SPECIAL REPORT

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A better fit
National security and Australia's aid program

Report of an Independent Task Force

FDC
THE FOUNDATION FOR
Development Cooperation

ASPI
AUSTRALIAN STRATEGIC POLICY INSTITUTE

Chairs' introduction

The Australian Strategic Policy Institute and the Foundation for Development Cooperation recently convened an independent task force to consider the relationship between Australia's national security and our official development assistance.

The Australian Government is committed to increasing the aid program until it reaches 0.5% of gross national income by 2015–16. That's likely to double our spending on aid. AusAID will be one of our biggest spending government agencies.

How this large increase in development assistance advances our national security should be an important matter for debate.

Our foreign aid should contribute to regional stability and be part of our strategy to address problems that might cause Australia security concern.

Aid, by promoting prosperity, can assist regional states to become our trading partners. Aid helps countries whose interests align with Australia's to increase their national capacities in key areas, such as human security. In that sense, our aid's a strategic investment; it strengthens our security by assisting friendly states that we believe are important to us.

How far the Australian Government should use our aid to pursue security interests was a key issue examined by the task force. There's certainly scope for greater integration of the work of the Department of Foreign Affairs and Trade, the Department of Defence, the Australian Federal Police and AusAID when it comes to aid for priority countries.

We hope that this report will better inform our official aid planners and national security decision-makers on how best to leverage aid to advance Australia's security interests.

We would like to thank the task force members for their constructive input and dedication; the principal project manager, Anthony Bergin from ASPI; and the rapporteur for the group's work, Stewart Firth. Professor Firth produced an excellent preliminary discussion paper that informed the task force's deliberations. The names of all members of the task force are at the end of this report.

Peter Abigail, Executive Director, ASPI and
Sean Rooney, Executive Director, FDC

Task Force Chairs

Executive summary

A new international consensus is emerging on the place of aid and development in the national security of major OECD donors. The key elements of the new consensus are:

- *making the promotion of development a more important foreign policy objective*

- *identifying national security more closely with increasing aid, encouraging global development and bringing security to fragile states*

- *giving aid agencies more say in decisions about national security*

- *boosting civilian–military cooperation and integration in delivering aid and security.*

Australia has in some respects anticipated this new approach, especially in civil–military cooperation in delivering aid to fragile states and in humanitarian emergencies. This report acknowledges Australia's good record of achievement in the field, but we need to do more.

The governments of Britain and the US are already moving to integrate aid and security. The United Kingdom's 2010 National Security Strategy and President Obama's recent presidential policy directive on global development both recognise the need to see aid through the prism of security, and vice versa. USAID, Washington's equivalent of our AusAID, has a seat on the US's National Security Council when security and aid concerns are intertwined.

The report recommends that Australia should:

- *maintain the official objective of the aid program, but put more effort into explaining how Australia's aid contributes to national security*

- *increase the accountability of the aid program, for example by giving AusAID's Office of Development Effectiveness a statutory role and by instituting a*

quadrennial diplomacy and development review, as the US has done

- *give official development assistance a ministerial portfolio of its own within the Department of Foreign Affairs and Trade*

- *maintain the new focus on aid to Africa, but in the context of a heightened awareness of security issues*

- *recognise the importance of Australia's strategic interests in Papua New Guinea and the South Pacific*

- *recognise climate change affecting neighbouring countries as a potential national security problem for Australia*

- *consider creating a separate security sector in the aid budget*

- *develop a coherent strategy for whole-of-government delivery of aid in permissive and non-permissive environments, given the extent to which effective cooperation between different government agencies remains problematic.*

Background

A new international consensus is emerging on the place of aid and development in the national security of major Organisation for Economic Co-operation and Development (OECD) donors and on the agenda of international organisations, such as the UN Security Council and the World Bank.

For Australia, this new policy agenda may be described as 'securing aid'. Its key elements are:

- to make the promotion of development a more important foreign policy objective

- to identify national security more closely with increasing aid, encouraging global development and, where necessary, bringing security to fragile states by humanitarian and longer term development intervention

- to give aid agencies more say in decisions about national security
- to boost civilian–military cooperation and integration in delivering aid and security
- to research an evidence-based framework for, and to institutionalise, civilian–military cooperation
- to recognise the complexity of fragile situations in foreign states and the shared challenges to genuinely empower local authorities and build sustainable and constructive partnerships with fragile and conflict-affected countries.

In some respects, Australia has anticipated this new policy approach: first, in the way we've responded to security crises and development challenges in regional states since 1997; and second, in fostering cooperation between AusAID, the Australian Defence Force (ADF) and the Australian Federal Police (AFP) in regional states and in humanitarian emergencies.

The international context

Many Western governments recognise the need for closer coordination of diplomatic and developmental strategies in a world filled with new threats, new players and new ways of engaging with friends and foes. Globally, the costs of conflict, crisis and state weakness continue to deprive many nations of stability and prosperity. Military and civilian missions are increasingly overlapping in response to these and other issues, particularly to acute natural disasters and humanitarian emergencies. As a result, government agencies that once had an exclusively domestic focus are now working abroad.

The British and American governments have recently produced important policy documents that aim to address this shifting context. Of particular interest is the US, where major policy reforms have been earmarked

for the way foreign policy and development interact. These debates about policy have been mirrored elsewhere, notably in the United Kingdom, where policymakers have focused on the consequences of orienting development programs to achieve 'maximum possible contributions' for national security.

The United Kingdom

The UK's 2010 National Security Strategy calls for a 'radical transformation in the way we think about national security and organise ourselves to protect it'. The strategy argues that, while some developing countries such as China and India will lift millions out of poverty by achieving economic growth in the coming decades, fragile states will benefit much less from future growth:

> The world's poorest people live on less than $1000 a year. Around half currently live in Asia and half in Africa but by 2030 the clear majority of those living on less than $3 a day will be in Africa. Compounded by other drivers such as climate change and resource scarcity, this increases the likelihood of conflict, instability and state failure.

Britain's response to this will be a whole-of-government approach 'based on a concept of security that goes beyond military effects' and on tackling 'the causes of instability overseas in order to prevent risks from manifesting themselves in the UK'. For that reason, it envisages British development professionals working with diplomats and intelligence agencies to stabilise fragile states, and foresees 'occasions when it is in our interests to take part in humanitarian interventions'.

At the centre of the new British approach is the recently established National Security Council, which brings together key ministers and military intelligence chiefs for regular meetings (Australia's had such an institution

since 1996). And to implement the National Security Strategy the British Government will establish a 'cross-departmental Implementation Board chaired by the Cabinet Office and attended by lead officials'. The board—the equivalent of a high-level interdepartmental committee in the Australian system—will report to the Prime Minister and the National Security Council. The International Development Secretary, who now sits on the National Security Council, participated in the formulation of the National Security Strategy.[1]

The United States

In 2010, the Obama administration made explicit its view that international development is partly an instrument of US national security, as well as being a strategic, economic and moral imperative. Two policy documents were inaugurated:

*   the *Presidential policy directive on global development*, released in September

*   the *Quadrennial diplomacy and development review* (QDDR), a major policy blueprint released in December after a number of delays.

This paragraph from the presidential policy directive is emblematic of current US Government thinking:

> Development is ... indispensable in the forward defense of America's interests in a world shaped by growing economic integration and fragmenting political power; by the rise of emerging powers and the persistent weakness of fragile states; by the potential of globalisation and risks from transnational threats; and by the challenges of hunger, poverty, disease, and global climate change. The successful pursuit of development is essential to advancing our national security objectives: security, prosperity, respect for universal values, and a just and sustainable international order.

Flowing from this conviction is an intention expressed in both policy documents to elevate development to become a core pillar of US foreign policy and to amplify the voice of the United States Agency for International Development (USAID) through greater representation in interagency policymaking processes. The presidential policy directive foreshadows a number of changes to both US strategy and the management of international development:

*   The Administrator of USAID will be included in meetings of the National Security Council where appropriate.

*   An Interagency Policy Committee will be established, to be led by the national security staff and responsible to National Security Council deputies and principals.

*   A US Global Development Strategy will be submitted to the President every four years.

*   A US Global Development Council will be created, consisting of experts from the private sector, academia and other parts of civil society. The council will provide high-level input on US development policies.

*   Greater attention will be given to balancing civilian and military power in conflict and humanitarian crises and the importance of linking short-term investments in those contexts with long-term development strategies.

The QDDR outlines an ambitious reform agenda, emphasising systematic change within USAID rather than simply reviewing service delivery. It places high value on transparency, innovation, monitoring and evaluation, multi-year planning in close coordination with recipient states and rebuilding the core capacity of USAID. It also determines that USAID should take the lead on presidential initiatives related to food security and global health.

In the area of national security, the QDDR signals closer strategic planning between the State Department and USAID, and the potential creation of a unified national security budget. It states that both organisations should 'both rationalize and improve' planning and budgeting processes, referring to the need to develop a joint USAID – State Department strategic plan through collaboration between the two organisations' policy planning offices. The joint strategic plan will aid chiefs of missions—the principal officers in charge of US diplomatic missions and US offices abroad, which the Secretary of State has designated as diplomatic in nature—in putting together integrated country strategies, which will be the basis for mission and bureau budget requests. Figure 1 is reproduced from the QDDR.

The USAID workforce looks set to grow in the coming years, with the creation of new expert positions and a tripling of mid-level hires in its Development Leadership Initiative, from 30 to 95 per year. The QDDR underlines the need to draw upon in-house expertise before turning to specialised contractors for diplomacy and development initiatives. And, to enhance competition for contracts, USAID will make 'smaller and more targeted awards'. The agency will also promote increased use of local partner country systems.

The document highlights innovation as a driver of sustainable development and calls for the establishment of Development Innovation Ventures. Borrowing from the private venture capital model, Development Innovation Ventures seek ideas from inside and outside USAID to invest resources in

Figure 1: QDDR organisation
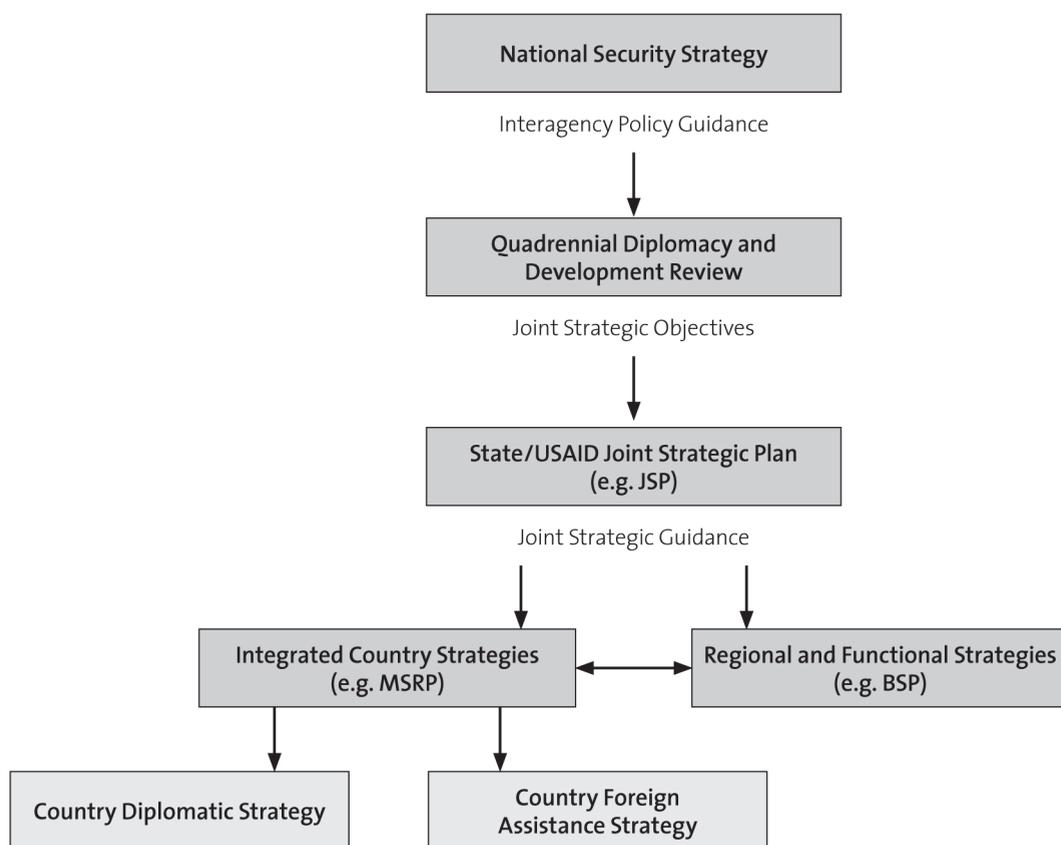
Source: Leading through civilian power: the first quadrennial diplomacy and development review, *US State Department and USAID, 2010, p. 194, available from http://www.state.gov/documents/organization/153142.pdf.*

promising high-risk, high-return projects. One such project already underway in India supports women in rural areas who act as health educators in their communities. A Massachusetts-based company, DigiMac, has spent the past two and a half years developing a software platform for mobile phones to allow health-care workers to collect data, monitor the health of new mothers and log household visits.

The QDDR also recommends that USAID expand its fellowship program (including by the creation of an Innovation Fellowship) to attract professionals from leading academic institutions, social entrepreneurial ventures and the private sector to work with the agency. In an effort to increase government transparency, the government will create a new internet-based 'dashboard' that will publish data on State Department and USAID foreign assistance.

Australia's aid–security model

A consideration of the relationship between Australia's aid program and our national security must take into account both the nature of the nexus between the two and the historical evolution of cooperation between Australian security and aid agencies.

The dimensions of the aid–security nexus

There are four dimensions to the aid–security nexus:

- national security motivation
- civil–military cooperation in aid delivery to fragile states
- civil–military cooperation in humanitarian emergencies
- a security-oriented development partnership between Australia and fragile states following intervention.

National security motivation

Typically, donor states expect their aid programs to produce not just development but also the political stability that comes with development; and political stability, especially in nearby states, is reckoned to increase the donor state's national security. In Australia's case, the Colombo Plan pioneered by Sir Percy Spender in the 1950s was still paying security dividends for Australia forty years later at the time of the Asian financial crisis, the end of the Soeharto era and the tension in relations with Indonesia that followed the intervention in Timor-Leste in 1999. Effective aid programs underpin the national security of donor states.

This broad link between development and Australia's national security underlies the entire aid program, most of which isn't characterised by direct connections between aid and security. AusAID operates largely without the assistance of the military forces or the police in most of the countries that receive Australian development assistance. A random survey of recent aid would reveal projects supporting Indonesia's program to improve maternal and neonatal health in Nusa Tenggara Timur province; assisting Tuvalu, Vanuatu, Fiji, Samoa and Tonga in reducing their vulnerability to climate change by funding the replanting of coastal mangroves and strengthening disaster preparedness; assisting Cambodia to rehabilitate people injured by landmines; and working with Electricity of Vietnam to increase the capacity of electricity distribution in that country. None of those projects requires the assistance of the ADF or the AFP, and they're more typical of Australian aid than those that do.

Situations where aid–security cooperation predominates in Australia's aid program are confined to those where states are weak and conflict has occurred, or to cases of natural disaster and humanitarian emergency.

Civil–military cooperation in aid delivery to fragile states

This dimension arises from the special circumstances of international relations in our era. The aid relationship between donors and recipients has been extended since the 1990s to encompass military intervention and state building in fragile and post-conflict situations, and that's happened principally because, in an age of terrorism and unregulated movements of people across national borders, weak and fragile states are seen as potential threats to global, regional and national security. The focus is on making development possible by 'securing development'.

Australia's approach to 'securing development' has been crafted in accordance with the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, which commit us to the principle of country ownership of aid programs and to strengthening the capacity of developing countries to lead and manage development, while reducing the fragmentation of aid. Australia has also accepted the 2007 OECD Principles for Good International Engagement in Fragile States and Situations, which call upon donor states to recognise the links between political, security and development objectives.

In cases where Australia is securing development, the aid program serves the national security both of fragile states and of Australia. This second dimension of the aid–security nexus gives rise to a policy equation accepted by Australian governments for the past two decades. Governments from Hawke and Keating (Cambodia) to Howard (Timor-Leste, Iraq, Solomon Islands and Afghanistan) and Rudd and Gillard (Timor-Leste, Solomon Islands and Afghanistan) have believed that Australia enhances its national security by addressing conflicts, building capacity in fragile states and maintaining stability through development assistance.

The 2008 National Security Statement argued that:

> Australia has made major long term commitments to help resolve conflict in Solomon Islands and Timor-Leste. But the risk of fragile states disrupting stability and prosperity in our region is an ongoing challenge. The humanitarian implications for the people affected in these conflicts are also of concern to Australia's national security and foreign policy interests. We expect to make practical contributions in times of crisis, commensurate with our role in the international community. Failure to do so at source also runs the risk of refugee outflows to neighbouring states, including Australia.[2]

Critics have raised doubts about civil–military cooperation in aid delivery. Sharar Hameiri from Murdoch University's Asia Research Centre points out that the AFP has become important in both designing and implementing Australia's regional interventions. He sees what Australia is doing in Timor-Leste and Solomon Islands as undermining their sovereignty and interfering in their politics while engaging in an unwarranted extension of Australian influence beyond our borders.[3] Sinclair Dinnen, senior fellow with the State, Society and Governance in Melanesia Program at the Australian National University, focuses on the practical difficulties of state building, and points to 'the very real dilemma of how donors can engage in state building in fragile environments without simultaneously "crowding out" or marginalising local actors who ultimately will have to take responsibility for running the state.'[4]

On the other hand, regional leaders have generally welcomed the Australian aid and security presence. The Solomons prime

minister from 2007 to 2010, Derek Sikua, consistently supported the Australian-led regional mission to his country. The President of Timor-Leste, José Ramos-Horta, told Australian journalists in 2010 that his country's recovery from instability was 'in large measure ... thanks to the contribution of Australian Army, New Zealand, as well as AFP work, together with other members of the international community'.[5]

Civil–military cooperation in humanitarian emergencies

Aid–security cooperation is a natural fit for disaster relief. When a tsunami struck in the Indian Ocean at the end of 2004, Australia responded with a cooperative effort that brought together the ADF, AusAID and Emergency Management Australia. The ADF quickly established a water purification plant in Banda Aceh, together with a field hospital jointly operated with the New Zealand Defence Force. HMAS *Kanimbla* lay offshore as a floating support base for the operation. Australia's extensive reconstruction and medical assistance helped to restore good relations with Indonesia after a period of bilateral tension. The Samoa tsunami of September 2009 brought a prompt response from Australia involving the ADF, the AFP, AusAID and Emergency Management Australia. The RAAF and the RAN delivered relief supplies, while medical personnel performed numerous surgical operations and treatments. AusAID later supported the non-government organisation (NGO), Caritas, in rebuilding homes for those whose coastal villages were devastated.

A security-oriented development partnership between Australia and fragile states following intervention

When security is restored, Australia needs to engage in a policy dialogue with the partner governments on their security expectations, the role of their security sectors, financing issues and civilian oversight. Any project or program is meaningless if it isn't requested and part of a wider development strategy. Resources are stretched and developing countries have to make drastic choices on their budget allocations based on their needs, weaknesses and strengths. With relevant advice, they can also prioritise the sectors that will trigger private sector development, capacity enhancement and effectiveness.

The evolution of Australian aid–security cooperation

Australia draws upon more than a decade of experience in whole-of-government responses to intervention and development in fragile states: AusAID's been called upon many times to participate in complex international operations involving extensive military–police–civilian cooperation. Experience in Bougainville, Timor-Leste, Solomon Islands, Afghanistan and Iraq has refined cooperation between the ADF, the AFP and AusAID, as well as between them and other agencies of government such as the Australian Customs and Border Protection Service, the Australian Maritime Safety Authority and Austrac, Australia's anti-money laundering and counter-terrorism financing regulator. What the World Bank calls 'accidental partners'—that is, development and security actors working together in post-conflict situations—aren't accidental in Australia but reflect a consciously planned response by government.

The 2009 Defence White Paper captured the essence of the Australian approach:

> [S]ecurity objectives in intra-state conflict situations are increasingly interdependent with broader political, humanitarian, economic and development goals. These operations require a 'whole-of-government' response on the

part of military and civilian agencies, extending beyond individual agency operations, and integrating security and other objectives into comprehensive political–military strategies. The ADF's capacity to deploy rapidly and establish a basic level of security at the outset of a crisis situation will often be an essential element of any comprehensive approach—but it will, in nearly all cases, not be a sufficient response in itself.[6]

Cambodia

The origins of Australia's aid–security experience of development assistance were in Cambodia in 1991 and 1992. An Australian, Lieutenant General John Sanderson, was the commander of a 16,000-strong peacekeeping force in the UN Transitional Authority in Cambodia (UNTAC). Australia sent senior ADF staff for the UNTAC headquarters, 460 troops, a small group of AFP officers, and staff from the Australian Electoral Commission.

Bougainville

The ADF and AusAID cooperated in Bougainville from 1997 to 2003. Australia was intimately involved in the 1997 negotiations that brought peace to Bougainville, and led the regional Peace Monitoring Group (PMG) that followed. More than 5,000 troops and civilians from Australia, New Zealand, Vanuatu and Fiji served as unarmed peacekeepers in Bougainville over the six years of peace monitoring that ended in 2003. They oversaw the ceasefire, the repatriation of displaced villagers, the reconciliation of former enemies, the disposal of weapons and the return of government services in a part of Papua New Guinea (PNG) that had been wracked by eight years of armed conflict. Typically, about 300 peacekeepers from the PMG were in the field at a time, patrolling the villages and assigned to different parts of the province. Australian military personnel didn't

participate in the monitoring teams because of local sensitivities about Australia's previous support for the PNG Government in the civil war with Bougainville. Instead, from the PMG Logistics Support Base near Arawa equipped with four-wheel drive vehicles, helicopters and communications facilities, they supported the peace monitoring conducted by unarmed military personnel from New Zealand, Fiji and Vanuatu and by public servants, including women, from AusAID and other government agencies. At the same time, AusAID managed a number of rehabilitation projects, among them the rebuilding of the main coastal road on the island of Bougainville. The PMG was led by a military officer, and the second-in-command was an Australian civilian, with experience of the region, called a 'chief negotiator'.

The ADF supported unarmed military and civilian peace monitors, including monitors from AusAID. The ADF and AusAID cooperated closely in Bougainville; in Canberra, Defence and the Department of the Prime Minister and Cabinet worked with the Department of Foreign Affairs and Trade (DFAT) and its agency, AusAID, to manage the enterprise, which is widely regarded as a notable achievement in regional peacemaking.[7] Defence and the ADF, together with their New Zealand counterparts, were 'deeply involved and highly influential, in decision-making processes'.[8]

Timor-Leste

The Timor-Leste interventions of 1999 and 2006 led to closer aid–security cooperation, especially between AusAID and the AFP. Australia's commitment of troops to Timor-Leste in 1999 was its largest since the Vietnam War, and on a scale large enough to change decision-making structures and refashion relationships between different parts of the bureaucracy. AusAID needed to work more closely than ever before with

the departments and agencies that are traditionally responsible for national security policy—DFAT, Defence and the Department of the Prime Minister and Cabinet—and became more conscious of its national security role. Defence created two new organisations to manage the intervention: the Timor-Leste Policy Unit and the INTERFET (International Force in East Timor) branch of the Strategic Command Division. The AFP, called upon at short notice to provide police for overseas deployment, embarked on an expansion that led to the formation of the International Deployment Group in 2004. As government came to regard the AFP as a prime instrument for securing development in fragile states, the AFP's budget grew from $385 million in 2001 to $1.84 billion in 2010, of which $361 million was for international deployments.[9] And AusAID also grew as Australia's official development assistance (ODA) budget increased from 2003.

The disorder in Timor-Leste in April and May 2006 demonstrated that security was a fundamental prerequisite for development and prompted the return of Australian security forces in large numbers. By the end of June, Australia had 2,650 ADF personnel and about 200 police in Timor-Leste, a commitment greater than those made at any time to Iraq or Afghanistan.[10] In reduced form, the International Stabilisation Force of Australians and New Zealanders remain in Timor-Leste in 2011 as one of Australia's significant foreign military deployments. The force is in support of but not part of the United Nations Integrated Mission in Timor-Leste (UNMIT), whose mandate has been regularly renewed since 2006. AusAID describes Australian development assistance to Timor-Leste as being 'primarily delivered by AusAID and the Australian Federal Police',[11] and the AFP's operations there are paid for from the AusAID budget. The main task of Australian soldiers in Timor-Leste is to train

the armed force, the F-FDTL (*Falintil–Forças de Defesa de Timor-Leste*), while that of the AFP is to train the police, the PNTL (*Policia Nacional de Timor-Leste*).

Solomon Islands

The Regional Assistance Mission to Solomon Islands (RAMSI), which began in 2003, was Australia's first true 'whole-of-government' intervention in a foreign country, and has been characterised by close coordination between the ADF, the AFP and AusAID. In order to avert the collapse of Solomon Islands as an effective state, Australia led RAMSI into the capital, Honiara, in 2003. RAMSI was planned and executed as an interagency intervention, with close cooperation between the ADF, the AFP and AusAID under the overall supervision of DFAT in the person of the Special Coordinator. Australia's show of force, which initially included an Australian warship, had the effect of intimidating militants, facilitating numerous arrests (more than 6,000 by 2006) and easing the way for the recovery of weapons. As a way of re-establishing law and order, the combination of police-led intervention and military backing was highly effective, and, by comparison with multilateral missions in other parts of the world (for example, in Bosnia–Herzegovina and Timor-Leste), RAMSI was well coordinated.

RAMSI is distinctive in three ways:

- It was Australia's first true 'whole-of-government' intervention in a foreign country, because it involved not just the ADF, AFP, DFAT and AusAID but other Australian Government departments as well, including Treasury and Finance. Participating departments and agencies engaged in intensive predeployment planning to facilitate coordination in the field.

- RAMSI has the legitimacy that comes from being a regional mission, not just an Australian mission. It's a partnership between Solomon Islands and fifteen Pacific countries, including Australia, and it has the backing of the Pacific Islands Forum.

- RAMSI changes in response to changing circumstances. The 2006 riots in Honiara re-emphasised the importance of security as Australian soldiers returned in large numbers. The 2009 Partnership Framework between RAMSI and Solomon Islands prepares the way for RAMSI's eventual withdrawal and aligns its priorities with those of the government.

The mechanisms of successful state-building aren't well understood, and judgment on whether RAMSI has been a long-term success in building the Solomon Islands state remains suspended. The widespread popular support for RAMSI in the Solomons may show either that it's worked, or that Solomon Islanders fear its departure would precipitate a return to earlier divisions and hostilities. Only time will tell.

On the other hand, most observers regard the Bougainville intervention as a success, bringing permanent peace and providing a stable foundation for development and further injections of aid. And a similar, if less certain, judgment applies to Australia's interventions in Timor-Leste. Our aid to Timor-Leste was worth more than $1 billion between 1999 and 2010, and a further $103 million was budgeted for 2010–11. While it's true that only two of the Millennium Development Goals—universal primary education and promotion of gender equality—are likely to be achieved by 2015, there's general agreement that a significant degree of political stability has been established in that country.

Afghanistan

In Afghanistan, AusAID has both a multilateral and a bilateral aid program, and the ADF independently engages in development assistance projects of its own, but critics say that stabilisation's being hindered by the close identification of aid with security.

Australia sent 150 Special Air Service troops to Afghanistan in 2001 as one element of a larger force of about 1,500 deployed in Afghanistan, Kyrgyzstan and the Persian Gulf as part of the US's Operation Enduring Freedom to destroy the al-Qaeda terrorist network and drive from power the Taliban militia that hosted it. The government withdrew the special operations troops from Afghanistan in 2002, only to send them back in 2005 to combat the Taliban-dominated insurgency. In 2006, the ADF Special Operations Task Group was joined in Uruzgan Province by the Reconstruction (and later Mentoring) Task Force that was deployed as part of the Netherlands Task Force Uruzgan following the NATO-led International Security Assistance Force (ISAF) expansion into southern Afghanistan.

The Rudd government increased the commitment from 1,100 to 1,550 troops in April 2009. Australia's currently the largest non-NATO contributor of military support to Afghanistan and the tenth largest contributor overall in the forty-eight member ISAF coalition. The focus of the coalition's main effort is to conduct 'shape–clear–hold–build' operations to secure the most populous and threatened districts, and thus drain away insurgent influence in southern Afghanistan. In practice, this involves a mix of targeting Taliban command and control, providing population security, conducting security sector reform and governance capacity-building, and economic development.

The key mission of the ADF is to train and mentor the Afghan National Army's Uruzgan-based 4th Brigade 205th Corps as

part of the coalition's overall objective of a conditions-based transition of the main responsibility for security to the Afghan Government by the end of 2014. The ADF's also engaged in the development line of operations in Uruzgan through its program of managed and delivered works. However, it's unclear how much Defence spends on those reconstruction projects or what proportion of the $1.6 billion Operation Slipper military budget (for the 2010–11 financial year) they represent.

In the 2010–11 federal budget, Afghanistan's the fourth largest recipient of Australian ODA ($123 million). The Australian Government is committed to channelling 50% of ODA through Afghan Government programs, in line with undertakings made at the January 2010 London Conference, provided necessary accountability measures and reforms are in place. Right now, much of the AusAID-sourced development assistance to Afghanistan is allocated multilaterally through the Afghanistan Reconstruction Trust Fund, administered by the World Bank. AusAID's bilateral aid projects are found throughout the country; only about 10% is spent in Uruzgan Province—Australia's national area of responsibility.

The percentage of Australia's ODA disbursed in Uruzgan is set to rise to 20% following the August 2010 transfer of command of the erstwhile Netherlands Task Force Uruzgan from the Dutch to the multinational Combined Team Uruzgan, in which ADF personnel now comprise the greater proportion of coalition forces operating in that insecure province. In addition to more onerous security sector reform activity, the full implications of Australia's new responsibility for leading the Uruzgan Provincial Reconstruction Team within Combined Team Uruzgan are still being realised. Indeed, Australia's whole-of-government response to meeting

the challenges posed by the Dutch departure is very much a work in progress.

The Australian Government's concept of operations in Uruzgan is consistent with the overall ISAF strategy, which calls for a 'comprehensive approach'. That approach entails a move beyond Australian integration to see us working closely with coalition partners, the Afghan Government, multilateral bodies and the NGO community in support of Australia's objectives in Afghanistan: denying a sanctuary to transnational Islamist terrorists and supporting our ANZUS alliance partner.

Many NGOs object to interweaving aid and security so closely in Afghanistan. The Australian Council for International Development, the peak body for development NGOs, argues that the involvement of many military forces in aid projects, and the close identification of aid and security in Afghanistan, have removed the 'independent and impartial space' for NGOs and might well be self-defeating:

> Increased funds to NGOs linked to political and military objectives is decreasing the opportunities for sustainable and comprehensive community-based, needs-driven aid and development outcomes to be achieved across Afghanistan. This undermines long-term stabilisation objectives.[12]

The Australian response so far

Aid programs aren't simply a response to poverty wherever it might be. Geostrategic considerations help to determine where most aid donor countries direct their aid, and no donor country—with the possible exceptions of the Nordic countries—devises its aid program without taking into account its own security situation. For example, the top four recipients of USAID development funds are Afghanistan, Pakistan, the Palestinian

territories and Egypt, all of which are central to the security concerns of the US. The top four recipients of bilateral Australian aid are Indonesia, PNG, Solomon Islands and Afghanistan, all of which are important to Australia's security, whether by virtue of strategic proximity or terrorist potential.

Except for Timor-Leste, the 25 countries at the bottom of the UN Human Development Index are all in Africa, so a much greater proportion of our development assistance would go to African countries if the sole criterion of Australia's aid program were the relief of global poverty. Instead, Australian governments have for many years believed that our aid is best spent in countries in our immediate region, concentrating programs in partner countries and subregions that have the best chance of producing development gains, and also investing significant funds via multilateral development agencies. Given the large increase in Australia's aid budget over the next five years, the government has decided that there's room to significantly increase our aid to other areas of the globe without affecting our core regional programs.

The government categorises aid by 'sector'. Apart from humanitarian and emergency relief, the key sectors are governance, education, infrastructure, health, rural development and the environment. The governance sector of aid has been the largest for many years. To AusAID, improving 'governance' means making public sectors in developing countries work more effectively, strengthening legal systems and law enforcement, developing civil society, fostering better economic and financial management, and bolstering democratic systems of government. 'Security' is not a separate sector, but is encompassed by 'governance'.

Civilian–military teams in Afghanistan and elsewhere have enjoyed a measure of success in enhancing local security, conducting

small-scale reconstruction efforts and strengthening nodes of governance. Despite those initial successes, observers within and outside government have highlighted areas in need of improvement if parallel/integrated civilian–military operations are to be effective.

In our own region, the Australian Government has responded to the need for better civil–military cooperation and whole-of-government responses to conflict and disaster by establishing the Asia Pacific Civil-Military Centre of Excellence in 2008. The centre's mission is 'to support the development of national civil–military capabilities to prevent, prepare for and respond more effectively to conflicts and disasters overseas', and it's promoting best practice in civil–military–police engagement in conflict and disaster management by developing strategies to enhance multi-agency cooperation.[13]

AusAID programs will continue to deliver post-conflict state-building assistance in difficult environments. This includes the ability of civilian agencies to maintain, mobilise and deploy necessary resources and skilled personnel for a variety of operations in conflict-affected areas.

Recommendations on national security and the aid program

This section outlines the task force's recommendations for realigning Australia's approach to aid and security to acknowledge the emerging international consensus on the relationship between the two.

Maintain the official objective of the aid program

Despite the growing identification of national security with aid, the objective of the Australian aid program should remain as it is, with a primary focus on development and the alleviation of poverty in developing countries understood within the wider context of

Australia's national interests. Those interests encompass the advancement and protection of our national security, but the appropriate place to show their connections to the aid program is in the National Security Statement.

The official objectives of Australia's aid program have always, explicitly or implicitly, included the advancement of national security, but the primary focus has been on development and poverty alleviation. There are good reasons for this. Australians give generously to help those in need overseas, and internationally we rank highly for individual generosity, as in our response to the 2004 Boxing Day tsunami. Many people believe that Australia, a wealthy country, ought to be helping poorer countries, and that belief's important in sustaining public support for the aid program. The objective of aid, for the Howard government, was 'to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development'[14], and that's remained the objective of the aid program ever since. For the current government, it's 'to assist developing countries reduce poverty and achieve sustainable development, in line with Australia's national interests,'[15] and it should continue to be expressed in those broad terms.

However, the government should put more effort into explaining how Australia's aid contributes to national security by preventing the development of potential threats to Australia. That will help to ensure longer term public support for our development assistance program.

In accordance with the Paris Declaration and the Accra Agenda, Australia should also give higher priority to security in its aid initiatives in those cases where fragile states ask for security.

Increase the accountability of the aid program

At the 2010 federal election, both the Labor Party and the Liberal–National Coalition recommitted to the policy aim of boosting Australia's ODA/GNI (ODA as a proportion of gross national income) from 0.33% to 0.50% by 2015–16. The Coalition also pledged to create a Minister for International Development. This bipartisan commitment to the Millennium Development Goals is valuable for the long-term planning of Australian aid. The Labor government has provided for an increase in ODA/GNI from 0.33% to 0.50% by 2015–16 in the budget forward estimates. Depending on Australia's economic growth, ODA in real terms is likely to double in the next four years. Some politicians, talkback hosts and commentators find spending to help others beyond our shores an easy target, especially at times of natural disaster in Australia. Therefore, accounting for what Australia spends on aid matters more than ever, because public support for the program must be maintained not only to alleviate poverty internationally but also to protect Australia's national security and our broader national interest.

A number of mechanisms, some world-class, already exist to provide that accountability. All ODA expenditure, whether by AusAID or not, must be authorised by the Development Effectiveness Steering Committee, which brings together AusAID, DFAT, Finance and Treasury and coordinates all activities that qualify as ODA as defined by the OECD's Development Assistance Committee in Paris. AusAID's own Office of Development Effectiveness produces an annual review of development effectiveness that's often critical of aid performance in particular areas, and the Australian National Audit Office examines a part of the aid program each year to assess its efficiency.

Yet more is needed:

- The Office of Development Effectiveness should have a statutory role.

- The Parliamentary Joint Committee on Foreign Affairs, Defence and Trade should establish a subcommittee on the aid program to provide parliamentary oversight.

- Australia should follow the example of the US in conducting a quadrennial diplomacy and development review, which would enable government to re-examine the aid program every four years, paying attention to:

    - development effectiveness

    - the success of whole-of-government mechanisms in delivering ODA

    - civil–military cooperation in disaster relief

    - civil–military cooperation in state-building in permissive and non-permissive environments

    - the links between the overall ODA effort and national security

    - the future direction of the aid program.

Delivering ODA requires experience and mechanisms in areas such as finance, procurement, design, quality control, resources allocation and internal coordination. This should all be under one agency to manage ODA processes. A single organisation should be accountable; the technical assessment and support should be spread across other relevant agencies, which should stick to their core functions and expertise.

Establish a new ministerial portfolio for official development assistance in DFAT

AusAID's central role in whole-of-government activities across the security–development spectrum necessitates a rethinking of its position within formal decision-making processes. AusAID now has the independence of an executive agency, but its location within DFAT deserves reassessment, and ministerial arrangements need to be reconsidered:

- As it grows, the aid program will matter more for national security—not least because of the enlargement of civil–military cooperation in delivering aid. It requires independent representation at the highest levels, including, either routinely or by invitation, in the National Security Committee of Cabinet.

- ODA is a whole-of-government exercise involving a number of departments and agencies, so the new ministerial portfolio should be one that covers international development assistance whether delivered by AusAID or not, as happened with the parliamentary secretaryship from 2007 to 2010.

- AusAID will be the fifth largest 'department' in terms of expenditure by 2015, a consideration that by itself suggests the need for a dedicated aid portfolio.

Maintain the new aid commitment to Africa, but not at the expense of the Asia–Pacific region, and in the context of a heightened awareness of security issues

The Australian Government will double Australia's bilateral development assistance to African countries from $70.6 million in 2008–09 to $139.2 million in 2010–11. Total Australian ODA to Africa for 2010–11 is $200 million, and the government has announced expenditure of $347 million over four years. The aid focuses on projects in agriculture, maternal health, water and the regulation and management of mining.

The renewed commitment to Africa needs to be placed in context. The scaling up of

aid to Africa is taking place within a rapidly growing aid budget, and the Asia–Pacific region will remain, overwhelmingly, the main focus of Australian ODA. Total aid to PNG and the Pacific in the current financial year is estimated to be $1,085.4 million, of which $457.2 million is for PNG and $225.7 million is for Solomon Islands, including the costs of the AFP. Rough estimates of per capita aid to the Pacific give a figure of $135 for the region as a whole, $410 for Solomon Islands and $70 for PNG. The equivalent per capita figures for Australian aid to Africa are unknown and difficult to calculate because the aid program is small and targeted at particular projects, such as health and education in Zimbabwe. We can say with certainty, however, that they'd be much lower than for the Pacific.

Australian mining ventures are becoming more important on the African continent. And Australia, as an Indian Ocean state and one that's committed to combating terrorism, has broader national security interests at stake in Africa and the Middle East. Somalia, where an Australian battalion joined the Unified Task Force of Operation Restore Hope in the early 1990s, is a country without an effective government; for that reason, Australia would encounter difficulties in returning to it but may be able to do so under the right conditions. Yemen, a new base for Islamist terrorist groups and a country with considerable development challenges, might well deserve Australian development assistance that could directly benefit our national security. Our new AusAID office in Addis Ababa could attend to both countries, particularly in food security and agriculture assistance.

Recognise Australia's enduring strategic interests in the South Pacific, and the region's unique development problems

The island Pacific is becoming a more contested space. China is fast growing in importance as an aid donor, investor and trade partner, while others—the United Arab Emirates, Russia and Georgia, for example—are creating new Pacific links for themselves with small aid commitments. Australia has compelling security interests in remaining predominant in this region.

Several Pacific countries are too small and isolated for the standard development models to be applicable to them. What they need are multiple links to the prosperous countries nearby, Australia and New Zealand, in a project of economic integration that enables them to share our prosperity. That means revisiting the Pacific Seasonal Worker pilot scheme, under which Australia was to recruit Pacific islanders to relieve labour shortages in the horticultural industries. The scheme hasn't worked well enough. While its New Zealand counterpart has been a success, our scheme needs to be reformed. Australia's strategic interests also dictate a long-term reconsideration of immigration policy, which prevents unskilled Pacific islanders from accessing our labour market and identifying their interests with ours.

Recognise Australia's enduring strategic interests in Papua New Guinea, and its unique development problems

PNG's strategic importance to Australia is considerable and enduring. Our aid to PNG is set to rise by as much as 50% over the next four years, and we should remain committed to that growth, even though PNG's current policy is to phase out aid in a way that doesn't prejudice its development.

The vast liquefied natural gas project that's transforming parts of PNG and may double its GNI and boost development also has destabilising potential.

PNG receives less aid than its African counterparts. Benin, Uganda, Mozambique

and Eritrea all receive considerably more development assistance as a proportion of GNI than PNG.

Recognise that climate change in Australia's region is a potential national security issue

The Garnaut Climate Change Review concluded that the weight of scientific evidence was that climate change is inevitable and will be damaging. The Secretariat of the Pacific Regional Environment Program argues that climate change has arrived in the Pacific in the form of coastal erosion, soil salinity and higher sea levels. A number of Pacific island countries consist entirely of low-lying atolls—spits of sand raised slightly above the sea—while others have atoll regions. The Maldives in the Indian Ocean face the same problem. Over a period of decades, entire national populations of atoll countries in the Pacific and Indian oceans may need to migrate, and the international community may expect Australia to play its part in accepting them.

An increasing aid program provides the opportunity to expand Australia's spending on climate change adaptation initiatives in Pacific countries, especially atoll countries. We need to strengthen AusAID's Vulnerability and Adaptation Initiative, which currently operates in six Pacific countries, by increasing funding and extending the scheme to other countries in the region.

Australian resource companies often operate in locations that are highly exposed to the adverse impacts of climate change. As those impacts become more pronounced, those companies can play a valuable collaborative role in humanitarian assistance. Because many mining operations already provide essential services in communities, they're strategically placed to help communities adapt. AusAID's development assistance in adaptation planning would benefit

from leveraging the special strategic role of many Australian resource companies operating overseas.[16]

Consider creating a separate security sector in the aid budget

Security sector reform, a central ODA activity of the AFP, is currently included in the governance sector of the aid program. Creating a separate security sector of the aid budget should be considered:

- to recognise the increasing importance of aid–security cooperation in the aid program, as in security sector reform

- to make ODA expenditure by agencies such as the AFP more transparent

- to provide greater clarity about objectives and activities in 'securing development'

- to define the rest of the governance sector more clearly.

Develop a coherent strategy for whole-of-government delivery of aid in permissive and non-permissive environments

Australia has a good international reputation for civil–military cooperation in the delivery of aid. Our experience of whole-of-government involvement in aid and emergency projects over the past decade has also built a valuable reservoir of regional knowledge and expertise across the Australian Public Service. Key international institutions regard Australia as a model for others to follow. The OECD, in a 2006 report, commended the way Australia organised RAMSI.[17] The World Bank recently found many lessons for itself, the UN and NATO in the Australian approach to intervention and state building in Bougainville and Solomon Islands.[18] And the Asia Pacific Civil-Military Centre of Excellence is working with departments and agencies to facilitate civil–military cooperation.

Gratifying as our reputation may be, however, practitioners in the field report continuing difficulties in achieving effective cooperation between government agencies with different institutional cultures, in both permissive and non-permissive environments.

Procedures are well established in Canberra. For example, when a major conflict or disaster occurs overseas, DFAT establishes an interdepartmental emergency task force with representation from Defence, AusAID, the AFP, the Attorney-General's Department and Finance. The task force is responsible for advising the government through the National Security Committee of Cabinet.

The problem arises in the field, where issues of interoperability, institutional culture and lines of command have the potential to hamper the whole-of-government response.

There are also problems when security is restored and there's a need to shift security operations and transition interventions into long-term programs and partnerships.

For example, a gulf in cultures separates the ADF from the NGOs that appeared in their hundreds in Aceh after the tsunami; and, although the first phase of RAMSI worked well, the ADF and the AFP were finding their way to cooperation while in the process of bringing peace to Solomon Islands. Similar problems arose in southern Iraq and have emerged in Afghanistan, where AusAID officers need considerable military protection to move around, and where AFP officers approach their task in a different spirit from soldiers. The Australian Civilian Corps, in its infancy but growing, may point the way towards a new, less constrained civilian response to emergencies.

Staff working on a specific country usually share objectives, and to increase efficiency they should avoid duplicating their efforts. A number of initiatives could enable this, such

as putting together a country team consisting of all relevant stakeholders (for example, agencies and government departments). Such shared responsibility would be an incentive to share assessments and outcomes. Those outcomes should include community empowerment, long-term sustainability and greater ownership of projects by local communities.

What's needed is a coherent government strategy to enhance civil–military cooperation as the aid budget grows. The Asia Pacific Civil-Military Centre of Excellence, which is already developing such a strategy, will play a key role in fashioning an effective whole-of-government response to conflict and disaster management, but all departments and agencies will need to adjust their cultures and responses to the needs, in particular the security needs, of a new era in the aid program.

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Acronyms and abbreviations

ADF	Australian Defence Force
AFP	Australian Federal Police
AusAID	Australian Agency for International Development
DFAT	Department of Foreign Affairs and Trade
GNI	gross national income
NGO	non-government organisation
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PMG	Peace Monitoring Group (Bougainville)
PNG	Papua New Guinea
QDDR	*Quadrennial diplomacy and development review* (US)
RAMSI	Regional Assistance Mission to Solomon Islands
UN	United Nations
USAID	United States Agency for International Development

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The Foundation for Development Cooperation is an independent, not-for-profit international development organisation which seeks to improve the lives of poor people in developing countries.

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