in the aid budget but there are several uncertainties and trade-offs.

AusAID faces a major challenge in scaling up its program to disperse what could easily be a doubled budget within a very short period. A simple conclusion might be that it will need to channel increased funding through partners such as NGOs. This is logically an option it will be considering. However, its final decisions will reflect several factors, including the outcome of the Aid Effectiveness Review and a consultancy from the Brookings Institution focused on strategies for scaling up. Both these inputs are likely to argue against fragmentation of the aid program. This increase in funding requires a short to medium-term perspective. Beyond that, possible trends in Australia's ODA must take account of wider factors that are considered below.

Access to increased funding from AusAID may be tempting but there are risks. For a start empowerment activities generally require a long-term perspective in order to achieve outcomes. This is in part because of the need for gradual development of awareness and of voice and because it is a two-stage process. Empowerment is not an end in itself and the ultimate improvements in indicators linked to improved services etc. come as the second stage. Will AusAID be prepared to wait – and will the imperatives of reporting to Treasury allow the time needed to detect outcomes?

Furthermore, empowerment activities are not big ticket items and could be considered too small to be an answer to an organisation that is looking for ways of scaling up. To make its activities more attractive, AAA may be pressed to link them to construction – e.g. of infrastructure such as community halls and other such facilities which could serve as a nucleus for empowerment to proceed. There is consequently a risk that AAA may proceed to identify such infrastructure without full ownership by those it is seeking to empower; again, some trade-off may be demanded.

Finally, AusAID has its own ideas on where its aid should be spent – or, rather, its geographic and sectoral distribution will reflect a range of influences. Again, the Aid Effectiveness Review will most probably make some important recommendations in this regard. If the Review argues against too much fragmentation, this could lead to some narrowing of distribution, especially in Africa where AusAID is currently quite thinly spread in terms of countries and sectors covered.

With already more than half the aid program going to “fragile states”, it is not clear whether the absorptive capacity of such countries will stand further scaling up. This could lead AusAID to consider approaches that would channel aid other than through central governments and interest in civil society routes is likely to grow. For AAA, the challenge will be to assess whether the potential for creating sound partnerships in such countries, in terms of the AAI criteria for new country programs, justifies proceeding. In many fragile states, of course, civil society is itself dysfunctional and this could either be considered as an argument to proceeding, given the potential value to be added, or as a reason to decline.

3. Beyond the immediate future, even the commitment to increase the aid budget to 0.5% of GNI cannot be assured and the overall level of aid could even fall.

The bipartisan commitment to increased aid has been buffeted by populist strategies and this is likely to remain a significant force in Australian politics up to 2020 - a reflection of the trend to “post-modern” politics, value-free and driven by short-term political expediency. Any commitment to aid as a principle linked to international good citizenship or the belief that Australia needs to

share its good fortune must therefore be seen as vulnerable, especially if the economic situation and political advantage dictate a demonstration of “budgetary prudence”.

The political landscape as a basis for policies on future aid is further complicated by the trend towards minority government with small parties and even independents wielding power out of proportion to their numbers. The case of Senator Harradine in the 1990s illustrates how this can affect decisions on aid.

Even if, like the Simons Review, the Aid Effectiveness Review argues for a clear focus on poverty reduction and against allowing aid to be used to pursue wider “national interest”, it is unlikely that any government will in practice allow itself to be so constrained. Maintaining the overall volume of aid may therefore involve a trade-off, with the continued commitment being justified as allowing a range of national interests to be promoted. This is considered separately below.

Such scenarios highlight the role that public opinion can play, with governments guided by opinion polls rather than by values. AusAID’s periodic polling suggests a gradual upwards trend in public support for aid. However, a significant decline in the last of these exercises, held during the GFC, suggests that the support is only skin deep. Underlying the rhetoric therefore an abiding sentiment is that “charity begins at home” – as exemplified by the tendency to prefer to give for domestic disasters rather than those in poorer countries. With such attitudes, politicians may decide there is no advantage to be gained by maintaining a principled commitment to poverty reduction.

Two other factors need to be considered in assessing possible future trends in the size of the aid program. First, the MDG target deadline is 2015. Given the sense of urgency that has been created around this deadline, not the least as a way of promoting the case for more aid, there could be a sense of anti-climax after the deadline has passed, linked to some disappointment and even exasperation that some targets were not achieved.

Second, increased aid transparency will allow closer scrutiny of all aspects of what has been done and accomplished. How the balance of successes and failures is regarded could well influence political and public attitudes to future decisions on aid volume.

Operating with other NGOs, AAA needs to maintain campaigning activities to ensure that the commitment to 0.5% of GNI is not traded off, targeting politicians, the public and the media.

The state of the political landscape makes political campaigning increasingly complex. Attention must be given not only to the two main parties but also to minor parties and independents. The nature of the message is a delicate matter. Arguing for maintenance and further increases of aid expenditures on the basis of “national interest” carries serious risks. NGOs themselves should have more principled attitudes, reflecting good citizenship and moral obligation. While it may be effective to point to the benefits for Australia through greater regional stability, increased trade, reduced crime and terrorism etc., this could too easily become the tail that wags the dog – and could make it hard for NGOs subsequently to argue against using aid to promote other aspects of national interest.

The way in which the outcomes of the MDG targets are portrayed needs to be actively considered even now. Earlier, the need to consider what should replace the current MDGs was assessed. To this should be added an assessment of how to avoid a sense of aid fatigue.

NGOs need to be very careful in the way in which they depict the details that emerge from greater aid transparency. It can be used to point highlight deficiencies and failures but this could be seen as a reason not to do better but to reduce aid. Aid is an inherently risky business but should be seen as decreasingly risky when lessons are learned and applied. NGOs may consider stressing this positive dimension, potentially making them allies of AusAID in this area.

This same care is needed in public campaigns. They must be strategically designed, reflecting care in identifying specific interests groups that could produce effective if unlikely allies. Thus, for example, business and farming groups should be considered for targeted campaigns.

The approach taken to the media will need to take account of its increasing diversity. The 24 hour news cycle and an infrastructure that allows instant access to every part of the world mean that what is achieved through aid is potentially subject to close and continual scrutiny. On the other hand, this scrutiny is often achieved while at the same time the level and quality of reporting resources is declining. The end result can be more scrutiny but based less on genuine investigation and more on fleeting impressions and rumours that can magnify the voices of specific interests and ideologies that may be sceptical of or even opposed to aid. This needs to be taken into account by NGOs; their own version of events can be quickly checked and accuracy becomes even more vital to ensure credibility. At the same time, however, they need to be able to respond quickly and effectively to inaccurate stories that would otherwise leave the last word to those who oppose their work. For example, if a small proportion of aid programs show evidence of fraud, shouldn't this be put in context – i.e. that in a risky environment there will always be some problems?

New forms of media – notably internet media – can be an ally in this process since they provide greater diversity of sources. NGOs need to take account of these. However, the media strategy needs to anticipate the likelihood of continued domination by traditional media and these must therefore remain a priority target for efforts to get an accurate presentation of issues of aid.

4. ODA quality will remain vulnerable, both through the spend imperative and because of pressures to divert it to “national interests”.

Some aspects of the tension that must be expected between aid effectiveness on the one hand and the need for AusAID to expand its expenditure greatly in a short period have already been addressed. AAA needs to anticipate a need to campaign against solutions driven by the spend imperative that erode participatory approaches, favour big ticket items and divert more of the aid budget through other parts of government with less commitment to transparency and less understanding of the lessons on aid effectiveness.

Another threat is that, as a trade-off for continued political commitment to the size of the aid budget, it will be more overtly used to pursue other “national interests”. We have been here before and should hope that commitment to aid effectiveness will curb this tendency. Nevertheless,

perhaps as part of a political development favouring a populist agenda, more self-interested motives for aid may prevail. These could include increasing interest in utilising the aid budget for national security interests. There is a legitimate aspect here, reflecting the intersection of Australian national security and the needs of poor and excluded people – addressing those needs effectively will always provide a basis for greater stability. As earlier considered, in a neighbouring country like Indonesia there is great potential for AAA’s HRBA to make an important contribution to the challenge of sustaining progress in participatory democracy, including through efforts to develop solidarity with the growing middle classes. In such a case, AAA could contribute to pursuit of “national interest” objectives while remaining totally faithful to its own principles.

Australia’s national security will also drive increasing attention to fragile and failed states. An added challenge here is the need for effective co-ordination of civil and military contributions (not simply as an adjunct to emergency responses but as an issue in its own right). But this should not lead to a general assumption that “national security” and “human security” are the same thing; there is thus a potential clash between what is pursued for “national interest” and what AAA is committed to achieving. Too often, the rights of the poor and excluded will at best be given token attention.

AAA’s substantial experience of protection issues in the context of conflict and of the problems that can be faced when NGOs and civilian aid officials work according to very different principles from those of military participants should make it a leading contributor to future work in this area and in campaigning to ensure that a narrow Australian security agenda does not erode commitment to give priority to the interests of the poor and excluded, as rights holders.

One dimension of the security/development interface potentially has significant implications for one important group of AAA stakeholders – its staff. Staff of NGOs have been caught up in a worrying trend towards regarding any representatives of international bodies as legitimate targets for some groups engaged in violent conflict. While this is a global issue, AAA needs to consider it as part of its engagement with other actors in situations of actual or potential conflict. A risk management approach will especially need it to focus on situations where its staff might be seen as part of approaches that are seen by some protagonists as hostile to their interests and going beyond legitimate humanitarian and protection functions.

BRINGING IT ALL TOGETHER

Alex Evans’ exploration for AAI of Key Uncertainties concluded with a series of recommendations, based on the implications of the uncertainties. In this analysis, those implications have been considered in situ. Nonetheless, there are some key messages that are worth identifying as they bring together a range of the scenario implications.

Alex Evans’ recommendations are covering a global perspective but nonetheless several of his recommendations resonate strongly in considering the environment within which AAA will be operating. For example:

- AAA needs to **“be ready”**, not only for the shocks but also because attitudes on aid can change rapidly and simplistic new approaches can grab popular attention and even be converted into a notion of “best practice”.

- The poor need help to build **resilience** because of the likelihood of increasing frequency and deeper impact of emergencies. This complements the need to focus also on ensuring that future responses to emergencies reflect a HRBA – see below.
- The need to focus on **fair shares** lies at the centre of the problem of resource-dominated, two-tier economies.
- The need to **specialise in coalitions** applies not only to the global agenda but, within Australia, to the challenge of maintaining public, media and political support for aid.

The following list of messages refers further to some of Alex’s recommendations.

1. An information explosion can be a two-edged sword.

The poor and excluded will have far more access to information and will have the ability to use it to talk to each other and hold governments accountable. Transparency means this includes the ability to hold donors and recipients, including NGOs, accountable. ActionAid is well placed to help the poor and excluded to exploit these opportunities as part of its HRBA. If it is to perform effectively in empowerment, solidarity and campaigning, it will need to think creatively about how to do this, building on existing examples of imaginative innovation such as the “We Can” program in South Asia and Ushahidi. To repeat Alex Evans’ message, “innovation will come from the edges.” If it is complacent about this, it risks being marginalised. It must also make sure its deeds match its rhetoric. Its own transparency must be blameless or its credibility will suffer.

2. It’s not so much where the poor and excluded are, it’s why they remain poor and excluded.

ActionAid must not become too caught up in the debate over where the bottom billion are. Rather, the issue is why they remain poor and excluded. As Alex Evans’ said, the target must be poor people, not poor countries. Resource-rich countries will grow in importance as a challenge to a HRBA, threatening accountability and creating two-tier economies in which absolute and relative poverty will grow. In considering possible new countries in which to work, ActionAid should consider such countries as priorities, given the scale of the problem and the scope for empowerment to change the situation – to drive a demand for “Fair Shares”.

3. Put the rising forces of the middle classes of poorer countries at the heart of the strategy.

The rapid growth of the middle classes in many poorer countries is creating a potent force. Solidarity with them will substantially advance AAA’s objectives. In the end, the fight against poverty and exclusion will be won only by harnessing the power the better off and better educated sections of population in the countries where the poor and excluded live. AAA needs to tap into them now, to “bring news from elsewhere”. By 2020, they should be leading the efforts both within their own countries and internationally.

4. A HRBA cannot be limited to AAA’s own work.

AAA cannot expect the effectiveness of its HRBA to be maximised unless it becomes the central tenet of all international development activities. Three particular challenges should be addressed:

- Transforming approaches to emergencies to overcome the typical top-down approach and recognise that victims of disasters and conflict have rights too and shouldn't be treated as charity cases.
- Putting human rights at the centre of future targets. In the current MDGs, human rights are only reflected by proxy. The poor had little say in setting the targets and no target seeks to improve this voicelessness. Unless new targets address this (and the specific issue of inequality), a HRBA may remain on the margins of international development co-operation.
- As part of the rapid expansion of the aid budget, NGOs can anticipate more funding coming their way. This is an opportunity that comes at a price; AusAID as the piper may expect to be allowed to call a tune that gives little serious opportunity to put a HRBA at the heart of the work AAA would be undertaking. This includes opportunities to work in new countries. It is a dilemma that AAA needs to consider carefully – will its credibility suffer?

5. Beware of purveyors of one-line solutions

There are plenty of theories on why aid “hasn't worked” and plenty of solutions – such as “leave it to the market” and “throw more money at the problem.” AAA needs to play its part in responding to such notions, especially to the extent that they undermine a HRBA.

6. Be prepared for battles to maintain the level and quality of Australian aid

Nothing can be taken for granted. Commitments to increase aid can be reversed or can be compromised by increased incursion of “national interest.” As Alex Evans said, AAA will need to “be a storyteller.” This may involve saying what aid has achieved, why simple solutions may not work and why using aid for ulterior motives is not only selfish but can be short-sighted. In preparing for such battles, AAA needs to “specialise in coalitions”, some of them possibly not currently on the radar, and look at how solidarity activities can create potent international coalitions that put voices from poorer countries in the lead.

ANNEX A

MEETINGS HELD TO DISCUSS FUTURE ISSUES

Australian Council for International Development

Marc Purcell - Executive Director

Susan Harris-Rimmer – Manager, Advocacy and Development Practice

Oxfam (Australia)

Chris Roche – Director, Development Effectiveness

World Vision (Australia)

Conny Lenneberg – Head, International Programs

AusAID

Murray Proctor - Deputy Director General, Sectoral Policy Division

James Gilling – Deputy Director General, Pacific Division

Catherine Walker - Deputy Director General, Africa, West Asia, Middle East and Humanitarian Division

John Davidson – Assistant Director General, Office of Development Effectiveness

Lisa Rauter - Assistant Director General, Pakistan and Afghanistan Branch

Alan March - Assistant Director General, Humanitarian and Peacebuilding Branch

Crawford School, ANU

Matt Morris – Deputy Director, Development Policy Centre

ANNEX B

DOCUMENTS ETC. USED

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Accelerating People's Alternatives to End Poverty, ActionAid International, Draft Strategic Plan 2012-2017, March 2011.

ActionAid Human Rights Based Approach Resource Book

A better fit. National security and Australia's aid program, Report of an Independent Task Force, commissioned by Foundation for Development Co-operation and Australian Strategic Policy institute, March 2011

Strengthening the humanity and dignity of people in crisis through knowledge and practice, Feinstein International Center, January 2010

New Directions in Non-Government Action, Chris Roche, Oxfam Australia, Paper for the 'Doubling Australian Aid' Conference, ANU, February 7, 2011

Promoting Voice and Choice, Chris Roche, Oxfam Australia, Report commissioned for ACFID. November 2009

An overview of aid effectiveness determinants and strategies, Stephen Howes, Development Policy Centre, Crawford School, ANU, January 2011.

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