**Australia’s Global Interests: Australian Aid**



**ACFID Submission to the 2017-18 Federal Budget**

**January 2017**

**About ACFID**

The Australian Council for International Development (ACFID) is the peak body for Australian non-government organisations (NGOs) involved in international development and humanitarian action. Our vision is of a world where all people are free from extreme poverty, injustice and inequality and where the earth’s finite resources are managed sustainably. Our purpose is to lead and unite our members in action for a just, equitable and sustainable world.

Founded in 1965, ACFID currently has 126 members and 15 affiliates operating in more than 100 developing countries. The total revenue raised by ACFID’s membership from all sources amounts to $1.658 billion (2014/15), $921 million of which is raised from 1.64 million Australians (2014/15). 80% of funding for ACFID Members is from non-government sources. ACFID’s members range between large Australian multi-sectoral organisations that are linked to international federations of NGOs, to agencies with specialised thematic expertise, and smaller community based groups, with a mix of secular and faith based organisations.

ACFID members must comply with the ACFID Code of Conduct, a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. Covering over 50 principles and 150 obligations, the Code sets good standards for program effectiveness, fundraising, governance and financial reporting. Compliance includes annual reporting and checks. The Code has an independent complaint handling process.

A full list of ACFID members can be found in Annex A of this document.

Further information can be found at: [www.acfid.asn.au](http://www.acfid.asn.au)

# A changing and challenging global context calls for renewed engagement from Australia

Through Australia’s Aid program we are well placed to address the problems we face in common with other nations. Australia’s aid can make a big difference in tackling the most pressing challenges facing the world: climate change; extreme poverty and inequality; creating more sustainable and inclusive economic growth; building better governance and less state fragility; reducing the impact of natural disasters; and a greater contribution to conflict resolution.

However, we cannot do it alone. Never has the need for collaboration been so strong. Around the world, we see a rising tide of nationalism and isolationism. Those who least benefit from globalisation in Western democracies are increasingly making their dissatisfaction known and garnering political traction and representation.

We must use our aid program to drive diverse multi-stakeholder coalitions, empower local actors to lead in their own development and to make progress against the most pressing common challenges facing the world. We must resist any urge to turn inwards—cutting Australia off from solving these problems will not make us immune to their effects.

Domestically, Australia has historically low Interest rates, and government debt is amongst the lowest in the OECD. Yet, at the same time our Official Development Assistance (ODA) is at the lowest level ever.

**Australian aid compared to Australia’s GNI over time[[1]](#footnote-1):**

As a good neighbour and supporter of a fair-go, Australia has a moral obligation to ensure that our aid program is supporting those most vulnerable and excluded and least able to benefit from, or contribute to, growing prosperity.

As a prosperous, resilient nation, Australia has a responsibility to make sure our aid budget constitutes our fair contribution to addressing the global challenges of our time.

As a strategic and pragmatic player Australia has an interest in directing our aid and development support to those areas of highest need and on initiatives that can have the highest impact.

### Global agreements to guide the way

At the September 2015 UN Sustainable Development Summit in New York, Australia signed on to the 17 SDGs and 169 related targets, along with the 192 other UN member states.[[2]](#footnote-2) The SDGs represent a triple bottom line approach to security and prosperity and set out an ambitious agenda over 15 years, to end poverty in all its forms; achieve gender equality and empowerment of women and girls; manage consumption; and tackle climate change.

At the December 2015 United National Climate Change Conference in Paris, over 190 countries, including Australia, came together in a historic agreement to keep global warming to “well below 2 degrees above pre-industrial levels”, and to pursue efforts to limit to 1.5C.[[3]](#footnote-3)

These agreements have achieved multilateral successes where others have failed – and they have already done the hard work of agreeing on the common challenges that must be addressed if we are to live in a sustainable and prosperous future.

Australia’s commitment to these goals must now be matched by the political will and resources to truly deliver on these agreements. These goals represent a global agreement on the conditions that underpin and extend prosperity, security and freedom and these are the cornerstones of all other human endeavour.

A business-as-usual approach may enable us to make marginal gains but they will be neither sufficient nor sustainable. For Australia to continue to enjoy peace, security and prosperity we must dramatically scale-up our efforts to deliver these conditions for all people.

### Australian aid central to Australia’s global interests

As we chart a course on our budget priorities, Australia must work for the realisation of an enabling environment in which our national interests can be achieved. The conditions that allow Australia to flourish are the same conditions that allow human flourishing.

ACFID sees these conditions to be peace; regional and global stability; human security; democracy and the protection of human rights; and equality and inclusive growth. Achieving these conditions is the core aim of our foreign policy, and a strong and effective aid program is central to achieving them.

Our budget submission for FY2017-18 outlines key expenditure areas where Australia’s aid can be directed to make a real contribution to these priorities.

## ACFID’s Call to the Australian Government

A strong and effective aid program is a vital element of Australia’s foreign policy and enables us to do our part to tackle common challenges. ACFID calls on the Australian Government to reinvest and **rebuild the aid budget** to $5.5 billion in the life of this Parliament, and to **invest in the cornerstones of an effective aid program**.

ACFID calls on the Government to rebuild and reinvest in Australia’s aid program in three key strategic areas - **Sustainable Development; Climate change and Humanitarian Effectiveness**.

In addition to these priorities, ACFID has budget recommendations relating to working with **Women and Girls, Youth and Young People, Children’s Rights, Disability inclusive development, Diaspora communities, reengaging with Africa, and Water, Sanitation and Hygiene (WASH) programming**.

### Costing ACFID’s Budget Submission

ACFID and its members continue to call for the urgent rebuilding of Australia’s aid budget which has been cut by approximately $11.3 billion since 2013. In this budget submission, ACFID urges the Australian Government to restore the aid budget to $5.5 billion in the life of this Parliament. This will require an increase of approximately $1.6 billion over forward estimates.

**The recommendations in this budget submission total approximately $1.15 billion, providing guidance to where some of the increased funding should be prioritised**. ACFID would expect that additional funds would be phased in over several years in line with overall growth in the aid budget.

## Executive Summary of Strategic Policy and Budget Recommendations

UPDATE HEADERS AND PAGE NUMBERS WHEN CONTENT FINALISED

|  |  |  |
| --- | --- | --- |
| **Recommendations Page** | | |
| [**REBUILDING THE AID PROGRAM**](#_Rebuilding_the_Aid) | **8** | |
| * 1. Reinvest and rebuild the aid budget to reach $5.5 billion in this term of Parliament   2. Set Australia on a trajectory to ensure aid levels reach 0.7 % of GNI by 2030 | |  |
| [**INVESTING IN AN EFFECTIVE AID PROGRAM**](#_Investing_in_an) | **9** | |
| * 1. Invest in an effective aid program by ensuring funding predictability and transparency   2. Build on the ‘Green book’ and ‘Orange book’ for Australia’s aid program by adding forward estimates and greater program details at the country, regional and thematic level   3. Increase aid communication, engagement and education on the priorities and outcomes of the aid program, to build public understanding and awareness   4. Increase funding for the Australian NGO Cooperation Program by $30 million   5. Invest $20 million for development research, evidence and evaluation | |  |
| [**ACTING ON THE SUSTAINABLE DEVELOPMENT GOALS**](#_Acting_on_the) | | **12** |
| * 1. Integrate the Sustainable Development Goals through Australia’s aid program   2. Develop a whole of government, national strategy to implement the SDGs across all government policies   3. Invest $5 million in a civil society collaboration hub to enable multi-sectoral engagement with the SDGs   4. Provide $10 million for a joint Pacific approach building national governments’ capacities to collect disaggregated data on SDGs indicators | |  |
| [**PRIORITISING ACTION ADDRESSING CLIMATE CHANGE**](#_Prioritising_action_addressing) | | **15** |
| * 1. In FY2017/18, triple Australia’s climate finance contribution to $600 million of additional funds, as a first step towards a fair share of the US$100 billion/year by 2020   2. Develop a strategy for Australia’s action on climate change within the aid program   3. Invest $50 million over 4 years for community-based climate change adaptation and mitigation   4. Increase DFAT’s internal capacity for the implementation of climate change programs | |  |
| [**HUMANITARIAN EFFECTIVENSSS**](#_Humanitarian_Effectiveness) | | **19** |
| * 1. Double the Humanitarian Emergency Fund to $260 million in FY2017/18   2. Report the level of funding allocated to disaster risk reduction (DRR) and increase to 5% of Official Development Assistance   3. Increase multi-year and un-earmarked humanitarian funding in line with the Grand Bargain   4. Increase the allocation of humanitarian funding delivered through NGOs to at least 20% | |  |

|  |  |
| --- | --- |
| [**WOMEN AND GIRLS**](#_Women_and_Girls) | **20** |
| * 1. Australia should meet its commitment to PF2020 by providing an additional $20 million for family planning in FY2017/18   2. Establish additional funding of $10 million through the Gender Equality Fund specifically for integrated, rights-based programming on gender equality   3. Establish a benchmark to ensure 5% of funding within country and regional programs support local women’s organisations   4. Return to gender responsive budgeting and reporting with adequate resourcing and training in gender budget analysis within DFAT and across government, and increase transparency around budget allocations and performance targets for gender equality through the aid program |  |
| [**YOUTH AND YOUNG PEOPLE**](#_Youth_and_Young) | **25** |
| * 1. Conduct a review of current approaches to youth participation throughout the aid program   2. Develop and resource a youth strategy for the aid program |  |
| [**REALISING CHILDREN’S RIGHTS**](#_Realising_Children’s_Rights) | **26** |
| * 1. Commit $10 million over 3 years to realising children’s rights through the aid program   2. Set a benchmark that ensures 20% of aid programming directly addresses children’s rights   3. Make Child Protection a thematic priority in emergencies |  |
| [**DISABILITY INCLUSIVE DEVELOPMENT**](#_Disability_inclusive_development) | **27** |
| * 1. Increase the existing $12.9 million investment in disability-specific services in accordance with CPI   2. Ensure DFAT has sufficient core departmental budget to effectively implement *Development for All 2015-2020*, in Canberra and at post |  |
| [**SUPPORTING DIASPORA COMMUNITIES**](#_Diaspora_communities) | **28** |
| * 1. Establish a $3 million pilot fund over three years to support a grant window for Australian-based, diaspora organisations working in humanitarian, peacebuilding and development in their countries of origin |  |
| [**RE-INVESTING IN AID TO AFRICA**](#_Re-investing_in_Aid) | **30** |
| * 1. Rebuild Australia’s bilateral aid to Africa to $100 million per year over the next three years, with additional funding for humanitarian responses |  |
| [**WATER, SANITATION AND HYGIENE**](#_Water,_sanitation_and) | **30** |
| * 1. Increase funding dedicated to basic water, sanitation and hygiene (WASH) in the Asia-Pacific Region by 50%   2. Increase overall Water for Development funding to 5% of the total Australian aid budget by 2020 |  |

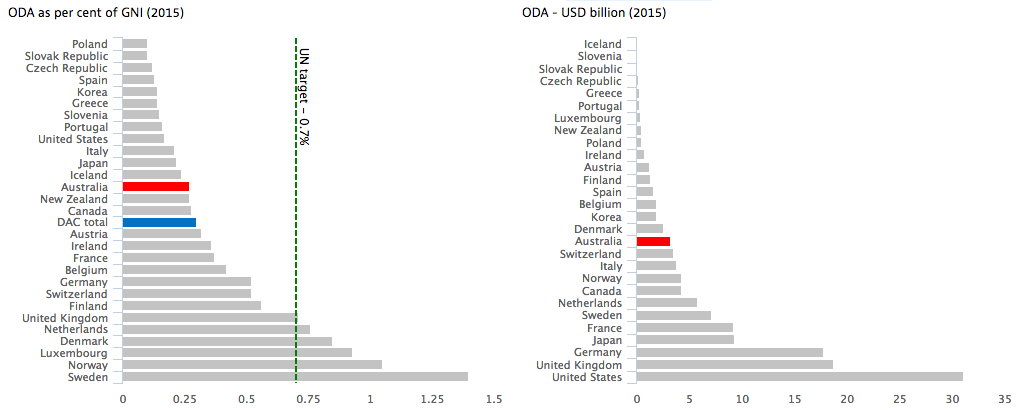
# Rebuilding the Aid program

RECOMMENDATION 1

### 1.1. The Australian Government should reinvest and rebuild the aid budget to reach $5.5 billion in this term of Parliament

As one of the wealthiest countries in the wealthiest period in human history, Australia has a significant role to play through its foreign policy and its foreign aid budget. For a country with global interests, we must do our part to tackle common challenges. Australia’s aid program is a central to realising our interests, and needs to be rebuilt. ACFID recommends that the Australian Government **reinvest and rebuild the aid budget to reach $5.5 billion in the life of this Parliament (by 2018-2019)**.

Australia’s aid generosity as a proportion of Gross National Income as at an all-time low – expected to fall to 0.22% of GNI in 2017-18. Successive cuts to the aid budget have limited Australia’s ability to pursue the effective development outcomes we seek. Australia’s cuts to foreign aid has seen it fall below the average in global donor generosity rankings to 16th, and drop out of the club of the top ten OECD donors to 12th. These changes have meant that Australia has lost influence with some development partners and with its peers in framing the global debate on development.

**Official Development Assistance data, OECD donors 2015[[4]](#footnote-4):**

In 2013, amidst austerity measures, the Conservative Government in the UK reached the OECD 0.7% of GNI target and has since passed legislation to enshrine the 0.7% commitment into law. China’s aid spend is on an upward trajectory, with an estimated average annual increase of almost 10% over the last five years. Other non-traditional donors are also scaling up their aid programs, including Russia[[5]](#footnote-5) and India.[[6]](#footnote-6)

ACFID calls on the Government toreinvest and rebuild the aid budget to reach $5.5 billion in the life of this Parliament. Rebuilding Australia’s aid program would be commensurate with our status as a wealthy nation and in line with other countries in our region and globally.

With only CPI increases slated over the forward estimates, Australia’s aid budget will continue to decline as our economy grows. It also falls in proportion to other portfolio areas. According to the ANU’s Development Policy Centre, from FY2012-13 to FY2017-18, aid falls by 9.7% while the non-aid parts of the budget increases by 9.3%. [[7]](#footnote-7)

### 1.2. Set Australia on a trajectory to ensure aid levels reach 0.7% of GNI by 2030

Australia cannot expect other nations to address the common problems facing us and our neighbours, without making a fair share contribution ourselves. As a wealthy nation, we have a responsibility. As a developed nation in a region of developing, fragile and conflict affected states, we have an interest.

Our aid program is an important part of our engagement with the world, and a crucial tool in collaborating with our neighbours. ACFID has long called for the rebuilding of the aid budget and calls again on the Government to **commit to ensure aid reaches 0.7% of Gross National Income (GNI) by 2030**.

Australia, like all nations, has promised to reach this level of aid as part of the Agenda 2030 and the Addis Ababa Action Agenda on financing for development. As a signatory to the *Busan Partnerships for Effective Development Cooperation* we know that development depends on the participation of all actors, and recognising the diversity and complementarity of their functions. *[[8]](#footnote-8)*

In line with the commitments we have made to other countries, as well as to those in our region, Australia must honour our commitment and scale up our aid program to 70 cents in every $100 of GNI in line with a fair share contribution to solving some of the most pressing problems faced by all nations in the world.

# Investing in an effective Aid program

RECOMMENDATION 2

### 2.1 Invest in an effective aid program by ensuring funding predictability and transparency

The lack of transparency and predictability of aid are key impediments to aid effectiveness. The Busan Partnership recognises funding predictability as a core principle[[9]](#footnote-9). Studies indicate that the effectiveness of aid is reduced by 15 to 20% when it is delivered in an unpredictable or volatile manner.[[10]](#footnote-10) Uncertainty about future resources hampers budgetary decisions and can impede the implementation of longer-term programs and reforms. The lack of funding predictability undermines the potential that aid money has to help the poorest move from poverty to opportunity.

**Outlining and committing to a trajectory for Australian Aid to reach 0.7 percent of GNI by 2030** will assist in providing funding predictability and enhance aid effectiveness.

### 2.2 Build on the ‘Green book’ and ‘Orange book’ for Australia’s aid program by adding forward estimates and greater program details at the country, regional and thematic level

While the introduction of the new ‘Green book’[[11]](#footnote-11) and the ‘Orange book’[[12]](#footnote-12) were important contributions to aid transparency, there are still several ways that transparency could be enhanced. There is a conspicuous lack of detailed information on individual programs. Forward estimates for the total aid program, as well as regional and thematic areas is also not made public. DFAT should **build on the ‘Green book’ and ‘Orange book**’ for Australia’s aid program by adding forward estimates and greater program details at the country, regional and thematic level.

### 2.3 Increase aid communication, engagement and education on the priorities and outcomes of the aid program, to build public understanding and awareness

It is vital for transparency and accountability that DFAT publish forward estimates for overall ODA, and at country, regional and thematic levels, either in the budget papers or online. The SDGs require all donor countries to ensure a high level of transparency in the delivery of aid. Public funding also needs to be publicly accountable.

These increased transparency recommendations will assist Australia’s participation in the Open Government Partnership (OGP)[[13]](#footnote-13). The OGP emphasises improvements in the transparency and inclusiveness of public administration. While some countries’ OGP actions plans, including those of the US, UK and Canada, have included aid transparency commitments and references to International Aid Transparency Initiative (IATI), it is concerning that Australia’s first IATI action plan might not.[[14]](#footnote-14)

Without visibility of ODA projections for 2018-19, 2019-20, DFAT cannot **effectively communicate the longer-term priorities and the proposed outcomes of the aid program**. This is essential to building and maintaining public trust in, and support of, the aid program.

### 2.4 Increase funding for the Australian NGO Cooperation Program (ANCP) by $30 million

An independent 2015 evaluation of DFAT’s Australian NGO Cooperation Program (ANCP) rated it as ‘a successful and highly valued program’ and confirmed that for less than 3% of total ODA the ANCP program delivered 18% of DFAT’s aggregate results.[[15]](#footnote-15) ACFID believes that the Government must invest more in the strengths and expertise of NGOs as critical partners for the Government in the delivery of the aid program. There is a proven value for money for the Government to do so.

Moreover, at a time when some parts of the public are turning inwards, away from engagement with the world, the NGOs participating in the ANCP have a donor support base within the 1.6 million Australians who support ACFID members work internationally. There is a great opportunity for Government to better communicate to the Australian people the poverty alleviation work it does in cooperation with Australian NGOs in the ANCP.

As DFAT’s Civil Society Engagement Framework emphasises, “civil society and government stand as equal partners in the fight against poverty, in the pursuit of sustainable development for all peoples”[[16]](#footnote-16). Civil society organisations bring a depth of skills, community linkages and established networks within and across countries. There are many reasons why Australian aid and development NGOs, as development actors that are part of civil society, bring value to the Australian aid program:

* NGOs are held to high standards and play an important role in partnering with local organisations in the countries where they work;
* NGOs often work in areas that others don’t or can’t reach, such as in remote, fragile and conflict affected areas, building on deep knowledge of local context;
* NGOs can bring a range of perspectives to government and others working in development;
* Many NGOs – particularly larger international NGOs – also have deep development expertise, with sophisticated models that guide their understanding of and approach to development.[[17]](#footnote-17)

ANCP is the key funding window for Australian NGOs. ACFID **calls for an increase of $30 million for the Australian NGO Cooperation Program (ANCP**).

### 2.5 Invest $20 million for development research, evidence and evaluation

Aid and development programs in other cultures and countries must be tailored to the local context and appropriate for the circumstances. Evidence is key to designing programs, as well as for knowing in what ways development programming is having an impact. As we move away from old notions that all development change is linear, predictable and cumulative, we need more applied research to show us how programs are working and how to iterate, adapt and scale.

Investment in development research is critical for the effective delivery of aid. It is vital that the Australian aid program is based on sound evidence, and that programming is informed and systematically improved upon by learning from past successes and failures, and analysis of emerging issues. This is particularly important for the achievement of the SDGs, which necessitate an evidence-based approach to development.

ACFID therefore recommends **investing $20 million in development research evidence and evaluation** to increase development expertise in DFATand ensure aid programming and policies are based on evidence. ACFID further recommends this increase in funding be **delivered through a comprehensive strategy**.

Australia has an opportunity to rebuild the Australian aid program and increase its effectiveness. In the sections following, ACFID speaks to key thematic areas where investment in Australia’s aid program should be prioritised.

# Acting on the Sustainable Development Goals

RECOMMENDATION 3

At the UN Sustainable Development Summit in September 2015, Australia signed on to the 17 SDGs and 169 related targets, along with the 192 other UN member states.[[18]](#footnote-18) The SDGs represent a triple bottom line approach to security and prosperity. They set out an ambitious agenda over 15 years, to end poverty in all its forms; achieve gender equality and empowerment of women and girls; manage consumption; and tackle climate change.

It is now over a year since the historic signing of the global agreement and Australia needs to shift its domestic and foreign policy settings to ensure it implements the SDGs for all Australian citizens, and that no-one is left behind.

Central to the SDGs is the principle of Universality - we are all developing countries now.[[19]](#footnote-19) The SDGs represent a complex interdependent agenda for development where gains in one goal will cross-cut and reinforce gains in another. The SDG Agenda, therefore, calls for a whole-of-government, whole-of-society approach, involving all areas and levels of government, as well as of other partners.

Coordinated action within and between national, state and local institutions has never been more needed. We also need to shift our foreign policy efforts to align with SDGs including policies on trade, migration, gender equality and women’s empowerment and the environment.

As part of its follow-up and review mechanisms, the 2030 Agenda encourages member states to “conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven”.[[20]](#footnote-20) ACFID and other civil society actors are keen to see Australia submit a **voluntary national review to the High Level Political Forum in 2018**, and are ready to work alongside DFAT and PM&C to develop the report. We also encourage the Government to **communicate with the Australian public** the value of the SDGs to the lives of every citizen in Australia and in our neighbouring countries.

### 3.1. Integrate the SDGs through Australia’s aid program

To fulfil Australia’s commitment to the SDGs, it is vital that their achievement becomes the fundamental purpose of Australia’s aid program. Particularly considering the SDGs’ application across all of Australia’s international policy, it is further critical that all areas of DFAT understand and can effectively implement the SDGs across Australia’s trade agreements, aid program, and diplomatic efforts. Doing this requires Australian aid to apply more systems thinking, more integrated programming, more participation and collaboration and for this way of working to be rolled out within DFAT.

Business as usual will be neither sufficient not sustainable in today’s global context. ACFID therefore calls on the **Australian Government to ensure that SDGs are integrated across the thematic and geographic policies, programs and performance benchmarks of the aid program** – therefore shifting existing aid and development policies to align with the goals and targets of the SDGs.

This recommendation echoes calls made by the UN for all member states to develop national strategies to achieve the SDGs, and Australia’s commitment conducting regular and inclusive reviews of progress. The 2016 ACFID report, *From Policy to Action –Australian Aid and the Sustainable Development Goals*, reviews existing Australian aid and development policies and sets out ideas for how it could be adapted. ACFID stands by the recommendations in the 2016 report and calls on the Government to consider these ideas.[[21]](#footnote-21)

### 3.2. Develop a whole of government, national strategy to implement the SDGs across all government policies

The SDGs apply equally to all nations, so Australia’s contribution to their achievement will extend beyond just the Australian aid program. From innovation to economic growth, urban planning, infrastructure, energy security, climate change and sustainable consumption and regional and international collaborative mechanisms for international relations – these issues are all encompassed within the framework of the SDGs and touch on all facets of the Australian Government’s work.

A holistic view of the framework of the SDGs is needed in Australia - noting they are more than the sum of its Goals. They are a set of inter-related goals designed to enable complex policy making and programming to tackle the many barriers that countries face in realising the foundations of both security and prosperity.

ACFID reiterates our call to Government to develop **a whole of government strategy to implement the SDGs across all Government departments**. We commend the Government for establishing an Interdepartmental Committee (IDC) jointly convened by DFAT and the Department of Prime Minister and Cabinet (PM&C). We recommend the **creation of an adequately resourced team within PM&C** to oversee the implementation of the SDGs, to track domestic progress, and to coordinate Australia’s inputs to voluntary national reporting.

### 3.3. Invest $5 million in a civil society collaboration hub to enable multi-sectoral engagement with the SDGs

Like all UN member states, Australia will be required to report progress against the SDGs. Central to this report will be the contributions of Australian NGOs and businesses, as well as the work our INGOs are doing to progress the SDGs in our region.

There is already strong multi-sector collaboration occurring around the SDGs[[22]](#footnote-22) . Organisations and peak bodies are trying to work out how to share expertise and collaborate on reporting. This work is crucial to support and further Goal 17 – “Strengthen the means of implementation and revitalize the global partnership for sustainable development”.

ACFID recommends the Government supports Australian SDG delivery and reporting by **investing $1 million a year for five years for a collaboration hub**. The hub will enable multi-sectoral engagement and serve as a national knowledge sharing and learning platform to assist organisations and businesses to start engaging with and advance their implementation of the SDGs. This platform will enable all sectors to carry out organisational mapping and share tools, guidance and best practice. The resources and ways of working that this hub creates will be central to assisting Australia’s voluntary national review.

### 3.4. Provide $10 million for a joint Pacific approach building national governments’ capacities to collect disaggregated data on SDGs indicators

Goal 17 of the SDGs commits nations to “enhance capacity-building support to developing countries … to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts”. The estimated investment needed to sufficiently build the capacity of the 77 poorest countries to monitor and report against the SDGs stands at $1 billion per year.[[23]](#footnote-23)

Goal 17 further identifies small island developing states as particularly in need of capacity building, a sentiment which has been echoed by the Pacific Islands Forum.[[24]](#footnote-24) ACFID recommends Australia provides **funding of $10 million over three years to increase capacity building programs in the Pacific on collecting disaggregated data on the SDGs**. A joint pacific approach that builds capacity and funds this data collection work is vital to knowing where Australian aid and development funds can and are having the largest impact.

# Prioritising action addressing Climate Change

RECOMMENDATION 4

Over the last two decades, more than 90% of major disasters have been caused by floods, storms, heatwaves, droughts and other weather-related events. These are expected to increase in frequency and severity because of climate change. Climate change poses a fundamental obstacle to future development prospects, including threatening the objective of sustainably eradicating poverty.

Climate change has the potential to undo decades of development gains, and is likely to have a disproportionate impact on developing countries – particularly those in the Pacific. A comprehensive estimate of all climate change impacts currently remains out of reach. However, even a subset of all possible impacts reveals worrying patterns on how changes in climate conditions would threaten the objective of eradicating extreme poverty by 2030[[25]](#footnote-25).

At the United National Climate Change Conference in Paris in December 2015, over 190 countries, including Australia, came together in historic agreement to keep global warming to “well below 2 degrees above pre-industrial levels”, and to pursue efforts to limit to 1.5C. Alongside the Agenda 2030 and the SDGs, the Paris Agreement is one of the strongest successes of multilateralism the world has recently seen. This has been reaffirmed through the unexpected early entry into force of the agreement. 114 countries comprising 79% of emissions had ratified at the time of writing, making this the international treaty with the fastest entry into force in recent years.

ACFID recognises that effective action on climate change brings benefits to communities beyond reducing carbon pollution. Increasing resilience to climate change and disasters can help deliver strong overall development outcomes, including progress on achieving equality between men and women, better governance, secure livelihoods, and other priorities.

Australia has a unique opportunity over the coming years to be at the forefront of global leadership on climate change action. This is because:

* Australia has been re-welcomed as co-chair of the Global Climate Fund again for 2017;
* Howard Bamsey, Australian, and former special envoy for climate change, has been recently appointed as the GCF’s Executive Director, and;
* There will be a focus on the Pacific with this year’s COP23 organised and presided over by Fiji.

### 4.1. In FY2017/18, triple Australia’s climate finance contribution to $600 million of additional funds, as a first step towards a fair share of the US$100 billion/year by 2020

Australia and the United Kingdom led developed countries to deliver *The* *Roadmap to US$100 billion* report in 2016[[26]](#footnote-26). The intention of this report was to outline a pathway to fulfilling the longstanding commitment to mobilize US$100bn per year by 2020 for supporting developing countries to take action on climate change. This funding will help developing countries build low carbon and climate resilient economies and is an integral part of the implementing decision of the Paris Agreement. Developed countries reinforced their commitment to mobilise US$100 billion annually by 2020 and to continue this goal through to 2025, by which time a new collective goal will be set from a floor of US$100 billion.

Despite leading in the development of the Roadmap to US$100 billion, Australia’s own financial contribution towards this collective goal remains small – around 0.3%[[27]](#footnote-27) of the latest total. ACFID believes that Australia’s current commitment falls a long way short.[[28]](#footnote-28) Last year’s Federal Budget saw no increase to climate change funding and Australia is yet to increase its contribution to climate change and finance in line with the goals of the Paris Agreement.[[29]](#footnote-29) Australia must bring its contributions in line with our fair share to help address this common challenge being faced across the world.

ACFID recommends that **as a first step to meeting Australia’s fair share of the $100 billion,** for FY2017/18 the Australian Government **triple its current climate finance commitments to $600 million.** Further increases in subsequent years will be needed, scaling to $1,600 million of public funding by FY2019/20. This funding should be provided through a diversity of channels, including the GCF and other multilateral and bilateral arrangements with special consideration given to ensuring access to funds for the poorest and most vulnerable people affected by climate change. To fully address climate challenges of our region, **the scaling up of Australia’s climate finance must be additional funds and not come at the expense of poverty alleviation programs in the existing aid budget.**

Over the past year there has been strong interest generated from within Australian society as well as within Government for engaging the private sector further in addressing climate change challenges. ACFID, alongside DFAT, WWF and Oxfam organised and held two climate finance roundtables in 2016, which brought together both public and private sectors and further discussion on innovation in climate finance initiatives.

Whilst the Government’s current climate funding is positively balanced toward adaptation measures,[[30]](#footnote-30) as private sector investment in climate change increases and there is an increased focus on leveraging private funds, support to maintain a balance between adaptation and mitigation initiatives will be critical. Maintaining visibility of this balance and maintaining funding for adaptation will be a necessary role of Government.

### 4.2. Develop a strategy for Australia’s action on climate change within the aid program

A comprehensive strategy on climate change action within the aid program will:

* give clarity and transparency to where climate finance is going;
* provide visibility for other actors to engage in complementary financing activities; and
* it will enable us to monitor, evaluate and learn from our climate programming to ensure the greatest impacts are being delivered.

ACFID understands that DFAT is currently in the process of producing key internal guidelines and principles to further support climate change integration across the aid program. However, Australia’s current approach does not go far enough to help the poorest and most vulnerable people sufficiently deal with the impacts of climate change. These guidelines cannot be used as a substitute to a comprehensive aid policy on climate change with strategic direction for investing in climate change across the aid program. Australia lacks overall strategic intent for climate change within the aid program, and lacks a well-founded view of, or strategy for, the investment necessary to address climate change challenges and opportunities.

ACFID recommends the Government **develop a strategy for Australia’s action on climate change within the aid program** which reflects climate change policy in line with international best practice.

Transparency around the Australian Government’s climate change activity and investment is currently low.[[31]](#footnote-31) A climate change strategy for the aid program would provide greater transparency through making clear the assessed and appropriate levels of future climate finance; the mitigation and adaptation targeting of Australia’s climate finance contributions; the regional targeting of our climate change activity; and the accessibility of funds to the most vulnerable.

Certain groups and communities are more vulnerable to the effects of climate change than others. Poorer communities are more severely affected than rich ones, and there are gendered differences in how different groups experience the effects of climate change and disasters. At the same time, every community has a critical role in responding to climate change. Consideration of both vulnerabilities and strengths, and particularly gender, must be a cornerstone of Australia’s climate change strategy, and ensure that these groups are better engaged throughout the design and implementation of climate change programs.

### 4.3. Invest $50 million over 4 years for community-based climate change adaptation and mitigation

It is essential Australia’s climate change support focusses on adaptation, and reaches the most vulnerable people across our region. Such communities are often marginalised, remote and receive limited services or support from their governments. Reaching everyone in these communities will be an immense challenge for any international or national funding mechanisms. Community-based approaches are essential in assisting poor and vulnerable communities to reduce and adapt to the impacts of climate change and natural disasters. They also assist in overcoming the issues in national and sub-national governance that create bottlenecks for communities to access climate funds.

The previous *Community-based Climate Change Action Grants* (CBCCAG) program increased capacity of vulnerable people to the impacts of disasters and climate change, whilst achieving broader development outcomes. Its independent review[[32]](#footnote-32), released in 2016, found that the CBCCAG program had just begun the process of adaptation, and that this must continue to be fully capitalised on and with value added to the achievements to date. The review recommended that the program should be built upon, utilising the knowledge and partnerships it fostered to continue to target increasing capacity within local contexts.

ACFID has previously called for strong investments in community-based climate change adaptation and mitigation, building on the previous CBCCAG program. Based on the independent review’s findings, **ACFID recommends the Government establish a dedicated community-based adaptation funding window for NGO’s and local organisations to build community resilience to climate change and disasters**, particularly across the Pacific region. Such programming should increasingly be tailored to local contexts and focus on deepening knowledge and experience in vulnerable communities.

### 4.4. Investment to increase DFAT’s internal capacity for the implementation of climate change programs

Delivering on Australia’s foreign policy in today’s global context will require DFAT to continue to hone current skills while increasing the aptitude for new skills. This is especially true when it comes to implementing and managing climate change programs. Business as usual will be neither sufficient nor sustainable over the decade ahead.

Alongside a climate change strategy DFAT should invest in the capabilities of its people to implement climate programming. To do this, DFAT needs to prioritise attracting and retaining a dedicated body of professionals, managers and technical experts **to ensure internal capacity to implement climate change programs**.

The integration of climate and environment issues is still relatively new for many development actors and bilateral donors, and DFAT needs to ensure their staff are upskilled and maintain sufficient levels of knowledge to deliver on its strategic outcomes. One recommendation could be to have a similar model to the Swedish International Development Cooperation Agency (SIDA), who have an environment help desk for their program managers.[[33]](#footnote-33) DFAT may choose to have a similar in-house model or one that is externally managed.

# Humanitarian Effectiveness

RECOMMENDATION 5

### 5.1. Double the Humanitarian Emergency Fund to $260 million

With the rising scale and frequency of disasters and conflicts around the world, Australia’s ability to adequately respond will be compromised if we do not significantly scale up our humanitarian allocation.

Over the past decade, the number of people requiring humanitarian assistance has almost doubled,[[34]](#footnote-34) and is set to continue to increase. The World Bank estimates that those affected by a disaster annually will rise from an average of 1.4% of the world’s population, to 2 or 3% by 2030.[[35]](#footnote-35) Recent disasters, such as that of the Nepal Earthquake, have recorded economic costs equivalent to almost half the country’s GDP. The United Nations’ annual appeal for humanitarian funding declares that in 2017, $US22 billion will be required to provide urgent help to 93 million people across 33 countries.[[36]](#footnote-36)

To respond to the growing stress on the humanitarian system, ACFID recommends that the Australian Government substantially increase its capacity to respond to humanitarian disasters in FY2017/18. While ACFID welcomes last year’s $10 million increase to the Emergency Fund, this growth fell well short of ACFID’s previous call to double the allocation. We continue to **call on the Australian Government to double the Emergency Fund to $260 million**, which amounts to just a small fraction of the $US22 billion the UN predicts will be required in 2017.

### Report the level of funding allocated to disaster risk reduction (DRR) and increase to 5% of Official Development Assistance

Australia is a leader on DRR techniques and innovations, and the Australian government has acknowledged the importance and cost effectiveness of investing in DRR.[[37]](#footnote-37)

However, it is unclear how much funding is directed to DRR. While ACFID acknowledges the difficulties in precisely reporting DRR spending; budget allocations to DRR and protracted crises continue to be recorded as one budget line. ACFID continues to call on the Australian Government to increase transparency of funding by separating these budget allocations, in line with the Australian Government’s commitment to greater humanitarian funding transparency under the Grand Bargain.[[38]](#footnote-38)

ACFID also calls on the Australian Government to **increase funding of DRR programming to 5% of Australia’s aid budget.**[[39]](#footnote-39)The evidence to support DRR investments is clear. Fiji saw the benefits of DRR measures during last year’s Cyclone Winston, the impact of which was far less compared to similar strength cyclones in the past. A full integration of DRR programming into Australia’s aid programming will avoid substantial future costs.

### Increase multi-year and un-earmarked humanitarian funding in line with the Grand Bargain

ACFID welcomed the 2016 budget announcement of $220 million over three years to the Syria humanitarian crisis and we continue to call on the Australian government to provide multi-year funding for protracted humanitarian crises, such as South Sudan and Iraq.

The Australian Government signed on to Grand Bargain at the World Humanitarian Summit in May 2016, and thereby committed to **increasing the use of multi-year funding** to ongoing crises and to reduce the earmarking of its humanitarian contributions (aiming to achieve a global target of 30% of humanitarian contributions that are non-earmarked or softly earmarked by 2020).[[40]](#footnote-40)

Flexible, multi-year funding agreements enable the Australian Government, in partnership with Australian NGOs, to respond more effectively to protracted crises. Given the average duration of a protracted refugee situation is now approximately 26 years,[[41]](#footnote-41) effective responses cannot be funded on a 12-month cycle. Multi-year funding enables partners to respond more effectively to protracted crises by allowing longer-term planning to respond both to the effects of crises, and address its root causes. Multi-year funding also allows efficiencies to be gained in resourcing projects with recurring expenditure that can be forecasted in advance, such as procurement and human resources.

### Increase the allocation of humanitarian funding delivered through NGOs to at least 20%

The Australian Government has acknowledged the benefit of working with NGO partners to deliver humanitarian results; stating that ‘delivering aid through civil society organisations enables us to benefit from these organisations’ grassroots networks, areas of specialisation and presence on the ground’.[[42]](#footnote-42)

However, Australia allocates a lower proportion of its humanitarian funding through NGOs than the globally average. In 2016, government donors provided 19% of their humanitarian funding through NGOs globally, [[43]](#footnote-43) whereas Australia only channelled 10. 5% of its humanitarian funding through NGOs.[[44]](#footnote-44) Data from 2007 – 2011 shows that OECD DAC donor countries channelled 24% of their humanitarian funds through NGOs.[[45]](#footnote-45) **ACFID calls on the Australian Government to increase the allocation of humanitarian funding delivered through Australian NGOs to at least 20%,** with a view to further increase it in line with the OECD DAC average of 24%.

Australian NGOs provide several advantages to the Australian government. The Humanitarian Advisory Group report found that Australian NGO mechanisms typically channel funds to the field in a timelier manner compared to multilateral agencies; NGO mechanisms have between five to eight administrative steps in comparison to up to eleven administrative stages for the UN CERF mechanism’ and NGOs meet high levels of transparency and accountability in the way that they spend humanitarian funding.[[46]](#footnote-46) The report also states that NGO actors provide valuable field-based knowledge and established community relationships, as well as often have the capacity to deliver multi-sectoral community-based response operations.

# Women and Girls

RECOMMENDATION 6

### 6.1. Australia should meet its commitment to PF2020 by providing an additional $20 million for family planning in FY2017/18

Family planning remains a critical component in reducing maternal mortality and improving women’s health. Meeting women’s family planning and maternal health needs would reduce unintended pregnancies by 70%, maternal mortality by 67% and newborn deaths by 77%.[[47]](#footnote-47)Globally, however, 225 million women of reproductive age want to delay pregnancy but are not using contraception.[[48]](#footnote-48) Meeting unmet need for family planning not only improves women’s and children’s health but also supports myriad development benefits, with evidence indicating that for every US$1 invested in sexual and reproductive health, there is an economic return of up to US$120,[[49]](#footnote-49) and each percentage point reduction in total fertility is estimated to result in an increase of up to 0.25% in per capita GDP growth[[50]](#footnote-50).

At the 2012 Family Planning Summit Australia pledged to double its family planning investment to total at least $53 million per year as part of a global commitment to reach an additional 120 million women by 2020 (FP2020). This commitment is in strong alignment with DFAT’s *Gender Equality and Women’s Empowerment Strategy*, which agrees to “continue to support family planning services and global advocacy for universal access to these services” and the Sustainable Development Goal (SDGs). However, the most recent available figures show that we are still $20 million short of this commitment.[[51]](#footnote-51) **Australia should meet its commitment to FP2020 and increase the aid program’s allocation for family planning by $20 million per year to $53 million per year.**

### 6.2. Establish $10 million of additional funding through the Gender Equality Fund for integrated programming addressing the links between women’s economic empowerment and violence against women

Women’s economic empowerment and ending violence against women are both key priorities under DFAT’s *Gender Equality and Women’s Empowerment Strategy*. Both are key to achieving gender equality, however recent research from several Australian NGOs and academic partners has highlighted the interconnections between the two, which, if not properly addressed, can exacerbate violence against women.

These research projects were initiated by International Women’s Development Agency[[52]](#footnote-52), Plan International Australia[[53]](#footnote-53) and ActionAid Australia[[54]](#footnote-54) and have found that by changing power dynamics between men and women, women’s economic empowerment initiatives can have the unintended consequence of increasing violence against women. Looking at DFAT-funded projects across the Pacific, Africa and Asia, all three pieces of research highlight the critical importance of rights education and integrated approaches to gender equality programming to mitigate the risks associated with changes in gender relations.

**ACFID recommends that $10 million of additional funding be made available through the Gender Equality Fund** specifically to encourage and support integrated, rights-based programming on gender equality which addresses the interlinkages between women’s economic empowerment and violence against women.[[55]](#footnote-55)

### 6.3. Establish a benchmark to ensure 5% of funding within country and regional programs be directed to support local women’s organisations by FY2019-20

In countries where Australia’s aid program works, local women’s rights organisations and networks provide access to health and family planning services, assist women and children fleeing domestic violence, empower women to participate in the economy, and advocate for women’s and girls’ rights. Autonomous women’s movements have been identified as a critical factor in changing discriminatory policy and legislation and progressing gender equality.[[56]](#footnote-56) These local organisations focus on women-led solutions that are firmly rooted in local communities, contexts and needs.[[57]](#footnote-57) Despite their proven record of achieving change for women’s rights and gender equality, women’s rights organisations and networks remain under-resourced and women’s rights organisations in the Pacific face particular challenges accessing funding.[[58]](#footnote-58)

**ACFID recommends establishing a benchmark, or aid program performance target, that at least 5% of funding within each country and regional program in the Australian aid program be directed towards local women’s organisations by FY2019/20**.

DFAT’s NGO engagement strategy, *DFAT and NGOs: Effective Development Partners,* identifies promoting gender equality and empowering women and girls as a key engagement objective and commits to working with both Australian-based NGOs and local women’s organisations. The 2015 inquiry of the Joint Standing Committee on Foreign Affairs, Defence and Trade into *The Human rights issues confronting women and girls in the Indian Ocean - Asia Pacific region* recommended the Government “focus its investments on programs that directly build local capacity through supporting local women’s organisations”.[[59]](#footnote-59) Further, women’s organisations will play a crucial role in advocacy, implementation, and reporting on the SDGs to ensure the goals are met for all women.

### 6.4. Return to gender responsive budgeting and reporting, establishing an appropriately resourced office within DFAT to support this across the Department, and increase the transparency around measuring impact on gender equality

The Australian aid program’s work on gender equality and women’s empowerment is currently measured in two ways: the proportion of the DFAT managed aid budget spent on programs which have gender as the principle or significant objective (‘the gender policy marker’), and the proportion of investments determined through annual self-assessments to be effectively addressing gender equality, for which *Making Performance Count* sets a performance target of 80% (‘the 80% target’).[[60]](#footnote-60)

These markers are important measures of the way gender equality is addressed as a stand-alone objective of the aid program and mainstreamed across other sectors. However, both could be strengthened. The gender policy marker overestimates the proportion of the aid budget progressing gender equality by counting the full budget of investments that have gender equality as one of several objectives, obfuscating the actual amount spent on specific activities to progress gender equality within projects. Additionally, more transparency is needed around the way in which progress towards the 80% target is measured to ensure it is being applied consistently and rigorously across the Department.

ACFID recognises that DFAT applies the gender policy marker as recommended by OECD DAC, and understands this marker is currently being revised and new guidance developed. ACFID is pleased to see the gender policy marker become more comparable across DAC members but recommends the marker be continually scrutinised and strengthened to identify the actual proportion of aid funding that is directed to advancing gender equality.

To ensure feminist economic analysis of all investments is undertaken from the outset and informs program design, implementation and annual reporting, **ACFID recommends the aid program return to gender responsive budgeting and reporting**, establishing an appropriately resourced office within DFAT to support this including through training for staff across the Department, and increase the transparency and around budget allocations and performance targets on gender equality.

# Youth and Young People

RECOMMENDATION 7

### 7.1 Conduct a review of current approaches to youth participation throughout the aid program

Youth participation refers to the inclusion of young people in development processes, particularly processes that affect them. Young people should be involved in decision-making throughout the program cycle - research, design, implementation, monitoring and evaluation, and policy advocacy as well as internal governance structures. The inclusion of young people is key to enlivening their right to participation, increasing the relevancy and impact of programming, and investing in future human resource capabilities.[[61]](#footnote-61) At present, DFAT's approach to youth participation is disjointed and unclear. Australia should increase the participation of young people in the Australian Aid program. To this end, ACFID calls on the Government to **conduct a review of current approaches to youth programming and youth participation throughout the aid program**.

### 7.2 Develop and resource a youth strategy for the aid program

The world now has the largest generation of young people in history, and almost 90% of youth live in the Global South.[[62]](#footnote-62) There are significant 'youth bulges' in Australian partner countries; for example, roughly 59% of Papua New Guinea's population is under the age of 25.[[63]](#footnote-63) These youth bulges represent a huge risk to regional stability and security if they continue to be left unaddressed.[[64]](#footnote-64) They also represent an opportunity to harness the energy, connectedness and unique perspectives of young people for sustainable development.

Despite the significance of youth bulges in our region, current Australian aid policies place insufficient focus on young people as a key stakeholder for inclusive development. There is strong precedent for the development of similar strategies with both DFID in the UK[[65]](#footnote-65) and USAID[[66]](#footnote-66) USA having developed and implemented youth strategies.

ACFID **calls on the Government to commit to the development of a DFAT youth strategy that prioritises youth-specific programming and youth participation mainstreaming** - involving young people in decision-making throughout the program cycle (research, program design and implementation, monitoring and evaluation and policy advocacy) in both Australia and our partner countries.

# Realising Children’s Rights

RECOMMENDATION 8

Australia should increase emphasis on children’s rights in the planning and implementation of aid and development programming, including in emergency response.

Children are a substantial proportion of the population in the countries which receive Australian aid, particularly in the Pacific and South-East Asian regions where the aid program has been focusing its efforts in recent years. The East Asia and Pacific regions are home to more than a quarter of the world’s children – around 580 million.[[67]](#footnote-67) For the 14 Pacific nations, national proportions of children under 15 range from 20% to 40%.[[68]](#footnote-68)

### 8.1 Commit $10 million over 3 years to realising children’s rights through the aid program

Through the implementation of the world-leading DFAT Child Protection Policy across the aid program, child protection risk assessment and management has become well established within Australian aid institutions and their partner organisations. There are strong grounds to now go beyond this and prioritise work to ensure children’s rights to life, survival, development and protection are realised in direct programming.

ACFID calls on the Government **to commit $10 million over 3 years to specifically realising children’s rights through the aid program**. This will assist Australia to match the UK government’s financial commitment to the Global Partnership to End Violence Against Children. The Global Partnership responds to the Sustainable Development Goal 16.2 and Australia could focus this funding on activities in the Pacific.

Furthermore, Australian aid should continue to divest from the institutionalisation of children in developing countries and prioritise family and community based alternative care. For example, Australia could commit $500 000 to activities which educate the Australian public about how they can support communities and reduce the demand on orphanages.

### 8.2 Set a benchmark that ensures 20% of aid programming directly addresses children’s rights

In addition to specific investment in child rights programming, the aid program should establish a commitment that at least **20% of the aid program funding goes to programs which improve children’s access to their rights**. Australia is party to the UN Convention on the Rights of the Child and promoting children’s rights should be a priority.

### 8.3 Make Child Protection a thematic priority in emergencies

Increased emphasis is needed to assess and respond to child protection risks in Australian disaster risk reduction (DRR) and emergency humanitarian responses. Child Protection in Emergencies (CPiE) currently has limited visibility in planning and implementation and should be addressed as a thematic priority in the same way that gender currently is.

Australia should address this in the new Australian Humanitarian Partnership procedures **by including specific child protection targets and indicators in emergency assessments to identify risks, the scale of needs, and priorities for responses to strengthen the protective environment around children**. The Minimum Standards for Child Protection in Humanitarian Action should set the benchmark.

To further support CPiE, the aid program could allocate DRR funds to strengthen existing child protection systems (that will galvanise in emergencies) or to multi-year funding for Child Protection initiatives in fragile environments and emergency responses.

The Australian aid program should also engage with the global Child Protection Area of Responsibility (formerly the Child Protection Working Group) and the Alliance for Child Protection in Humanitarian Action, to increase representation for the Pacific region.

# Disability inclusive development

RECOMMENDATION 9

In DFAT’s own 2016-17 aid budget summary, the Australian Government stated its commitment to ‘playing a leadership role in disability-inclusive development to enable people with disabilities in developing countries to find pathways out of poverty and realise their full potential... [as] articulated in *Development for All 2015–2020, Australia’s strategy for strengthening disability-inclusive development in the aid program’*[[69]](#footnote-69). This is a welcome commitment, and one necessary for affirming Australia’s international leadership in achieving inclusive communities and improved living standards for the one-in-five people living with disability in a developing country[[70]](#footnote-70).

Australia is recognised globally as a world leader in disability-inclusive development. Including people with disability is a core requirement of an effective aid program, as approximately 80% of those with disability globally live in low and middle income countries where they constitute over 20% of the poorest of the poor.

### 9.1 Increase the existing $12.9 million investment in disability-specific services in accordance with CPI

To ensure a sustainable and quality foreign aid program, people with disability must be included. Investing in disability-inclusive development is smart - with one billion people living with disability globally, it makes good economic sense to include people with disability in all poverty alleviation and development efforts. An **increased allocation to disability-inclusive development across the aid program** will greatly assist to embed disability-inclusion across aid investments. This has been recognised as crucial to Australia’s development program in *Australian Aid: promoting prosperity, reducing poverty, enhancing stability*. ACFID further recommends that this increased allocation be maintained for the life of *Development for All 2015-2020*.

### 9.2 Ensure DFAT has sufficient core departmental budget to effectively implement *Development for All 2015-2020*, in Canberra and at post

In 2015 the Australian Government launched *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia’s aid program.* ACFID calls on the Government to ensure that **DFAT has sufficient core departmental budget for staff, skills and technical support to enable the implementation and monitoring of Development for All 2015-2020, in Canberra and at post.**  This capacity and funding is to include the design and implementation of a monitoring and evaluation framework. An increased investment in funding will support the successful implementation of the strategy, and help cement Australia’s reputation as the catalyst for, and global leader in, disability-inclusive development.

# Diaspora communities

RECOMMENDATION 10

### 10. DFAT establish a $3 million pilot fund over three years to support a grant window for Australian-based, diaspora organisations working in humanitarian, peacebuilding and development in their countries of origin

Australia is home to large and varied diaspora populations, with a quarter of the population born outside of Australia and 43% of the population with a parent born overseas.[[71]](#footnote-71) Australia’s overseas-born populations come predominantly from the Asia Pacific region and Europe, but with sizeable representations from Middle Eastern and African communities.[[72]](#footnote-72)

Diaspora activity in Australia mirrors international trends, with a plethora of diaspora-led organisations dedicated to health, education, livelihoods, child protection, peace building and reconciliation. Diaspora-led organisations are also interested in the areas of private sector development, micro- small and medium enterprise activities, economic growth and decent work. It remains the case, however, that there is insufficient understanding of the nature and impact of diaspora-led development and humanitarian response –strengths, challenges and potential – and this has contributed to the slow responses of government and development agencies in recognising the work that these organisations do and the value and expertise that could be accessed through engaging with them.

Other donors have developed programs that enable them to both build their knowledge base regarding diaspora actors’ contributions (and potential contributions) to humanitarian, peacebuilding and development outcomes through action-research processes. These programs recognise the strengths and potentiality of engaging with diaspora groups while being clear-sighted about the risks and the opportunities to increase capacity and two-way learning.

ACFID recommends that DFAT establish a **$3 million pilot fund over three years** to support a grant window for Australian-based, diaspora organisations working in humanitarian, peacebuilding and development in their countries of origin.

Australia could draw from the experiences of official donors such as Danida and ECHO[[73]](#footnote-73) to pilot a small-grants approach to diaspora-engagement that has capacity building, project implementation and research components. This model extends the number of actors who can access and engage in the Australian Aid Program while ensuring that ODA is supplied to those actors able to deliver effective development that is quality assured..

In a pilot phase the scheme should prioritise one (1) diaspora group from the Pacific to reflect Australian Aid’s Indo-Pacific focus, and also give priority to two (2) or three (3) other countries where diaspora-led development organisations have exisiting relationships and structures within Australia, such as Sri Lanka, South Sudan or Afghanistan. This will support a learning-approach where lessons can be applied to extend the pilot, if successful, to other diaspora communities, including increasing the Pacific focus.

# Re-investing in Aid to Africa

RECOMMENDATION 11

### 11. Rebuild Australia’s bilateral aid to Africa to $100 million per year over the next three years, with additional funding for humanitarian responses

Africa has the highest number of people living in extreme poverty (less than $1.90 per day). While not geographically close to Australia, the people to people, and business connections between Australia and the African continent are strong:

* Over 330,000 Australians were born in sub-Saharan Africa and another 51,450 from North Africa;
* Australian investment in Africa is estimated to be worth around $30 billion. In 2015 the value of two-way trade was $8.5 billion; and
* 4,800 African students took up studies at an Australian tertiary institutions in 2015 while there are over 5,000 Australia Awards alumni in Africa.

There is strong Australian public support for NGO poverty alleviation work in Africa. Amongst the top ten counties globally for Australian community funding via NGOs, five are in Africa: Kenya, Ethiopia, Uganda, Zimbabwe and Zambia. Australian NGOs programmed $135 million of community funds raised to Africa programs in FY2014/15.

This community support was augmented by Government funding of $48 million prior to cuts to DFAT’s programs announced in May 2015. Noting the need in Africa, and the strong people to people links, ACFID recommends that **Australia’s bilateral aid to Africa is rebuilt to $100 million per year over the next three years of the budget cycle, with additional funding for humanitarian responses**.  The focus of the aid program should be **Southern and Eastern Africa, including Ethiopia and South Sudan**.

# Water, sanitation and hygiene (WASH)

RECOMMENDATION 12

### 12.1. Increase funding dedicated to basic water, sanitation and hygiene (WASH) in the Asia-Pacific Region by 50%

Social protection and the provision of basic services are critical to improving the living standards of poor and marginalised communities. Safe, accessible and affordable water and sanitation, accompanied by hygiene education, is one such suite of critical services. They are foundational to good health, and unlock improvements in education, productivity and income. Without WASH, the effectiveness of Australia’s other aid investments will be undermined.

As part of cuts to the aid program, funding for basic WASH services at the community level has decreased significantly, with the FY16-17 WASH allocation dropping to $46.2 million, down from $114.9 million in FY14-15. ACFID calls on the Government to i**ncrease the amount of funding dedicated to basic WASH in the Asia-Pacific Region by 50% on FY2016- 17 levels**.

### 12.2 Increase overall Water for Development funding to 5% of the total Australian aid budget by 2020

At the same time as cutting WASH funding, DFAT has consolidated WASH as part of its Water for Development portfolio, bring it together with water resource management and large- scale water and sanitation infrastructure. While taking a more holistic view of the importance of water to development is a positive, there is a need to ensure basic WASH continues to be prioritised. This is particularly the case given our aid program’s focus on the Asia-Pacific, with countries such as Papua New Guinea and the Solomon Islands having some of lowest rates of access to safe water and sanitation in the world.

ACFID recommends that the Government increase **the overall Water for Development funding (inclusive of water resource management, large-scale water and sanitation infrastructure, and basic WASH) to 5% of the total Australian aid budget by 2020.** Increasing the amount of funding dedicated to both basic WASH and Water for Development, would indicate that the Government has recognised water as a critical enabler of Australia’s strategic aid objectives.

# Annex A: List of ACFID Members

As at 30 June 2016

1. . Future years come from current government projections. Data for the chart are based on official figures and come from <http://devpolicy.org/aidtracker/trends/> [↑](#footnote-ref-1)
2. <http://www.un.org/sustainabledevelopment/blog/2015/09/historic-new-sustainable-development-agenda-unanimously-adopted-by-193-un-members/> [↑](#footnote-ref-2)
3. <http://unfccc.int/paris_agreement/items/9485.php> [↑](#footnote-ref-3)
4. Data from OECD statistics, table from <http://www2.compareyourcountry.org/oda?cr=oecd&lg=en> [↑](#footnote-ref-4)
5. In 2015 Russia reported an increase, in real terms, of preliminary net ODA of 92.7%. Refer 2015 ODA data for non-DAC members <http://www.oecd.org/dac/stats/ODA-2015-detailed-summary.pdf> - [↑](#footnote-ref-5)
6. See <https://asiafoundation.org/resources/pdfs/ChangingAidLandscapeinEastAsia.pdf> p 25 [↑](#footnote-ref-6)
7. Steven Howes, Devpolicy, <http://devpolicy.org/presentations/The%202014-15%20aid%20budget_SH.pdf> [↑](#footnote-ref-7)
8. <http://www.oecd.org/dac/effectiveness/busanadherents.htm> [↑](#footnote-ref-8)
9. <http://www.oecd.org/dac/effectiveness/Busan%20partnership.pdf> [↑](#footnote-ref-9)
10. OECD, 2013, Aid Predictability, Available: <http://www.oecd.org/dac/aid-architecture/> [↑](#footnote-ref-10)
11. *Australia’s Engagement with Developing Countries,* DFAT, accessible at <http://dfat.gov.au/about-us/publications/Pages/aus-engagement-with-developing-countries.aspx> [↑](#footnote-ref-11)
12. *Australian Aid Budget Summary 2016-17,* DFAT, accessible at <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2016-17-australian-aid-budget-summary.pdf> [↑](#footnote-ref-12)
13. <http://www.opengovpartnership.org/countries> [↑](#footnote-ref-13)
14. <http://devpolicy.org/open-aid-australian-aid-transparency-and-the-open-government-partnership-20161129/> [↑](#footnote-ref-14)
15. Office of Development Effectiveness, 2015, *‘*Evaluation of the Australian NGO Cooperation Program’, accessed at <https://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/ode-evaluation-australian-ngo-cooperation-program-final-report.pdf> p. 13 [↑](#footnote-ref-15)
16. Ministerial speech at the Launch of the Civil Society Engagement Framework, accessed at <http://ministers.dfat.gov.au/marles/speeches/Pages/2012/rm_sp_120620.aspx?w=tb1CaGpkPX%2FlS0K%2Bg9ZKEg%3D%3D> [↑](#footnote-ref-16)
17. See the 2015 DFAT report ‘DFAT and NGOs – Effective Development Partners’ at <http://dfat.gov.au/about-us/publications/Documents/dfat-and-ngos-effective-development-partners.pdf>, p5 and 6 [↑](#footnote-ref-17)
18. <http://www.un.org/sustainabledevelopment/blog/2015/09/historic-new-sustainable-development-agenda-unanimously-adopted-by-193-un-members/> [↑](#footnote-ref-18)
19. As the UN’s discussion note on Universality explains, “Sustainable development, understood as a set of interlinked trajectories of social, economic and environmental evolution, concerns all countries, regardless of income levels. From this perspective, (sustainable) development can no longer be considered as a process circumscribed to developing countries only, as has traditionally been portrayed, but one in which all countries, rich and poor, are part of and are involved.” <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/qcpr/undg-discussion-note-on-universality-and-2030-agenda.pdf> [↑](#footnote-ref-19)
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28. In 2011, Frank Jotzo et al. placed Australia’s fair share at 2.4%, based on Australia’s wealth and emissions. (I.e. approx. AU$3.2 at current exchange rates.) <http://www.climateinstitute.org.au/verve/_resources/anu_financingoptionspaper_october2011.pdf> [↑](#footnote-ref-28)
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