

SUBMISSION INTO THE NEW INTERNATIONAL DEVELOPMENT POLICY, DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Transparency International Australia

November 30, 2022



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Transparency International Australia (TIA) is part of a global coalition to fight corruption and promote transparency, integrity and accountability at all levels and across all sectors of society, including in government. TIA was launched in March 1995 to raise awareness of corruption in Australia and to initiate moves

to combat it.

TIA believes that corruption is one of the greatest challenges of the contemporary world. Corruption undermines good government, distorts public policy, leads to the misallocation of resources, harms private and public sector development and particularly hurts the poor. It drives economic inequality and is a major barrier in poverty eradication.

Tackling corruption is only possible with the cooperation of a wide range of stakeholders. We engage with the private sector, government and civil society to build coalitions against corruption. Coalitions against corruption will help shape a world in which government, politics, business, civil society and the daily lives of people are free of corruption. TI Australia is the national chapter of Transparency International (TI), the global coalition against corruption, with a presence in over 100 countries. The TI Secretariat endorses this submission, reflecting its experience in the Indo Pacific region.

TI Australia, is registered with the Australian Charities and Not-for-Profits Commission (ACNC) and is an affiliate member of ACFID.

Dear Development Policy team,

Transparency International Australia welcomes the opportunity to make a submission into the creation of a new International Development Policy. Our submission addresses the Terms of References in the following sections: **A. Purpose and Objectives, B. Enhancing Impact and C. Performance, Partnerships, Delivery.**

Part B includes a focus on effective and accountable states, addressing rising authoritarianism, shrinking civic space and how corruption impacts on democracy and accountability. Part B also focuses on collective action for climate change and the energy transition. Throughout this submission we demonstrate the importance of addressing corruption and promoting good governance for democracy, inclusive development and poverty alleviation in the Indo-Pacific region.

Below we set out recommendations with the rationale and benefits for the aid program presented in the main submission.

We look forward to the opportunity to discuss the submission with you and for Australia's new international development policy.

Yours sincerely,

A handwritten signature in black ink that reads "Clancy Moore". The signature is written in a cursive, slightly slanted style.

Clancy Moore

CEO, Transparency International Australia

RECOMMENDATIONS

1. The new International Development Policy must focus on building effective, accountable states through working with partners on poverty reduction, inclusive development and good governance linked to the achievement of the Sustainable Development Goals (SDGs).
2. Given the growing and significant level of direct budget support to partner governments in the region¹, DFAT should set aside a set-proportion of ODA for strong civil society accountability and anti-corruption controls and procedures to ensure good public finance management and provision of public services.
3. Re-prioritise funding to increase investment in civil society organisations and initiatives, including research on corruption and governance, and recognise their essential role in supporting democracy and ensuring accountability in governments and businesses.
4. Strengthen DFAT's capability and specialist expertise in governance, anti-corruption and civil society strengthening. This should include a governance team and expert thematic advisors.
5. Require high standards of transparency, accountability and due diligence measures are in DFAT funded projects connected to the energy transition, such as climate finance investments, Australian Infrastructure Financing Facility for the Pacific (AIFFP), the Australian Indonesia Infrastructure Climate Partnership, and other similar investments.
6. As part of re-prioritising investments for climate action include significant investment in initiatives to strengthen natural resource governance of key minerals required for the energy transition (such as lithium, cobalt, nickel and rare earths) in the Indo-Pacific region and where Australian mining companies operate in low income and corruption prone countries. This includes promoting contract transparency, project level payments-to-government disclosure, for Australia to join and champion international initiatives like the Extractive Industries Transparency Initiative (EITI) and enabling a Beneficial Ownership public registry.
7. Require AIFFP, Partnership for Infrastructure (P4I), and bilateral infrastructure funding to undertake due diligence including beneficial ownership disclosure, as outlined in the OECD Due Diligence Guidance on Responsible Business Conduct and to adhere to principles of open contracting through the use of the Open Contracting for Infrastructure Data Standard.
8. Playing to Australia's emerging leadership in good governance, integrity and anti-corruption, the Commonwealth should develop a whole of government anti-corruption strategy that includes DFAT and leverages our institutions, capability and civil society to support anti-corruption systems in the Indo-Pacific region. This should include efforts to remove loopholes in Australia's anti-money-laundering systems which enable flows of dirty money from abroad and help to undermine

¹ In 2022/23, total ODA was around \$4.5 billion AUD so 6% would equate to \$270 million dollars. See: DFAT, (2021), "Incoming Secretary Brief: Operations" Accessed:

<https://www.dfat.gov.au/sites/default/files/dfat-foi-lex4158-4203.pdf>

development and integrity in source countries.

9. Establish a Civil Society Organisation (CSO) Hub in DFAT to strengthen engagement with civil society across the Development program and with DFAT.
10. Ensure all country and regional strategies are long-term, locally led, built on consultations with local civil society and partner governments and use the internationally recognised Corruption Perception Index (CPI) in

their analysis and key performance benchmarks.

11. Establish a newly created Office of Development Effectiveness (ODE) or equivalent function should undertake a meta-evaluation of good governance and anti-corruption investments to guide and improve future program effectiveness.
12. Progress Australia's commitment to the Aid Transparency Initiative and implement the recommendations of the Australian National University Transparency Audit.²

PART A. PURPOSE AND OBJECTIVES

Globally, extreme poverty is on the rise. COVID-19 has increased inequality and plunged millions in the region into extreme poverty. This has also contributed to rising authoritarianism, increased corruption risks and democratic backsliding across Asia and the Pacific. The impacts of climate change and the energy transition also impact women, men and children living in poverty and will lead to greater inequality, poverty and fragile states.

Transparency International Australia believes the new International Development Policy must focus on building effective, accountable states through working with partners on poverty reduction, inclusive development and good governance linked to the achievement of the Sustainable Development Goals (SDGs).

For this approach to be successful, tackling corruption must also be at the forefront and anti-corruption and good governance measures need to be built in and mandated across the aid program.

Corruption hampers economic growth and increases poverty. Corruption also reduces

people's faith in democracy. The Indo-Pacific region consistently scores poorly on the [Transparency International's Corruption Perceptions Index](#) with many countries in the Asia Pacific region rating poorly.³ The average score of 45/100 shows how much more can be done.

² ANU, (2022), "Aid Transparency Audit", accessed: <https://devpolicy.crawford.anu.edu.au/australian-aid/aid-transparency-audit>

³ The CPI ranks 180 countries and territories around the world by their [perceived levels of public sector corruption](#). The results are given on a scale of 0 (highly corrupt) to 100 (very clean).

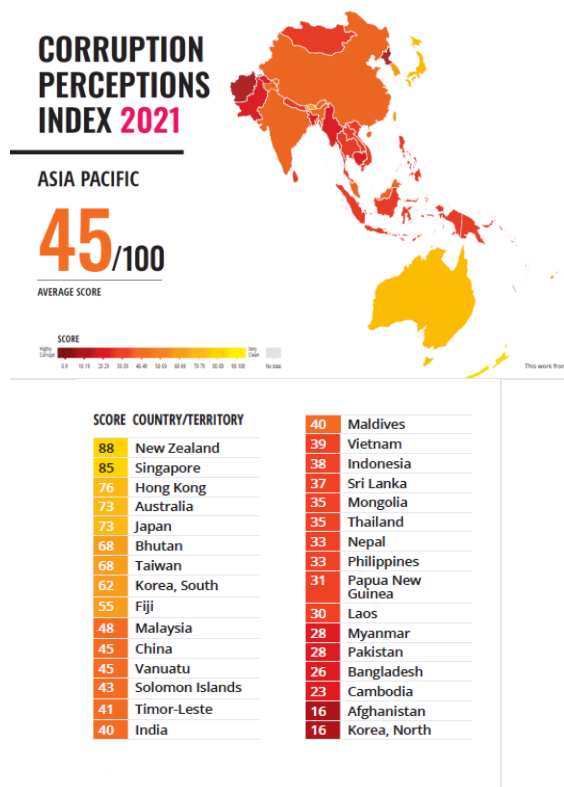


Image 1. Corruption Perceptions Index 2021 Asia Pacific. Source: TI, www.transparency.org/cpi

Corruption deprives the most marginalized people of equitable access to essential services. Countries that are corruption-prone are often conflict-prone and characterized by human rights violations. Corruption is not

gender-neutral, with women and girls bearing a disproportionate brunt. Countries with the some of the weakest CPI scores include key development partners Cambodia (23), PNG (31) and Indonesia (38). Demonstrating the link between corruption and rising authoritarianism, democratic backsliding and instability are the examples of Myanmar (28), Sri Lanka (37) and Afghanistan (16).

Corruption represents a major obstacle to reaching all the Sustainable Development Goals (SDGs), though acutely stalls progress to SDG 16, and effective, accountable states.⁴ There is broad consensus that without meaningful action to reduce corruption, progress towards all SDG goals is likely to be extremely limited.

Recommendation 1: The new International Development Policy must focus on building effective, accountable states through working with partners on poverty reduction, inclusive development and good governance linked to the achievement of the Sustainable Development Goals (SDGs).

PART B. ENHANCING IMPACT

B.1 Effective, accountable states

The dual crises of the pandemic and climate change are impacting the ability of states to function effectively and undermining accountability. Conflict, displacement, rising authoritarianism, corruption, threats to civic space all severely undermine accountability and transparency of governments and businesses. The geo-political contestation and

strategic competition in the region are also risking the stability of effective and accountable states.

Public finances are also under facing debt and high fiscal deficits. The Australian aid program currently provides around 6% of total ODA in direct budget support to Pacific Island government.⁵ This ODA figure is expected to grow and is effectively untied and goes to the

⁴ Sustainable Development Goal 16 is focussed on peace, justice and strong institutions.

⁵ DFAT, (2021), "Incoming Secretary Brief: Operations" Accessed: <https://www.dfat.gov.au/sites/default/files/dfat-foi-lex4158-4203.pdf>

ministry of finance.⁶ To ensure effective public finance management and accountability in these partner governments, the international development policy should continue to support the development of good governance programs and strong and independent civil society that can hold governments to account.

Recommendation 2: DFAT should set aside a set-proportion of ODA for strong civil society accountability and anti-corruption controls and procedures to ensure good public finance management and provision of public services.

Transparency International (TI) has 17 years' experience working in the Asia Pacific region and has offices in 19 countries. Our work has been supported through the DFAT funded Effective and Accountable Governance for Sustainable Growth (2016-2019) program and now through the DFAT and New Zealand Ministry of Foreign Affairs and Trade program, Supporting Transparent, Responsive and Open Networks for Good Governance (2020-2023). The key goal of this program is to reduce corruption in the region by empowering a strong and independent civil society voice and network to mobilise action in support of increased accountability of public and private institutions. TI chapters also receive grants through DFAT posts and in-country investments.

Shrinking civil society space:

Through our work in the [Accountable Infrastructure](#) and our [Global Mining](#) Program operating in 23 countries since 2016, we are seeing multiple threats to civil society space in our region.^{7,8}

⁶ In 2022/23, total ODA was around \$4.5 billion AUD so 6% would equate to \$270 million dollars in 2022/23.

⁷ TI Australia, (2022), "Accountable Infrastructure", accessed: <https://transparency.org.au/our-work/accountable-infrastructure/>

Decreasing independence of the media:

Concerns have been raised about [restricted media freedom](#). It is becoming more difficult to publish stories that call out corruption and misconduct in countries within our region. In some countries where TI Chapters operate, they rely on the Australia media to publish stories critical of government.

Perceptions and experience of corruption:

Transparency International's Global Corruption Barometer - Pacific 2021 – the first time this survey was carried out in the Pacific – found that corruption is viewed as a considerable problem:

- 61 per cent of respondents think corruption in government is a significant problem and 56 per cent think that it is getting worse.
- Almost a third of those who accessed public services paid a bribe in the previous year – a higher rate than any other region surveyed by Transparency International.
- Businesses are viewed as a major part of the problem with over two thirds of respondents believing businesses secure contracts through bribes and connections.
- Governance of natural resources are seen as particularly corrupt which is of concern given that this is one of the largest industries in the region.⁹

There is limited research on corruption and governance situation in the Pacific region. This is evident through the Corruption Perceptions Index which only covers four Pacific countries. For a country to appear on the index, it needs to appear in at least three of the 13 sources it considers. Only Vanuatu, Solomon Islands, PNG and Fiji meet these criteria in the region. Similarly, the Global Corruption Barometer Pacific survey was the first of its kind conducted in the region. Hearing directly from the people of the Pacific on their views and

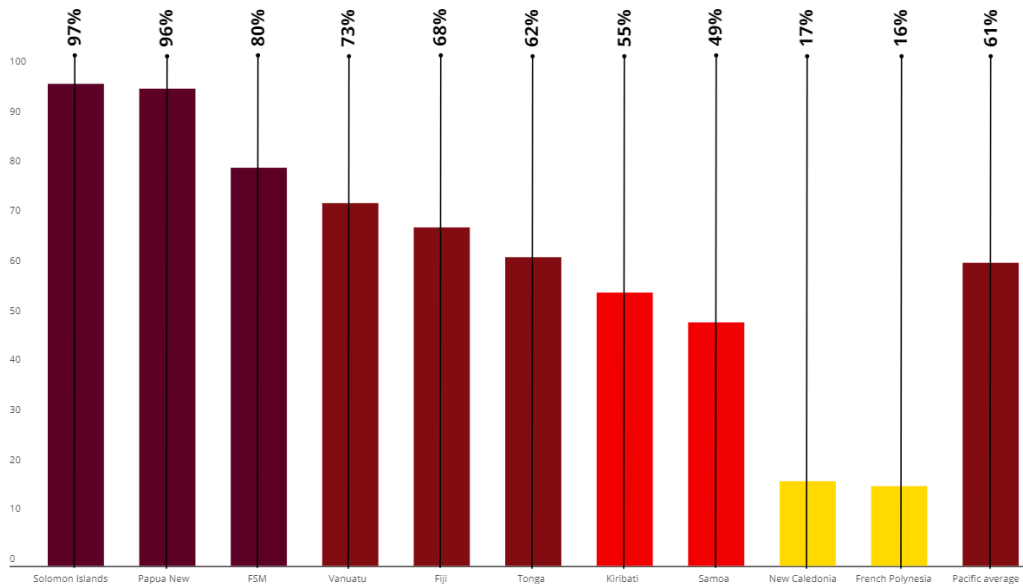
⁸ TI Australia, (2022), "Accountable Mining", accessed: <https://mining.transparency.org.au/>

⁹ TI, (2021), "TI Pacific Corruption Barometer 2021"

experiences of corruption is such a powerful tool to press for anti-corruption reform efforts.

Recommendation 3: Re-prioritise funding to increase investment in civil society organisations and initiatives, including research on corruption and governance, and recognise their essential role in supporting democracy and ensuring accountability in governments and businesses.

CORRUPTION IS A BIG PROBLEM IN GOVERNMENT



Graph 1. Pacific Islanders perceptions of whether corruption is a 'big' problem in their government. Source: TI Pacific Corruption Barometer 2021.

Threats to democracy and increased authoritarianism: [TI's corruption perception Index 2021](#) demonstrated the link between democratic decline, corruption and human rights abuses. Countries with well-protected civil liberties generally score higher on the CPI, while countries who violate civil liberties tend to score lower. The Asia Pacific region is stagnating in the fight against corruption scoring on average 45 out of 100. The lack of

progress is unsurprising given the prevalence of weak democratic institutions, poor governance and enforcement mechanisms, and shrinking space for civil society.

Civil society has a key role to play in addressing these challenges and this role can be supported through the new International Development Policy. Civil society organisations have strong community links are trusted and understand key issues and needs.

Under the Supporting Transparent, Responsive and Open Networks for Good Governance (2020-2023) good work is being done by Transparency International Chapters in Papua New Guinea, Solomon Islands, Vanuatu and Fiji to provide civic education programs on the democratic process and to educate people on the need for strong integrity frameworks and to call out corruption and misconduct. This work is essential in the fight to stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society. More importantly it lays the groundwork for citizens to access the rights and opportunities they are entitled to and eliminate extreme poverty and inequality.

corruption risks in mining, infrastructure and the energy transition

This will also require a strengthening of DFAT capability and expertise in governance and civil society.

How corruption undermines accountability across the Pacific

Disrespect for human rights is also preventing progress against corruption in parts of the Pacific – government wrongdoing is concealed from the public and it can be risky to speak up about corruption.

Very few Pacific countries have specific laws on right to information and whistleblower protection and those that do have gaps in the legislation or barriers to implementation. Papua New Guinea's (PNG) and Solomon Islands' whistleblower protection legislation is inadequate and poorly enforced. As a consequence, Solomon Islanders are not reporting corruption. Concerns have also been raised about restricted media freedom, including in the Solomon Islands. This fosters a climate of fear that prevents journalists from exposing corruption. Kiribati is facing a constitutional crisis and lack of accountability with judges being threatened, opposition political leaders being targeted.

For this work to achieve its maximum impact there should be a shift toward funding that is long-term and untied so that civil society organisations have the ability to plan and implement high quality and ongoing programs noting that progress in the Pacific can take time and requires sustained effort.

While the challenges are significant, the future also holds several opportunities for Australia's international development policy to influence and shape our region and the world to eradicate extreme poverty and achieve sustainable development. TIA calls for the new aid program to contribute to effective and accountable states by re-prioritising investments to:

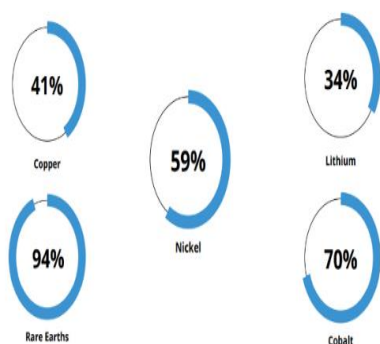
- Good governance and anti-corruption programmes
- Supporting strong civil society that can hold governments to account
- Building inclusive economic development through addressing

Recommendation 4: Strengthen DFAT's capability and specialist expertise in governance, anti-corruption and civil society strengthening. This should include a governance team and expert thematic advisors.

B.2 Collective action on climate and energy transition

As the world moves towards cleaner sources of energy, astounding opportunities are emerging for the mining and infrastructure sectors, together with new governance challenges and corruption risks. Key development partners are prioritising infrastructure investments and the development of critical minerals industries as national priorities.

Percentage of energy transition minerals located in countries with high levels of corruption



Source: Based on Church and Crawford (2020) Minerals and the Metals for the Energy Transition using the Transparency International 2017 Corruption Perceptions Index

The infrastructure sector is a key part of the energy transition, building the components and transmission lines for new energy and of course, the roads, rails and ports to transport critical minerals. The shift to clean energy technologies to generate and store power is already underway in many parts of the world, and as our solar power plants, wind farms and electric vehicles multiply, so do the mineral resources required to produce them.

Low-carbon technologies in power generation and in transport require a higher level of mineral inputs than their fossil-fuel based versions. Estimates by a recent International Energy Agency (IEA) report indicated that up to six times the amount of mineral input is required for an electric car in comparison to a conventional one.¹⁰ Similarly, building onshore

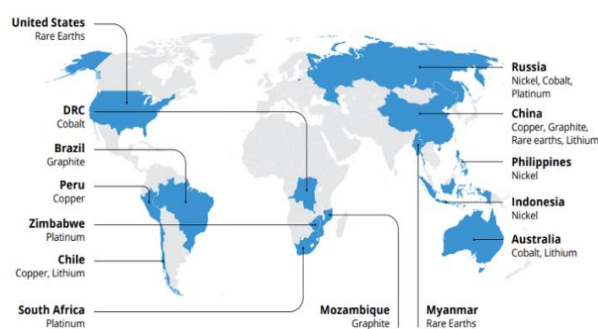
¹⁰ IEA. (2021). *The Role of Critical Minerals in Clean Energy Transitions*. International Energy Agency. <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>

¹¹ See: <https://transparency.org.au/our-work/accountable-infrastructure/> and <https://mining.transparency.org.au/>

wind plants requires nine times the amount of mineral resources compared to building a gas-fired plant of the same capacity.

Meeting this demand will mean new mines and new clean energy projects, and will create new governance challenges and corruption risks alongside astounding opportunities for both the infrastructure and mining sectors. Both the mining and infrastructure sector are corruption prone sectors, as our work in the Accountable Mining and Accountable Infrastructure programs has shown.¹¹ Our recent research highlights key trends to understand these issues and underscores the need to improve our anti-corruption efforts and ensure that business integrity is maintained throughout the energy transition value chain.¹²

Top producer countries of energy transition minerals



For example, an increase in licensing of mining projects for these minerals is already occurring at an accelerated pace in many regions of the world. While these minerals can be found in various parts of the world, in many cases, key reserves are located in jurisdictions with records of poor or weak governance as measured by Transparency International's Corruption Perception Index.¹³

Australia's International Development Policy has a key role to play to ensure a sustainable and just energy transition for our region and indeed the world.

¹² TI Australia, (2022) *What Does the Energy Transition mean for the Mining Sector?*

¹³ Church C, Crawford A. Minerals and the metals for the energy transition: Exploring the conflict implications for mineral-rich, fragile states. *Lecture Notes in Energy*. 2020;73:279-304. doi:10.1007/978-3-030-39066-2_12/FIGURES/5

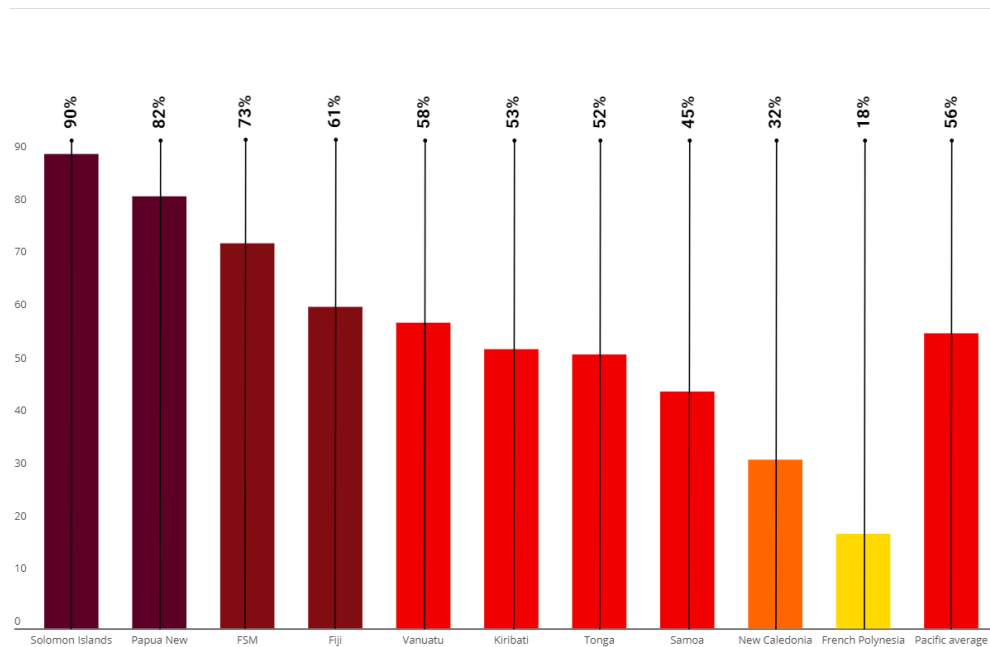
Recommendation 5. Require high standards of transparency, accountability and due diligence measures are in DFAT funded projects connected to the energy transition, such as climate finance

investments, Australian Infrastructure Financing Facility for the Pacific (AIFFP), the Australian Indonesia Infrastructure Climate Partnership, and other similar investments.

6. As part of re-prioritising investments for climate action include significant investment in initiatives to strengthen natural resource governance of key minerals required for the energy transition (such as lithium, cobalt, nickel and rare earths) in the Indo-Pacific region and where Australian mining companies operate in low income and corruption prone countries. This includes promoting contract transparency, project level payments-to-government disclosure, for Australia to join and champion international initiatives like the Extractive Industries Transparency Initiative (EITI) and a Beneficial Ownership public registry.

7. Require AIFFP, Partnership for Infrastructure (P4I), and bilateral infrastructure funding to undertake due diligence including beneficial ownership disclosure, as outlined in the OECD Due Diligence Guidance on Responsible Business Conduct and to adhere to principles of open contracting through the use of the Open Contracting for Infrastructure Data Standard

CORRUPTION IS A BIG PROBLEM IN BUSINESS



Graph 2. Pacific Islanders perceptions of whether corruption is a 'big' problem in business. Source: TI Pacific Corruption Barometer 2021.

B.3 Leveraging our National Strengths on Anti-Corruption and Integrity

To build stronger and more meaningful partnerships in our region, Australia should look inward to address the major weaknesses in our own laws and systems which enable corrupt actors to undermine governance in the Indo-Pacific. Corruption knows no borders and our systems should reflect this. Building on the recent legislating of the National Anti-Corruption Commission, Australia should develop a whole of government integrity agenda to strengthen Australia's domestic and international anti-corruption efforts in an integrated manner and should include:

- Enacting overdue reforms and increased enforcement of Australia's laws on bribery of foreign officials, anti-money laundering, corporate ownership transparency, extractive industry transparency and corporate

criminal liability generally, to bring Australia up to international standard.

- Increased resources to support the implementation of Australia's commitments under the Open Government Partnership, UN Convention Against Corruption, including through the aid program, as part of the coordinated approach recommended above.

Recommendation 8: Playing to Australia's emerging leadership in good governance, integrity and anti-corruption, develop a whole of government anti-corruption strategy that includes DFAT and leverages our institutions, capability and civil society to addresses weakness in Australia's domestic and international anti-corruption efforts and support anti-corruption systems in the Indo-Pacific region.

B.4 Addressing multi-dimensional vulnerabilities through civil society engagement

Climate Action and Governance in the Indo-Pacific

While the energy transition is underway in many areas of the world, it remains one of the key-challenges in the Asia-Pacific region. The ADB estimates that 350 million people have inadequate supply, with 150 million people having no access to electricity.¹⁴ The need to ensure access to renewable forms of energy is a key priority for development actors in the region, with commitments being made for climate finance. The ADB has committed to spend USD \$100 billion on climate financing, including renewable energy infrastructure by 2030.¹⁵

The rates of corruption in climate vulnerable countries receiving climate finance are a serious cause for concern. The climate funding landscape is complex and fragmentary, which complicates efforts to track financial flows (there is still no universally agreed upon definition of climate finance), and to ascertain who should be held accountable for decisions and results.

The scale of the climate challenge is immense and the need to stimulate investments has never been greater. The Energy Transition will open astonishing opportunities for the infrastructure and mining sectors, to construct renewable infrastructure to provide clean power and the minerals needed to enable and store it. The ADB estimates that in our region alone, investments in renewable energy

¹⁴ ADB, (2021), "New ADB Energy Policy to support energy access and low carbon transition in the Asia and Pacific", accessed: <https://www.adb.org/news/new-adb-energy-policy-support-energy-access-and-low-carbon-transition-asia-and-pacific>

¹⁵ ADB, (2021), "ADB raises 2019 – 2030 climate finance ambition to 100 billion", accessed: <https://www.adb.org/news/adb-raises-2019-2030-climate-finance-ambition-100-billion>

could reach up to USD \$1.3 trillion per year.¹⁶ Meanwhile, Wood Mackenzie estimates that USD \$1.7 trillion worth of investment will be required globally in the mining sector by 2035.¹⁷ This new mining boom is increasing corruption risks, poses potential shocks and disruption to supply chains. As such good governance is essential for inclusive economic development and a just energy transition that benefits communities.

Women's rights and corruption in the Asia Pacific

The OECD's Social Institutions and Gender Index¹⁸ highlights that some progress has been made in the region with political commitments to eliminate gender inequality and new legislation that enhances equality and abolishes discriminatory laws, including through gender-transformative programmes and action plans. However, political commitments, legal reforms, and gender-sensitive programmes in many countries are still not being translated into real changes for women and girls. These challenges continue to prevent women from participating fully in public processes including on anti-corruption, an example being highlighted recently by TI Maldives in relation to their work on anti-corruption and climate action.¹⁹

Corruption tends to exacerbate gender inequalities, while gender inequality undermines the fight against corruption. What they have in common is power – access to it and the abuse of it.²⁰ Particularly in the realm of public services, where women are typically the primary care takers for children and the elderly, they may be more regularly confronted with corruption in public services in health and education. There are also uniquely gendered forms of corruption such as sexual favours that are used as a currency in corruption, violating human rights and disproportionately affecting women.

Transparency International's most recent Global Corruption Barometer (GCB) reports on Asia and the Pacific 2020/21 collected data on sextortion, a form of corruption that disproportionately affects women and girls. The findings show that the percentage of citizens who experienced sextortion or know someone who has is concerning in Asian countries such as Indonesia (18%) and Sri Lanka (17%), and alarmingly high in the Pacific, particularly in French Polynesia (92%), New Caledonia (76%), PNG (46%). This is not helped by the absence of regulations, awareness, and knowledge that sextortion is a form of corruption.

Women have an important role to play in anti-corruption and need support to contribute to improve accountability and integrity systems and build governance frameworks that are more responsive to their needs.

Civic space and democracy in the Asia Pacific

Shrinking of civic space is a growing challenge in the region. Transparency International has linked the slow anti-corruption progress across the region to an overall weakening of democratic institutions

¹⁶ ADB, (2021), "New ADB Energy Policy to support energy access and low carbon transition in the Asia and Pacific", accessed: <https://www.adb.org/news/new-adb-energy-policy-support-energy-access-and-low-carbon-transition-asia-and-pacific>

¹⁷ Kettle J. Faster Decarbonisation and Mining: A Crisis of Confidence or Capital? Wood Mackenzie. Published online 2020. Accessed October 5, 2022. <https://www.woodmac.com/news/opinion/faster-decarbonisation-and-mining-a-crisis-of-confidence-or-capital/>

¹⁸ OECD (2019) "Social Institutions and Gender Index (SIGI) 2019 Global report" accessed: <https://www.genderindex.org/sigi/>

¹⁹ Transparency International, (2022), "Benefitting people and the planet: Why we must prioritise gender in anti-corruption and climate efforts", accessed: <https://www.transparency.org/en/blog/we-must-prioritise-gender-in-anti-corruption-and-climate-efforts-maldives-zambia-brazil>

²⁰ Alexandra Habershon, World Bank, (2021), "Gender and Corruption: Time is Now", accessed: <https://blogs.worldbank.org/governance/gender-and-corruption-time-now>

and political rights.²¹ The weakening of democratic institutions diminishes any sustained effort to fight corruption, and the general decline of political rights also contributes to higher corruption levels.

Strong and independent democratic institutions can deliver checks and balances, while strong-handed central governments limit or suppress free and open media and citizen participation. The Corruption Perception Index (CPI) 2021 revealed that a decade of stagnating levels of corruption amid human rights abuses and democratic decline in Asia Pacific²². With a surge of populist and autocratic leaders in many countries in the region, restriction on civil liberties has become widespread and anti-corruption institutions are weakened.

CIVICUS findings raise concerns regarding continued use of restrictive laws used to criminalise and prosecute human rights defenders, the detention and harassment of activists, protesters, and journalists in the region. In the past year, at least 13 countries in Asia were recorded to have used criminal defamation laws to try to silence activists and critics. In the Pacific, restrictive laws were documented in at least seven countries.

Corruption exacerbates many of the challenges facing Asia Pacific region – preventing responses to crises like the pandemic and climate change and blocking access to key services that help to lift people out of poverty.

Recommendation 9: Establish a Civil Society Organisation (CSO) Hub in DFAT to strengthen engagement with civil society across the Development Program and with DFAT.

PART C. PERFORMANCE, PARTNERSHIPS AND DELIVERY

The aid program has large amounts of ODA going to direct budget support, increased expenditure on climate finance and infrastructure.²³ These significant investments also raise the risks of corruption and poor governance. To ensure effective delivery, the new development policy must also ensure high standards of due diligence, good governance and complementary accountability mechanisms. Australia is lagging on the Aid Transparency standards and could benefit from a dedicated independent evaluation and oversight similar to the Office of Development Effectiveness (ODE).

Recommendations:

10. Ensure all country and regional strategies are long-term, locally led, built on consultations with local civil society and partner governments and use the internationally recognised Corruption Perception Index (CPI) in their analysis and key performance benchmarks.

11. Establish a newly created Office of Development Effectiveness (ODE) or equivalent function should undertake a meta-evaluation of good governance and

²¹ Transparency International, 2019, "Asia pacific: Little to no progress on anti-corruption", accessed: <https://www.transparency.org/en/news/asia-pacific-makes-little-to-no-progress-on-anti-corruption>

²² Transparency International, 2021, "2021 corruption perceptions index reveals a decade of stagnating corruption levels amid human rights abuses & democratic decline in Asia Pacific", accessed: <https://www.transparency.org/en/press/2021-corruption-perceptions-index-press-release-regional-asia-pacific>

²³ Estimates put the amount of ODA at 6% that flows directly to partner governments' budgets and not for programs, funds or grants. Infrastructure investments are set to rise in the next 10 years with for example, Australian Infrastructure Financing Facility for the Pacific (AIFFP), the Partnerships for Infrastructure (P4F) and the Australian Indonesia Climate Infrastructure Partnership.

anti-corruption investments to guide and improve future program effectiveness.

12. Progress Australia's commitment to the Aid Transparency Initiative and implement the recommendations of the Australian National University Transparency Audit.²⁴

²⁴ ANU, (2022), "Aid Transparency Audit", accessed: <https://devpolicy.crawford.anu.edu.au/australian-aid/aid-transparency-audit>