SMART POWER

MAKING AUSTRALIA'S WHOLE-OF-GOVERNMENT STRATEGY WORK IN FRAGILE STATES AND SITUATIONS

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Researching Australia's Security Challenges

EXECUTIVE SUMMARY

This report considers future options for the Australian Government's holistic response in conflict- or crisis-affected states and situations. It maps the broad challenges and commitments of the Government's engagement in such fragile environments, reviews the obstacles to achieving effective cross-department cooperation when responding to the challenges, and proposes what needs to be done to improve the approach. Previous Kokoda Papers have dealt with the issue of how to improve Australia's whole-of-government, and indeed whole-of-nation, responses to security; therefore this study should be read in light of those contributions.

Project Aim and Method

The rationale for this research project is to assist the Australian Government in organising its support to fragile states and situations in a more effective and coherent way.

This follows on from recent transformations in the political landscape, such as the change of Federal Government in Australia, the new national security architecture within Government, and ongoing international reviews of holistic approaches and the security-development nexus in stabilisation theatres. It is also taking place against the backdrop of various international conferences, such as the 40th *Pacific Islands Forum*, and national initiatives, such as the PM&C-led review of national disaster response and the launch of the Australian Civilian Corps (ACC – formerly DCC).

The paper looks for similarities and differences in the issues that prevail in Australia's neighbourhood, as compared with those that dominate other theatres further afield. These insights are essential when considering how or whether to take forward certain commitments. A notable example is the determination within the OECD-DAC Principles for Good International Engagement in Fragile States and Situations (*DAC Principles*) that 'state-building' should be the donor government's 'central objective' in its engagement on conflict

and fragile regions – the research questions whether this approach is appropriate to the constraints and opportunities within Australia's region.

Three workshops were conducted under the Chatham House rule, with the aim of bringing together a sample of the main Australian constituencies working in this domain. The first workshop was attended predominantly by Australian Government representatives, leading academics, and a member of the humanitarian aid sector. The outputs (elaborated in Chapter 3) guided the direction of Workshop 2, where subject matter and country experts drilled down into context-specific issues. A small group of senior officials and members of the business community and academia then congregated in the final workshop, where the main focus was on future options for Australian engagement in fragile states and situations.

Main Findings

The research established that the challenge of fragile states and situations is fast becoming a new reality, demanding 'smart' ways of harnessing the available tools both within and outside Government. Due to the complex or 'wicked' nature of the problem, there is a need for diverse experimentation of options, and a willingness to prepare for the occasional failure or further policy adjustment.

As the Australian Government defines its future approach, the report helps to clarify some of the essential ingredients for success in this area: namely, improved engagement with the respective context, fast-paced strategic development, operational innovation, and further investment in culture, leadership and professional development.

The report marks a time when Australia has a key opportunity to respond to international trends and intergovernmental experiments taking place in other donor governments. It encourages the Australian Government to continue embedding the '3C Principles' of 'coherent,

coordinated and complementary' action in fragile states and situations, and adapt these to its unique experience and circumstances as a middle power in the Asia-Pacific region.

The main focus of the chapter on 'future options' for Australian engagement centres on the idea of forming a 'taskforce', 'special unit' and/or 'Special Coordinator' role to redress the lack of unified control and direction, or single point of accountability, for action in this area. The proposed *3C Unit for Situations of Conflict and Fragility* reflects both the vision of research participants, and the spirit of Prime Minister Rudd expressed in Australia's first National Security Statement. The various roles, tasks, and resources required to establish such a unit are outlined in the last section of the report.

This report is not intended to be the last word on the subject. Readers who wish to discuss and debate aspects are encouraged to do so by preparing either a short commentary or a longer article for the Kokoda Foundation's professional journal, *Security Challenges.* For details on how this can be done, please visit:

http://www.kokodafoundation.org/journal/New%20Site/author.html

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Dr Edwina Thompson is a newly appointed director of strategy consultancy Beechwood International. Her specialism in policy writing, research and strategic planning in the areas of counter-narcotics, financial crime, humanitarian aid, and civil-military engagement has been developed through firsthand experience in situations of armed conflict. Her most recent role as World Vision International's Senior Civil-Military-Police Advisor took her to Pakistan, Haiti, Darfur, eastern Congo, South Central Somalia, Sri Lanka, Timor-Leste and back to Afghanistan, during which time she initiated the development of an industry best-practice decision-making tool that aims to balance principles of engagement with tactical choices.

Previously, Edwina worked in refugee protection at Amnesty International and the Red Cross, and in the late 1990s, she trained as a Royal Naval reserve officer. Edwina was awarded First Class Honours in English at University College London before conducting post-graduate research in inter-disciplinary social sciences. Her investigation into both the effects of gun violence in Papua New Guinea and the mechanics of the *hawala* system in Afghanistan led to an invitation from the UN Security Council to become an expert on its Monitoring Group of the arms embargo in Somalia.

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Introduction

We must use what has been called smart power: the full range of tools at our disposal – diplomatic, economic, military, political, legal, and cultural – picking the right tool, or combination of tools, for each situation.

US Secretary of State Hillary Rodham Clinton[1]

BACKGROUND

In December 2008, Prime Minister Kevin Rudd delivered the first 'National Security Statement' to the Australian Parliament. Four critical themes jump out. The first is **interdependence**; acknowledgement that the prosperity and security of those in developing countries has a profound effect on stability elsewhere. Rudd argues that the global and regional order is now changing so rapidly due to this interconnectedness that Australians have no choice but to adjust the lens through which they view the challenges to their security.

A second key theme relates to the risks posed by **fragile states**; how should the Australian Government mitigate against the potential destabilising influences that fragile states breed, such as insurgency, uncontrolled migration, transnational crime and underdevelopment? The Statement points to demographic changes and resource shortages in the Asia-Pacific region as additional likely causes for tension and volatility in the region, with estimates of the total population

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[1] Clinton, Hillary Rodham (2009) 'Confirmation Testimony,' accessible at <http://www.state.gov/secretary/rm/index.htm>

reaching over four billion, or 56 per cent of the world's total, by 2020: 'we will see a very different region to the one we see now,' the Statement forecasts, 'one where population, food, water and energy resource pressures will be greater than ever before'.

A third related theme is **climate change**, which is identified in the Statement as constituting among other non-traditional security threats 'a most fundamental national security challenge for the long-term future'.

The last critical theme, which underpins the entire Statement, relates to the complexity of this emerging environment, and the need to substitute 'business as usual' with more **'comprehensive'**, 'coordinated', 'clear-sighted' and 'coherent' responses within Government. While some of the necessary systems and structures exist, there is a recognised lack of unified control and direction, and a single point of accountability. The argument is for greater inclusion of government agencies at the planning stage of external support or defensive strategies; a collaboration that brings together the perspectives of security, justice, trade and development.

Over recent years, individual government departments have echoed the need for a better coordinated approach, while on an international level, Australia has committed to improving multilateral coordination and accountability through internationally agreed standards, such as the OECD-DAC Principles for Good International Engagement in Fragile States and Situations (*DAC Principles*), the Accra Agenda for Action, and the 3C Roadmap for Improving Results in Conflict and Fragile Situations.[2]

Despite progress in commitment to more holistic ways of working, however, it is widely acknowledged that there are considerable gaps between what has been agreed in principle and how the policies can be mainstreamed into government practice. Very few governments to date, for example, have

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[2] Documents accessible at <http://www.oecd.org>; <http://ww.accrahlf.net>; <http://www.3c-conference2009.ch>.

succeeded in developing an overall policy or framework for managing whole-of-government engagement in fragile states. This is even less so in response to fragile 'contexts' or 'situations', which can emanate from weak or even strong states, and emerging democracies.

While there is certainly a growing interest in providing support to fragile states[3], a 2007 report noted that fragile states still receive 43 per cent less overall aid than their entitlement according to population, poverty, policy and institutional performance levels.[4] The same report claimed that only 4 per cent of overseas development assistance (ODA) is committed to education in conflict-affected fragile states,[5] despite being a priority for populations wanting to break the vicious cycle of conflict and disruption to establish normalcy.

With Australia's ongoing commitment to rule of law programs, development and state-building efforts in the region and further afield, and more advanced thinking on fragility, it is timely to take a fresh look at the issue of how to make the holistic approach work from the Australian perspective. Against the background of increased perceived threat level, need for better coordinated responses, and a constricting financial environment, all Western governments are in search of new strategies and organisational approaches, especially in building more robust civilian capacities.

KEY CONCEPTS

This section provides a more detailed examination of two key concepts used throughout this paper: 'fragility' and 'whole-of-government' working in complex environments.

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[3] For example, in Britain, a rise to half of all new bilateral funding will now be invested in 'fragile countries'. DFID White Paper (2009) 'Eliminating World Poverty: Building our Common Future' (July), p.71

[4] Save the Children (2007) 'Last in Line, Last in School: How donors are failing children in conflict-affected fragile states (London: Save the Children Alliance), p.1

[5] *Ibid.*, p. v

What do we mean by 'fragility'?

There is a burgeoning literature that attempts to define and track the evolution of the debate surrounding 'fragile states', and 'fragility' more generally. Most helpful to our task are two sets of observations. The first is that all states are susceptible to situations of fragility in various forms and degree, and that the level of fragility fluctuates depending on both internal and external factors. Hence, as in Figure 1, fragility can be depicted as existing on a spectrum, with states or fragile pockets within a state plotted along the continuum from fragility to resilience.

Figure 1

FRAGILITY   RESILIENCE

One can imagine a tipping point somewhere near the centre which indicates whether the state or situation is 'declining' towards further fragility or 'stabilising' in the direction of building resilience.[6] The primary preoccupation of donors tends to be with situations of chronic fragility, in which states are vulnerable to slipping into conflict or becoming unable to cope with shocks such as a humanitarian or natural disaster.

The three indicative features which stand out within the most accepted definition of 'fragile states' constitute the second most helpful observation: these are the capacity, willingness and legitimacy of a state to provide the basic functions needed for poverty reduction, development, and the protection of populations.

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[6] See OECD/DAC (2008) 'Concepts and Dilemmas of State Building in Fragile Situations: From Fragility to Resilience,' OECD/DAC Discussion Paper.

> **Definition of fragile states**
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> "States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their population." (OECD-DAC 2007)

The recent addition of legitimacy to OECD-DAC's definition of fragility is welcome because it depicts a more relevant and dynamic understanding of the situation in many less developed countries where state-society relations are strained at best, and non-existent at worst.

As far as a more specific categorisation of 'fragile states' goes, there is no agreed international list. In addition, it is helpful to note that this terminology is a product of the international aid community and academics, and is not necessarily endorsed or welcomed by partner countries due to the stigma attached to failure. Despite this, analysis from the OECD in 2009 identified 48 fragile states in total. Further available information suggests that fragile states account for a sixth of the world's population of 6.5 billion, half of all the world's infant deaths, and a third of all people surviving on less than USD 1 per day.

Figure 2 overleaf demonstrates the diversity of states that could be included in such a category, from countries affected by conflict (Somalia; Sudan; Afghanistan) and countries with deteriorating or unstable political governance and high levels of violence (South Africa; PNG), to those with gradually improving governance records (Iraq; Vanuatu) and countries in prolonged crisis (Myanmar, Zimbabwe).[7] Countries can simultaneously be in two or more of these groupings.

Fragility impacts people economically, socially and with respect to their personal security. Evidence suggests that the majority of costs and impacts of fragility are felt by the inhabitants of the fragile region concerned, and that these

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[7] The OECD-DAC International Network on Conflict and Fragility (INCAF) uses this fourfold classification of fragile states.

increase with time, often remaining so over a sustained period, lasting decades in some cases. Economic modelling has identified the average cost of a fragile state to itself and its neighbours to be USD 82.4 billion per annum.[8] The regional and international spill-over effects of fragility include violent conflict, instability, organised crime, migration, human trafficking, and deteriorating public health. These are all concerns that resonate widely within the development, foreign policy, and security communities alike.

Figure 2
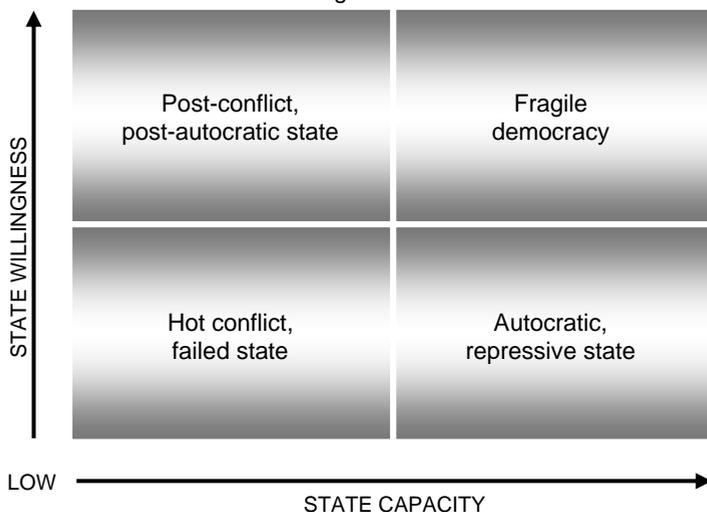
While the effects of fragility are relatively easy to detect, understanding the drivers and dynamics of what is meant by fragility is less straightforward. Because the attention of donors has been biased towards the regional and international *consequences* of fragile states and situations, some commentators note that there has been little investment in understanding how fragility is created in an international

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8   Chauvet, Lisa, Paul Collier & Anke Hoeffler (2007) 'Paradise Lost: The Costs of State Failure in the Pacific,' A paper prepared for WIDER (IRD, DIAL, Paris; Centre for the Study of African Economies, University of Oxford)

context – something that would be of great value in supporting states such as the Democratic Republic of Congo.[9]

Instead, the cause of fragility often tends to be located in the foundations of the state itself. And yet external shocks and other destabilising factors can lead to fragility in otherwise strong states. Factors such as the local population's social structures and the legacies of colonial rule also contribute to inherent weaknesses within some states.

For the above reasons, the approach taken throughout this project was to refer predominantly to 'fragile contexts' or 'situations'. This makes more sense in the Australian context given that a large majority of its ODA is channelled to states with relatively effective state bureaucracies (Indonesia, Philippines, Sri Lanka), but that have fragile pockets. In states that are considered to be 'failed', such as Somalia and perhaps to a lesser extent Afghanistan, Australia plays a subordinate role to other donors. Hence, in these cases, more intellectual capital has been dedicated elsewhere to the specific issues emanating from those countries. Afghanistan, however, merits some special attention due to Australia's troop contribution in the South, and the level of development and humanitarian support being supplied to the country. It also provides a useful marker for where Australia could be making a greater contribution to the international community, by sharing relevant learning about engagement in its own region. This is explored in more detail below.

How does the international community propose we deal with fragility?

Internationally, the '3C Conference 2009', held in Geneva, provides the most recent platform for donors and multilateral organisations to reaffirm the importance of striving for a 'coherent, coordinated, and complementary' approach to situations of conflict and fragility. The '3C Roadmap'

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[9] See Danish Institute of International Studies (2008) 'Fragile Situations and International Support,' *DIIS Report* 11, p.49.

advocates for both a 'whole-of-government' and 'whole-of-system' approach, promoting synergy between governments and other international actors such as the UN, the World Bank, the Organisation for Economic Cooperation and Development (OECD) and NATO. This follows from various commitments, such as those articulated in the 2003 Good Humanitarian Donorship Initiative, UN 2005 World Summit Outcome, the 2005 Paris Declaration for Aid Effectiveness, the 2007 European Council Conclusions on Fragile Situations, and the 2008 Accra High-Level Forum.

The OECD's Development Assistance Committee (DAC) has provided one of the main forums for this work, arguably supporting the most progress in defining the problem of fragile states and situations, and providing guidance on appropriate responses to them.

Figure 3: DAC Principles

Basics	•	**Context** as starting point
	•	**Do no harm**
Concepts	•	**State-building** as central objective
	•	Prioritise **prevention**
	•	Recognise **multidimensional** challenge
	•	Promote **non-discrimination**
Practicalities	•	Align with **local priorities**
	•	Agree on **international coordination mechanisms**
	•	Act **fast** but **stay the course**
	•	Avoid **pockets of exclusion**

Its *Principles for Good International Engagement in Fragile States & Situations* (see Figure 3) begin with the importance of understanding the specific **context** in each country, and the need to develop a **shared view of the strategic response** that is required. This is recognition that blue-print approaches do not work in areas that are considered to be fragile, and that a joint appreciation of the situation and strategic intent will

reap more benefits than a bilateral approach. The second 'basic' consideration set out in the *DAC Principles* is that international support should aim to **do no harm**, which would in theory be more likely to follow from a rigorous understanding of the context.

The workshop participants were in unanimous agreement that the two basic factors listed in the *DAC principles* are a necessary foundation for Australia's approach to fragile states and situations. Many comments revolved around the need for an improved awareness of how an Australian presence or contribution can inadvertently contribute to a negative trend. The following is the view of one Brigadier consulted for the research:

> Our measures of success need to be tempered with a desire to ensure aid is not leading to a "culture of dependency" within the state. Saying that we are helping is only effective if that help can be transferred into the local communities and individuals can help themselves, i.e. give a man a fish..., teach a man to fish..., etc.

This sentiment, along with others made during the workshops, resonated very strongly with the seventh principle: 'align with local priorities'. Chapter 3 returns to this subject in more detail.

On the whole, it was established that Australia's international commitments are very relevant to the current and future problems facing fragile states and situations falling within Australia's national interest. Only one of the *DAC Principles* generated some concern; that 'state-building' should be the 'central objective' of donor support to these contexts.

> **Definition of state-building**
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> State-building refers to deliberate actions that aim to develop, reform or strengthen state institutions, building the capacity to mediate state-society relations and expectations, and enhancing legitimacy through an effective political process.

Australia is among other key donors that in recent years have reoriented energy towards more active engagement with the state, through bilateral agreements and commitments. Now, the evidence suggests that this was not necessarily the most productive shift. In fact, in seeking to counter fragility, the overarching goal of external actors in a rising number of interventions today is to aim for stability and the building of community resilience. It is increasingly recognised that this will not be achieved by focusing on the state alone, or indeed as the 'central objective'.

Moreover, outside shocks and other destabilising factors – such as externally-sponsored terrorism – can lead to fragility in otherwise strong states. Hence donor responses do not necessarily require state-building action. In many less developed countries, competing sources of authority also enjoy greater legitimacy than the state in the eyes of the local population, implying that greater attention should be paid to these in some contexts. For example, in some fragile states, more than 80 to 90 per cent of all security and justice services are provided outside of state structures.[10] Markets also tend to remain buoyant in crises through a reversion to reliance on adapted forms of local-level economic institutions.[11] While this is not to diminish the importance of a centralised state, it is important to bear these factors in mind when supporting societies with a much shorter experience of state-building than Western nations.

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[10] OECD (2007) 'Enhancing the Delivery of Justice and Security: Governance, Peace, and Security' (Paris: OECD)

[11] Thompson, Edwina (2010) *Trust is the Coin of the Realm: Lessons from the Money Men in Afghanistan* (Karachi: Oxford University Press)

Lord Ashdown, the international community's High Representative in Bosnia, is one of those challenging the established focus on state-building in foreign engagement with Afghanistan:

> This looks to me like a moment where what is required is not a course correction, but a game changer ... One might deal with the problem of the legitimacy of Karzai by making him matter less, through shifting our emphasis from national institutions to local ones. We have been trying to make a Western-style centralised government work in a country whose traditions have been local and tribal for 1,000 years. There are local elections next year. Could we turn the present Karzai problem into an opportunity, by rebalancing the government of Afghanistan away from Kabul and towards more local structures? Much of this can be done without constitutional change, just by shifting the emphasis of our support. ... This would give us at last a form of government in the country that runs with, rather than against, the grain of Afghan tradition.[12]

At a tactical level, the realisation that a 'game change' needs to take place is setting in. This is reflected in the recent strategic shift in military command of NATO-ISAF in Afghanistan to a counter-insurgency 'clear, hold and build' campaign, whereby local engagement will be deepened. A further example at the field level is in the Coalition's current exploration of ways to engage existing local economic structures to ensure that Afghan police officers 'on the beat' receive the greatest percentage of their pay.[13] The timely and effective delivery of police and army pay is absolutely fundamental to building the morale of any security force,

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[12] Ashdown, Paddy, 'Afghanistan could be lost in the bars of Britain,' *The Times*, 5 November 09, p.38

[13] Historically, due to the absence of the formal banking system in many areas of the country, "Trusted Agents" have been employed to travel to Kabul to fetch paychecks and then deliver them in outlying districts and rural areas. These agents, along with Chiefs of Police and others, take approximately a third of each officer's pay. Throughout the past eight years, other methods have been trialled, with the exception of using the existing local financial networks – this may now change.

especially one that is facing such difficult odds. Previously, such a method would have been seen to contradict the formal state-building enterprise, so it was not an option in the international community's 'toolkit'. The new willingness to engage in a non-traditional way that builds on the natural recovery strategies of the local population marks a potential precursor of more radical change in the Western donor approach to fragile states.

In this sense, there is scope to build on the current progress made in using a 'resilience' lens[14] – rather than the more negative emphasis on 'failure' and 'fragility' – and broaden it to include building on the resilience of key stakeholder groups and their own coping strategies within the state or given area. Crucially, this would require outsiders to explore what type of flexible, locally driven and innovative solutions might already exist when managing crises.

What is a 'whole-of-government' approach?

Increasing recognition that complex domestic and international problems, such as social exclusion, drug addiction, and crime, are not resolvable through any single government department has led major governments to aim for a horizontally coordinated approach that harnesses all of the instruments available both within government and among the private and voluntary sectors. The US Government has recently coined a term for this approach: 'smart power'.

> **Whole-of-government definition**
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> "... one where a government actively uses formal and/or informal networks across the different agencies within that government to coordinate the design and implementation of the range of interventions that the government's agencies will be making in order to increase the effectiveness of those interventions in achieving the desired objectives" (OECD 2006)

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[14] See Evans, Alex and David Steven (2009) 'The Resilience Doctrine,' *World Politics Review*, 7 July

'Smart power' solutions demand that entrenched departmental prejudices are put aside due to their historical tendency to exert a distorting effect on issues which straddle departmental frameworks and priorities. As one Kokoda Paper pointed out, a helpful way of achieving this is by applying government resources in a way that focuses on the outcome rather than turf or inputs.[15]

In instances of international intervention, departmentalism presents common obstacles because of the different mandates that are engaged. This is the experience of many who were involved in the expeditionary operations in Iraq, Afghanistan and the Solomon Islands. Indeed, the interface between civilian and military actors has emerged as one of the greatest points of friction in coordination efforts. Within the growing trend of 'stabilisation' missions, development actors often perceive that their organisational interests are being 'harnessed' to the pursuit of national security interests, particularly where extreme levels of cooperation are seen as necessary. On the flipside, militaries have emerged to provide critical infrastructure support in disaster response, where aid agencies have proven unable to respond with the necessary logistics and manpower. Unresolved questions involving planning, sequencing, and differentiation of roles remain in most major theatres. Hence, more productive working relationships and mutual understanding are emerging as crucial in those contexts.

While it is clear that the organisational priorities of the security and development approaches – in terms of primary concerns, timeframes and operations – are divergent, they are not incompatible. Therefore, governments are increasingly looking for ways to make this cross-departmental synergy work. One commentator in the UK suggests that:

> In many ways the solution to this can be reduced to a simple but problematic imperative, to develop a common

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[15] Connery, David (2007) 'National Security Community 2020: Six Practical Recommendations for the Australian Government,' *Kokoda Papers* 3, p.19

sense of 'mission' that is shared widely and binds, in a real sense, the activities of the departments, providing a sense of common purpose sufficient to overcome contradictory departmental imperatives.[16]

He goes on to argue that governments need to invest more effort in defining country strategies that 'go beyond stitching together departmental plans' – reinforcing the need to focus on outcomes, rather than inputs.

Budgetary mechanisms also play a large part in helping to achieve greater coordination, for in the past, funding arrangements have tended to encourage competition and disincentives for cooperation, rather than the impetus to cooperate.

CONCLUSION

By way of conclusion, this chapter has highlighted that the category of 'fragile states and situations' represents a rather indeterminate area of policy. A major issue with defining clear boundaries around the nature of the 'problem' posed by fragile states and situations is that they pose different dilemmas to different government actors – the most dramatic comparison being that between the security and development domains. For example, from a national security perspective, fragile states and contexts disrupt local stability and prosperity, which can lead to international consequences, such as refugee outflows and a spread of transnational crime. From a development perspective, there is a moral imperative to assist these states hence the strategic purpose of engagement is to assist in the elimination of poverty and achievement of the Millennium Development Goals (MDGs). Security-related benefits are seen as by-products of poverty reduction, rather than a central concern.

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[16] Gordon, Stuart, 'Pursuing Joined Up Government: The MoD's 'Comprehensive Approach' a new Philosopher's Stone?' (University of Reading), p.8

This chapter has demonstrated that there are also certain problems with approaching the topic of fragility through a statist lens. Such a common descriptor for complex international situations requiring assistance does however help in that it focuses the attention of donor governments on the need for more coordinated action in some of the most difficult regions of the world. This underscores the importance of each government defining the 'problems' they wish to help resolve or contribute to alleviating under such conditions. A more focused analysis might reveal that current practices need a facelift. If, for example, state-building is a misguided 'central objective', this must be addressed as a matter of priority so that the requisite resources are invested in alternative approaches.

Australia's Experience

Over recent years, the Australian Government has followed the international movement within public administrations for joined-up government. It is widely agreed, however, that within this movement there has been little in the way of guidance for public servants on new management techniques for integrated service delivery. The Management Advisory Committee's document *Working Together: Principles and practices to guide the Australian Public Service (2005)* is brief and concerns itself only with existing features of the bureaucratic landscape, interdepartmental committees (IDCs) and joint task forces that are charged with fast-track policy coordination and implementation.[17] These Shergold refers to as 'necessary but insufficient constituents of achieving a whole-of-government approach'.[18] Perhaps the issue is not so much that they are insufficient, but rather that in their present form, they do not foster the necessary level of innovation or thinking required to deal with such cross-cutting issues.

While IDCs were not set up to respond directly to fragile states and situations, many do cover important aspects of these environments (for example, Climate Change; National Security Statement; Somalia Piracy; People Trafficking; Public Diplomacy). As such, a useful exercise would be to monitor the emergence of these instruments and ensure that those created to deal with fragile state issues connect with other IDCs of strategic and geographical relevance.

Another helpful exercise would be to determine on a comparative basis what the Australian Government spends on the Pacific; failed states (through development and humanitarian aid); climate change; and counter-radicalisation

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[17] Management Advisory Committee (Australian Government) (2005) 'Working Together: Principles and Practices to Guide the Australian Public Service,' <http://www.apsc.gov.au/mac/workingguide.htm>

[18] Shergold, P. (2004) *Speech to Launch the Connecting Government Report*, <http://www.pmc.gov.au/speeches/shergold/connecting_ government_2004-04-20.cfm>, p.7

or anti-terrorism initiatives overseas. A gauge of current expenditure across these areas would help provide a clearer picture of Australian Government material commitments, and whether these match the intended strategic focus. It might also help differentiate the level of security and development attention the Government should be providing to these areas. At the most simplistic level, the relationship between the number of national security threats with which Australia is engaged (i.e. natural disasters, pandemics, transnational crime, uncontrolled migration, insurgency, terrorism) and their location within 'fragile states' or 'situations' raises the question of how to frame the Government's engagement. Does Government want to put fragile states in a national security paradigm? Or does it see the two as separate?

Without the above information at hand, this section surveys the Australian Government's general commitment, and some of the ways it has been approaching engagement in fragile states and situations from both a policy and operational standpoint.

WHAT ARE AUSTRALIA'S COMMITMENTS?

Similar to other Western administrations[19], the Australian Government has committed itself to working better at addressing the root causes of fragility because of the broad range of Australian objectives that are impacted by fragile situations. These include:

- Security
- Energy security
- Reduction in organised crime
- Economic prosperity
- Humanitarian protection
- International development and social cohesion
- Avoiding unnecessary costs

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[19] See the UK example – DFID (2006) 'Why we need to work more effectively in fragile states' (January); UK Government (2005) *Investing in Prevention: An International Strategy to Manage Risks of Instability and Improve Crisis Response*, Prime Minister's Strategy Unit (Feb).

While these objectives cover a range of stakeholders within Government, there tend to be two main lenses through which public servants view fragile states and situations – threat and obligation.

The security community is clearly attuned to the risk that fragile states can destabilise regional and global insecurity. Supporting these states, therefore, has been directly related to the Australian Government's primary foreign policy objective – protecting Australia.

The Treasury is likely to view the potentially high material and human costs of late response to crises as they emerge in such situations. As a result, its interest may be in reducing the risks of instability in these areas through longer-term investment in preventive and capacity-building measures.

Diplomats are likely to view fragile states and situations as requiring wider and more effective support from the international community. They might thus seek to create opportunities to address common concerns, such as enhancing democratic transitions and protecting human security. Australia's commitment to making the 'Responsibility to Protect' principle a reliable factor in handling international crises reflects this concern.

Development practitioners are committed to reducing poverty and promoting sustainable development in other nations out of an obligation to serve the global public good. Hence the then-Minister for Foreign Affairs and Trade prefaced Australia's first White Paper on its overseas development assistance (2006 Australian Aid: Promoting Growth and Stability) by referring to 'our values as a nation, such as our commitment to economic and political freedom and our humanitarian spirit, demonstrated so clearly in our response to the 2004 Indian Ocean tsunami. We also believe in supporting people's self-reliance by building their capacity to stand on their own'.

On the ground, the ADF, AFP and implementing partners of AusAID are the three main sources of direct and indirect

Australian Government support to fragile states and regions. There is little available public oversight of the various Government contributions (through for example separate line budgets) to these areas as they are not currently centralised or deliberately connected. Therefore the full extent of Australia's commitment is difficult to determine. It is nonetheless possible to deduce that there is considerable investment.

By way of example, in 2009-10, 57 per cent of the Australian aid program will be delivered in 'fragile states' struggling with problems of governance, security and/or development. Half of this aid is directed at five countries; Iraq, Afghanistan, Ethiopia, Pakistan and Sudan. The Australian Federal Police (AFP) has officers deployed to another five countries that are seen to belong to the fragile state category (Afghanistan, PNG, Solomon Islands, Sudan, Timor-Leste). And as of October 2009, just over 3,000 Australian Defence Force (ADF) personnel were deployed on overseas operations in response to fragile situations in the Middle East and Asia-Pacific regions (see Figure 4).

Figure 4: ADF deployments (October 2009)

Name of Operation	approx pers.
PADANG ASSIST - Indonesia	--
Assistance to Sumatra	
SAMOA ASSIST - Samoa	--
Assistance to Samoa	
ASTUTE - Timor-Leste	650
Security/stabilisation support to the Government of Timor-Leste and to the United Nations mission	
SLIPPER - Afghanistan	1550
ADF support to the international coalition against terrorism	
SLIPPER - Middle East	800
ADF assets that support OP SLIPPER but operate outside of the land borders of Afghanistan	
ANODE - Solomon Islands	80
ADF contribution to the Regional Assistance Mission	

to the Solomon Islands (RAMSI)

MAZURKA - Sinai Peninsula, Egypt	**25**
Australia's contribution to the Multinational Force and Observers (MFO)	
AZURE - Sudan	**17**
Australia's contribution to the United Nations Mission in Sudan (UNMIS)	
PALADIN - Middle East	**11**
Australia's contribution to the UN Truce Supervision Organisation (UNTSO)	
TOWER - East Timor	**4**
ADF support to the United Nations integrated Mission in Timor-Leste (UNMIT)	
HEDGEROW - Darfur	**8**
ADF's contribution to the United Nations and African Union Mission (UNAMID) in Darfur	
RIVERBANK - Iraq	**2**
ADF's contribution to the United Nations Assistance Mission for Iraq (UNAMI)	
PALATE II - Afghanistan	**1**
ADF's contribution to the United Nations Assistance Mission in Afghanistan (UNAMA)	
KRUGER - Iraq	**80**
Operation KRUGER is the ADF's ongoing contribution to the provision of security for the Australian Embassy in Iraq	

Significant investment is also being made in relatively strong states that are vulnerable to terrorism. For example, the Attorney General's Department supports extensive operations in both Indonesia and the Philippines, which aim to enhance the capabilities of both national and regional law enforcement authorities. Funding through the 2009–10 Budget will also enable the AFP to help build the capacity of police forces in other volatile locations such as Pakistan and parts of Africa.

AUSTRALIAN POLICY

Various landmark policy documents have contributed to the Australian Government's understanding of the need for whole-of-government working in fragile states and situations.

Most of the ones listed here relate to the security-development nexus, which as mentioned above, has been the cause of some of the greatest tensions in coordinating responses to complex operations.

Between 2002 and 2003, continued instability and insecurity in the Solomon Islands and PNG underscored the need for new forms of assistance. This was matched by a feeling within Government and relevant policy circles that traditional aid to the region was simply not working in poorly performing states. Therefore in 2002, AusAID released a report entitled, *Approaches to Peace, Conflict and Development Policy*, which made clear connections between poverty and instability, recognising the role that development assistance could play in preventing and responding to violent conflict. Similarly, the Ministerial Statement, *Australian Aid: Investing in Growth, Stability and Prosperity*, also published in 2002, specifically addressed the challenges fragile states pose to stability and security, including terrorism, HIV/AIDS, and the spread of social and economic instability and civil unrest. This report acknowledged that the effectiveness of Australian Government engagement in such environments would depend on more integrated, joined-up work among its ministries.

In 2003, a Pacific Report of the Australian Senate[20] identified state fragility as a leading threat to Australian interests in the region, arguing that working to prevent state decline was more cost effective than allowing states to deteriorate to the point where greater action might be required.

In 2006, the most formal government-wide expression of the links between security, stability, and development in the South Pacific was drafted, based on lengthy consultations among Cabinet departments, as well as input from Australian NGOs. The aim behind the AusAID White Paper, *Australian Aid: Promoting Growth and Stability*, was to provide the strategic framework for Australia's overseas aid program over

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[20] Australian Senate Foreign Affairs, Defence and Trade Committee (2003) *A Pacific Engaged: Australia's relations with Papua New Guinea and the island states of the southwest Pacific* (12 August)

the following ten years, during which time the aid budget would double to around AUD 4 billion annually. It states that, 'By helping to reduce poverty and promote sustainable development, the aid program is an integral part of Australia's foreign policy and security agenda', and emphasises the need for Australia to *use* its development assistance to foster stable, functioning states. This is notably different from other allied government aid departments, such as the UK's Department for International Development, whose mandate on poverty reduction is legally enshrined in the International Development Act 2002, and hence formally protected from the interests of other departments.[21]

The Australian White Paper explicitly commits AusAID to cross-departmental collaboration, the general features of which were defined in a broader Government report of 2004: 'public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. They can focus on policy development, program management and service delivery'.[22]

The White Paper's goal is to promote unified country strategies and implementation frameworks covering all 'ODA eligible' activities, providing a single, integrated framework for advancing development cooperation and combating state failure. Accordingly, the Government assigned to AusAID a central role in leadership and coordination of this effort. In its explicit focus on development policy and assistance, however, the White Paper does not address the need for a holistic approach to the entire range of Australian foreign policy and overseas aid.

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[21] See Baumann for a very helpful explanation of DFID as the 'recalcitrant partner' of the UK Government's whole-of-government efforts in conflict environments. Baumann, Andrea B. (2008) 'Clash of Organisational Cultures: Civil-military cooperation in British operations in Afghanistan,' MPhil Thesis in International Relations, University of Oxford, pp.83-96

[22] Management Advisory Committee (Australian Government) (2004) *Connecting Government: Whole-of-government Responses to Australia's Priority Challenges*, Report No.4, <http: //www.apsc.gov.au/ mac/connectinggovernment.htm>, p.1

Nevertheless, by 2007, Australia was recognised in a multi-country review of Western government practice as a 'frontrunner' among donor countries in its holistic development of policy in weak and failing states.[23] Its commitment as the most active donor and major military power wanting to stabilise weak neighbours in its immediate region was cited as one of the main reasons for this, in addition to its willingness to respond in such a coordinated manner to the Tsunami and Bali bombings.

From a security perspective, Prime Minister Rudd released the first 'National Security Statement' in December 2008 (alluded to at the beginning of this report). And in May 2009, the Australian Government released a new Defence White Paper. The Government cited state fragility, intra-state conflict, and the need for more comprehensive cross-government working and productive partnerships between the ADF, civilian agencies and NGOs as reasons for its development.[24]

Defending Australia in the Asia Pacific Century: Force 2030 states that the most direct strategic interest of the ADF remains the defence of Australia against armed attack. However, contributing to strategic stability and military contingencies in the Asia-Pacific Region are identified as constituting the next most important strategic interests.[25] Notably, there is firm recognition in the White Paper of Australia's leadership role in regional humanitarian and disaster relief response, which it sees as an inevitability in the near to long-term future.[26]

Most recently in November 2009, PM&C released a natural disaster response review. Around the same time, AusAID has been leading a revision of the Government's

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[23] Patrick, Stewart & Kaysie Brown (2007) *Greater than the Sum of its Parts? Assessing 'Whole of Government' approaches to Fragile States* (New York: International Peace Academy)

[24] Australian Government (2009) *Defending Australia in the Asia Pacific Century: Force 2030* (Canberra: Australian Department of Defence), pp.18, 22, 23

[25] *Ibid.*, p.13, 53-55

[26] *Ibid.*, pp.54, 24

whole-of-government Humanitarian Action Policy, with a view to launching the revised document in mid-2010. The purpose is to provide a guiding framework for the Government's design of humanitarian activities. In this exercise, it remains to be seen how the Government will balance competing national foreign policy objectives with the humanitarian imperative when the aid is delivered in the context of larger geo-political agendas. Perhaps the World-Bank commissioned security-development nexus study (in which 80+ Australian military and police informants were interviewed, based on their experience in conflict settings) will help clarify this complex distinction.[27]

PROGRESS IN STRUCTURAL INITIATIVES

In parallel to the development of policy instruments, the Australian Government has instigated various structural experiments to help translate whole-of-government thinking towards fragile states and situations into practice. While a number of these structures have experienced success, there are signs that the policy developments have been slow to take hold. This section examines briefly why this may have been the case in some of the key initiatives.

Interdepartmental Committees (IDCs)

Kokoda research participants noted that Australia's crisis management machinery works reasonably well, and manages a large number of responses at any given time. International crises are managed either at the strategic level by the National Security Committee of Cabinet, or by DFAT through its Emergency Task Force and Interdepartmental Emergency Task Force (IDETF). Those of a primarily military nature are however handled by JOC, and those of a counter-terrorist nature are handled by the AGD.

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[27] World Bank (2009) 'Accidental Partners: Challenges in Statebuilding at the Security-Development Nexus, Learning from Australia's Experience integrating Security and Development – Discussion Draft,' World Bank Fragile and Conflict-Affected Countries Group (September)

In 2002–03 the IDETF met 129 times, compared to 17 during the previous reporting period. DFAT convened 19 meetings on the Bali terrorist attacks, 92 meetings on Iraq, four on the Philippines, four on the Middle East and ten on East Timor. The Crisis Centre was activated for 13 days to manage the Government's response to the Bali bombings and for 26 days for the conflict in Iraq.

In terms of issues that are not categorised as 'crises', the research revealed anecdotal evidence of a large number of IDCs relevant to international assistance, with no evidence of strategic oversight (that is, there may be some, but there is little awareness of it). Nevertheless, there are examples of success emerging, such as with the Australia-Indonesia Justice Partnership initiative, where an IDC-format is helping to clarify the various Australian Government efforts that support Indonesia's rule of law programs.

The new interdepartmental governance structures being considered in relation to Indonesia and other countries are likely to be very helpful in increasing coordination and efficiencies. However, there will always be an element of 'patch protection' in the law and justice space, and a clash between departmental interests which prevent perfect coordination.

It is worth noting that *within* some agencies there have been questions about how coordinated their work is in relation to fragile states or situations. As a result of this problem in one department, a "portfolio IDC" has been convened to clean up <u>internal</u> agency housework. This will be fundamental before there can be deeper cross-departmental coordination.

At a higher level, when a new challenge emerges (e.g. related to security, or disaster), the National Security Committee or Cabinet will nominate a 'lead agency' to carry the matter forward, and take responsibility for delivering a quality outcome.

2003 Regional Assistance Mission to the Solomon Islands (RAMSI)

2003 marked a shift in Australian foreign policy towards intervention in the region. In January of that year, then-Foreign Minister Downer argued that, 'Sending in Australian troops to occupy the Solomon Islands would be folly in the extreme. It would be difficult to justify to Australian taxpayers. And for how many years would such an occupation have to continue? And what would be the exit strategy? And the real show-stopper, however, is that it would not work ... Foreigners do not have the answers for the deep-seated problems affecting the Solomon Islands'.[28]

A changing international climate, growing conflict in the Solomons, and a request for assistance from the Government of Solomon Islands led to the creation of RAMSI in July 2003. The intervention was presented as a true partnership between the people and Government of Solomon Islands and fifteen contributing countries of the Pacific region. The aim was to lay the foundations for long-term stability, security and prosperity through support for improved rule of law; for more effective, accountable and democratic government; stronger, broad-based economic growth; and enhanced service delivery.

Despite significant short-term state-building successes in restoring security and stabilising the economy, RAMSI faces long-term challenges centred on the complex politics of political community-building.

2004 The International Deployment Group (IDG)

Internationally, Australia's main innovation in the post-conflict field is seen to lie in the creation of the International Deployment Group (AFP IDG). Formed in 2004, the IDG is a standing corps of over five hundred AFP and Pacific Island police officers trained and made available for rapid deployment overseas for peacekeeping missions. Its focus is

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[28] Downer, Alexander (2003) 'Neighbours cannot be colonised,' *The Australian*, 8 Jan, p.11

divided broadly between law enforcement capacity initiatives in the South Pacific and a 200-strong Operational Response Group that is ready to respond at short notice to emerging international law and order issues and stabilisation operations. Currently, the IDG's annual budget is over AUD 400 million. An external review notes that, 'Consistent with recommendations made in the 2000 UN Brahimi Report, which called on member states to establish national pools of officers, this Australian initiative is the first instance in which an OECD donor government has devoted substantial funds to create an institutional home where police officers can be mobilised and trained for overseas deployment to a range of missions of different scales, designs, durations, and objectives.'[29]

2005 Fragile States Unit (FSU)

In August 2005, the Australian Government created a small Fragile States Unit, housed within AusAID. By including individuals from other agencies, including the Department of Defence and AFP, the intention was to improve the Australian Government's understanding, analysis, and responses to existing and possible future fragile states in the region.

While this unit had much promise, the limited level of authority and resources dedicated to it were serious impediments to its ability to build understanding and appreciation of the challenge of state fragility across the Australian Government. The external review notes it had no place at the table of the most influential high-level committees, and had no programmatic resources of its own.[30] Moreover, AusAID itself, as an agency within DFAT, 'lacked the mandate, clout, expertise, and resources to carry forward the fragile states agenda and engage with relevant countries on its own'.[31]

In 2009, the Unit was merged with AusAID's Peace and Conflict Unit and Civil/Military specialists into a Crisis

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[29] Patrick & Brown, *Greater than the Sum of its Parts?*, p.86
[30] *Ibid.*, pp.76-91
[31] *Ibid.*, p.81

Prevention, Stabilisation and Recovery Group to provide a more coherent response to the national security agenda.

2006 Office of Development Effectiveness (ODE)

The 2006 AusAID White Paper called for the creation of an Office of Development Effectiveness (ODE) to monitor the quality and performance of the overall aid program. Situated within AusAID, but separate from program management, the unit answers directly to the Director General of AusAID and is guided by the Development Effectiveness Steering Committee (DESC). The Committee is chaired by the Director General, but also comprises the AusAID Principal Economist and deputy secretaries from the following Government departments: PM&C, Foreign Affairs and Trade, Treasury, and Finance and Administration.

Some Kokoda participants felt that there is potential to use the DESC to help clarify Government strategy towards fragile states and situations. Others felt that it might experience the same limitation as the FSU, in that it has a predominant focus on *development* effectiveness.

2008 Asia Pacific Civil-Military Centre of Excellence (APCM COE)

In November 2008, the Australian Prime Minister opened the Asia Pacific Civil-Military Centre of Excellence out of recognition of the potential benefits to be derived from a more integrated national and international civil-military approach to conflict and disaster management. The APCM COE is part of the Defence Organisation, but reflects a whole-of-government approach with staffing from a number of departments and agencies. Its strategic intent is to apply a collaborative approach with Government agencies, the United Nations and other relevant partners, and specialise in improving civil-military education, training, and doctrine development. Through its research program on relevant civil-military issues, the intention is to identify 'best practice' responses to key lessons learned. As part of its advisory function, and as the

point of contact for international exchange on doctrine for peacekeeping, the APCM COE hosted the African Union in December 2009 for a symposium on the protection of civilians.

2009 Australian Civilian Corps (ACC)

In 2009, AusAID led a whole-of-government taskforce that established a deployable civilian corps for Australia, an idea approved at the Australia 20/20 Summit, and discussed earlier in a Kokoda workshop.[32] The aim is for the ACC to build on Australia's experiences in Timor-Leste, the Solomon Islands, and elsewhere, and provide stabilisation and reconstruction assistance to countries experiencing or recovering from conflict or natural disasters. In close cooperation with other Government agencies, AusAID will pre-identify, train, deploy rapidly and sustain civilian technical expertise in a range of situations and environments. Civilians will be selected for their expertise and drawn from within Commonwealth, State and local governments and from the non-government and private sector. Government has allocated AUD 52 million to its development.

Figure 5 provides a summary of the main structures through which the Australian Government has so far operated in a deliberately whole-of-government manner to meet the demands of fragile states and situations.

From a national security perspective, there are several notable cases of the whole-of-government approach working well. One example is the National Threat Assessment Centre (NTAC) within the Australian Security Intelligence Organisation (ASIO), which aims to access and integrate relevant information about terrorist threats from Australian and overseas agencies on an around-the-clock basis. Another is the new National Security architecture, headed by a National Security Advisor who reports directly to the Prime Minister.

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[32] See *Kokoda Papers* 8, pp. 21, 41.

Figure 5: Structures developed for dealing with fragile states

	Interdepartmental Committees (IDCs)
2003	Regional Assistance Mission to the Solomon Islands (RAMSI)
2004	The International Deployment Group (IDG)
2005	Fragile States Unit – reformed in 2009 to become part of AusAID's Crisis Prevention, Stabilisation and Recovery Group
2006	Office of Development Effectiveness (ODE)
2008	Asia Pacific Civil-Military Centre for Excellence (APCM COE)
2009	Australian Civilian Corps (ACC)

At an intergovernmental level, the APCM COE is developing a 'Collaboration Framework' for Australia's civil-military and police collaboration in conflict and disaster management overseas.[33] Domestic disaster response is also a significant area where the Australian Government appears to have solid mechanisms for coordination. There is certainly potential for the positive practices of the domestic realm to be integrated with those that operate internationally. One such idea proposes a 'unified' strategy for 'whole of nation' efforts – something which might resonate well with the new ACC structure.

One area where the Australian Government is notably different from its key partners is in institutionalising a unit that deals specifically with operational issues relating to state fragility. Canada, the UK, and the US have all formed interdepartmental units that are tasked with managing holistic responses to some of the most fragile situations. In practice, however, Iraq and then Afghanistan have dominated the attention of these units. Therefore the value of such a unit is still speculative in other theatres, and it raises the question about whether this is the right solution for the Australian Government, given its unique geography. While it is helpful

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[33] The full title of the document, which is to be presented to the Strategic Policy Coordination Group in 2010, is 'Strengthening Australia's Civil-Military-Police Effectiveness for International Conflict & Disaster Management: A Collaboration Framework'.

that the Australian Government's attention has not been distracted to the same extent as the other major donor governments by such a singular focus on Afghanistan and Iraq, it must now define its own institutional strategy for dealing with issues of fragility that are of concern to it and the region.

CONCLUSION

It is clear from the measures employed to date that the Australian Government has invested heavily in this area – both from a policy and operational perspective. In terms of structural experiments, the Government has created a Fragile States Unit within AusAID and embraced common country strategies in the formulation of development aid. It has also created the first ever permanent, internationally deployable police force, as well as pioneered a work-in-progress whole-of-government peacebuilding mission (RAMSI) within the donor community. Its policy statements are also exemplary. Yet Australia still struggles to join up its contributions in a way that reflects this commitment. Its record, therefore, is more one of mixed success.

This is to be expected, due to the difficulties in translating policy into practice in any complex area. In fact, data collected for the *State of the Service Report 2006–07* confirms a widespread perception among APS employees that barriers to effective whole-of-government working exist in all policy domains – hence the issue is not confined to fragile states and situations. It is, however, important that with the development of the latest structures, such as the ACC, lessons are learnt from both inside the Australian system (in terms of what might work) and from other allied governments that have been experimenting with similar structures over a longer period.

Australia is unlikely to be able to sustain the levels of funding and high-quality, effective interventions that are necessary to resolve future crises in its region alone. Therefore, the imperative now is to expedite the

transformations that may already have begun with the establishment of the latest initiatives.

The next section will turn in more detail to the obstacles of trying to achieve a whole-of-government approach, before exploring some possible future options for the Australian Government's response to fragile states and situations.

The Problem

By now it should be clear that Australia has dedicated a high level of policy and material support for improving fragile states and situations. This section reviews some of the reasons cited by workshop participants as to why the momentum for change has not been bearing the necessary fruit. These can be categorised broadly under five main headings: 1) listening and ownership; 2) analysis; 3) strategy; 4) operations; and 5) leadership. First, however, we will turn to some broad observations about donor engagement in fragile states.

Through the Papua New Guinea-Australia Partnership for Development, the Australian Government estimates that it will contribute AUD 414.3 million in ODA to its PNG program in 2009-10. As with all of Australia's aid programs, the objective is to assist the country's ability to reduce poverty and achieve sustainable development, in line with Australia's national interest. Despite recent economic growth, however, the average person in PNG is getting poorer. In fact, in 2009 the UN demoted PNG to the category of 'least developed nations', alongside Zimbabwe and Somalia.[34]

The global consequences of undetected and unreported disease outbreaks, such as SARS, avian flu, swine flu and HIV/AIDS, suggest that donors may not have invested adequately in the less developed world's health systems. The primary health-care systems remain weak or non-existent, a risk with the potential to wield dire health and economic consequences for countries well beyond their borders. By 2010, in the absence of effective action, the Asia-Pacific region is estimated to account for 40 per cent of all new HIV/AIDS infections – adding to the 8.2 million people in Asia already living with the disease.

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[34] Chandler, Jo (2009) 'Living on the Edge,' *The Age* Insight section (5 September), p.4

In theatres where there is more positive news, the problems which have been at the root of instability remain unaddressed. For example, a year after the near-fatal shooting of President José Ramos-Horta, Timor-Leste's security is strikingly improved and the Government does not seem to be facing any serious political threat to its survival. Nonetheless, the International Crisis Group warns that the current period of calm is not cause for complacency: 'security sector reform is lagging, the justice system is weak, the government shows signs of intolerance towards dissenting voices, and it has not got a grip on corruption.'[35] Much the same could probably be said for many of the fragile environments in which Australia is engaged.

So what is not working as well as it could? Are the shortcomings in performance and complaints about incoherent implementation within donor governments due to the sheer complexity, intractable nature, and scope of their wide-ranging commitments in this area? In the Australian context, does the Government have unrealistic or unclear expectations for such situations? Are the requisite resources available to practitioners? These were some of the questions posed during this project through the closed workshops. This chapter looks predominantly at the views gathered from those within Australian Government circles.

LOCAL ENGAGEMENT: HOW CAN WE LISTEN BETTER AND FOSTER OWNERSHIP?

One clear area of confluence between the groups revolved around the importance of listening to local perspectives and the need for ownership in the host country. Participants were unanimous that 'engaging' target populations is an imperative first step to encouraging the necessary ownership that will make external support sustainable. A military officer returning from one particular mission in the region proclaimed several

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[35] International Crisis Group (2009) 'Timor-Leste: No Time for Complacency,' *Asia Briefing* 87 (9 February)

times that local ownership is important because, 'when we get it right, things seem to work out for the best'.

But when looking to engage with local populations, the act of balancing the various interests of all those involved is far from straightforward. Which local people, for example, are representative of the majority, and where should the effort be focused? In the words of one of the study's participants: 'What are the local priorities, and who decides?'

The wide range of host country stakeholders and international donors that were brought together at a 2009 Wilton Park conference on 'Building Local Capacity for Security and Rule of Law' grappled with the same issues. In discussing how to work more effectively together to ensure greater local ownership and capacity development in the context of fragile and conflict-affected environments, one of their conclusions was that 'local ownership' is a term that covers a multitude of meanings and realities. They recommend, however, that at its core should be the principle that local actors are to be engaged at all stages, and that this is to begin at the very first instance of a donor's situational assessment.[36]

More genuine donor government engagement with local needs becomes increasingly pertinent in the face of the rising incidence and complexity of current threats. These include regional conflict trends, the destabilising nature of the spread in HIV/AIDs, climate change, the diffusion of organised crime, and increasing competition for energy resources. Not only will an intervention have greater effect, but it is likely that greater sensitivity to local needs will help avoid costly interventions. In the words of one workshop participant:

> How do we make sure we listen to people who know about the local context and how it works from day one rather than waiting until we've made too many mistakes on our

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[36] Wilton Park, 'Wilton Park Conference 958: Building Local Capacity for Security and Rule of Law,' 22-25 September 2009

own, and only then listening to what local people have been saying since day one?

In the first workshop, participants were asked to conduct an anonymous straw poll comparing how each party (us = the Australian Government) might rate the other's (them = local population) performance in relation to listening and ownership (see Figure 6). Not surprisingly, results indicated that both are expected to rate their own performance more highly. The difference, however, was particularly marked in regard to how well 'we think we are listening' to local voices and academics, compared with how well 'we think our partners would rate us'. The difference in perception *within* the ranks might be even more significant.

Figure 6: Listening
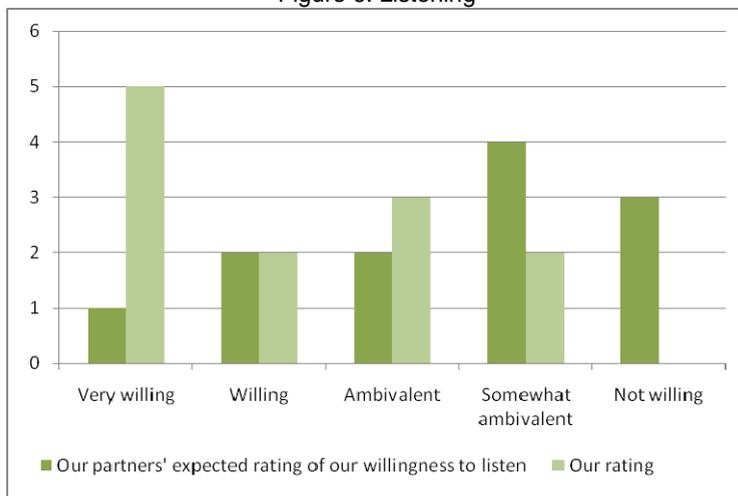
Participants were careful to point to an inherent trade-off involved in the assessment of local needs and cultural specificities. One observed that:

Adhering to and delivering against 'local intent' is dependent on our national interest's congruence with them – we have to acknowledge this not as an unassailable

block but as a challenge to be factored into our campaigning.

One of the biggest challenges in transforming support to fragile states and situations will certainly always be whether the donor is genuinely committed to improving its approach when it requires a distinctly different set of skills and, perhaps, even a reengineering of 'business as usual'. It was suggested that this might involve putting the 'customer' more at the centre of the approach, as articulated in this email exchange during the research:

I think there is a bigger point to be made during the project about the need to invest a lot more time and energy in collecting and evaluating the views of the recipients of Australian aid – and not just the Government officials. The donor community spends enormous amounts of time talking among itself, pontificating about new technologies of delivery and the state of international best practice. ... But what about the customers? What do they want? The problem here is the singular focus on the supply side and consequent neglect of the demand side. We are now quite proficient at exporting (selling) models but the real difficulties lie in the process of their importation into contexts where there is either little demand for them or a weary or cynical attitude that quickly subverts the process. In some cases there have been attempts to use surveys and other instruments for gauging local attitudes ... but all too often these exercises are treated as PR opportunities (e.g. [the mission] is so popular it must be doing everything right), rather than a serious attempt to take account of local views in designing and implementing programs/ interventions. We really need to open up that side of the equation if we are to have any prospect of making a difference.

An additional set of questions relate to who the various suppliers are, and what the expectations of the customer are in relation to those suppliers. The donor also needs to

evaluate its place as the optimal supplier (or not) in different situations.

From a strategic point of view in some theatres, the Western donor community does appear to be increasingly committed to finding improved and lasting solutions by focusing more on the customer. In Afghanistan, for example, there is growing agreement by those who preside over the current intervention, either as part of the multinational military taskforce or UN-associated operations, that inadequate appreciation for the customs and institutions at the core of Afghan society has contributed to the lack of overall mission success.[37] In fact, this is at the root of the recent shift to a counter-insurgency strategy in Afghanistan (c.f. page 10).

The second main area that research participants raised as critical to improving a holistic approach to fragile states and situations is context assessment and analysis.

ANALYSIS: WHY, HOW AND WHAT SHOULD WE ANALYSE?

This theme is directly linked to how the Australian Government might listen better and foster greater ownership among its partners. A senior adviser within the Department of Prime Minister and Cabinet explains his view of the problem as follows:

> The Australian Public Service has troubles integrating conceptual thought into day-to-day pragmatism. We are more attuned to the whims of the media and demands of politicians than gritty context analysis. We also seem to have a cultural aversion to sounding like a 'ponce', taking on airs and graces, if we speak with any kind of authority about a particular nation or experience. You're either a thinker or a doer; you're never both.

While some echoed the perspective of the above public servant, that 'we are simply not attuned to external advice',

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[37] For a detailed critique of the international approach taken during the early phase of intervention in Afghanistan (2002-2005), see Thompson.

other study participants complained about an apparent lack of correlation between the content, intent, and the end product of commissioned analysis.

Delivery agencies explained that one of the main obstacles is in the divergence between departmental interests in acquiring information and generating analysis. For example, while a piece of analysis might be commissioned with one set of intentions by a particular agency, its final application might be for different purposes, such as satisfying an audit. One civil servant exclaimed:

> I find it striking we talk a lot about the Australian Government wanting context analysis but the more important question is *which part of Government* is requesting this? There is a gap between those agencies requesting information, who acquires it, and then who makes the decisions, and gets a voice. A power rebalance between the departments is urgently needed.

This gap is the cause of tension between Government departments, and also generates misunderstandings among the area experts who dedicate precious expertise and resources to the commissioned tasks. Clarity and agreement as to what the information will serve seems fundamental to its gathering in the first place.

This is particularly the case in complex stabilisation theatres, such as Afghanistan, where the security-development nexus is under extreme pressure. By way of example, INGOs and academics are seen to provide some of the best sources of intelligence about local communities in an allied area of operations, due mainly to their access and historical connections. However, when the information is being used for strictly political and security purposes, these specialists will be less inclined to share the information. It is therefore important for Australian Government officials to understand how to engage the available expertise, while still respecting the need for external personnel to maintain their independence.

One of the workshops within the research unpacked these issues further by framing a session with the following three questions:

- Why is context analysis important?
- How do we go about doing the analysis?
- What do we need to know?

Under the first question, one guest speaker interrogated the motivations behind the widespread assumption that context analysis is important:

Is it [important] because the OECD-DAC tells us that context should be our starting point? Is it because we genuinely hope that our understanding of context will inform what we actually do? ... Are we showing a genuine commitment to being driven by demand? Do we care that our products in many senses are predestined and are ready to go regardless of what the analysis tells us? ... I think if we look through all of our filing cabinets, we'll find they are full of country context analysis. But do they inform what we do? In some instances yes; but could they inform what we do *more*? I would hope so.

There was general agreement among those with operational experience that a poor understanding of the various possible uses of analysis, and of how to engage genuinely with local populations, leads to lack of innovation at best, and, at worst, inadvertent harm. Unfortunately, there are many examples available of both in current practice. There was also acknowledgment that more rigorous context analysis is likely to help define more realistic goals from the outset. This is particularly the case where 'state-building' objectives are at the forefront of an intervention. Too often issues of history, culture, and identity are downplayed in favour of technocratic approaches that run against the grain of local governance structures.

The Australian National University's *State, Society and Governance in Melanesia Programme* has demonstrated consistently over the years the various problems caused by a

lack of investment in understanding how the state functions in different societies and its role in the nation building process. Yet this oversight persists from mission to mission. Research participants who had played a role in the Solomon Islands RAMSI intervention were especially aware of this issue. At the most basic level, then, it was agreed that an adequate understanding of the nuances of each context is essential if a meaningful and relevant strategy for approaching fragile contexts is to take hold.

Shared assessments were also recognised as fundamental to articulating Australia's broader strategy in such environments:

> Whether the understanding of country contexts is shared across Government profoundly shapes the various contributions of individual agencies, and hence the Australian Government's approach.

This raises the question of how analysis is currently shared between agencies, and whether existing practice encourages holistic working.

A common refrain throughout the workshops was the need to improve the ways in which the Australian Government both utilises internal expertise and engages with external advice. In the first instance, it is necessary to obtain a clearer understanding of the relative contributions to be made by different sources of knowledge. One practitioner explained:

> ...we all have internal expertise in our agencies. In my experience, I don't think that area knowledge or country knowledge is highly valued in the public service. We all know the person that went to Vanuatu, worked on the health project, came back speaking fluent Bislama, next week we rang the agency to talk to them and they were on the Kazakhstan or Liberia desk. So do we as a public service value area knowledge? I don't think there is a great deal of evidence that we do. So obviously that is an internal limitation. By the same token, public servants have a unique type of knowledge about the context we engage

that outsiders don't share. I've been in both camps; as an anthropologist I had a very naive understanding about how the government in the country in which I was operating actually functioned. I understood politics in a broad sense and in an anthropological sense but I didn't understand the machinations of how the politicians engaged with bureaucrats, how that leads in to policy etc.

Others commented on the lack of value attached to interdepartmental exchanges and research appointments of public servants. The mechanisms might exist to facilitate such appointments, but they are often viewed as 'an easy break or time off from your day job', and there is a feeling that any research generated during the appointment is shelved rather than used to inform practice.

Despite this apparent cultural blockage to generating a stronger evidence base, most agreed that 'capturing our experiences of how we deliver development assistance and conduct interventions is fundamental to better national strategies'. Many pointed to the lack of institutional home for gathering, synthesising and presenting analysis of past deployments; an issue summarised well by former Army Officer, James Bryant:

> The stabilisation lessons we learn simply do not make the critical jump from the personal to the institution. Analysis of these lessons does take place within organisations like AusAID, the AFP and the ADF but they are not pooled for common use and shared development.[38]

Hence, while there are many examples of effective lessons learned studies in Defence, including the official histories of major operations, and likewise in civilian agencies, these do not seem to be centralised in a way that is readily accessible to relevant public servants.

Here, a helpful distinction can be made between 'information' gathering and 'knowledge' building. The above

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[38] Interview with James Bryant, 2009.

observations suggest that many valuable lessons are tied up in people in the form of tacit knowledge, rather than easily accessible 'information'. Interdepartmental 'brown bag' sessions that are well-facilitated may provide one way of helping to foster the necessary exchange and collaboration for sharing 'knowledge'.

The use of secondments between agencies and departments is another useful mechanism to foster greater collaboration and understanding of issues. In fact, those involved in the response to the Padang earthquake and Samoan Tsunami report that secondments were invaluable in improving both the formal decision-making structure, and informal information and decision-making flows.

From an intelligence gathering perspective, participants noted the risks involved in running separate intelligence and operations centres during the initial stages of a mission. Lack of coordination can lead to a patchy analysis of various data feeds, which then affects the ability of Government to prosecute a campaign from an interagency perspective. Beyond coordination, US intelligence specialists within the International Security Assistance Force in Afghanistan (ISAF) publically reported in January 2010 that the last eight years of collection efforts and analytical brainpower in Afghanistan has left the intelligence apparatus still 'unable to answer fundamental questions about the environment in which we operate and the people we are trying to protect and persuade' because of the overwhelming focus on understanding insurgent groups.[39]

More broadly in relation to understanding the host environment, participants across the workshops identified the lack of connection between 'why' we analyse, and 'what' we choose to analyse, as a key underlying issue. One speaker asked:

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[39]   Flynn, Michael T., Matt Pottinger & Paul D. Batchelor (2010) 'Fixing Intel: A Blueprint for Making Intelligence Relevant in Afghanistan,' *Center for a New American Security* (January), p.4

...do we even know why we are engaging with [area specialists] beyond trying to understand the context? What specifically do we want from them? Do we write terms of reference that ensure we're going to get the info that we need that will genuinely inform our design, or are we just asking for a broad explanation of "so tell me about the country context of PNG" – that's not really going to lead us anywhere.

Without clarity at this level, and more operationally in terms of intelligence, the analysis risks lacking the necessary focus for decision-makers within Government to act on the advice:

... the broader our attempts to capture information are, at times, the less they actually inform our actions on the ground. ... it might be more useful for us to spend less time trying to get these broad sweeping understandings that cover all of the mandatory country analysis issues like governance structure, religion, and more seriously interrogate, what is the issue that I'm actually grappling with here, what does that mean socially to the people I'm trying to engage with, what does it mean economically etc.

Box 2: Police support in PNG

"... you would typically see an analysis that says "PNG has faced problems in law and order since 1980, and it's had x number of states of emergency, the police has 5,000 people, they operate in a centralised fashion, some non-state justice actors also play an important role, etc". The result will be quite a turgid analysis; often because we don't think through why we do the analysis in the first place. So what about a different approach?

The first question to ask is, 'what is policing'? Well, policing is about regulating human behaviour. So to approach this inductively, we would then ask, why do we regulate human behaviour? We regulate it because we are seeking social order; in the diverse context of PNG, we'd ask about the broad parameters of the Papua New Guineans' approach to social order. We'd then get to our analysis and discover a combination of local social control mechanisms and state justice institutions.

We'd ask why the people engage with some at certain times and

some at other times; what from the donor perspective will meet public expectations; and what do we find acceptable or unacceptable in those systems? We can play around with ideas of cultural relativism and universal values but, from a practical policy angle, we are going to deliver upon universal values. When we're engaging with a police force, key components of our activity are going to be human rights, transparency, and accountability. So how do we reconcile this with local understandings of those issues? Are we left with the question of how best to pursue those agendas given those constraints?"

It is worth citing in full the example provided by one practitioner who offered a comparison between what kind of context analysis is usually prepared to establish police support in a country as complex as PNG, and what could be examined for greater effect (see Box 2).

By seeking a much more focused country analysis, and specifically posing the types of questions listed above, it was suggested that the Australian Government will begin to see a greater congruence between 'analysis that we do ourselves, that we pay for, and our actual products'. In addition, such analysis should assist the Government's contribution to addressing the root causes of social disorder and violence in key countries of national concern. It was proposed that the next step might involve an exploration of how the analysis relates to the work of the broader intelligence community.

Summary of main recommendations

- *Learn from and capture experience in a culture of exchange*
- *Innovate according to contextual insights, rather than technocratic objectives*
- *Sharpen diagnosis of context to prepare more constructive advice for Government*

STRATEGY: WHAT IS OUR STRATEGY?

As with the need for a greater appreciation of why, how, and what to analyse about fragile states and situations, research participants identified the need for better strategy as an important precursor to developing improved and more innovative ways of working in such situations. Failing this at the extreme end of the spectrum, the situation risks becoming one like that depicted in the cartoon below – a series of bloody sacrifices leading down an unclear path to an unknown end.

Figure 7[40]

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[40] Reproduced from *The Times* newspaper, with permission from the artist.

It was widely agreed during the workshops that the complexity of these situations presents the Australian Government with a 'wicked' policy problem: highly resistant to resolution and requiring a reassessment of some of the traditional ways of working. Successfully solving – or at least managing – these 'wicked' policy problems requires broad recognition and understanding at all levels, including the Ministerial. It must also be recognised that there are no quick fixes and simple solutions. One member of Cabinet suggested that: 'Sometimes the message to Government needs to be, "You can't fix this, and if you do want to, it will take a very long time and you may get a totally different solution than you think you want now"'. Hence the need for realistic objectives in the development of an overall strategy.

REALISTIC OBJECTIVES

As can be seen in Box 3, Kokoda participants questioned what the optimal level of support should be to fragile states and situations, bearing in mind the constraints of the political and resource environment.

Box 3: Strategy
- What do we want to achieve? What if there is no final 'end state'? Do we have political appetite to be there indefinitely?
- How will we measure our success? Is it feasible to expect practitioners to defend their actions/interventions in terms of what is 'imperative' and 'unavoidable' (currently the case)?
- We may want to do things, but how does this really align with the ability to meet agency objectives/serve their core business?
- Does every state have to be perfect? What is good enough? Does it have to be a 100% solution, or do we need to accept a certain level of fragility, and even see it as a necessary precursor to nationhood?

These questions led to discussions of the necessary **time horizon** required, and the need to harmonise the seemingly conflicting or at least different **timeframes** within which agencies operate. All agreed with the need to commit over the long-term in order to deal with the underlying problems facing fragile contexts. And yet, 'the focus tends always to be on what is needed 'here and now' – people don't tend to think long term'. Others commented on the difference between the timeframe of an Australian Government effort vis-à-vis the partner: 'How can we reconcile the different cultural timeframes between the West and partner countries? Are we patient enough? Can we afford the patience required?' The willingness of Australian Government leadership to invest in long-term strategies was also raised as a challenge:

> Is there a will to make decisions for benefits that are realised in someone else's time? Will Australia ever get to a stage where it steps away from safe decisions, and be brave enough to take a risk and invest?

In order to mitigate against the problem of short reporting cycles, particularly in the majority of cases where inter-generational strategies are needed, participants argued that more permanent solutions need to be transitioned into the planning process and more thought dedicated to appropriate exit strategies.

It was also argued that the Australian Government can only set realistic expectations and clear objectives once it forges a better understanding of the different situations conflated under the category of 'fragile states and situations'. According to one participant:

> It seems impossible to address at least three fundamentally different situations as the same. These three at least are a war of aggression and then an attempt at stabilisation (Iraq - Afghanistan); a call for assistance and regional support for help (RAMSI); international efforts to aid countries in the bottom billion (UN Missions). Considering the background to each is imperative. Wars of

aggression are unlikely to turn into successful development missions. There is a fundamental gap in our thinking not to articulate the political context that drives our initial engagement – an important step forward would be to have a more articulate and self-critical community of interest.

While these are certainly important considerations, participants were also aware of the temptation to blame failures of support on political constraints and the complexity of a situation, rather than recognise instances where there has been a lack of creativity and commitment to generating good strategies. One participant framed their observation about the need for honesty and diligence when testing Government strategies as one of 'evaluation versus validation':

When we collect on what the local population wants and how our development assistance measures are going, we need to recognise the difference in measuring: are we doing things right; and are we doing the right things?[41]

Linked to this, another participant asked whether less is actually sometimes more. At times, we judge our commitment to a situation based on the amount of initiatives that are thrown at it; yet, as with more focused analysis, there may be many more benefits accrued from a customised and targeted strategic approach.

The following contribution from a workshop on state fragility held at the Overseas Development Institute (the UK's leading think tank on development issues) in July 2009, echoed the same sentiment, while also underlining the need for a good dose of humility:

In all of this, international actors must maintain a level of humility, questioning how much they can actually do. Often

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[41] The issue of invalid assessment of Key Performance Indicators, a lack of appreciation for local/subsistence economies and social systems, etc was raised at The Lowy Institute's conference, *The Pacific Islands and the World: The Global Economic Crisis*, held in Brisbane on 2-3 August 2009.

too much is assumed. International organisations can stimulate the process, but not engineer it.[42]

SMART POWER

Whether the right set of tools is being deployed at the strategic/operational level dominated much of the discussion throughout the workshops. Participants appeared to recognise the diversity of agencies as a positive element, but highlighted the difficulty of knowing when and how to calibrate their efforts. While striving for a greater synergy between their approaches in each context, they also admitted to needing a better understanding of what other departments and actors are trying to achieve from a strategic perspective before this is possible (see Box 4 for a series of relevant observations made by participants).

Box 4: Strategy
- All of the players need to think about how they fit into the various steps of a holistic solution – their role in each stage is *not* the same, and there is value in diversity
- Defence Diplomacy & Development – how do we balance and apply these three areas appropriately?
- Despite differences, we need an overall concept of what needs to be accomplished so that everyone is on the same page, contributing efforts in light of that agreed direction.

A lack of deliberate connection between the reality at the field level and the interests at headquarters emerged as a key contributing factor to the increasing issue of 'blurred roles' and confused objectives. Large-scale disaster response and international trends, such as the recent shift towards a counter-insurgency strategy in Afghanistan, are contributing to this blurred distinction. The latter strategy's emphasis on deeper engagement with the local population, and its primary responsibility falling on the commander in the field, is the most obvious example where the blurred distinction causes problems. An exchange between one US marine and a group

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[42] ODI *Workshop on State Fragility*, London, July 2009

of Afghans, while patrolling the streets in Southern Afghanistan, demonstrates how communicating the Coalition strategy is less straightforward than it might appear at the conceptual level:

> *US marine:* 'Why are people afraid to come back to their houses? You can come back, we want people to come back to their homes and shop in the market again. ... Who has told you that the Taliban will shoot you if you go to the market? ... I'm going to ask you this question for the fifth time… listen to me for a second … You are all not cooperating. As you know, we are here to kick the Taliban out. You are not helping us. Why not?'

> *Locals:* 'What can we do? (amidst growing laughter) What can we provide for you? (another man) You have planes, tanks and guns. We're simple people with nothing. We don't even have a sword. If you can't win, how can we?'[43]

One cannot fault the soldier for his attempts at reassuring the local people, but perhaps his role is not suited to this type of engagement. As one academic put it: '...teaching the military to speak the language of sustainable development and local ownership does not make them effective development practitioners, just as training diplomats and development experts how to fire guns does not solve the security problem.'[44]

Especially in highly politicised environments, it appears that military and civilian contributions are not necessarily used to their greatest advantage – and part of the challenge is lack of genuine consultation down the ranks, particularly with those who implement the strategy at the field level. A major complaint from the military's side is often that they have access to populations that INGOs cannot reach, and as such, find themselves serving the humanitarian needs of those populations, even if it is in direct support of their military

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[43] PBS Frontline (2009) 'Obama's War: Act One' (13 October), located at <http://video.pbs.org/video/1283652208#>

[44] Baumann, p.111

mission. On the flipside in such situations, humanitarian workers claim that their lives are increasingly put at risk due to their implied association with the military.

PREVENTION

Australia's longstanding presence in some countries offers many lessons transferable to theatres such as Afghanistan, where de facto governance structures are equally distant from the de jure state. With the establishment of the APCM COE, the hope is that Australia can feed more deliberately into critical international debates.

One such debate is whether donor governments should focus more on preparedness and prevention, versus response. This was a topic that occupied much of the workshop discussion. It could be argued that the Australian Government has not articulated to the same degree as other governments how it wishes to balance its effort due to a lack of strategic oversight of these situations.[45]

Australia's strategy may well look quite different to other Western governments, due to its likely lead role in disaster management in the region, despite the best prevention efforts. Overall it was recognised that, strategically, pro-active and pre-emptive engagement, rather than crisis management, are likely to be more cost-effective and productive options for the Australian Government to pursue. Participants again, however, debated the difficulties in resourcing and garnering adequate political support to implement policies with a prevention agenda. Various possible solutions were proposed, such as a media campaign targeting public opinion,[46] and new

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[45] In 2005, for example, the British Government's Cabinet Strategy Unit commissioned a large-scale internal piece of research that examined how to achieve the appropriate balance between both 'increasing prevention and improving intervention'.

[46] Interestingly, the results of World Vision's second Quantum Research survey into Australian attitudes to overseas aid reveal that public opinion favours a larger and more active aid program despite the global economic crisis. In fact, the majority of people expressed a wish for Australia to be at the forefront of global development and poverty reduction efforts. World

pooled funding arrangements within Government, which would allow practitioners more freedom in how they dedicate their resources in non-crisis periods.

DELIBERATE PLANNING

More deliberate planning was certainly identified as a common, yet largely unrealised, aspiration across the Government departments represented in the workshops. It was pointed out that Australia is uniquely positioned to predict where it might need to focus its interests and deploy resources due to its geography and interests. Hence it should be able to concentrate effort over the long term to these areas, and build on prior experience to develop either joint plans, or at least plans that complement the efforts of each agency. The purpose would be to achieve a more coherent direction in the overall effort, and involve civilian ministries that might balance the more traditional military contributions to planning.

DEVOLUTION TO THE FIELD

Lastly, much of the discussion returned to the people who should be the focus of any strategy – 'the customer'. It was established that various stakeholders can be identified as the customer in Australia's engagement with fragile states and situations. These include the Australian public; Australian public servant; the partner government; the vulnerable population or community; the United Nations and other international platforms; and the media. All are important, but take centre stage at different moments in time. At the current juncture, where the Australian Government is acknowledging that 'business as usual' is no longer a tenable option, it was agreed that more focus should currently be on the 'local' target population and Government. But it is the Australian public servant, NGO or contractor which provides the key interface with those parties. Hence, they are the lynchpin in developing a 'customer'-focused operational strategy.

Vision Australia (2009) 'Island Nation or Global Citizen: How is Australia faring in the global challenge to make poverty history?', 3 & 27-29

This underlines the importance of setting goals in the field, and directing or managing a highly effective 'campaign' within the framework of the broader strategy set at home – or 'HQ'. Strong participation from those in the field is necessary in order to provide regular checks on what might otherwise be a top-down strategic plan. Participants reported the very real challenge of the frequent disconnect between the field and Canberra in past situations. While this is an age-old problem of 'HQ not understanding' what is happening in the field, the problem is reportedly becoming even more complex and challenging in an environment where Australian public servants are expected to have multiple headquarters (i.e. WoG in Canberra) and field level operations (often with multiple agencies represented).

The comments captured in Box 5 give some insight into how differently things might begin to look if decisions and thinking were devolved further to the field, or at least balanced by the contributions of those who are closest to the issues.

Box 5: Strategy
- In 20-30 years, how will things look differently if we flashback to this workshop? Should we have been focusing equal effort on supporting state functions (such as market economy) and local-level institutions (such as village economy) – in parallel? How can other departments learn from each other in this respect – maybe test how processes such as AusAID's devolution of functions away from the centre to the field can apply to other government interventions?
- Is our strategy misplaced? Have we been focusing too much on Govt-Govt work, and not enough on people-people?
- What is our role in building state legitimacy? Who is legitimate in these contexts?

Reflecting the need to connect the critical observations of those at the field level with decision-makers at headquarters, the following review mechanism was explored by participants. There are certain questions that should guide the strategic level, and others that need to be asked at the operational level to provide the necessary checks and balances.

STRATEGIC LEVEL

- Has the national interest changed (either in real terms or in non-rational 'the public/Government no longer cares about this' terms?
- Has the situation changed apropos any of the current operational campaigns?
- Has the overall strategic end-state changed - what constitutes completion of activity, or indeed completion of a phase in the response to a contingency?
- From a budgetary perspective, what is the expenditure vs. return on ongoing ops; development and preparation for future/imminent contingencies; and what would need to change in the budget outyears to make that work (similar to AusAID tracking of MDGs)?
- Besides the discrete internal-to-portfolio/agency Key Performance Indicators (KPIs) and 'traffic light' system of how Australia is tracking, there could be a global set of KPIs that charts inter-agency coordination and cooperation - i.e. how effective are the information channels between the Office of National Assessments (ONA) and Defence Intelligence Organisation (DIO); is the AFP IDG giving the optimal campaign support?

OPERATIONAL LEVEL

- Has the situation changed 'on the ground' so that any/some/all of the intermediate campaign objectives required to be changed?
- Has the capacity for some/all agencies to continue to contribute forces/resources to a campaign changed? How can this be remedied?

The broader question underlying these prompts is how the Australian Government can create harmonised but distinct strategies for fragile states, utilising the individual strengths of each portfolio, and building staff capacity to manage complex campaigns. The next section reviews some of the challenges the Government is likely to face in this regard.

Summary of main recommendations

- *Articulate strategy clearly, especially vis-à-vis national interest and 'the customer'*
- *Refocus effort and be realistic, but creative*
- *Lengthen timeframe and cross-departmental planning horizon*

Operations: how can we collaborate or coexist more effectively?

Reflection on operational barriers to cross-department cooperation and successful implementation of strategy were made in light of agreement that cross-department collaboration is essential. Therefore many of the issues converged on *how* to work more effectively between the respective spaces:

> We are moving in the right direction – however the frustration is coming from everyone wanting to work together, but not really knowing how practically to go about creating coherence.

Again, understanding roles is key to reaching this goal, and much of the discussion was dedicated to that issue. The underlying challenge of coordination seems most apparent at the civil-military interface (civil representing both the police and aid contingents). Baumann's helpful breakdown of a government's bureaucratic layers (into material factors; bureaucratic politics; and organisational culture) helps build a more complete understanding of the difficulties encountered in getting military and non-military actors to work together (see Figure 8).

A useful exercise might be to examine through such a classification whether the main issue at stake is an institutional challenge – requiring the right decision-making mechanisms, incentives, and structures for coordination; or whether there are perhaps more fundamental differences among the parties with regard to the nature of the task at hand and the appropriate ways to go about it.

For example, when examining funding issues – where there might be perverse incentives not to coordinate due to individual budget preservation, and the distorting historical effect of issues being mapped against existing bureaucratic preferences, rather than according to need – the issue may be operating at three levels. First, funding mechanisms that are not built for coordination can be blamed on the material-technical inadequacies at the systems level. Second, the blame might be laid on the bureaucratic-political level due to turf. Third, the issue might be related to philosophical-cultural level, due to lack of apparent complementarily in core mission and priorities.

Figure 8: Bureaucratic layers[47]

LAYER	OBSTACLES	CHANGE REQUIRED
Material-technical	• Disparity in resources and manpower • Incompatibility of systems and structures	• Creating additional capacity • Harmonising planning and implementation mechanisms
Bureaucratic-political	• Parochial interests • Standard operating procedures and routines	• Staff structures • Remuneration schemes • Education and training • 'Ways of doing business'
Philosophical-cultural	• Lack of agreement on a) nature of the problems and b) best way to address them • Conflicting core missions	• Core mission • Priorities • Values • Self-perception

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[47] Adapted from Baumann, p.50

Organisational culture not only informs the nature of templates, routines, and standard practices that a given organisation develops in the pursuit of its mission, but also the type of resources and capabilities deemed worth acquiring or maintaining.

Baumann argues that there is certainly a risk that attempts at improving cooperation will focus on the most visible problems (e.g. technical, structural, and resource-related ones), while neglecting the philosophical and cultural issues that potentially linger under the surface. These are critical areas to clarify given the number of intergovernmental experiments taking place in Western governments, such as stabilisation units or civil-military centres, which aim to improve coordination and even cooperation by creating new institutional mechanisms.

Two possible ways to overcome issues of cultural difference are a) to develop a common lexicon or doctrine for engaging in fragile environments, and b) to prepare and plan more effectively in joint operations.

DOCTRINE

Some argued that a key enabler for improving Australia's national capability to operate in fragile states and situations will be the development and then the publication of Australian doctrine in this field. This exercise would engage all relevant agencies and provide the Prime Minister's imprint on the Australian approach. The aim would be to help ensure that everyone sings from the same sheet of music when planning and conducting this important category of operation – in essence, deploying 'smart power'. Once published it would provide the key foundation for training. It could also be updated periodically to take account of experience and lessons learned.

The following content was suggested for such a document, to be articulated in plain language:

- This is what Australia does in this field

- These are Australia's strategic objectives
- These are the key principles that guide Australia's operations in fragile contexts
- This is how Australia does it
- This is how Australia appoints the command/ coordination team, and these are the Coordinator's lines of authority and accountability
- This is how all relevant departments, agencies and other members of the community participate
- This is how progress is assessed
- This is how Australia works with local parties
- This is how Australia works with Coalition partners

Whatever the formal status of such a document, it should be signed-off by the Prime Minister, with an emphasis on all Government agencies committing to make the system work.

PLANNING

It was suggested during the research that an integrated operational planning model be developed to accommodate both the military and civilian requirements. Any new planning structure, participants argued, should address questions such as, 'How do we ensure that various timelines can be pursued simultaneously by a WoG policy, including short-term, medium-term, to long-term goals?' so that the appropriate calibration of effort can be achieved.

Differences in planning 'cultures', however, were identified as one of the major sources of tension between agencies and departments in multi-agency operations. For example, while it is agreed that the military tends to have the most advanced planning procedures, the terminology used is recognised to be complex and impenetrable for civilian agencies – hence a barrier to coordination. In the words of one former member of the ADF:

The Army is acronym-laden at the best of times, even to those who are immersed in the operational culture. In a military environment, the acronyms ensure that meaningful

discussions can be conducted quickly and precisely. However, to the hapless observer or participant who is not inducted into the language it can be excluding, alienating and immensely frustrating.[48]

The issue of sequencing responses and exit strategies raised the need to optimise the inclusion of other operational agencies, such as AusAID and AFP, into planning discussions. Reportedly, these agencies are working together more and more to translate lessons from the ground to policy in Canberra, and are most likely to continue being at the forefront of future interventions, hence vital components of any planning process.

A major complaint on the military's side is that civilian ministries do not have the necessary capacity or sophistication to balance military contributions in planning exercises. Among other reservations, civilians claim that they require more flexibility and agility to adapt to changing circumstances than the military planning format allows. This reinforces the above question as to whether an integrated set of planning procedures (akin to JMAP, for example) is indeed possible, or whether the obstacles reflect deeper cultural divergences that are near-impossible to resolve.

In terms of scope for future planning, the emphasis within the first two workshops seemed to be on whole-of-government responses to *immediate* crises. At the same time, however, participants felt that preventive models should be explored alongside planning for responses to medium-term and protracted crises.

By the third workshop, it was proposed that greater emphasis be placed on the latter situations due to the Australian Government's apparently proficient immediate crisis management processes, and the lack of preparation for contingencies involving prolonged and even semi-permanent crises. These crises are increasingly being characterised as 'not simply deviations from normality, as is usually believed,'

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[48] Interview with James Bryant, 2009.

but rather manifestations or catalysts of intensified change processes 'that were already going on in societies'.[49] Hence they require a longer-term, more systematic approach than traditional crisis management techniques.

Monitoring and evaluation (M&E) are important aspects of such a longer-term planning process – and should include room for both short (1 year) and medium-term (3 year) plans, that are revisited on a regular basis with agreed milestones. Beyond the value of M&E as a means of measuring progress, interagency benchmarks tied to strategy can be an effective mechanism of coordination between departments. These benchmarks can also assist questions about when to change the mix of agencies involved, and prevent such decisions from being pushed back to the tactical arena: 'We might be able to put together and deploy a mission quickly, but how do we establish when the nature of a mission has changed?'.

COALITION MISSIONS

Matters become exponentially more complicated where other donors are involved. In a discussion on how to support and leverage multilateral efforts, participants questioned whether the Australian Government was more effective in a single-state intervention versus a coalition approach. Drawing from Australia's experience in its region, one person asked:

Has our 'success'[50] been largely down to us leading responses, plus the small size of our interventions, and

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[49] The Broker (2009) 'Crisis become permanent,' *The Broker: Connecting Worlds of Knowledge* (13 March)

[50] Even where the Australian Government claims to have achieved 'success' in its contribution to truly multi-national missions, external reviews have argued that Australia has a tendency to dominate in reality. For example, an Oxfam study demonstrates the lack of meaningful numbers of Pacific Islanders in the civilian state building elements of RAMSI, despite it purportedly being advertised as a successful regional collaboration. For example, as of May 2006, 94 per cent of civilian advisors in the Solomon Islands came from Australia and New Zealand, rather than other Pacific Island countries. Oxfam Australia and New Zealand (2006) 'Bridging the Gap between State and Society: New directions for the Solomon Islands,' July, p.8

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limited level of lethal threat? How do we perform when there is a greater number of players involved, where consensus becomes more important to achieving an outcome? Does our effectiveness of assistance diminish as a result?

From the Government's side, workshop participants levelled much frustration at UN-led and other large multi-donor missions, due to their often dysfunctional approach to planning, distribution of resources, etc in complex operations. They expressed commitment to strengthening the accountability of themselves and other international actors, particularly within a coalition. Yet they were also unsure as to how to go about informing the partners about 'what we want to do differently'. There was a strong feeling that the Australian Government has a lot to offer other donors in terms of experience, but it was unclear how to share this given the lack of pooled lessons learnt.

The remaining factors that were identified as significant to 'get right' – 1) measures of effectiveness; and 2) people and skill-sets – could be seen as appropriate flow-on effects of better planning and understanding of Australia's position in the broader mission space, hence it is important to look at these briefly.

MEASURES OF EFFECTIVENESS

Participants identified the priority need for realistic milestones that are helpful and measureable. If better metrics are in place to measure success and effectiveness, the intervention might also minimise any inadvertent harm, such as the creation of a false economy. Moreover, such procedures may help standardise and monitor how military contracting and indirect aid distribution are carried out – if the Government is unclear about the metrics, what are the expectations on the performance of contractors?

PEOPLE AND TRAINING

One of the other major areas discussed how to get the 'right people' with the 'right skills' to engage on issues in complex environments. Participants focused on both capacity gaps and structural inefficiencies in the area of human resource management. On the one hand, Australia is reported to have one of the best records of employing 'informal human links' or relationships in the handling of crises. On the other hand, some within Government have commented on the risk of relying mainly on such networks in a larger scale crisis affecting Australia, rather than having the requisite structures, processes, and allocated leadership in place. This implies a lack of proper structures to manage interventions; and yet when the possibility of new structures was presented to key groups, they were resistant to this idea, claiming that it was simply a matter of having more of the 'right people' skilled to do the job.

> **Box 6: Operations**
> - Are we asking too few people to have too many skills, and are our expectations too high for people who are not necessarily empowered to do what is needed to be done?
> - Are we purpose built for crisis, or are we able to look at ongoing management of situations?
> - How do we get the right people to where they need to be?

There was, however, strong consensus on the importance of developing specific skill sets, appropriate levels of experience and career progression to manage Australia's contribution in fragile theatres. Focusing on the urgent need for investment in joint training, one senior military officer advised:

Accept chaos as an operating environment, train to work in it, and develop resilience in staff and processes in this environment. Managing the media and developing consistency in strategic communications messages in this environment should be an early scenario to be practiced by all levels in the organisation. Training, training and

rehearsals are the way of achieving a positive outcome here.

Within the training modules, many emphasised the need for soft skills, such as language and cultural sensitivity:

[These] always get Australians into trouble. Our strong work ethic and desire to do something often is interpreted as arrogance. In obtaining interpreters we can also undercut our own Aid intent as often the best interpreters have skills that the Nation requires but the Aid organisation offers better pay, i.e. I had doctors, teachers and engineers working for me and the UN as interpreters because the money was good but they needed to be working in their own country as doctors, teachers and engineers. A future DCC has to develop its own skills in language and culture.

Many therefore welcomed the recently instituted National Security Executive Development Program, and expressed hope that this would help the right people reach a place where they can be deployed with sufficient skills.

Strong leadership was also consistently advocated as key to ensuring operational success – not only for the development, refinement and testing of plans etc, but also to resolve some of the inevitable cross-departmental issues at the heart of coordination.

Summary of main recommendations

- *Broaden inclusion of relevant parties*
- *Define measures of success*
- *Devolve responsibility to the field*
- *Improve review/handover process*
- *Streamline central co-ordination*

LEADERSHIP: WHO WILL DRIVE THE CHANGE?

As mentioned in the previous sections, leadership was identified at the strategic and operational levels as particularly crucial in instances where issues fall between departmental

portfolios in the planning and implementation process. There should be absolute clarity in regard to how each of the agencies within a mission relate to each other, and not just in an ad hoc 'stitched up' manner. Without an imposed vision that addresses individual departmental contributions as part of a whole, there is the risk of falling into a trap, whereby organisations fall back on internal customs and procedures to the detriment of coherence and focus in the overall mission.

All participants seemed to agree that the core issue falls back to questions of leadership, which can be divided between 'political' or diplomatic leadership, 'policy' leadership, and 'operational' leadership.

In terms of political leadership, it was argued that improved analysis, strategy and operations will not gain enough traction to make the necessary difference in lifting the game unless there is adequate support from the leaders of both the Australian and partner governments.

Workshops blamed, for example, 'lack of political will' as the primary cause of underinvestment in prevention and slow response to crises. A Government enquiry in the British context found the same result. It concluded however that political will to act is deterred by a number of factors, requiring more in-depth consideration. These included:

- Clashes of country interests
- Costs and benefits of action don't add-up – e.g. levers of influence are too small to make a real impact or too complex to deploy
- Perceived lack of public support for action

It also suggested that these problems can be heightened by systemic failures to provide timely, attractive options that spell out the relative costs of action and inaction coupled to effective implementation mechanisms. This was also the conclusion of the Australian public servants familiar with Cabinet advice interviewed in this study. A basis for improving this situation would entail 1) looking more closely at the needs of decision makers, and 2) alerting decision-makers to the

complexity of issues related to fragility, and the need to focus more detailed attention/resources to them. One member of Cabinet explained:

> Everyone tends to feel the same sense of urgency when a new issue comes to the boil – but the reality is we are not able to get away from tight funds, and other Government priorities. International issues, for example, are not the only things on the Government's plate. The focus needs to be on how well arguments are put forward to Government:
> - What is the cost of NOT doing this?
> - What are longer-term implications?
> - Why is this imperative?

The political leadership of partner countries was identified as another major factor in determining the success or sustainability of an intervention. Without the commitment of key ministers, there is little hope for change to occur, particularly if the effort is directed through the state structures.

In terms of policy leadership, participant feedback questioned whether there is a specialist area within DFAT which looks at complex missions, and whether one of the key problems was in fact with 'the constraints of a bureaucratic imagination'! Policy leadership is seen as critical for nurturing a culture of knowledge sharing. This may well include material incentives that reward civil servants for demonstrating courage and a willingness to communicate across departments. Looking forward to the ACC, one participant challenged:

> While we are talking about improving deployments through the Deployable Civilian Capacity, how are we looking at improving policy and political leadership? Do our diplomats have the right skills to lead complex missions and make difficult decisions?

In terms of operational leadership, two of the most basic considerations included the issue of identifying who will actually lead operations of this sort, and from where Australia can expect to attract such people. Participants questioned the necessary selection process and training required for such

people, and whether it is necessary to develop a separate career stream for those interested in becoming part of a fragile context coordination team. Some of these questions are taken up in the recommendations below.

By way of conclusion, the Venn diagram in Figure 9 depicts the four main challenges facing the Australian Government in this area, as identified by participants in this study. Engagement with the context, both through listening and analysing the situation using all available expertise, is the first step. This is followed by the development of informed, joined-up strategy. Next, implementation through improved coordination at the operational level. And lastly, leadership is positioned at the centre due to its vital importance in transforming all areas of Australia's holistic working in fragile states and situations.

Figure 9: Unpacking the problem
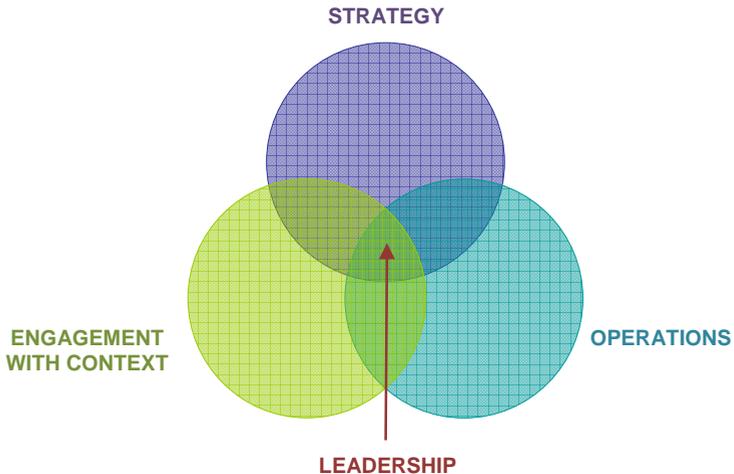
Future Options

> *Doing tomorrow what we did yesterday is no longer an option. The future is inherently unpredictable and we have to get used to that. It means re-tooling the organizations, and by extension states, to be far more adaptive, flexible, and open to acting upon feedback. Agencies must come to terms with the nature of complexity and its implications.*[51]

It quickly became evident from the discussions with Australian Government representatives and academics that most of the problems canvassed throughout this research covered old ground. There appears, however, to be genuine momentum to break out of the vicious circle to define what 'smart power' looks like in the Australian context, rather than simply restate the various dilemmas.

The Australian Government's public commitment to whole-of-government confrontation of 'wicked' issues such as engagement in fragile states and situations is exemplary. All departmental statements and policy documents on the subject underscore the importance of reforming traditional practice towards a more holistic approach. It is well known, however, that this requires a very high level of effort for what in practice is radical transformation within a bureaucracy.

Broadly, this last chapter outlines various options for bridging the gap between commitment and practice, as identified by those 'within the system'. Recommendations are listed beneath a series of direct quotations overleaf. The main areas to be considered are grouped as follows:

- Analytical framework
- Strategic next steps
- Operational next steps
- Culture, leadership and professional capabilities

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[51] Walker, Peter (2008) 'Complexity and Context,' Feinstein Center for International Studies, p.5

Because some of the areas necessarily overlap, it is advisable to read this chapter in its entirety.

ANALYTICAL FRAMEWORK

'We need clarity and better knowledge management'

The first set of recommendations refer to the workshop participants' call to take steps that would help a) gain clarity about what the Australian Government means by engagement in fragile states and situations, and b) foster better knowledge management of the Australian experience. Practical steps include:

1. **Development and publication of Australian doctrine in this field.**

   This could be done fairly readily, would engage all relevant agencies, and would provide the Prime Minister's imprint on the Australian approach (see page 59 for a more detailed suggestion).

2. **Position on whether it is possible to have a joint framework for structured analysis.**

   The Government should explore whether it can develop a shared analytical framework for engagement in fragile states and situations.[52] This provides one key method for building alignment between the disparate groups in a whole-of-government approach, so that a shared vision of the problems and respective agency capabilities and responses can be reached.

   Based on frameworks developed elsewhere, the design criteria behind such a framework might include the following:

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[52] Other Western governments have tended to develop stabilisation structures. The UK Government's CRI 'Instability Framework', for example, measures the imbalance between country capacity, internal and external risk factors, and external stabilisers.

- Simplicity to allow for structuring discussion between different departments, analysts, disciplines and assessments on a specific country context.
- Incorporation of emergent crisis and conflict dynamics.
- Explicit critical assumptions around how risks will be effectively managed over time – allowing contest and challenge.
- Means to prompt analysts to consider all key generic factors (based on research) as well as country/region specific issues, preventing disciplinary bias and a reversion to easily available data.
- Flexibility to drive the full strategic country assessment process from risk assessment, futures and generating strategic options, allowing relative balance of factors to change over time as country risks change, crises emerge and are resolved.

AusAID's move towards developing unified country strategies and implementation frameworks covering all ODA eligible activities is certainly an important step in the direction of committing to a single, integrated framework. The only issue is that it is confined to ODA assistance.

An initial step might be to establish how effective these mechanisms have proven to be since the release of the 2006 AusAID White Paper, and then to explore how the approach might be broadened to whole-of-government engagement in fragile states across the board.

3. **Pending the possibility of such a framework, ensuring its use for regular 'horizon scans' of the fragile state situation.**

   Such monitoring would allow decision-makers the opportunity to prioritise as appropriate.

4. **Creation of a self-critical community of interest.**

   Ensure that knowledge and understanding which otherwise would dissipate with staff turnover is captured, particularly from those who have been deployed to

complex environments. Make use of the APCM COE towards this end.

STRATEGIC NEXT STEPS

'We need an overarching strategy'

Without a doubt the key development for Australia lies at the operational/strategic level: an Australian equivalent of the [American and British stabilisation units] is not just a useful suggestion – it is fundamental to plotting and pursuing a path towards effective interagency operations. Neglecting to institutionalise the interagency project in this country is to condemn it to start from scratch every single time.[53]

If the Australian Government is to step up to the challenge of improving its holistic approach to fragile states and situations, so that it does not have to start from scratch every time, it needs to develop an overarching strategy and doctrine that will fill some of the main gaps that were identified in the research:

- Clarity of objectives
- Accountability and transparency
- Innovation
- Cost reduction (avoidance of double spending and diplomatic embarrassments)
- Sustained focus on longer-term goals

In the process of driving change in the above direction, Australia must decide how much it wants to follow international trends, or adapt these to its unique experience and circumstances as a middle power in the Asia-Pacific region. In the process, it must consider how perhaps to distinguish itself from the 'stabilisation' and 'state-building' approaches of large powers such as the US, UK and Canada; and also how it might feed its own valuable lessons into international planning

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[53] Interview with James Bryant, 2009.

discussions and policy development. Hence the first recommendation is as follows:

1. **Agree a clear process for publishing a statement that recognises the level of priority that Government should lend to holistic engagement in fragile states and situations.** Options include:

   - a Cabinet paper that articulates the problem and possible solutions, and identifies the efficiency and effectiveness dividend from changing business as usual;
   - a White Paper on Fragile State Response to intervention and ongoing policy/principles.

   Such a paper could help drive the conceptual development and framework for action guiding Australia's 'whole-of-government' and 'whole-of-nation' response to fragile states and situations.

It is clear that the Australian Government needs to invest in both preventive and reactive strategies for managing risks relating to fragile situations. It is also evident that it would help coordination if there were a central place within Government where oversight is provided to efforts in extremely complex countries that are identified as strategic priorities. These are likely to include fragile pockets where Australia is currently investing heavily – such as Eastern Indonesia; Southern Philippines; PNG; Southern Afghanistan. In parallel, therefore, Government should review how it will distinguish or blend the reactive/interventionist and preventive functions of an overarching strategy.

In developing strategy, a major priority is to map existing work, in addition to the capability and interest across the Australian Government for engaging on fragile state issues. Each department has either an existing international component or potential internal agency capability to engage internationally. There are also IDCs which deal with fragile state issues, but certain aspects of these remain unclear, such as how they relate to one another, their terms of reference, the

level at which they engage decision-makers, and their frequency. Thus the second recommendation is as follows:

2. In deciding where to place the Australian Government's focus, and whether to adapt it, the following three mapping options are proposed:

Tiered approach

The first option for initial steps includes a review of what the Australian Government is trying to achieve in a range of scenarios:

- *Countries with short-term fragility but scope to stabilise*
- *Countries with long-term fragility and scope to stabilise*
- *Countries with inherent fragility and little scope to stabilise*

For the outcomes, Government would then need to articulate the desirable tools/options to engage in those environments. This would not be limited to Government – in fact using mechanisms such as the ACC, the Australian Government will now be better able to identify national assets that relate specifically to such scenarios.

The next step is to gain an appropriate understanding of how resources align with the above, and what refocus might be necessary. Hence there is a need for an investigation into which of these approaches currently exists (and with what expenditure), which need to be developed, and who might carry them out.

Within Government, the next steps would involve investigating how decision structures align with the above, and how to take this forward. Integral to this should be a greater understanding of how organisational culture aligns with the strategy, in order to effect the change.

Country pilot

A second option might involve the selection of 1-2 priority countries with different policy settings, such as PNG and

Afghanistan, and piloting a new approach with measured outcomes over a set period.

Prioritise and collaborate

The third option includes the identification and rating of all significant current initiatives, and then a selection process and piloting of a collaboration project.

Identify and rate all significant current initiatives

- A – definitely keep; B – not sure; C – definitely terminate/let wither

Identify contenders from A to create a collaboration project (with partners; business)

- Assemble most proactive/influential representatives in core team
- Assign a high level sponsor
- Establish more rigorous/sophisticated techniques (like conjoint and economic modelling) to clarify preferences of each party
- Identify common preferences
- Develop appropriate joint strategy
- Pilot and implement

The aim would be to gain a better understanding of how Government departments are contributing to fragile states and situations with their unique capabilities, and to decipher which initiatives appear to be having the most and least effect. In the second step, the termination of certain initiatives will provide space to explore ideas that might involve stakeholders with untapped, or underexploited, innovation and expertise. Such stakeholders could include non-usual suspects within the Australian Government (i.e. Broadband, Communications & the Digital Economy (DBCDE), Environment, Water and Heritage (DEWHA), Immigration & Citizenship (DIAC), Sport & Recreation), local entrepreneurs, and big business.

Some of the interventions suggested by people throughout the research pointed to cost-effective measures that carry long-term, widespread impact. For example, one person in the telecommunications industry compared the annual cost of sustaining an Australian presence in a mission such as RAMSI in the Solomon Islands – currently at AUD 250 million in a country of 500,000 people – with the introduction of mobile telecommunications infrastructure in an island state or highlands of PNG. The latter is likely to transform people's economic opportunities and access to markets from rural locations, hence stimulating growth from the bottom-up. Australian engineering has much to offer in this regard due to its own need to find solutions to the large distances between relatively small populations within Australia. It was suggested that companies could 'tack on' additional orders for mobile handsets and base stations, and donate these or provide them at a lower on-sale price to the populations of the country concerned. Several other recommendations argued for a strengthened micro-economic reform agenda to stimulate growth in fragile states.

Further 'soft', long-term options were presented by members of the Sports community. Work placements supported by the AYAD Program, the International Cricket Council, and Oceania Rugby are reportedly excellent ways to invest in building the leadership qualities and self-sufficiency of Pacific Islanders interested in sport. The counterparts are encouraged to raise local sponsorship for the clubs, involve themselves in high performance programmes in coaching and umpiring, and facilitate the development of education and awareness campaigns around HIV/AIDs and domestic violence. It seems that there is further strategic scope to extend Australia's commitment to sport at a grander scale in highly unstable environments (e.g. through international cricket in Pakistan).

Closer to home, skilled migration and Australia-Pacific training colleges were identified as productive means to develop leadership qualities and skill-sets of interested neighbours. It was, however, emphasised that these should not be limited to menial tasks, such as fruit picking. Rather, a real investment should be made in building peoples' skills in areas such as nursing, engineering, and other trades.

Returning to the 'less may be more' mantra of some participants, the above approaches, which all involve a strategic audit of some kind, would help Australia focus its effort in a way that would lead to a greater impact on the ground. There is, however, an element of risk involved, which the 'new breed of bureaucrat' – who is brave and supported by strong leadership – should become accustomed to in this policy area.

OPERATIONAL NEXT STEPS

Some argued throughout the research that the necessary coordination structures already exist within the Australian Government, and that they have worked on numerous occasions in the past under very difficult circumstances. They proposed that these just need to be directed by senior officials in a way that cuts through barriers set up by technical, political and cultural differences (see pages 56-8).

It was clear, however, that there is a lack of appreciation for what does exist, and a certain gap in terms of central coordination. The following recommendations are therefore made in the spirit of building on existing structures and processes, while also suggesting ways to fill any institutional and staffing gaps.

'We need to plan better and measure effectiveness'

Recommendations emerged in response to questions around how to develop Australian Government capability to plan, implement and command joint operations between

military, police, development actors and others, while still respecting diversity. In addition, the question of how DFAT and AusAID might further develop the metrics of success in fragile state support was raised. The first three major recommendations were thus put forward as follows:

1. Build on existing structures.

Institutionalise from ad hoc to standing the multi-agency intervention management arrangements in DFAT. Consider the role of the Development Effectiveness Steering Committee (DESC) and the governance arrangements that have been put in place around the Australian Civilian Corps (ACC) as potential mechanisms to facilitate decision-making on approaches in these complex environments.

2. Define overarching goals.

Prepare declaratory policy and set the vision for success.

3. Explore the generic model of a Coordinator.

In such a role, the Coordinator would lead the operational-level commitment in an intervention (in both crises and immediately post-crises), with him/her necessarily being an empowered civilian lead. There is more detail on this possible role below.

'We need a special unit'

ginger group *n.*
A highly active or galvanizing group within a larger organisation or body.

While the majority agreed that the problem of coordinating efforts will not necessarily be 'fixed' by creating another bureaucratic structure, there was general consensus that a more permanent task force, 'special unit', or 'ginger group' (high-level inter-departmental forum) should be assembled to drive the change needed within the Australian Government to manage its policy towards fragile states and situations.

There appear to be two main paths of action from the immediate to longer term.

Path 1

Immediate term. <u>Strategic audit of Australian contributions to fragile states and situations.</u> The work could be undertaken through a Ministerial Advisory Group and a Senior Officials Group in close collaboration with Departments. The MAG might be co-chaired by the Foreign Minister and the Director-General of AusAID, and other contributing departments should include the AGD, MoD, PM&C, Treasury, DEWHA, and DIAC.

Medium term. <u>Piloting of two country strategy processes through the Australian system and evaluation over a set period.</u> The work would involve the cooperation of DFAT officials who bear primary responsibility for the management of Australia's approach in these countries, in addition to other departmental representatives who implement initiatives there.

Longer term. <u>Creation of a more permanent task force, 'special unit', or 'ginger group'</u> to provide oversight and coordination of Australian Government efforts in fragile states and situations. Once whole-of-government working is improved, such a unit could focus on blending the approach to complement available 'whole-of-nation' assets.

Path 2

Immediate term. <u>Creation of a more permanent task force, 'special unit', or 'ginger group'</u> that has the strategic audit and assessment as their first task.

Any central or coordinating body must ensure that it is not lost within the administration of a specific agency or department, and has clear whole-of-government accountability and reporting. The alternative is that it risks becoming buried and ignored by the broader cross-government leadership, as

was the case in the early development of the stabilisation units within the US and UK, and FSU in Australia.

In terms of the scope, composition, and level of authority afforded to such a task force, 'special unit' or 'ginger group', there are three possible options represented below.[54]

Lightest option: Analytical or policy planning branch

- The expertise of officials with experience in operations such as Afghanistan, Timor-Leste, Solomon Islands and PNG could be shared and put to good use in developing policies for a coherent Australian approach to preventing the disintegration of failing states.
- Mobilising the best talents in each agency for this objective (similar to the way teams are put together to deal with a crisis through DFAT "task forces") could result in an innovative policy approach and establish the right kind of coordination amongst agencies to achieve results (e.g. RAMSI year 1 and Bali bombings).
- This branch may provide Government with a means to navigate the various trade-offs involved in this issue-area. For example: thinking/action; global/regional; discipline/creativity; transitional arrangements/ permanent response; leadership/operational management. In addition, it could assist with the balancing act between the following sets of considerations: intervention/sustained and protracted support; field-/Australia-based mechanisms; whole -of-government team/whole-of-nation team; vision/ execution.

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[54] Here, acknowledgment must go to Jenny Hayward-Jones, Program Director of the Myer Foundation Melanesia Program at the Lowy Institute for International Policy, who helped to articulate these steps.

More ambitious option: Special powers and resources to help implementation

- To be more than an analytical or policy planning branch, the unit would have to be given powers and resources to implement its policies.
- It would be best placed in DFAT (because it is a foreign affairs matter).
- Ideally, a 'CEO', 'special coordinator' or 'special representative' (see page 82) should be appointed to lead the unit, which would draw staff on secondment from the relevant agencies and given its own financial resources to act on its policies, without continual reference back to department heads for approval. Department heads should be consulted in the decision-making process but not given veto power.
- The SC should probably be at Deputy Secretary-level, reporting to the Minister for Foreign Affairs who is accountable to Cabinet and Parliament. The unit should also have responsibility for guiding a narrative for the Minister and Government to 'sell' the desirability of spending on this approach to the public.

Most ambitious option: Supported by coalition of external advisers

- If the Australian Government was prepared to be very 'brave', the unit could also build a coalition of advisers from the private sector, academia and civil society, including religious organisations, which all have experience operating in fragile states/conflict zones.
- This would help the unit devise approaches that give business the assurances they need to operate (especially given that the Government is trying to encourage a better environment for private sector activity to grow the economy in such countries), harness the specialist country expertise and language skills of academics, and build in the civil society consultation process that civil servants are identifying as a weakness in the current approach.

- By sharing with non-state actors responsibility for devising and implementing policy, they are also made accountable for its success or otherwise, which should lead to better advice and help avoid failures.

The above 'special unit' or group could possibly be named the ***3C Unit for Situations of Conflict and Fragility*** (3C Unit), reflecting similar functions to the domestically-focused Crisis Coordination Centre (CCC). 'Situations of Conflict and Fragility', or simply the '3C Unit', conveys the idea that this is about more than just development assistance and/or security cooperation, and is not simply about foreign diplomacy and trade.

Staffing and resource requirements might include a Special Coordinator position (SC – SES Band Four E), and a number of supporting Campaign Special Coordinators (CSC – SES Band Three E). In addition to secondees from all relevant departments and executive agencies, liaison officers between Commonwealth departments and State and Territory Governments would encourage the inter-agency effort required to make such a Unit work. The APCM COE would be well positioned to provide Commonwealth-level doctrine development and lessons analysis.

While these positions and unit might sit within the Global Issues Branch (GIB) of DFAT, the SC post would require broader terms of reference than that of a DFAT official. If, for example, the SC's authority is drawn from a PM appointment and NSC approval, s/he would be able to coordinate directly with both Portfolio secretaries/CDF of all Commonwealth portfolios, and also to executive agencies such as AusAID, AFP IDG, HQ Joint Supported by Ops Command and International Policy Division. The broad rationale behind a SC position would be to ensure synchronisation of all policy and activities that relate to 'fragile states and situations' across Government portfolios. CSCs would be assigned either thematic or geographic 'areas of operation', and may be effectively permanent – i.e. not to be deployed on a crisis-

basis, but existing to provide ongoing understanding and shaping advice.[55]

CULTURE, LEADERSHIP AND PROFESSIONAL CAPABILITIES

'We need a new breed of bureaucrat'

> *The public service gives good advice on incremental policy improvement. Where we fall down is in long-term, transformational thinking: the big picture stuff. We are still more reactive than proactive, more inward than outward looking. We are allergic to risk, sometimes infected by a culture of timidity.*
>
> *Terry Moran, Secretary, PM&C, July 09*

There is certainly strong evidence of positive developments being made in Australia's strategic use of aid and long-term vision for the Pacific region, through the Pacific Engagement Strategy, PACER Plus, and other related policy commitments. The Government's approach to engagement with key international actors further afield, such as the African Union, also indicates a unique investment of Western resources in supporting the development of doctrine that aims to protect civilians in fragile states and situations.

There are other voices within the system, however, that claim Australia is not meeting its full potential. Despite being recognised internationally for its practical and action-oriented outlook, Moran's comments are supported by internal complaints about shortages of creativity and an unwillingness to push conventional boundaries. As it happens, an acronym has emerged in some of the departments within the Australian Government in response to people making 'brave' work choices – 'CLM', which stands for a 'Career Limiting Move'. To counter the kind of fear and inertia that this breeds, PM&C's vision imagines policy teams across departments, maximum flexibility, extra mobility, recruitment from the outside, the

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[55] Special thanks must go to Lieutenant Colonel Nick Floyd, Chief of Army Visiting Fellow at the Lowy Institute for International Policy, who helped to articulate these steps.

opportunity for 'thinkers' within the bureaucracy to get time to engage in long-term creative work, closer collaboration with people from private and community sectors and think tanks. The key question is how to make this happen in the fragile states field. The following twelve recommendations came out of the research, and they are summarised under relevant direct quotations from participants.

1. **Develop career incentives for civil servants so as to shape the 'key drivers of behaviour'** (i.e. remuneration, kudos, and career rewards) by setting out and rewarding delivery of cross-departmental targets. Penalties are also an option through the introduction of KPIs that demand inter-agency cooperation (i.e. if you don't cooperate with agency x, your performance will be assessed negatively).

'We need to develop skills, deployments, training'

Given the reach and significance of their role in fragile and potentially volatile situations, new training in complex decision-making is required for policy advisers and leaders whose behaviour influences the system. It will be necessary to identify where such skills, tools and approaches are being developed – in Government, academia, consultancies, think tanks, businesses, etc. There is no reason why bureaucrats should not be as comfortable with techniques employed by CEOs of large corporations.

When deploying people to assist in capacity building, it is important to be realistic about the skills and experiences required – if, for example, s/he is in 'mentoring' role, s/he should have undertaken a comparable position in the home country to be effective and achieve the intended outcomes. Some specific recommendations include:

2. **Explore new knowledge-building techniques and platforms.** For example, build a 'wiki' site in DFAT within the official community for lessons learned from fragile state interventions.

3. **Use the National Security College as the vehicle to develop 'coordinator' skills** and as the eventual host for the lessons learned site.

4. **Incorporate a suitable syllabus into the National Security Executive Development Program** on how to deal with the challenge of fragile states, situations and ungoverned spaces, and how to perform in both HQ and deployable roles.

5. **Incorporate the necessary capabilities/skill-set as a core component of the Integrated Leadership Framework.**

6. **Continue to use secondments between agencies and departments** to improve information flow to inculcate common knowledge which is essential to ensuring common objectives and understanding.

7. **Use the APCM COE as a platform for learning (through training and research) and to 'work' ideas.**

While it is important to understand and incorporate aspects of the Australian Government's current professional culture into any new approaches, negative aspects should be challenged.

Each participant agreed that it will only be possible to overcome some of the major obstacles posed by departmental 'silo' thinking if 'leadership' is improved. The first step for improvement, it was argued, is to find someone who will take responsibility for driving change in the operating system. The following recommendations were central to achieving this:

'We need a champion'

8. **Establish a champion for this issue at the national level** – ideally a Minister.

9. **Identify a clear lead-agency to steward this issue, and empower it with a review mechanism.** DFAT was identified as the most obvious lead-agency, although there

were questions regarding the required skills sets, budgets, planning and operational cultures. Clearly PM&C has an important role in facilitating strategic planning and decision-making in this field. Perhaps DFAT/AusAID, operating with strong oversight from PM&C and with major inputs from other agencies, will provide the best platform for international engagement in this area.

10. **After identifying influential senior leadership, match it with bottom-up/middle management support.**

11. **Provide decision-makers with the ability to create appropriate institutional spaces** where all the necessary players for a solution can be convened, and with the mandate and resources to help forge solutions.

12. **Raise the profile and contribution of key delivery agencies at the National Security Committee (NSC).** Consider separate representation of agencies such as AFP IDG and AusAID at the NSC.

Conclusions

Government representatives consulted for this research argued that they are dealing with a set of diverse and seemingly intractable situations that are possible to categorise (with caution) under the banner of 'fragility'. It was agreed that the challenge of fragile conditions and ungoverned spaces will become the new reality, and that they constitute a 'wicked' policy dilemma.

Australia must therefore be exceptionally smart in the way it marshals and deploys its limited resources. Smart action will involve formalising its whole-of-government response, identifying what 'success' means, establishing a set of metrics for determining how it performs, and providing Government with a means to make decisions about 'normalcy' as well as 'crisis'. Australia should be prepared for the occasional failure or need for policy change or adjustment, due to the complex nature of the issues at hand.[56]

Change will not happen in a day; hence, the Australian Government must define a feasible pathway to making progress and, in the process, not overcomplicate solutions. It is often advisable to establish a critical 'domino' policy or strategic idea which will motivate and guide future decisions. This is why the main focus of the recommendations presented in the final chapter centres on the idea of forming a 'taskforce', 'special unit' or 'Special Coordinator' – reflecting both the aim of the participants, and Prime Minister Rudd in his National Security Statement, to redress the lack of unified control and direction, and single point of accountability, for action in this area.

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[56] Australian Government (2007) *Tackling Wicked Problems: A Public Policy Perspective* (Australian Government Public Service Commission)

The last remaining thought for this project is inspired by the Australian soldier, police officer, aid worker or contractor interacting with local people as part of a fragile state response. Anecdotal evidence suggests that they show a fresh 'can do' attitude; things are made to happen because of the Antipodean contingent, despite its relative size in major international operations, and perhaps the lack of linguistic and cultural finesse closer to home.

The 'new breed of bureaucrat' will need to display this instinctive, and distinctive, Aussie attitude in the workings of the engine room of Canberra.

About the Kokoda Foundation

Purpose

The Kokoda Foundation has been established as an independent, not-for-profit think tank to research, and foster innovative thinking on, Australia's future security challenges. The foundation's priorities are:

- To conduct quality research on security issues commissioned by public and private sector organisations.

- To foster innovative thinking on Australia's future security challenges.

- To publish quality papers (*The Kokoda Papers*) on issues relevant to Australia's security challenges.

- To develop Security Challenges as the leading refereed journal in the field.

- To encourage and, where appropriate, mentor a new generation of advanced strategic thinkers.

- Encourage research contributions by current and retired senior officials, business people and others with relevant expertise.

Membership

The Kokoda Foundation offers corporate, full and student memberships to those with an interest in Australia's future security challenges. Membership provides first-release access to the *Kokoda Papers* and the refereed journal, *Security Challenges*, and invitations to Foundation events. Membership applications can be obtained by calling +61 2 6204 1822, and downloaded from:

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