

SUBMISSION ON NEW AUSTRALIAN DEVELOPMENT POLICY

What This Submission Argues

- Support for dispersed, small-scale, community-based rural development is an effective form of development assistance.
- Support for Australian-based development NGOs can leverage private funds and human resources to deliver development outcomes consistent with government objectives.
- Although the Indonesian economy is growing steadily and Indonesia is now a middle-income country, there are significant pockets of rural poverty where NGO initiatives can complement government development efforts.
- The work of the Nusa Tenggara Association (NTA) in eastern Indonesia demonstrates the above points.

The Nusa Tenggara Association

The Nusa Tenggara Association (NTA) is an Australian-based NGO established over 30 years ago to help reduce poverty amongst communities in Nusa Tenggara Timur (NTT) Province in eastern Indonesia – particularly in Flores and West Timor. NTT Province has one of the highest incidences of poverty in Indonesia.¹ NTA supports small-scale projects in education, infrastructure, farming, and crafts that are identified and implemented through participatory community processes. NTA has always worked with local counterpart organisations in Indonesia and, three years ago, facilitated the formation of NTA Indonesia (NTA-I). NTA-I directly implements some activities and coordinates the implementation of other NTA-sponsored activities by counterpart agencies. These include two local Indonesian NGOs (one in Flores and one in West Timor) and the Indonesian Government's provincial centre for the assessment of agricultural technology – the Balai Pengkajian Teknologi Pertanian (BPTP). NTA received \$450,000 from the Australian government in the past three years through the Australian NGO Cooperation Program (ANCP). The organisation's total recognised development expenditure (RDE) in the 2018-19 financial year was \$158,000.

The NTA's Theory of Change

The NTA's overall goal is to improve the livelihoods and food security of rural households in NTT. This goal is pursued by focusing on three outcomes or preconditions – (a) improving water supply and sanitation, (b) improving primary education, and (c) increasing incomes through farm and textile production.

a. Water and sanitation. A crucial precondition for improving the livelihoods of rural people in NTT is that they are sufficiently healthy, possessing enough energy and time to improve their incomes and food security. Lack of water and sanitation means

¹ The Indonesian Central Bureau of Statistics reported a poverty incidence of 21.85% in 2017 based on a poverty line of USD 2 per day. This figure had increased slightly since 2012. NTT is also lagging in other indicators of poverty such as water supply, sanitation, health care, and education.

households (a) spend many hours fetching water; (b) suffer ill health, particularly through diarrhoea; and (c) have no spare water for livestock, vegetable production, or other productive purposes. The NTA has worked to meet this precondition by providing water tanks and toilets. These serve to enhance water supplies, reduce time on water collection, improve household hygiene, and make water available for animals and crops.

b. Education. Low levels of education are a further constraint to livelihood improvement in NTT. Educational infrastructure and teacher skills are often seriously deficient. The NTA is helping supply basic infrastructure to many poorly-endowed schools, including desks for students and teachers, books, blackboards, repairs to school buildings, and support for the poorest students in purchasing uniforms and school requisites. The NTA also assists with teacher training for the often untrained and voluntary school staff, as well as training librarians and developing school libraries.

c. Farm and textile production. Concomitant with meeting their water and sanitation and educational preconditions, farm families crucially require help in boosting crop and animal yields through new technologies. Higher yields both enhance household consumption (e.g., vegetables) and earn greater incomes (e.g., cocoa), effectively lifting people out of poverty. The NTA supports pilot plot demonstrations of new agricultural techniques and field days where farmers view the introduced technologies in operation. These activities require access to better seeds and planting materials, application of fertilizers and compost, terracing of steep hillsides to reduce erosion, crop irrigation in the dry season, and fencing to prevent livestock damage. The NTA also supplies low-cost credit and familiarizes households in using credit to improve farm production. In recent years the NTA is piloting an additional income-generating activity in the form of traditional textile production.

The NTA's Implementation Strategy

The NTA follows a dispersal strategy, whereby many small initiatives are undertaken in collaboration with responsive local communities, the program moving to new communities once existing participants have reached the targeted level of improvement. This has proved more effective and less risky than focusing on a large-scale, time-bound project.

The NTA has found that working through groups (*kelompok*) of 10-15 farm households and through consultative meetings (*musyawarah*) that include representatives of participating *kelompok* and schools is an effective, economical, and socially appropriate way of assisting poor farm families.

The NTA has also found that rural households are more committed if they contribute their own resources, as in providing labour, local materials, and cash for building water tanks, or in the labour-intensive terracing of steep slopes prior to being assisted with planting cocoa trees. Hence the NTA asks each sponsored family and group to make its own substantial contributions.

It has also become evident that some progressive farmers and teachers adopt improvements far sooner than others. The NTA encourages such people to lead new

ventures and to demonstrate better outcomes to other more cautious collaborators. The identification of such leaders comes through long involvement with communities.

Experience has also shown that improvement often requires specialist skills which the NTA and its NGO counterparts do not possess. Hence the NTA secures agricultural expertise through the provincial Centre for the Assessment of Agricultural Technology (BPTP) and nationally through the Indonesian research system. Facilitating the involvement of BPTP staff has proved mutually beneficial, augmenting NTA's field skills while enabling greater application of government-funded research. NTA also contracts local specialists in teacher and library training, using help from the Department of Education and local universities. NTA also draws on its network of supporters and contacts for expertise.

Over the three decades since the NTA was established, the Indonesian Government has increased its investment in rural development in remote areas such as NTT, including rural roads and schools, teacher training, and supplying agricultural inputs for particular activities. The NTA has adapted to this new era by systematically identifying niches where the Government is either not active or welcomes NTA's participation in joint approaches.

Future Development Policy

The new Australian development policy is intended to guide the Government's international development efforts within the existing budget allocation, reflecting an increased emphasis on strategic and economic partnerships in the Indo-Pacific region and the Government's Pacific Step-up. The NTA submits that maintenance (or expansion) of the Australian NGO Cooperation Program (ANCP) is an essential component of such a policy and that continued support for collaborative, community-based rural development in poorer regions of Indonesia is a strategic economic investment.

The Office of Development Effectiveness (ODE) evaluated the ANCP in 2015 and found that the Program extends the reach of the Australian aid program, both geographically and sectorally, often through partnerships with in-country NGOs. "In this way ANCP funding complements DFAT's other funding mechanisms, demonstrating results in areas that are not as well served by other DFAT programs."² The ODE evaluation also found that the ANCP provides excellent value for money. This is because (a) participating NGOs undergo rigorous accreditation in which (among other things) they "must demonstrate that investment decisions take account of efficiency, effectiveness and economy"; (b) ANCP projects provide leverage in getting funding from the Australian public and other sources; (c) NGOs with ANCP funding have been able to develop partnerships with local and national governments due to the Program's focus on long-term commitment and relationship-building, which feeds back to development effectiveness. The NTA's experience well illustrates these findings.

² Office of Development Effectiveness, *Evaluation of the Australian NGO Cooperation Program Final Report*, Canberra: Department of Foreign Affairs and Trade, 2015, p. 27.

In addition, the NTA observes that there is huge scope for Indonesian-Australian cooperation in the ongoing development of smallholder farming, including crop and livestock production for both household consumption and cash income. Indonesian partners including local government units, NGOs, universities, and research institutions favour genuinely cooperative enterprises based on relationships of trust and collaboration. NTA's program, as well as the series of projects supported by the Australian Centre for International Agricultural Research (ACIAR) in eastern Indonesia, demonstrate the value of this collaborative approach. In many cases the Indonesian personnel in both NTA and ACIAR projects are graduates of Australian universities and long-term collaborators with Australian researchers and development workers. The strategic value of maintaining these valuable personal and institutional links with Indonesia deserves emphasis.