International & Development
University policy for involvement in development assistance programs

1 Purpose

This paper concerns the University’s involvement in development assistance projects.

Consistent with its position on offshore award partnerships, it is recommended the University limit involvement in development assistance to those projects or activities that contribute to its core objectives. It is further recommended that GBD coordinate development of AusAID as a strategic industry partner.

2 Background

2.1 Development assistance

Development assistance, often referred to as aid, is assistance provided by developed countries that is aimed at reducing poverty in developing countries. Much development assistance comprises direct technical support to governments in areas such as governance, finance, institutional reform, public-private partnerships and TVET.

The types of activities of interest to universities and for which development agencies and banks seek assistance include:

- Consultancy and research
- Expert advice through technical panels
- Country and sector investigations
- Education and training projects and programs
- Development of in-country facilities such as colleges, universities, information and research centres
- Scholarships for students

(This paper excludes the considerable work done with aid/assistance scholarship plans and students and these will continue to be maintained through International Services)

Procurement of services is generally through tenders although providers may have had substantive involvement with tendering agencies prior to the commencement of the formal procurement process.

Australia’s development assistance is managed through AusAID and is largely focussed in the Asia Pacific region. The program has a strong focus on regional stability and economic development. It is organized around the themes of economic growth, functioning and effective states, investing in people and regional stability and cooperation.

The Asian Development Bank (ADB) is the key development bank in the Asian region. The ADB’s annual budget of US$7b is disbursed primarily in the form of soft loans to developing country governments. The ADB’s program is focussed on education, infrastructure, finance sector development, environment (including climate change) and regional cooperation and integration.

2.2 Previous and current RMIT involvement

Prior to the integration of RMIT International in 2006, RMIT had significant involvement in development work conducting projects for AusAID, the ADB and World Bank. RMIT International’s project division operated as a small project management company, maintaining the capacity to assess and bid for projects, contract specialist resources, either from within RMIT or externally, and manage delivery.

A number of schools including Education, Management, Global Studies, Social Science and Planning have had involvement with AusAID and other development agencies, either through provision of services such as training programs or expert consultancy of individual academic staff. This involvement was generally with the assistance of RMIT International.
It should also be noted that RMIT Vietnam is a significant development assistance project supported by the ADB and World Bank.

In addition this paper does not address the significant interaction with AusAID for International Scholarships for students coming onshore to RMIT. The Scholarship program is operated via RMIT International Services.

2.3 Trends in development assistance

Project management services

In recent years the focus of development assistance has moved from direct aid to poor populations to direct support to governments. Consequently, the structure of contracted work has altered. While AusAID has an increased annual budget, its procurement patterns show a move to smaller number of larger, multi-year projects. In addition, providers outside Australia are now able to bid for AusAID tenders.

This has led to consolidation of the Australian international projects industry with the number of active firms now numbering around six. Competitive advantage has moved to those companies with the capacity to finance and manage very large projects and to fulfill the sophisticated monitoring and evaluation requirements of the development agencies. These changes have also resulted in Australian universities reducing their direct management of AusAID projects.

Technical assistance

Technical assistance refers to the provision of technical expertise in support of emergency relief or capacity building projects. This may include provision of specialist expertise, in-country consultancy, education or training delivery.

AusAID is increasingly drawing on panels of experts to provide technical assistance on a range of initiatives including humanitarian assistance and disaster management, governance, forestry and climate and peace and conflict. Consistent with this Aus Aid is moving to panel arrangements for ongoing access to technical assistance with an Education Resource Facility and a Health Resource Facility to be established in 2008.

In contrast to AusAID, the ADB is increasing the volume of work going to tender. The ADB provides technical assistance via contracted projects to developing country loan recipients. These projects have significant appeal to Australian companies, TAFE colleges and to a lesser extent, universities.

3 Considerations

3.1 Contribution to research performance

The market for specialist advisory services provides opportunities that can contribute to research performance and in which the University should expected to be competitive.

Examples of these activities include technical advisory services sought by government and multi-lateral development agencies and AusAID expert panel membership. Project income and publications arising from these activities may qualify under the Commonwealth’s guidelines for research thus contributing to the University’s performance in relation to the Institutional Grants Scheme (IGS) and Research Infrastructure Block Grants (RIBG) Scheme.

3.2 Country and sector knowledge

RMIT can use certain technical assistance projects to build knowledge of a particular country and sector or, where it has existing links, to strengthen its relationships and position.

Many development assistance projects focussed on research, technical assistance and training provide the opportunity for providers to build knowledge about a specific country and sector at no real cost. As most are research focused, service providers are able to gather valuable understandings which can be used as a platform for a future development.

If the project also enables an understanding of whether, for example, a college should deliver its own instructional programs in that country, then the cost of analysis leading to that decision is actually borne by the funding agency.
For instance, a technical assistance project focusing on TVET reform in a particular national state provides the opportunity for the TAFE provider to explore and understand the TVET system, build up its capability in transfer of TVET programs to that context and strengthen staff capability at no real cost. An example is a skill building project currently being handled for Viet Nam by the ADB. This project will be eagerly sought by technical colleges and institutes of technology globally as the knowledge gained will be of considerable value to subsequent operations in that country and elsewhere.

Where involvement in a particular region or sector is consistent with the University’s strategic interests then technical assistance projects can contribute to furthering those interests.

3.3 Project management services

Provision of international project management services is not consistent with RMIT’s core objectives nor does the University have the capability to provide these services competitively.

Effective project management requires a focus on fast response, access to specialised resources with international project experience and on competitive pricing. Support for such activities would inevitably result in a shift away from supporting development of RMIT’s core capabilities.

For this reason the University should not pursue opportunities that are primarily aimed at project management. This does not include project management that is incidental to services such as research or training.

3.4 Financial viability

RMIT should consider opportunities on a case-by-case basis balancing the potential contribution to core objectives with financial returns.

Activities such as membership of AusAID expert panels provide access to networks and current thinking that are of considerable value to individual academic staff, schools and research institutes.

Commercial opportunities for provision of technical assistance must be examined in the context with the objectives of the school or research institute concerned and priced accordingly. Regardless of the contribution to research performance, commercial projects are subject to normal University overhead charges.

By focussing on areas of competitive advantage RMIT can gain benefit from involvement in these projects despite the competitive nature of the market and current downward price pressures.

3.5 Internal arrangements

Relationship developments

Many academic areas maintain relationships with AusAID through involvement in specific projects. GBD will coordinate and facilitate development of relationships with AusAID, Asian Development Bank and similar agencies as needed and consistent with its role in respect of industry partnerships. The key contribution of GBD is to ensure that relationships of importance are identified and managed strategically so as to maximise outcomes for the University.

Tender opportunities

The role of the GBD in relation to development assistance projects is as for other types of business opportunity.

GBD will not initiate a project cycle for pursuing an opportunity in its own right, rather it provides advice, facilitation and expertise in tender assessment and preparation. Specifically GBD:

- Seeks EOIs in order to provide advice to schools on the development assistance market
- Circulates information on upcoming opportunities
- Appraises business opportunities including quality of the opportunity and fit with the University’s international strategies
- Facilitates and coordinates cross-University tenders
- Prepares of tender bids

Where opportunities may contribute to research performance, GBD will work with the relevant academic staff or research institute together with Research and Innovation to determine whether:
• the University’s capability and interests match with the requirements of the project
• the project would contribute to research performance in terms of research income and/or publications

4 Recommendations

It is recommended that the University limit its involvement in commercial development assistance projects to those opportunities where:

• income and/or publications are likely to arise and will contribute to the University’s research performance
• knowledge and relationships expected to arise from the project will contribute to RMIT’s interests in the offshore locations in which it has chosen to operate

It is further recommended that GBD coordinate the development of AusAID as a strategic industry partner.