

Issues and analysis

3.1 This Chapter considers the key issues that were raised during the Committee's inquiry into the Australian Centre for International Agricultural Research (ACIAR) Annual Report 2011-12. The key points considered are as follows:

- the independent review into ACIAR;
- ACIAR's role in policy development;
- ACIAR's collaborative work;
- food security;
 - ⇒ Australian International Food Security Centre; and
- domestic benefits from ACIAR research.

Independent review into ACIAR

3.2 In 2012, the Minister for Foreign Affairs and Trade commissioned an independent panel to conduct a review into ACIAR. The Panel consisted of persons with significant experience in 'the international environment, development economics, business and evaluation'.¹

3.3 The Panel was asked to assess a number of issues related to ACIAR's work:

- The appropriateness of ACIAR's goals and strategies in supporting the fundamental purpose of Australian aid, namely, helping people overcome poverty;

1 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, p. 2.

- ACIAR's effectiveness in improving livelihoods through more productive and sustainable agriculture, and in achieving intermediate knowledge generation and capacity building outcomes; and
- The efficiency of ACIAR's operations and arrangements for managing research programs and building capacity, including internal capability and systems, risk management, performance oversight, and transparency.²

3.4 In conducting its review, the Panel was to have regard to Australia's approach to aid policy stemming from the Government's response to the 2011 report, *Independent Review of Aid Effectiveness*.³ This response has been encapsulated in the Comprehensive Aid Policy Framework (CAPF) that reflects changes in Official Development Assistance (ODA) and AusAID's operating structure.⁴ In examining ACIAR's role within this context, its Annual Report 2011-12 states that:

The CAPF confirms ACIAR's role in improving food security, supporting the strategic goal of Sustainable Economic Development. ACIAR's research develops and disseminates new agricultural technologies. Through this research crop productivity gains are made, resulting in increased crop value and reduction in poverty.⁵

3.5 In May 2013, the Minister released the findings of the Panel's independent review based on Australian and overseas consultations. The Panel's consultations highlighted a number of questions about 'ACIAR's model, management approaches, stakeholder engagement and other issues, including the way in which the new whole-of-government aid arrangements are working in practice'.⁶

3.6 The Panel's 27 recommendations were structured around a number of key themes:

- whole-of-government issues,
- governance issues,

2 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, p. 2.

3 Australian Government (2012) *An Effective Aid Program for Australia: Making a real difference – Delivering real results*.

4 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, p. 2.

5 Australian Centre for International Agricultural Research, Annual Report 2011-12, p. 53.

6 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, p. 2.

- ACIAR strategies and approaches,
- ACIAR management and resources,
- ACIAR effectiveness, and
- communication and stakeholder engagement.⁷

3.7 At the Committee's public hearing, ACIAR quoted from the independent review, highlighting the Panel's overall view that:

ACIAR is an integral part of Australia's development assistance program and a part of Australia's agricultural innovation system. ACIAR accordingly delivers aid benefits that accrue through a number of pathways. The most obvious is through direct productivity improvements from new production technologies or through new breeds and varieties. ACIAR-funded research has also led to benefits from management of pests and diseases, improved food safety, quarantine and quality enhancement, together with environmental, biodiversity and sustainability improvements. Independent assessments have shown strong returns from ACIAR projects, with a conservative estimate showing a benefit: cost ratio of 6:1 from total ACIAR expenditure since its inception.⁸

3.8 The Committee was interested in the effectiveness of ACIARs work overseas including how its research is assessed and how lessons learnt from its research are incorporated into ACIARs future work program. ACIAR noted that the issue of monitoring, evaluation and impact assessment process was a significant aspect of the independent review.⁹

3.9 In highlighting the impact assessment program that ACIAR undertakes with the assistance of well-credentialed independent assessors, ACIAR stated that the program:

... has not only demonstrated very high rates of return – and agricultural research is often characterised by high rates of return – but it also has had an influence on the way programs and projects are designed in ACIAR. We have a strong ethos of lessons learned which has been informed by the impact assessments of the

7 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, pp. 2 - 7.

8 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 1.

9 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 6.

projects. We undertake impact assessments at the conclusion of projects ...¹⁰

- 3.10 ACIAR told the Committee that it uses the results of impact assessment studies to evaluate its overall performance, stating that:

The value I think is that because we now have many years of assessments we can start doing meta-analyses to look across impact assessments by geography or by theme and ask, are we getting better or worse? What are the characteristics? We do not produce a lot of print copies of those but we know that the electronic copies are accessed regularly. But it is the meta-analyses that are proving particularly valuable. We have got one in progress at the moment which will be released soon.¹¹

- 3.11 In addition to impact assessment studies, ACIAR also conducts adoption studies.¹² These, as highlighted in Chapter 2, examine whether projects have made a difference at local scientific and community levels.¹³ ACIAR advised the Committee of how adoption studies measure uptake of agricultural practices developed via ACIAR research:

... you have early uptakers who adopt and then you get a time lag over which other people may adopt. In between that time lag, which can be 20 years, you get incremental improvements in productivity occurring. ... What they do is they take a base adoption rate. Then they look at what is the projected adoption rate going out for, say, 20 years, and what is the productivity enhancement that will be attached to that adoption. That is based on sample work they have got of what has actually happened already and projecting outwards. Then ... they look what economic surpluses have been developed. From that they can then look at the original investment, from ACIAR¹⁴

10 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 1.

11 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 1.

12 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 1.

13 Australian Centre for International Agricultural Research, Measuring impact (4 June 2013) <http://aciar.gov.au/measuring_impact>

14 Dr Simon Hearn, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 6.

Committee comment

- 3.12 The Committee found that the independent review into ACIAR provided a generally positive endorsement of its work. In the Committee's opinion, the review provided a range of valuable recommendations that, if implemented, would strengthen the operations of ACIAR and also Australia's international aid program more broadly.
- 3.13 However, it is unclear whether the Government accepts and intends to act upon all of the review's recommendations. In releasing the review's findings the Minister for Foreign Affairs noted that ACIAR is developing a new strategic plan, hence alluding that the new plan would reflect the recommendations of the independent review.
- 3.14 The Committee is of the opinion that a more transparent and complete response to the independent review is warranted. The Government should take the time to properly consider and then publicly respond to the reviews findings. This more transparent and complete process is important so the public and scientific community can see whether the Government plans to act on the reviews recommendations, and if so what that that action will entail. Such a response is also important to ensure any whole-of-government changes are properly considered.
- 3.15 The Committee considers that two areas of the reviews recommendations should be given particular priority. The first area relates to whole-of-government coordination; and the second to ensuring ongoing evaluation are conducted.
- 3.16 The Committee considers the recommendation requiring key agencies to develop mechanisms for whole-of-government responses to ODA to be important.¹⁵ This will contribute to a more coordinated aid response with the ability for agencies to pool relevant resources.
- 3.17 Secondly, the Committee believes that the recommendation requiring regular evaluation of ACIAR's activities is vital to ensure that its work continues to be targeted and consistent with the overall ODA framework.¹⁶ The independent review's recommendations specifically relating to the effectiveness of the ACIAR should be considered by the Australian Government in the context of developing a systematic

15 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, p. 3.

16 Independent Review of the Australian Centre for International Agricultural Research (2013) *Report*, p. 3.

methodology to assess the impact of ACIARs work on poverty, in line with the principles of CAPF.

Recommendation 1

The Committee recommends that the Australian Government publicly respond to the Independent Review of the Australian Centre for International Agricultural Research.

ACIARs role in policy development

- 3.18 ACIARs primary role is commissioning research leading to more productive and sustainable agricultural practices consistent with the principles of the ODA program. ACIARs research informs the policy development initiatives of AusAID, the key managing authority of Australia's overseas aid program.
- 3.19 ACIAR, noting that its own mandate revolves around research, stated to the Committee that it works:
- ...seamlessly with AusAID to ensure that the results of our research are used to inform the development activities and that the development program is able to take the results of the research and scale them out into practice.¹⁷
- 3.20 ACIAR also contributes to whole-of-government initiatives with its Annual Report 2011-12 stating that:
- ACIAR's contribution to the whole-of-government approach to aid delivery is also evident in our participation in projects over the past decade – in East Timor, Solomon Islands, Papua New Guinea, the aftermath of the Indian Ocean tsunami, and most recently in Pakistan, Iraq and Afghanistan. ...
- In addition to managing its own project portfolio, ACIAR also contributes to whole-of-government aid initiatives, such as the Food Security through Rural Development initiative, with

17 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 1.

programs operating in countries including eastern Africa and the Mekong. ACIAR also manages a selection of AusAID-funded projects, including Seeds of Life in East Timor and the Agriculture Sector Linkages Program in Pakistan.¹⁸

Committee comment

- 3.21 The Committee understands that ACIAR does not play a formal role in the development of Australian aid policy, but that its extensive research work contributes vital knowledge to inform this process. This role, particularly ACIARs work in whole-of-government engagement, has already been considered in light of the independent review. The Australian Government should ensure that this important function is both maintained and strengthened so that ACIAR can contribute to the longer-term goals of the ODA program.
- 3.22 In terms of Australia's international engagement, the Committee notes the recent passing of the International Fund for Agricultural Development Bill 2012 through the House of Representatives. The intent of the Bill is to allow Australia to re-join International Fund for Agricultural Development (IFAD) of which it was a founding member since inception in 1977, although this ceased in 2004 as a result of a number of concerns by the then Government.¹⁹
- 3.23 While not undertaking analysis of the Bill (that role already having been undertaken by other committees), the Committee notes that if this Bill is passed into law, it will provide ACIAR and other Australian aid agencies with a further opportunity to engage internationally and again demonstrate Australian expertise in agricultural development issues.

ACIARs collaborative work

- 3.24 ACIARs work is conducted in a collaborative manner with partners both domestically and internationally. As highlighted in Chapter 2, ACIAR is involved in a range of collaborative research, development and aid projects within the Asia-Pacific and Africa.
- 3.25 The Committee was interested in a number of broad issues relating to ACIARs collaborative work, particularly assistance provided to small

¹⁸ Australian Centre for International Agricultural Research, Annual Report 2011-12, p. 53.

¹⁹ International Fund for Agricultural Development Bill 2012.

landholders to develop their businesses in light of rapid development in many countries served by ACIAR. ACIAR advised the Committee that assisting small landholders to access markets for their products poses challenges:

... in the sense that many partner countries are in a stage of urbanisation. Taking Indonesia, one of our neighbours – over 50 per cent of Indonesia is now urban, so there is food access for consumers and there is the opportunity for smallholder farmers to benefit from that market ...²⁰

3.26 Further, ACIAR told the Committee that this rapid urbanisation impacts the way in which small landholders operate their businesses. Some of the factors that must be considered include:

... changing land availability, labour availability and some of the rules and relationships in the way land is tenured and used ... If the tenure is known, there will be a different behaviour from what you get where it is not – shorter term, cash return ...²¹

3.27 ACIAR also suggests that a further complication exists with:

... intergenerational changes with land and subdivision of holdings and the impact that smallholdings have on the potential to increase production and productivity.²²

3.28 Intergenerational changes, ACIAR believes, are also compounded by labour shortages where the more productive portion of available labour are pursuing better opportunities and improved financial rewards in other industries.²³

3.29 ACIARs collaborative work also extends to providing local agricultural researchers the opportunity to develop their own skills. This is through strong exchange programs developed by ACIAR, providing both Australian and overseas researchers with significant development opportunities and increasing the benefits to developing nations.²⁴

20 Dr Simon Hearn, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, pp. 4-5.

21 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 5.

22 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 5.

23 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 5.

24 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 4.

- 3.30 ACIAR highlighted a number of examples of specific collaborative work that it is presently undertaking. In particular, ACIAR highlighted:
- The fisheries program being undertaken in a number of countries works with small landholders to improve aquaculture within the farming system including shrimp and rice farming;²⁵
 - water management programs on different scales in India including projects considering water sharing, water quality and energy use;²⁶
 - projects working with mango and citrus growers in provincial Pakistan where a feudal landholder system is still in operation meaning that some growers do not own their agricultural land.²⁷

Committee comment

- 3.31 The Committee is pleased to see that the Australian Government, through ACIAR and other agencies, is heavily engaged with small landholders and researchers in a range of developing nations under its mandate. This work demonstrates Australia's strong commitment to ensuring that opportunities to improve the livelihoods for the citizenry of some of our less fortunate neighbours. The Committee notes the Australian Governments' long term commitment to increase its foreign aid expenditure.
- 3.32 One of the features of ACIARs operations that impressed the Committee was the opportunity for Australian agricultural researches and practitioners to apply their skills and knowledge to developing sustainable agricultural practices throughout the Asia Pacific and Africa. That this expertise has improved the lives of so many should be a credit to Australia's agricultural sector and educational institutes.
- 3.33 The Committee noted that ACIARs work also provides developmental opportunities for overseas-based researchers to spend time in Australia increasing their skills. This experience can then be applied to various ACIAR-commissioned projects in their home countries. Importantly, the skills acquired can also be taught to local landholders and agricultural scientists.

25 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 2.

26 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 5.

27 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 5.

- 3.34 Finally, the Committee is encouraged to see that ACIARs work includes assisting small landholders to develop their agribusinesses in the face of growing urbanisation. The committee urges the Australian Government, through ACIAR, to continue efforts to increase the businesses skills of small landholders to ensure they can navigate local laws and regulations successfully. This will provide increased opportunities to maximise earnings from their agricultural endeavours.

Food Security

- 3.35 As highlighted in Chapter 2, ACIARs work places significant emphasis on food security in its mandated areas within the Asia Pacific and Africa. ACIARs food security endeavours are twofold – firstly through global collaborations, the Consultative Group on International Agricultural Research (CGIAR) and International Agricultural Research Centers (IARC) and secondly, through its own Australian International Food Security Centre (AIFSC).
- 3.36 The Committee was interested in the issue of storage of crops once it had been harvested. ACIAR used the example of the SIMLESA Program (as described in Chapter 2) to highlight how ACIAR works to increase food production by small landholders and develop solutions to bring crops to market where storage of crops may be difficult. ACIAR told the Committee that:

That program is completing its first phase and we are negotiating the second phase. Involved in that is on-farm aspects, input supply chains and output supply chains. So the storage aspect is very much around the outputs – how production can be brought to market in sufficient quality, but with approaches that are applicable for the smallholder situation where there is not resources to invest in silos and storage and the like.²⁸

Australian International Food Security Centre (AIFSC)

- 3.37 In 2011, the Prime Minister established the Australia International Food Security Centre (AIFSC) that sits within ACIAR.²⁹ The AIFSC aims to

28 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 2.

29 Australian Centre for International Agricultural Research, *Australian International Food Security Centre: Who we are* (19 June 2013) <<http://aciarc.gov.au/aifsc/who-we-are>>

strengthen the Australian Government's commitment to global food security through technological innovations in agriculture. Chapter 2 highlights the ten-year strategy that identifies the primary focus of AIFSC.

3.38 ACIAR provided the Committee with the rationale behind the development of the AIFSC noting:

The food security centre builds on the capacities and networks that ACIAR has established over the last 30 years... it has given us the ability to address food security questions more comprehensively. ... What the food security centre has enabled us to do is focus on the other dimensions ... not just the production of food, but access to that and utilisations... the availability is around nutritious food quality and has enabled ACIAR to start exploring new partnerships in human health and nutrition where we have not done in the past.³⁰

3.39 ACIAR also highlighted the AIFSCs focus on Africa:

The long term intent is that it is a more global program, but Africa is the initial priority, for the very good reason that the highest concentration of poverty is in Africa and we share a lot of common challenges in our agricultural production systems. That is where the initial focus of the centre has been.³¹

3.40 ACIAR highlighted to the Committee a number of projects that are currently being conducted through the AIFSC:

- A recently launched partnership with Canada's International Development Research Centre to improve food security in sub-Saharan Africa.³² It is primarily focused on small landholder productivity with respect to underutilised crops.
- 'Trees for Food Security' project that aims to encourage farmers to grow certain trees on farms that have been shown to increase crop yields. These trees (faidherbia) introduce certain organic material into soil which improve issues associated with nitrogen.³³

30 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 2.

31 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 2.

32 Australian Centre for International Agricultural Research, *News 3 December 2012* (4 June 2013) <<http://aciarc.gov.au/news/2012-12-03>>

33 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, pp. 2 - 3.

Committee comment

- 3.41 The Committee considers that food security is a significant international issue and that the Australian Government, through ACIAR should be commended for their efforts in establishing the AIFSC. The Committee believes that the AIFSC will allow Australia to take a leading role in the global effort towards ensuring food security in Africa. Collaborative efforts, such as the recently announced partnership with Canada's International Development Research Centre will, in the Committee's opinion, strengthen Australia's already significant body of work. The AIFSC will also ensure that Australian investment in the area of food security is well targeted and monitored.
- 3.42 The Committee notes Recommendation 11 of the independent review into the ACIAR which calls for AIFSC to become the Australian International Food Security Research Centre. This, in the eyes of the panel that conducted the independent review, will allow the AIFSC to better understand the adoption process within agriculture and become a global reference point on this issue.

Domestic benefits from ACIAR research

- 3.43 While ACIARs focus is primarily on its international work, it is clear that the results of its projects have domestic for the Australian agricultural sector. ACIAR suggested to the Committee that conservatively, ten per cent of the benefits accruing from ACIAR research actually flow back to Australia. These are primarily through the domestic application of lessons learnt.
- 3.44 ACIAR highlighted to the Committee a number of examples of projects that had found some domestic application:
- Biosecurity: where ACIAR research has resulted in domestic application in the areas of rabies, foot and mouth disease; exotic diseases and diseases exotic to Australia but endemic in our near neighbours.³⁴ It has also resulted in the identification and management of pests and diseases.

34 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 3.

- Canola varietal improvement: collaboratively involving research in Australia, China and India which identified varieties of canola that were better adapted to drought and other challenging conditions.³⁵
- 3.45 The Committee was also interested in the intellectual property rights that have stemmed from ACIAR research. ACIAR advised the Committee of its long-standing policy in relation to the intellectual property of its work, noting that this:
- ... must be available to smallholders long term. We have a non-extinguishable, irrevocable license to access the intellectual property for research purposes, so it can not be locked up, if you like. In some cases the most advantageous way to have that material used is through commercial arrangements. Managing intellectual property is important for ACIAR to ensure that the target beneficiaries are not excluded from the benefits of the research supported. In many cases there is unlikely to be commercialisable intellectual property, by the nature of the work. But we use the same approach for all our programs so that we have confidence that the smallholder farmers do have a surety that the results of the research will be made available.³⁶

Committee comment

- 3.46 The Committee is pleased to see that ACIAR understands and contributes to how the results of its research can have applications in the Australian agricultural sector. The Committee notes comments by ACIAR that this accounts for around ten per cent of the benefits gleaned from ACIARs research.
- 3.47 The Committee hopes that the Australian Government continually evaluates the results of ACIAR research to ensure that, where appropriate, any relevant results or lessons learnt are applied domestically.
- 3.48 Finally, the Committee also believes that the results of ACIARs research should be better communicated to the Australian public as well as the scientific and political communities in line with recommendations made in the independent review. This will help not only to raise awareness of ACIARs valuable work but may lead to further collaborative opportunities both in Australia and overseas.

35 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 3.

36 Dr Nick Austin, Australian Centre for International Agricultural Research, *Transcript of Evidence*, Canberra, p. 3.

