

ABOUT OXFAM

Oxfam Australia is an independent, not-for-profit, secular development agency. Our vision is of a just world without poverty.

Our role is to:

- undertake long-term development programs that tackle the root causes of poverty;
- provide emergency assistance during disaster and conflict;
- conduct research, advocacy and campaigning to advance the rights of poor and marginalised people, particularly women, and work with them to achieve equality.

The global Oxfam confederation delivered life-saving assistance and life-changing development programs for more than 19.5 million people in 79 countries around the world in 2018–2019. Of that number, Oxfam Australia directly reached more than 1 million people in 22 countries.

Oxfam Australia is a long-term partner of the Australian Government. Oxfam Australia delivered \$17.080 million worth of programs in partnerships with the Department of Foreign Affairs and Trade in 2018-19.

Oxfam Australia is supported by more than 550,000 Australians annually who contribute skills, time and financial support to advance our work. Oxfam Australia is a member of Oxfam International, a global confederation of 20 organisations that work together in 80 countries around the world.

In addition to this submission, Oxfam Australia endorses the content of the ACFID submission, and the joint agency submission from IWDA, Action Aid, Care, Plan and Oxfam on feminist foreign policy principles. The following recommendations should be read as additional to the recommendations in those two submissions.

INTRODUCTION

Australian aid can be a catalyst for eradicating poverty, reducing inequality and tackling the rising threats of climate change, disasters and fragility – risks that inevitably hit the world’s poorest people first and hardest. To achieve that vision, however, Australia’s development assistance must **be focused on supporting and empowering the poorest countries and communities to achieve their aspirations**, and ensure resources flow first and foremost to women and other marginalised groups who are denied power and prosperity.

Australian aid should be delivered in ways that not only helps countries to deliver the development results their citizens require, but also helps citizens to demand the investments and outcomes they need, and hold governments to account. That means the aid program must **invest much more in civil society and programs that support inclusion, aid transparency and social accountability**. Aid investments that strengthen this ‘citizen-state compact’ will ensure impact will be sustained over time.

At home and abroad the Government needs a much clearer strategy for tackling the cause of climate change as well as the impacts, with much greater ambition when it comes to investing in climate mitigation and adaptation, disaster risk reduction, and resilience, food and water security. The aid program needs **a whole of government, integrated and prioritized approach to climate change**. We know that investing in resilience and risk reduction saves lives, and is more cost effective than responding when disaster hits and there are powerful opportunities for Australia to achieve strong development outcomes through embracing climate action.

At the same time, humanitarian crises continue to unfold globally, and their escalating scale and frequency is assured in the near term given climate change and global insecurity. Australia needs to continue to **scale up its capacity to respond to this humanitarian challenge in our region and beyond**.

PRINCIPLES FOR A NEW AUSTRALIAN AID PROGRAM

Australia's aid program should aim to eradicate, not just reduce, poverty. We should first ensure that aid is doing no harm and second that aid is designed and delivered in ways that will maximise its positive impact on poverty and inequality reduction.

Principle 1: eradicate poverty

Today we live in a world of plenty, yet 10% of the world lives in extreme poverty. The scale of the poverty and inequality challenge for the poorest countries is significant: it is projected that hundreds of millions of people will still be living in extreme poverty by 2030, and the majority will be women and girls. In this context, aid is a crucial financial flow. Impact can be assessed by whether aid support is closing the gap between the incomes of the top 10% and the bottom 40% in countries receiving aid.

There will also be no solution to poverty without gender equality. The majority of people living in poverty are women and girls: with less income and fewer assets than men, they comprise the greatest proportion of the world's poorest households and that proportion is growing.ⁱ

Australian Aid should:

1. *establish two binding goals that ensure all aid that is given is clearly both reducing inequality reducing poverty. These twin goals should be used to evaluate all programs and assess their impact.*
2. *be revised with the overarching goal of ending extreme poverty by 2030 in line with the Sustainable Development Goals.*
3. *increase aid to promote active citizenship, and build the citizen-state compact. The poorest people, marginalised groups, and women and girls are often excluded from decision making, while the richest can shape policies in their interests. Aid can play a role by supporting active citizens to hold the state to account and ensure they deliver for everyone. This can only be effective if donors also help protect civic space in developing countries.*

Principle 2: do no harm

Donors should ensure first that aid is doing no harm and is not allocated in ways that could result in greater poverty and inequality.

Oxfam recognises that a strong aid program can have a range of positive impacts on Australia's national interest, regional security and prosperity. However, for those benefits to be fully realised the primary purpose of the aid program must remain the eradication of poverty and reduction of inequality.

Australian Aid should:

4. *avoid supporting risky and unproven public-private partnerships, especially in education and health, which have been shown to increase inequalityⁱⁱ. There is a considerable risk that putting a profit motive at the heart of development, increases the likelihood of unaffordable user fees, privatisation of public services, and where there is poor governance or land grabbingⁱⁱⁱ.*
5. *avoid diverting aid to serve national political and commercial objectives. Australian aid should never put our own interests ahead of the interests of the poorest people. For example, Australia should stop not preference to Australian companies, over local companies, when awarding aid contracts.*
6. *avoid aid modalities and instruments that contribute to put countries in debt distress, or deepen such a problem. Today, two thirds of countries eligible for the Australian Infrastructure Financing Facility for the Pacific are already at high or moderate debt distress^{iv}. Donors should favour grants, and scale up their efforts to help reduce debt burdens through restructuring and cancellation.^v*

Principle 3: meet growing needs

Australia needs a generous, and stable aid program that leaves no one behind, bolsters the capacity and responsibility of states to provide for all their people, and helps to build resilience in an increasingly risky and uncertain world.

Humanitarian funding has increased steadily over the years, but has not grown fast enough to meet rising needs. Meanwhile, countries affected by crisis often receive far less development funding than they would without the crisis: in 2016, people living in the 20 largest recipient countries of international humanitarian assistance received less non-humanitarian official development assistance (ODA) than those living in other developing countries. In other words, just when

countries most need long-term assistance, they are getting less.^{vi}

Systemic transformation takes longer than one program cycle. This is especially true in fragile contexts, where sustainable development is non-linear and slow. “Donors need to explore how to maintain independent, principled and needs-based humanitarian funding while encouraging multi-year flexible financing to become the norm.”^{vii} Aid funding needs to shift from short-term projects of 6–12 months’ duration to 3–5-year program cycles, and ultimately 10- to 15-year goals that deliver across the humanitarian-development-peace spectrum.

Australian Aid should:

7. *commit to a time-bound strategy for increasing the aid budget which aims at allocating 70 cents in every \$100 of gross national income (GNI)*
8. *develop a more ambitious approach to innovation in the aid program, including embedding funding for innovative practice across all country, sectoral and thematic programs to enable all partners to test new approaches and technologies and solve problems more efficiently and effectively as part of continuous learning*
9. *move institutional funding to longer term funding cycles, including resourcing and rewarding learning and transparency, so that donors and agencies can take managed risks with context-specific and innovative programming.”^{viii}*

OXFAM & INNOVATION

Oxfam’s program ‘UnBlocked Cash: harnessing the power of blockchain technology to deliver aid’, works in partnership with technology companies Sempo and Consensus. We have successfully trialled the first delivery of blockchain-powered disaster assistance in the Pacific region through a Cash and Voucher Approach program in response to the Ambae Volcano. It is an example of a blend of locally-led humanitarian assistance, digital financial inclusion, and blockchain innovation that combines the expertise of a leading humanitarian and development agency with an emerging tech start-up company.

Principle 4: a coherent humanitarian – development – peace approach

In the past 10 years, the number of conflicts and conflict-related deaths around the world have risen sharply. Conflict has become more protracted and

displacement more common. At the same time, climate-related shocks are becoming more intense and more frequent.

On top of extreme weather and conflict-related shocks and stresses, people also experience human-induced injustices that restrict their rights, freedoms and development opportunities. Issues such as gender inequality, discrimination, economic inequality, political and economic instabilities, elite capture of resources, forced migration and rapid unplanned urbanisation also shape vulnerabilities before, during and after specific acute events. Sustainable development and durable solutions to displacement are not possible without peace and security.^{ix}

Humanitarian relief, development programs and peacebuilding are inextricably linked. Australia’s development program should encourage a choice of tactics, tools and strategies that starts well before crises emerge, continues long after and focuses on transforming inequalities.

The aid program could be based around this ‘humanitarian-development-peace nexus’, focusing on the work needed to coherently address people’s vulnerability before, during and after crises.^x

The emphasis on a more coherent approach offers many opportunities. Meeting immediate needs at the same time as ensuring longer-term investment addressing the systemic causes of conflict and vulnerability – such as poverty, and inequality– has a better chance of reducing the impact of cyclical or recurrent shocks and stresses, and supporting the peace that is essential for development to be sustainable.

The implementation of a triple-nexus approach could provide a substantial opportunity to enhance gender justice, including through long-term support to women’s rights organisations and ensuring that women’s rights are integral to both immediate responses and longer-term outcomes.

Similarly, the potential emphasis on local leadership and the development of national and local systems to accountably provide essential social services offers the opportunity for more sustainable, appropriate and transformative responses. The current dialogue includes a welcome emphasis on early warning, early action and prevention.

Australian Aid should:

- 10. recognize the increasing complexity of contexts and the necessity for integrated development approaches that address the underlying cause of risk, inequality and vulnerability by providing longer-term, predictable and flexible funding windows^{xi}, and comprehensive systems analyses to inform development strategies.*
- 11. increase funding for the Australian NGO Cooperation Program (ANCP) and consider re-instating the multi-year ANCP partnership contractual arrangements.*

OXFAM AREA OF EXPERTISE: CLIMATE & DISASTER RESILIENCE

There are powerful *opportunities* for Australia to achieve strong development outcomes through embracing climate action. It is imperative that the Australian aid program take urgent action to address the underlying drivers of climate and disaster risk and vulnerability, and build resilience in a rapidly changing world.

The climate crisis is here and already having devastating impacts on people across the world. The crisis is urgent and the impacts on food security, biodiversity and natural resources on which people's livelihoods depend is devastating. It is also exacerbating poverty and inequality both within, and between, countries. This is already resulting in short-term shocks, with increased frequency and severity of extreme weather events, as well as long-term impacts on food production, health, forced migration, social conflict and increasing the risk of violence in fragile contexts.

Whole-of-government, large scale approach to a resilient, zero carbon future

Oxfam recognizes that Australia's potential to support climate and disaster resilience in our region and beyond is not limited to our official development assistance, and that the Australian Government should leverage all opportunities to help drive the global response to the climate crisis, including through defence, trade and investment policies.

The climate crisis requires an urgent and ambitious whole-of-government approach. This includes harnessing the potential of our aid program to help build the resilience of communities and to help drive the global transition to a sustainable future.

Australia should:

- 12. By 2022, ensure all Australian official development assistance, foreign investment, export credit, and trade promotion is compatible with the long-term goals of the Paris Agreement, including limiting warming to 1.5C.*

Oxfam acknowledges the value of large-scale, multi-country and multi-actor programs such as the Australian Humanitarian Partnership Disaster READY program have in building collaboration for community disaster preparedness.

OXFAM DISASTER READY VANUATU

Oxfam operates the Australian Humanitarian Partnership's Disaster READY program in Vanuatu, Solomon Islands and Timor-Leste. Our work with 10 local implementing partners and disabled people's organisations in Timor-Leste has strengthened community resilience to address the impacts of both slow and rapid onset disaster. Examples of this are: we worked with local partners to review the new national Disaster Risk Management policy, we worked with partners and communities to plan and test local early warning systems, and together we strengthened the local media's ability to respectfully report on disability inclusion in their coverage of disasters.

Australian Aid should:

- 13. focus on large scale, multi-country, multi actor programs that are used to meet the growing needs in climate mitigation, adaptation and resilience programs.*
- 14. ensure that all future Disaster Risk Reduction programs explicitly integrate climate change adaptation, disaster risk reduction and sustainable natural resource management.*

Gender-led approaches

Women and girls' vulnerability in disasters is increased by structural inequality, discriminatory gender norms and stereotypes. We should seek to develop 'win-win' solutions for women and men that respond to immediate needs, address the systemic causes of

gendered vulnerability, and enhances capacities and leadership.

Climate and disaster resilient development cannot be achieved without ensuring gender equality and social inclusion— local level investments in women’s rights organisations and disabled people’s organisations can build civil society capacity to ensure women, girls and people of diverse gender and sexualities, along with people with a disability, influence and lead change from the bottom up.

Australian Aid should:

- 15. integrate gender analysis into all aspects of foreign policy, foreign aid and humanitarian assistance to ensure Australia’s efforts are promoting gender equality, not exacerbating or entrenching existing power structures and discrimination.*
- 16. increase the focus and expenditure on gender equality, assisted by gender- sensitive country-level budgeting and ensure programming is focused on women’s ability to: participate and lead in decision making and collective action; earn a living wage, lead an enterprise or retire with sufficient savings; recognize, reduce, redistribute and share care responsibilities; have control over income, assets and natural resources at the household and institutional levels; lead a life free from violence; and build resilience to shocks and risks.^{xii}*

Community-centered resilience approach

‘Community-centred resilience’ is an approach and process in which at-risk communities are actively involved in the identification, analysis, planning, monitoring and evaluation of disaster, climate change and other risks in order to build their individual and collective resilience to shocks, stresses and uncertainty.

Local people are at the heart of decision-making, with a key emphasis placed on participation, empowerment and capacity strengthening so that people and their communities can advocate for themselves. Community-centred resilience addresses systemic, longer-term issues by applying a systemic approach which recognises the need to change the social systems that create risk, fragility and vulnerability,

In the context of Australia’s financial commitments to financing and building infrastructure in the Pacific, Oxfam notes that, achieving positive and durable outcomes for communities requires a corresponding investment in ‘soft infrastructure’. This includes various factors necessary to ensure strong and inclusive infrastructure governance, and in particular engaging civil society and communities in prioritization, design and implementation of infrastructure projects and programs.

OXFAM BANGLADESH RURAL RESILIENCE

Oxfam is working to strengthen community resilience in disaster-prone rural areas of Bangladesh under three pillars: economic justice including women’s economic empowerment; climate action and disaster risk reduction (DRR); and active citizenship and knowledge management. In 2018-19, 10 partners supported the development of the ‘Upazila CBO Alliance’ encompassing 280 community organisations from Char and coastal areas. The Alliance facilitated 20 meetings and 10 monitoring visits with various stakeholders. The CBO Alliance achieved: 200 people with disability received a card for 3 year’s benefits; 250 people obtained elder citizen allowance; 29 child marriages were stopped; 34 people offered a 6 month technical training from Department of Youth; 103 extremely poor households received solar panels from Government; 100 extremely poor households (mostly women headed) received tailoring machine; 2,134 lactating mothers received benefit card; and 100 women leaders included in different Upazila standing committees.

Australian Aid should:

- 17. be aligned to the development goals and self-identified priorities of the Pacific region, through the Framework for Resilient Development of the Pacific.*
- 18. ensure the needs and strengths of local communities are at the heart of Australia’s international support for climate and disaster resilience. This should include, among other measures, targeted investments in the capacity of local communities to be involved in planning and decision-making.*

Addressing common challenges in the Pacific and here at home

The climate crisis is presenting many communities here in Australia with challenges similar to those faced by some of our development partners. For example, communities in the Torres Strait Islands are facing acute challenges of coastal erosion and inundation, comparable to those faced by atoll communities in the Pacific. Oxfam believes there is great value in sharing knowledge, experience and solutions between vulnerable Australian communities and DFAT's partners in the Pacific and beyond.

Australian Aid should:

- 19. invest in partnerships and platforms that enable greater sharing of resilience strategies between communities in the Pacific and Australia, with a particular focus on First Peoples.*

Scaling-up finance for climate action

Under the Paris Agreement, developed countries have pledged to provide USD\$100bn/year from 2020-2025 to support climate change adaptation and mitigation in developing countries, with a new shared international climate finance goal to come into play from 2025. Australia will need to steadily increase its current annual contribution to ensure it meets a fair share of these goals.

Australia should:

- 20. scale-up its overall contribution of international climate finance (including public and private funds) to reach approximately AUD\$3bn a year by 2025 and set ongoing annual contributions beyond 2025 from a floor of AUD\$3bn. The Government should continue to ensure that at least half of this funding supports climate change adaptation, follow the Climate Change Action Strategy 2020-2025, and include a new contribution to the Green Climate Fund as part of its overall commitment.*
- 21. commit to report annually on its contribution of climate finance over the preceding year, and its intended contribution over the coming year.*

OXFAM AREA OF EXPERTISE: CIVIL SOCIETY

A functioning compact between active citizens and effective, accountable governments is one of the strongest drivers of development progress.^{xiii} Active citizens and civil society organisations (CSOs) contribute to sustainable development by calling on governments to invest resources in the public interest, holding government and private sector actors to account and ensuring the poorest and most vulnerable groups are not left behind.

CSOs that are embedded in local communities are also uniquely positioned to deliver important social changes that require long-term integrated strategies. For example, women's rights organisations have vital expertise and knowledge to share about what works in complex political and cultural settings and have been critical to driving changes in areas that were previously seen as 'private' or 'cultural' matters, including violence against women, and sexual and reproductive health and rights.

OXFAM GOVERNANCE, LEADERSHIP AND ACCOUNTABILITY PROGRAM IN VANUATU

Oxfam supports local civil society networks to deliver project activities and provides support building organisational capacity to ensure project sustainability.

Oxfam's support on disability inclusion awareness-raising to Vanuatu Civil Society Disability Network (VCSDN) led to VCSDN being invited to assess the Pacific Regional VAN2017 Mini South Pacific Games facilities. As a result there was improved accessibility for Paralympic participants and spectators, and 74 people with a disability (26 women and 48 male) participated.

Australia's investment in civil society and social accountability also contributes to regional security and prosperity through the promotion of good governance and social cohesion, and by reducing vulnerability to shocks.^{xiv}

Currently the Australian Government invests heavily in commercial suppliers and multilateral institutions, with only 10% of Australian official development assistance being directed towards non-government

organisations.^{xv} Australia needs to get the balance right in its mix of partners: investing both in government and private sector actors, as well as local and national civil society players to enable them to promote good governance and social accountability and protect the long term outcomes of Australian aid.

Regardless of which type of partner the Australian Government engages, strengthening civil society and enhancing social accountability requires long term program funding directed towards achieving lasting, systemic change.

Australian Aid should:

22. *have a proportion allocated towards long term programs aimed at achieving transformative social change should be increased, specifically:*
 - a. *Measures should be introduced to increase the proportion of Australian ODA channelled to and through civil society to 20%.*
 - b. *by expanding the localization agenda, beyond humanitarian programming.*
23. *establish procurement processes that engage with CSOs in program design and project implementation. Tenderers should demonstrate how they propose to engage, strengthen and work with civil society.*

ⁱ Research by UN Women finds that women and girls are disproportionately represented in the poorest households, and this proportion has been growing. See <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2015/pow-w-2015-2016-en.pdf?la=en&vs=0>

ⁱⁱ Hitting the Target; an agenda for aid in times of extreme inequality, Oxfam Briefing Paper, Oxfam International, April 2019

ⁱⁱⁱ Hitting the Target; an agenda for aid in times of extreme inequality, Oxfam Briefing Paper, Oxfam International, April 2019

^{iv} <https://www.jubileeaustalia.org/latest-news/new-report-enter-the-dragon>

“Rohan Fox and Matthew Dornan noted that although China was largely not to blame, there was a serious sovereign debt problem in the Pacific. Using IMF data, they showed that of the 15 countries eligible for the AIFFP, six are already at high level of debt distress (Kiribati, Marshall Islands, Micronesia, Samoa, Tonga, and Tuvalu). Four are at a moderate debt distress (PNG, Solomon Islands, Timor Leste, and Vanuatu). Fox and Dornan also showed that the trend has in fact been getting worse over recent years: that more Pacific nations have been moving from low to moderate risk, and more from moderate to high risk.”

<https://www.lowyinstitute.org/publications/ocean-debt-belt-and-road-and-debt-diplomacy-pacific>

^v Hitting the Target; an agenda for aid in times of extreme inequality, Oxfam Briefing Paper, Oxfam International, April 2019

^{vi} The Humanitarian-Development-Peace Nexus: what does it mean for multi-mandated organisations, Oxfam Briefing Paper, Oxfam International, June 2019

^{vii} The Humanitarian-Development-Peace Nexus: what does it mean for multi-mandated organisations, Oxfam Briefing Paper, Oxfam International, June 2019, p. 40

24. *ensure all country, sectoral and thematic programs include a clear strategy for supporting and resourcing civil society actors to ensure social accountability and long-term development impact. The precise model of civil society engagement will depend on the context and should be informed by diverse civil society stakeholders as part of the design process.*
25. *support open civic space through its foreign policy, including by raising concerns about closing civic space and increasing attacks on human rights defenders in bilateral and multilateral fora.*

Emma Bull
Head of Political Engagement
E: emmab@oxfam.org.au
T: 0408 371 498

Submitted on 14 February 2020 to the Department of Foreign Affairs & Trade

^{viii} The Humanitarian-Development-Peace Nexus: what does it mean for multi-mandated organisations, Oxfam Briefing Paper, Oxfam International, June 2019, p. 40

^{ix} The Humanitarian-Development-Peace Nexus: what does it mean for multi-mandated organisations, Oxfam Briefing Paper, Oxfam International, June 2019

^x The Humanitarian-Development-Peace Nexus: what does it mean for multi-mandated organisations, Oxfam Briefing Paper, Oxfam International, June 2019

^{xi} Flexible funding for example is funding that can be re-purposed using an adaptive management approach. A positive example of this currently in Australia is the ANCP which has some flexibility to be programmed differently each year.

^{xii} A Feminist Approach to Women’s Economic Empowerment: How Canada can lead on addressing the neglected areas of WEE, Oxfam Canada, January 2019.

^{xiii} Oxfam International, “Accountability and Ownership: the role of aid in a post 2015 world” (September 2016) p.18; D. Green, From Poverty to Power: How Active Citizens and Effective States can Change the World (2012).

^{xiv} An approach towards building accountability that relies on ordinary citizens and/or civil society organisations participating directly or indirectly in managing public resources and in exacting accountability from governments and institutions. Mechanisms include participatory budgeting, public expenditure tracking, citizen monitoring of public service delivery, citizen advisory boards, lobbying and advocacy campaigns.

^{xv} Australian Government, Australia’s ODA Standard Time Series, available at: <https://dfat.gov.au/about-us/publications/aid/statistical-summary-time-series-data/Pages/australias-official-development-assistance-standard-time-series.aspx>.