



PLAN INTERNATIONAL AUSTRALIA

2019-20 PRE-BUDGET SUBMISSION

About Plan International

Founded in 1937, Plan International is one of the world's oldest and largest development and humanitarian organisations that advances children's rights and equality for girls. We strive for a just world, working together with children, young people, our supporters and partners to tackle the root causes of poverty, inequality and injustice. Plan International is independent, with no religious affiliation.

Context and focus of this submission

Australia in 2019 finds itself in a rapidly changing global and regional context, with rising isolationism and populism, income and wealth inequality growing almost everywhere in the world¹, and unprecedented rates of extreme climate events and people movement. Cutting ourselves off from addressing the global challenges we face will not remove us from their effects.

The Australian Government has a renewed opportunity, through the 2019-20 Budget, to show that Australia will not retreat from these challenges but help lead the response in tackling them. Plan International Australia argues that the strongest tool we can deploy to these ends is our aid and development program, and is pleased to set out some recommendations for our Official Development Assistance (ODA) budget in this submission.

After repeated cuts to ODA, the onus is on the Government to rebuild its international standing and global reputation on overseas aid and development assistance, and to advance gender equality for women and girls globally.

Our submission will focus on the areas that we consider priorities for Australia's development program in the 2019-20 Budget, namely:

1. investing in Australia's aid program;
2. achieving gender equality globally, particularly for adolescent girls;
3. ensuring progress on climate change; and
4. strengthening humanitarian responses.

¹ 2018 World Inequality Report, accessed 29 Jan 2019 at <https://wir2018.wid.world/>

1. Investing in Australia's aid program

Recommendations:

Restore bi-partisan support for a strong, effective and well-resourced Australian aid program.

Rebuild the overseas aid and development budget by increasing investment in ODA to 0.7% of GNI by 2030. As a minimum first step, restore indexation and increase the ODA budget by 10% each year over the forward estimates.

Finance the Australian Infrastructure Financing Facility for the Pacific (AIFFP) from new funding sources, not the current ODA budget, and ensure these large-scale infrastructure projects are climate resilient, gender-sensitive and pro-poor.

Australia's Official Development Assistance (ODA) budget is one of the best strategic foreign policy tools we have. It is a way of projecting our values and national character towards moral ends, and at the same time pragmatically and strategically addressing root cause problems that are undermining global efforts towards security and prosperity. Australian aid and development helps others and can tackle cause, not only effect. To fail to invest in our aid program will undermine Australia's influence both in the Indo-Pacific region and globally.

The Addis Ababa Action Agenda, agreed as part of the Financing for Development conference in 2015, calls on wealthy nations to commit 0.7% of GNI towards overseas aid and development assistance, with 0.2% specifically earmarked for Least Developed Countries (LDCs).

Disappointingly, Australia's investment in its aid program is at its lowest point since records began, with ODA on track to fall below 0.2% of GNI under the current budget allocations. This puts us well behind other developed nations such as the United Kingdom, where a 0.7% GNI allocation is legislated and has bi-partisan support. In 2018 Australia dropped to 19 out of 30 OECD countries on net ODA as a percentage of GNI.²

We call on the Australian Government to **urgently rebuild the ODA budget, and to restore bi-partisan support for a strong and effective development program**. In the first instance, the Australian Government should commit **to restoring indexation and growing the aid budget by 10% each year over the forward estimates**. This is a minimum first step towards reaching our international obligations of ODA of 0.7% of GNI by 2030.

Aid is most effective when it is predictable and stable. Delivering aid dividends takes time through building relationships with local partners and adapting to local contexts. A lack of predictability is hard for recipients to plan around, and has been shown to make aid less effective. While there is any number of possible pathways to 0.7% GNI, a realistic approach – able to be delivered on by successive governments – should be **planned, stepped and predictable**.

² ANU Development Policy Centre, accessed 29 January 2019 at <http://devpolicy.org/aidtracker/comparisons/>

We have noted the Prime Minister's announcement that the Government will create an Australian Infrastructure Financing Facility for the Pacific (AIFFP)³. Plan International Australia has been disappointed in **the lack of transparency as to how this facility will be funded**, and whether the already constrained ODA budget will require funds to be repurposed by cutting existing Pacific grant funding to finance this new initiative.

We strongly advise against cutting or repurposing current Pacific aid program budgets to fund the AIFFP. We also call on the Government to ensure that **these large-scale infrastructure projects are climate resilient, gender-sensitive, pro-poor** and bundled with other community development initiatives to be holistic and maximise their development impact.

2. Advancing gender equality for women and girls

Recommendations:

Increase overall investment in initiatives where gender equality is the principal objective from 8% to 20% by 2030.

Ensure that 15% of all investments with the principal or significant objective of advancing gender equality, are designed with adolescent girls as the primary beneficiaries.

Increase funding to programs that address the barriers that stop the most disadvantaged girls completing secondary education.

Increasing expenditure on gender equality initiatives:

The Department of Foreign Affairs and Trade (DFAT)'s *Gender Equality and Women's Empowerment Strategy* identifies a number of economic measures to strengthen gender equality and women's economic empowerment in aid and development. Measures include the Gender Equality Fund, reporting on aid expenditure where gender is a "significant" or "principal" objective and a policy commitment to ensuring that 80% of all aid investments address gender issues. We have previously welcomed the Government's focus on advancing gender equality, but note that while the 80% target has almost been met (currently at 77%), it is the only one of DFAT's ten strategic targets that has not yet been met.

Plan International Australia believes that, as one of the six key priorities of the aid program, gender equality should be resourced at comparable levels to other aid priorities. In 2016-17, 8% of DFAT aid expenditure was committed to investments where gender equality was the 'principal' objective, and 54% of expenditure to investments with a significant, or secondary objective.⁴ NGO programming fares a bit better, with 14% of Australian NGO Cooperation Program (ANCP) funding

³ Prime Minister Scott Morrison, 8 November 2018, speech accessed at <https://www.pm.gov.au/media/address-australia-and-pacific-new-chapter>

⁴ DFAT, 2018, *Performance of Australian Aid Report 2016-17*, accessed at <https://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>

going to programs with a 'principal' objective. We recommend a target of **at least 20% of the overall aid budget by 2030 be spent on programs that identify gender equality as the principal objective.**

Increasing expenditure on gender equality for adolescent girls:

The developing world is home to half a billion adolescent girls yet they are invisible in Australia's *Gender Equality and Women's Empowerment Strategy*, with no clear commitments to invest in targeted, evidence based programs that will address the unique challenges that adolescent girls face as a result of their vulnerability due to their age and gender. Programs have traditionally focussed on "women" or "children" as beneficiaries resulting in little direct impact on achieving gender equality for adolescent girls aged 10 to 19.

There is clear evidence that Australia's overseas aid and development assistance must urgently prioritise adolescent girls. Adolescent girls carry a disproportionate burden of household chores, are less likely to complete formal schooling, have poorer health outcomes, have more difficulty gaining formal employment, have fewer legal rights and are more likely to face child marriage and early pregnancy before they reach the age of 19.⁵ For adolescent girls who are discriminated against due to their disability, HIV status, caste or other ethnic, religious, cultural or sexual identity, the burden is even greater.

Importantly, there is growing evidence that the key to unlocking a country's future prosperity and stability sits with adolescent girls aged 10 to 19 years of age. For Australia, this means reorientating our overseas aid and development priorities to ensure that adolescent girls are not forgotten in investments designed to achieve gender equality. Currently, there is little evidence that Australia's 80% target on gender equality has benefited adolescent girls as a group with unique needs and challenges. The ANCP's Aid Program Performance Report 2016-17 identifies the benefits of investments for women, however, adolescent girls as a beneficiary group are entirely absent from this reporting.⁶

We believe that in order to ensure that Australia's overseas aid and development assistance contributes to gender equality for the next generation of women, there must be **a stand-alone target for adolescent girls** to ensure their visibility in aid expenditure and strengthen transparency in reporting. **We recommend that 15% of all investments with a principal or significant objective to achieve gender equality, are designed with adolescent girls as a primary beneficiary.**

Ensuring education access for adolescent girls:

Australia's aid program has historically had a strong emphasis on, and investment in, education. However, within this thematic area, the funding and focus is on primary education and post-secondary education. In 2016-17, approximately \$10m was allocated to secondary education

⁵ United Nations Population Fund, *The State of World Population 2016*, New York, p.15

⁶⁶ DFAT, 2017, *Australian NGO Cooperation Program (ANCP) Aid Program Performance Report 2016-17*, accessed at <https://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-appr-2016-17.aspx>

compared with \$126m for primary education, \$22m for higher education and \$315m in scholarships. This gap is even more striking when you consider the staggeringly low rates of enrolment for adolescent girls in upper secondary education, particularly in the Pacific.

The success of achieving gender parity and high rates of enrolment at a primary level is of little value if girls are not able to continue their secondary education. Education, vocational training and youth employment initiatives must be seen as a continuum of investment that provides long term and durable solutions for providing girls aged 10 to 19 with the opportunities that they need to lift themselves and their families out of poverty.

We call on the Government to **increase funding to programs that address the barriers that stop the most disadvantaged girls completing secondary education**. This could include by shifting investment from the Australia Awards, which benefit a small number of people, to broader secondary education initiatives that benefit more girls.

3. Promoting economic stability through climate change investment

Recommendations:

Scale up Australia's climate finance commitments to \$600 million per annum in public funding, increasing to \$1.6 billion over five years.

Dedicate 60% of all climate funds to climate adaptation initiatives.

Re-establish a program of community adaptation grants.

Climate change is a fundamental threat to economic growth, stability, children's rights and gender equality. A failure to prioritise climate change adaptation in our overseas aid and development budget will undermine Australia's efforts to promote growth and economic stability in the Indo-Pacific region. The Asian Development Bank has estimated that the economic loss to the Pacific as a result of climate change could range from 2.7% to 3.5% of annual GDP by 2050 – significantly impacting on Pacific nations' agricultural and tourism sectors.⁷

In 2015 Australia signed up to the Paris Agreement which committed to introducing measures that would limit global temperatures to no more than two degrees and to increase climate financing, globally, to \$100 billion USD a year by 2020 to address the issue of climate change.

Unfortunately, Australia has struggled to show leadership on the issue with its emission reductions goals dismally lagging behind the standard set by other countries. The highly successful, Community-Based Climate Change Action Grants program which provided funding to NGOs such as Plan International, to work with communities in developing countries to increase resilience to the

⁷ Asian Development Bank, 2013, Economics of Climate Change in the Pacific.

impacts of climate change and to reduce or avoid greenhouse gas emissions in target communities, was defunded in 2015.

While Australia has contributed some funding to climate change initiatives through DFAT in recent years – the AUD \$1 billion over 5 years announced at the Paris COP in 2015 includes our \$200M contribution to the Green Climate Fund, as well as a commitment of \$300M to the Pacific over 2016-2020 – at present there is no overarching policy or dedicated funding stream for climate change action in the aid portfolio. Furthermore, the Green Climate Fund is hampered by governance issues, and there are no new or additional commitments beyond 2020 that provide opportunities for Australian entities with technical expertise, both private sector and NGOs, to address climate change

If Australia is to show a genuine commitment to minimising the impacts of climate change on the world's poorest children, then it must scale-up its overall contribution to international climate finance, in line with the shared USD \$100 billion commitment agreed to in Paris in 2015. Based on Australia's economic strength and historical responsibility for global carbon pollution, **Australia should allocate a dedicated \$600 million per annum in public funds to climate finance initiatives, increasing to \$1.6 billion over five years**, and maintain this level of funding separately and in addition to its investment in the aid budget.

Of this total, **60 per cent of allocated funds should be directed into climate adaptation efforts** that are unlikely to attract private investment. In particular funds should be **invested in a program of community adaptation grants**, building on the strengths of the Community-Based Climate Change Action Grants program and the Australia Pacific Climate Change Action program.

4. Improving the impact of Australia's humanitarian and disaster response

Recommendations:

Increase the Humanitarian Emergency Fund by \$100m to \$250 million per year.

Expand the number of flexible, multi-year NGO funding agreements to effectively respond to protracted crises, and increase funding to \$200 million per year.

Allocate at least 20% of humanitarian aid directly to NGOs, in line with the OECD DAC average.

Set a funding target for peace support programs and provide \$1m over three years for the voluntary WPS Coalition.

The last twelve months globally have demonstrated that Australia's commitment to humanitarian funding is more important than ever before. Disasters are increasing in frequency, scale and impact. Food insecurity and famine has continued to place pressure on parts of Africa, leading to mass movements of people; the protracted crisis in Yemen continues to worsen, and there is no durable solution in sight for the hundreds of thousands of Rohingya refugees forcibly displaced

into Bangladesh, more than 60% of whom are children. Our Pacific neighbours continue to be impacted by natural disasters, adding to their already precarious position many of them face due to climate change.

The severity and nature of these crises highlights the urgent need for increased humanitarian funding at a level that is reflective of Australia's 'fair share' relative to that of other OECD countries. From 2003-12, the average proportion of ODA spent by OECD-DAC donors on official humanitarian aid was 10 percent.⁸ The commitment in the Foreign Policy White Paper to increase humanitarian funding to \$500m in 2019-20 is a welcome first step, but does not go far enough to reaching Australia's fair share, and was not achieved in the 2018-19 Budget. In order to help Australia move in the direction of contributing its fair share, we recommend **increasing the existing Humanitarian Emergencies Fund by \$100m to \$250m per year.**

In 2016, Australia committed to a plan of action, 'The Grand Bargain', to improve the effectiveness and efficiency of humanitarian response. It included a commitment to introduce multi-year, collaborative planning and funding instruments in recognition that this approach lowers administrative costs and catalyses more responsive programming. We recommend that **Australia build on its existing multi-year funding arrangements** for Syria (including in Jordan and Lebanon) and Iraq **and extend this to a larger number of protracted crises.**

In order to ensure that humanitarian aid reaches those most in need, such as children and adolescent girls in disasters, it is critical that there is the right balance in humanitarian funding allocation between UN organisations and Australian NGOs. In particular, there are efficiency gains in directly funding NGOs that would otherwise be subcontracted by UN agencies to deliver programs.

A five year evaluation of the UN Central Emergency Response Fund (CERF) found that that the distribution of funds through the UN CERF took up to 13 weeks for a rapid response.⁹ Contrast this with Australia NGOs that can begin responding through the mobilisation of existing staff and resources on the ground with days of confirmation of funding by the Australian government. In line with the OECD DAC average, we **recommend that the Australian Government allocate at least 20 percent of its humanitarian aid directly to NGOs**, rather than through UN intermediaries.

Finally, Plan International Australia is involved in the steering committee of the Women, Peace and Security (WPS) Coalition, and welcomes the Government's involvement in this work and commitment to advance the WPS agenda in line with *the National Action Plan on Women, Peace and Security (2012-2018)*. We recommend **setting a funding target for conflict resolution and violence reduction through peace support programs** - with a focus on implementing the WPS Agenda and UNSCR 1325. We also recommend providing adequate funding for the Office for Women as well as **\$1m over three years for the voluntary WPS Coalition.**

⁸ The calculation for the OECD-DAC average is based on average percentages from 2003-12 as reported in Development Initiatives, Global Humanitarian Assistance Report 2013, 26

⁹ OHCR, 5-year evaluation of the Central Emergency Response Fund, November 2011

Conclusion

Australia has the ability to extend its global influence and realise its ambitions of promoting economic stability, peace and security and gender equality through a sustained commitment to reinvesting in Australian overseas aid and development. If it fails to do so, it will fail to create the conditions to end poverty and inequality for the most marginalised and vulnerable in the developing world. Investing in adolescent girls in particular must be prioritised; girls are currently invisible in Australia's aid and development spending, yet they hold the key to achieving the SDGs and unlocking prosperity for themselves, their communities and their countries.

We wish you well in finalising the 2019-20 Budget. Should you wish to discuss this submission further with us, please contact our Policy and Government Relations Manager, Gareth Beyers on (03) 9672 3659 or gareth.beyers@plan.org.au.

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