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INTERNATIONAL
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Foundations for Sustainable Growth & Development

ACFID Submission to the 2014–15 Federal Budget

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Executive summary

‘[Aid] will continue to grow, but we want to make sure that it is effectively and efficiently delivered. That will also mean putting more money into NGOs who are on the ground and who can deliver aid more efficiently.’ – The Hon Julie Bishop MP¹

This submission is made in relation to the Government’s aid program and expenditure of Official Development Assistance (ODA) across the Whole of Government. The recommendations contained herein aim to assist the Australian Government to operationalise its foreign aid commitments and to highlight areas in which ODA could be effectively expended in order to support sustainable economic growth and human development into the future.

The Australian Council for International Development (ACFID) is the Australian peak body for non-government organisations (NGOs) working in international aid, development and humanitarian response. ACFID represents over 130 Australian not-for-profit organisations that work in more than 100 developing countries. ACFID’s membership attracts an annual Australian public supporter base of approximately two million Australian households. Currently entering its 50th year, ACFID brings together decades of civil society expertise in international aid and development. The expertise gained over the 50 years of ACFID’s existence has been codified into a Code of Conduct (hereafter, the Code) for the Australian non-governmental aid and development sector. The Code is a self-regulatory framework outlining 50 Principles and 150 Obligations for ACFID Members, as they strive for transparency and good practice in their development work. The Code includes an annual compliance process as well as an independent complaints mechanism. A full list of ACFID’s Executive Committee and membership is attached at **Annexes A and B**, respectively.

ACFID’s Key Recommendations for the 2014–15 Federal Budget are threefold.

Firstly, we focus on assisting the Government to operationalise its commitment to put more money through effective NGOs, by outlining a ‘Team Australia’ approach to working with NGOs as an effective method of aid delivery. This approach would see the high-impact Australian NGO Cooperation Program (ANCP) increase and allow the Government to leverage the reach, expertise and strengths of Australian NGOs in areas that are mutually prioritised, including lifting the living standards of the most vulnerable people in our region through better health and education outcomes, and empowering women and girls.²

Secondly, we recommend that the Government maintains its pre-election commitment to increase aid in line with CPI. This commitment was made in the Federal Coalition’s *Final Update on Federal Coalition Election Policy Commitments*³ and has been restated by the Foreign Minister as recently as 18 January 2014.⁴ ACFID welcomes commitments to increase ODA and looks forward to seeing the increase implemented in the May budget.

Thirdly, we propose an innovative pilot multi-stakeholder partnership between the private sector, civil society and governments, to focus on the niche issue of boosting productivity and sustainable production for coffee growers in PNG.

Our further recommendations outline other innovative ways in which the Government can bring together the private sector and civil society to tackle problems, and provide suggestions for

¹ The Hon Julie Bishop MP, *Sky News Post Election Sunday Agenda*, 8 September 2013.

² Government priorities described by The Hon Julie Bishop MP, Media Release, *Five billion dollar aid budget to focus on the region*, 18 January 2014.

³ The Hon Joe Hockey MP & The Hon Andrew Robb AO MP, *Final Update On Federal Coalition Election Policy Commitments*, 5 September 2013, available at <http://www.liberal.org.au/latest-news/2013/09/05/final-update-federal-coalition-election-policy-commitments> accessed 5 February 2014.

⁴ The Hon Julie Bishop MP, Media Release, *Five billion dollar aid budget to focus on the region*, 18 January 2014, & The Hon Julie Bishop MP, Transcript, *Subiaco doorstep*, 18 January 2014.

boosting the allocation towards other key areas such as disability inclusion, skilled volunteer placements, research partnerships, education and health.

An effective aid program that supports the foundations for sustainable growth and development needs to focus on achieving results for the poorest and most marginalised communities. ACFID looks forward to working with the Government to further the impact of Australia's essential international development program, in the interests of the Australian people, our region and beyond.

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Table of recommendations⁵

			Allocation (A\$ millions) ^{6,7}	Notes
Key recommendations	Recommendation 1: Team Australia – Increase the allocation of funding towards NGOs that do effective work on the ground	1.1: Establish Priority Program Funds in 7 key areas to leverage the reach and expertise of Australian NGOs	1.85* for Year 1	
		1.2: Increase the Australian NGO Cooperation Program (ANCP) to 8% of ODA	414.25**	An increase of 273.25 m on the 2013-14 allocation of 141.0 m
	Recommendation 2: Implement the Government commitment to increase ODA annually by the Consumer Price Index (CPI)		Total ODA increase of approx.136.13 ⁸	See footnote 7
	Recommendation 3: Pilot Program – Tackling Challenges Together: A multi-stakeholder partnership to boost productivity and sustainable production for coffee growers in PNG		0.3* for Year 1	
Further recommendations	Recommendation 4: Boost support for effective humanitarian action	4.1: Increase the budget allocation to humanitarian action and emergency response to 10% of ODA	517.81**	An increase of 253.61 m on current total allocation for humanitarian, emergencies and refugees of 264.2 m
		4.2: Reserve at least 20% of humanitarian and emergency response funding (above) for NGO action	103.56	This 103.56 m sits within the envelope of the above 517.81 m and is not additional funding
	Recommendation 5: Increase support for Australia's world leading disability-inclusion work	5.1: Embed disability-inclusion practices across all programmatic areas of the Australian Governments aid spend	207**	While there are limited recent figures, in 2011-12 Australia provided approx. 108 m in this area. This proposal would represent an increase of 99 m on that allocation.
		5.2: Equip and support governments across the East Asia and Pacific region to implement the UN Convention on the Rights of Persons with Disabilities	3*	
	Recommendation 6: Fully resource the role of the Australia's Global Ambassador for Women and Girls		1.1 ^{9*}	
	Recommendation 7: Invest in Research and Innovation for Development Effectiveness	7.1: Continue the Australian Development Research Award Scheme	10** for Year 1	This is in-line with previous funding allocations, with 32.9 m over 3 years being allocated for the last round of the scheme in 2012

⁵ Not all of the recommendations contained herein represent new money. In many cases our recommendations are for increases in areas of current spending. See the notes column and footnotes for full details.

⁶ All budget allocation figures in this submission are in \$AU millions, unless otherwise stated.

⁷ All figures are estimates. Where figures are calculated as a percentage of ODA, they have been calculated assuming an estimated increase in total ODA of 2.7% based on current trends in CPI growth to December 2013. This gives an approximate 2014–15 total ODA budget of \$5.178bn.

⁸ Calculated using All Groups CPI average from December Quarter 2012 to December Quarter 2013, giving a CPI increase of approximately 2.7%. Budget CPI figures taking into account 1st Quarter All Groups CPI for 2014 may differ. Data from Australian Bureau of Statistics, sourced from [http://www.ausstats.abs.gov.au/ausstats/meisubs.nsf/0/418302CC34F569FCCA257C67000CE6D7/\\$File/64010_dec%202013.pdf](http://www.ausstats.abs.gov.au/ausstats/meisubs.nsf/0/418302CC34F569FCCA257C67000CE6D7/$File/64010_dec%202013.pdf), accessed 5 February 2014.

⁹ Funding for this position is not sourced from ODA but from DFAT budget lines, as per other Ambassadorial roles.

		7.2: Support innovation through the initiation of a 'Grand Challenges' fund	30* for Year 1	
	Recommendation 8: Ensure ongoing people-to-people links through skilled volunteer placements		75**	An increase of 9.7 m on the 2013-14 allocation of 65.3 m
	Recommendation 9: Focus on education and leadership for young women and girls	9.1: Joint Private Sector–Civil Society Education Empowerment Fund	0.5* for Year 1	
		9.2: Deliver \$120m to the Global Partnership for Education	120**	This is the final instalment in Australia's 2011 promised pledge to the Global Partnership for Education of 270 m over 4 years
	Recommendation 10: Lift aid for proven and cost effective health programs	10.1: Lift the overall health spend to 20% of ODA, including <ul style="list-style-type: none"> • A continuation of the strong focus on maternal and child health • \$40m for the Scaling Up Nutrition initiative • at least \$225m for the period 2014–2016 for the GAVI Alliance (75m per yr) • a top-up of \$200m for the Global Fund to fight HIV/AIDS, TB and Malaria • an increased allocation to combat non-communicable diseases. 	1,035.63**	An increase of 272.63 on the 2013-14 allocation of 763 m total on health programs
		10.2: Allocate an overall spend on water, sanitation and hygiene (WASH) initiatives at 5% of ODA	258.91**	This would represent a similar allocation to 2013-14, in which Australia allocated about 5% of ODA to water and sanitation
Total estimated CPI increase			136.13	
Total estimated new proposals (* = new proposals)			36.75	
Total estimated for fulfilling & continuing current funding commitments, and scaling-up further in selected programs (** = current programs)			2,638.6	

Recommendation 1: Team Australia – increase the allocation of funding towards NGOs who do effective work on the ground

The Federal Coalition made the welcome commitment to ‘re-prioritise foreign aid allocations towards Non-Government Organisations that deliver on-the-ground support for those most in need’¹⁰ ahead of the September 2013 election. The then Shadow Foreign Minister further explained on 8 September 2013 that this would ‘also mean putting more money into NGOs who are on the ground and who can deliver aid more efficiently’.¹¹

This recommendation contains two proposals that would allow the Government to operationalise its commitments to NGOs and capitalise on the strengths of effective NGO programs. It builds on the commitment of the Government to put more money through effective NGOs and the vision set out by Julie Bishop on 7 August 2013, when she outlined the ideal approach to all aspects of foreign affairs, including aid and trade, as ‘a ‘Team Australia’ approach ... that will be a hallmark of our presence overseas’.¹²

Allocating aid funding to differing projects and implementing partners within the envelope of ODA involves making difficult decisions between competing and often worthy priorities. Around 90% of Australia’s aid program is allocated bilaterally and through multilateral agencies, both of which are extremely important in aid delivery. Australian NGOs partner with the Australian Government to deliver around 6% of Australia’s official aid program, and civil society more broadly (including local NGOs and non-Australian NGOs) delivers around 11% of Australian ODA. In contrast, around 20% of the UK’s Department for International Development (DFID) bilateral programs, for example, were delivered by civil society including NGOs in 2012–13.

Australian NGOs operate in every country in which the Australian official aid program operates. As a sector, we independently generate over \$1 billion annually for our international aid and development work through public donations, corporate partnerships and other non-government sources.¹³ We have a leading Code of Conduct that underpins the accountability, transparency and effectiveness of our work. Australian NGOs have established networks and partners in developing countries worldwide. Our operating costs are often markedly lower than those of Government or multilateral institutions. The Government has noted that ‘NGOs are often the first to trial innovative solutions for delivering aid and foster networks within and across countries. This enables them to reach the poorest and most marginalised communities’.¹⁴

¹⁰ The Hon Joe Hockey MP & The Hon Andrew Robb AO MP, *Final Update On Federal Coalition Election Policy Commitments*, 5 September 2013, available at <http://www.liberal.org.au/latest-news/2013/09/05/final-update-federal-coalition-election-policy-commitments>, accessed 5 February 2014.

¹¹ The Hon Julie Bishop MP, *Sky News Post Election Sunday Agenda*, 8 September 2013.

¹² The Hon Julie Bishop MP, Lowy Institute for International Policy, *Australian Foreign Policy Debate*, 7 August 2013, Sydney.

¹³ See table below showing funds administered by ANGOs. Over \$1 billion was leveraged from the public and other non-government sources in the past two financial years.

¹⁴ Australian Government Budget Papers, *Australia’s International Development Assistance Program 2013–14: Effective Aid – Helping the World’s Poor*, 14 May 2013, p. 100.

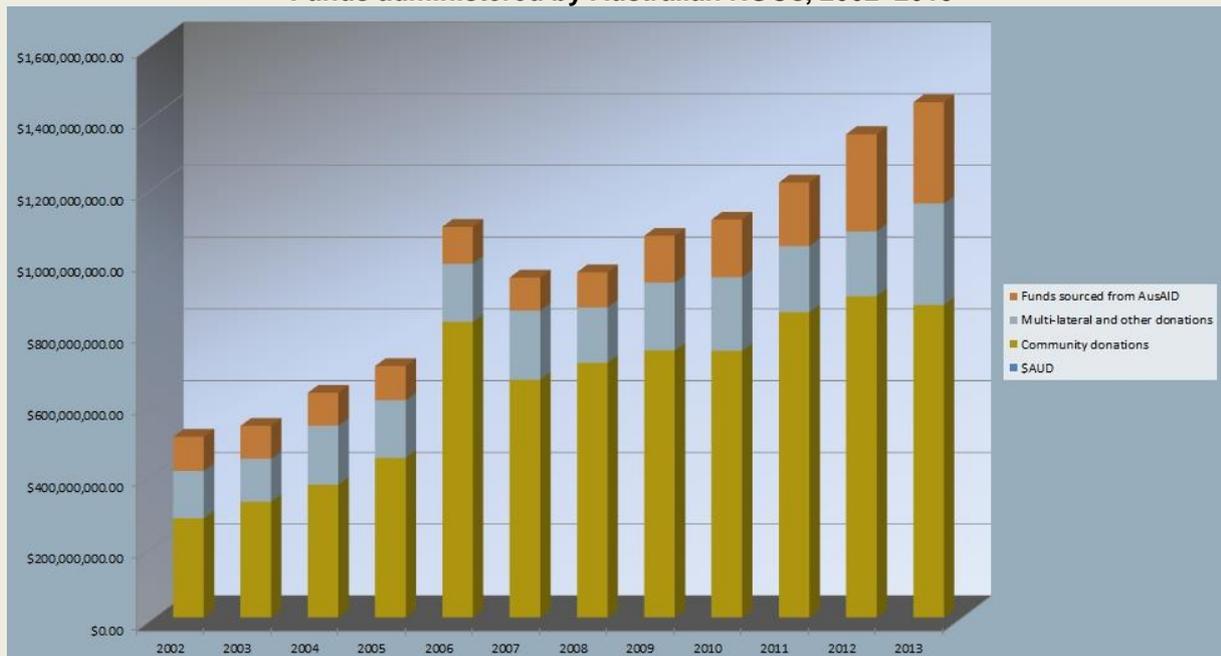
'Team Australia': Government, NGOs and the Australian public

'we want to make sure that [aid] is effectively and efficiently delivered. That will also mean putting more money into NGOs who are on the ground and who can deliver aid more efficiently
– The Hon Julie Bishop MP, 8 September 2013

Australian NGOs (ANGOs) have an enduring connection to the Australian public. As partners with the Government, we regularly communicate back to our public supporters about aid projects and the value and effectiveness of Australian aid. The community has consistently demonstrated support for charitable pursuits, including aid and development, and the Australian public is ranked as the one of the most generous in the world in private giving. As can be seen from the table below, Australian public support through community donations for ANGOs has more than doubled over the past decade. ANGOs leveraged over \$1 billion from community and other non-government sources last financial year alone. The Independent Review of Aid Effectiveness noted that 'Australian NGOs have strong recognition and support within the Australian community. Highlighting government support for Australian NGOs' own programs can help build a sense that the aid program is a "team Australia" effort' (2011, p. 210).

Working in partnership with DFAT, Australian NGOs can bring this important connection back to the Australian public to the 'Team Australia' approach of the Government. The public recognises the work of ANGOs as *Australian aid*. An enhanced partnership between Australian NGOs and the Government could capitalise on this support. This would help both the Australian public's aid dollar and the official aid program to go further and allow greater alignment between the work of Australian NGOs and the aid and development priorities of the Government.

Funds administered by Australian NGOs, 2002–2013



Data from ACFID Annual Statistical Surveys, published in ACFID Annual Reports available online at www.acfid.asn.au. Years represent ACFID financial report publication years 2002 to 2013.

ACFID proposes two ways in which the Government can capitalise on the relative strengths of Australian NGOs and operationalise the commitment to allocating increased funding to effective NGO programs.

Recommendation 1: Team Australia – increase the allocation of funding towards NGOs who do effective work on the ground	Allocation (A\$m)
1.1: Establish Priority Programs in seven key areas to leverage the reach and expertise of Australian NGOs	2.2 for Year 1
1.2: Increase the Australian NGO Cooperation Program (ANCP) to 8% of ODA	414.25
Total allocation	416.45

Recommendation 1.1: Establish new Priority Programs in seven key areas to leverage the reach and expertise of Australian NGOs

Cooperation Agreements flourished under the leadership of Alexander Downer in the previous Coalition Government, but have since dwindled. The then Foreign Minister understood that by harnessing the strengths of NGOs within the country programs of the Government aid program, Australia could extend its reach, visibility and results at a moderate cost. As can be seen through an examination of DFAT’s list of Cooperation Agreements,¹⁵ most began under the previous Coalition Government prior to November 2007 and have now ceased. Of the list of 12 Agreements, which utilised the strengths and geographic spread of NGOs, only a few notable exceptions remain.

In the past Cooperation Agreements have operated as partnerships between the Australian Government and NGOs, which achieve set outcomes in developing countries based on Australian country priorities and the strengths and capacity of NGOs. They are developed in partnership with civil society, with the aims of the Government brought together with the on-the-ground knowledge and connections of Australian NGOs to inform the structure, key thematic areas to target, and planning for each individual agreement.¹⁶ They have been particularly useful where NGOs are able to partner with – and reach – communities that Governments and other aid delivery organisations are less capable of reaching. They range from specialist programs aimed at achieving results in thematic areas – such as maternal health – to programs aimed at strengthening whole sectors, such as the very successful PNG Church Partnership Program. Further information on the impact of Cooperation Agreements in the past and examples from formal evaluations of such agreements can be found at the end of this submission at **Annex C**.

ACFID proposes that the Government investigates establishing seven new Priority Programs, which would build on the past strengths of Cooperation Agreements, with NGOs across the countries, regions and thematic areas set out in the table on the next page.¹⁷

Each of the proposed programs focuses on regions, countries and thematic areas to which Australian NGOs and their local partners bring significant expertise and knowledge. The Programs would be developed using a partnership approach, similar to that undertaken to develop the recent Australia Afghanistan Community Resilience Scheme (AACRS), but innovative ways of approaching funding to lower administrative costs could be explored.

¹⁵ List available at <http://aid.dfat.gov.au/ngos/pages/agreements.aspx>, accessed 5 February 2014.

¹⁶ A description of Cooperation Agreements can also be found at <http://aid.dfat.gov.au/ngos/pages/agreements.aspx>, accessed 5 February 2014.

¹⁷ ACFID also supports existing Cooperation Agreements, including the Civil Society Water, Sanitation and Hygiene (WASH) Fund, the Afghanistan Australia Community Resilience Scheme (AACRS), and the Australia Middle East Cooperation Agreement (AMENCA), and recommends that they continue to be supported with planned allocations of funds.

The first year of these Priority Programs would involve formal consultation with Australian NGOs, local civil society and country governments, and a peer-reviewed process of planning and design. Suggested funding allocations for 2014–15 reflect ACFID’s estimation of what would be required to undertake this process in each instance, bringing the Programs to the point where they would be ready to implement. The full multi-year allocation for each Agreement should be determined throughout the design and consultation phases; however, as a guide, ACFID proposes that each Agreement should include at least three years of implementation as well as time for monitoring, learning and evaluation. This multi-year funding could be expected to flow and require allocation from Year 2 of each Agreement.

Proposed new Priority Programs	2014–15 Allocation (\$Am)	Estimated multi-year allocation (over 4 years from 2015–16) (A\$m)
Women’s Economic Empowerment in Asia	0.45	25
Mekong Regional Priority Program (Cambodia, Vietnam, Laos)	0.3	20
Australia Timor–Leste Priority Program to Enhance Economic and Employment Opportunities	0.1	10
Australia Myanmar NGO Priority Program to Enhance Sustainable Peace	0.1	10
Australia Pakistan Priority Program – Education, Health and Job Creation	0.1	10
Australia Pacific Disaster Risk Reduction Priority Program	0.4	20
Civil Society Strengthening in South & West Asia Regional Priority Program	0.4	15
Total allocation	1.85 (Year 1)	110 (Over 4 Years from 2015–16)

Detailed explanations of proposed new Priority Programs

Women’s economic empowerment in Asia

‘Report after report, survey after survey indicates that absolute truth that investment in gender equality yields the highest returns of all the development investment we can make.’ — The Hon Julie Bishop MP ¹⁸

‘Economic analyses by the World Bank and the United Nations reveal a strong link between levels of gender equity and national development. Women can be powerful drivers of economic development.’ – The Coalition’s Foreign Policy ¹⁹

A recent sample of just 19 ACFID member NGOs working on women’s leadership and gender equality in Asia and the Pacific found over 80 projects under way worth a total of \$61 million. These projects covered a range of areas of women’s leadership and empowerment including civic and political participation, economic empowerment, safety and security, and health.

¹⁸ Address to Make Poverty History’s GROW Photographic Exhibition, July 2012, <http://juliebishop.com.au/address-to-make-poverty-history-grow-photographic-exhibition-subiac/>, accessed 5 February 2014.

¹⁹ Federal Coalition, *The Coalition’s Policy for Foreign Affairs*, September 2013, p. 8.

The breadth and experience of Australian NGOs, working with their local partners in the area of women's empowerment offers a unique opportunity for the Government to expand on current programs²⁰ in this area and further commitments to gender equity.

The proposed Priority Program would focus on key nations in East Asia including Myanmar, Cambodia, Indonesia, Vietnam and Timor–Leste. ACFID proposes that the Agreement's core aim would be to enhance women's economic empowerment through three key focus areas in which interventions are proven to boost women's empowerment and drive economic development, and in which Australian NGOs and their local partners have proven expertise. These are:

1. Building sustainable rural livelihoods with a focus on small-scale women producers:

Small-scale food producers play a critical role in the local economies and food security of many of the poorest communities in the world. Almost one third of the global population is in fact supported by about 500 million small farms in developing countries around the world.²¹ A recent Oxfam Australia report has noted that:

'Growth in agriculture, particularly small-scale agriculture, benefits the poorest at least twice as much as growth in other sectors of the economy. Investment in smallholder farming creates more jobs and more income for the poor than large-scale mechanised farming, and drives local innovation. When resources are targeted at women small-scale producers, the impact is even greater — the Food and Agriculture Organisation (FAO) estimates that providing women with the same access to resources as men small-scale producers could feed an additional 100–150 million hungry people.'²²

ACFID proposes a focus on small-scale women producers in this cooperation agreement in order to capitalise on this potential by empowering women producers to build resilience, protect their rights, increase access to markets and promote sustainable farming.

2. Improving access to quality maternal, sexual and reproductive health services

A focus on improving access to quality maternal, sexual and reproductive health services for women can similarly be expected to deliver high individual, community-level and economic returns. Training local health workers and assisting access to contraceptives is a strong focus for NGOs in Asia and the Pacific, where maternal death rates are high and there is an extreme shortage of skilled health workers in many rural and remote areas. Access to sexual and reproductive health services, including contraceptives, allows women to go to work and earn their own money. It means that parents can more easily afford to look after and educate their children, leading to higher wages and living standards. In the future it results a higher quality workforce that is equipped to compete in the global economy.²³

3. Working with civil society to enhance women's leadership at the community and governmental level

The final element of this proposed Agreement is a focus on working with civil society to enhance women's leadership at community, provincial and national governmental levels. It

²⁰ Such as the Pacific Women Shaping Pacific Development (PWDPD) program – a long term initiative of the Australian aid program, designed to improve the political, economic and social opportunities of Pacific women; as well as the Solomon Islands NGO Partnership Agreement (SINPA), which uses existing community strengths to encourage community-led development that empowers Solomon Islanders, particularly women, to improve their quality of life.

²¹ IFAD (undated) 'Food prices: smallholder farmers can be part of the solution', <http://www.ifad.org/operations/food/farmer.htm> in Oxfam Australia, *GROW: Getting Big Results from Small-Scale Agriculture*, 2013, accessed 5 February 2014.

²² Oxfam Australia, *GROW: Getting Big Results from Small-Scale Agriculture*, 2013.

²³ Marie Stopes International Australia, *The reason why we think Bill and Melinda Gates got it so right in their annual letter*, 21 January 2014, available at http://www.mariestopes.org/news/reason-why-we-think-gates-got-it-right-their-annual-letter?dm_i=F3D,24FSV,57YWGX,7NWVD,1 accessed 5 February 2014.

would build on the Coalition's pre-election commitment to engage with female leaders in our region²⁴ and leverage the strong existing partnerships between Australian NGOs and women's civil society organisations across Asia and the Pacific. Working with local civil society at the community and provincial government levels, this part of the Agreement would focus on ensuring that women's voices are heard in community and provincial decision-making, strengthening and helping to make sustainable interventions and programs that support gender equality.

Mekong regional NGO Priority Program

The Mekong region is home to some of the world's fastest growing economies. High and sustained levels of economic growth in the region have seen a significant reduction in poverty levels. In 1992, all Mekong countries, with the exception of Thailand, had poverty levels close to or higher than 50%. Almost 10 years later, poverty levels had been dramatically reduced in Cambodia from 45% to 23%, in Laos from 56% to 34% and from 64% to 17% in Vietnam.²⁵

Despite such impressive economic growth figures, inequality remains persistent across the Mekong region. A recent OECD report highlights the persistence of income inequalities within Cambodia, Vietnam and Laos, with trends suggesting that inequality is worsening particularly between urban and rural areas, and between main ethnic groups and minorities.²⁶ In this context, targeted aid investments are needed to ensure that marginalised and vulnerable populations are equally able to access and benefit from the region's rapid economic growth.

Australian NGOs have decades of experience working in Mekong countries and a strong network of in-country partner organisations. As such, they are well positioned to assist in delivering strategic and targeted programs to ensure that marginalised and vulnerable populations are able to fully participate in the economic opportunities opening up to the region.

A Mekong Regional NGO Priority Program should focus on ensuring that the economic growth and opportunities of the region reach the poorest and most marginalised populations, with a particular focus on people with disabilities, women and children and ethnic minority communities. To that extent, a priority program should seek to nurture opportunities through four targeted thematic areas:

- Education: focused on opportunities for ethnic minority communities, inclusive education for children with disabilities and teacher training and resourcing.
- Economic livelihoods: focused on enabling individuals and communities opportunities to support themselves, with a particular focus on women and young people, vocational training, small business and income generation training, agricultural training and small scale infrastructure projects.
- Health: including ongoing support and treatment for HIV/AIDS, support to primary healthcare facilities, training and support to midwives and support for community based rehabilitation programs.
- Violence against women: a final strand of a Mekong regional agreement should be a focus on improving prevention of, response to and research into gender based violence.

A focus on these four areas would make a vital contribution in ensuring economic and livelihood opportunities for all, and would work to keep communities healthy, accessible and safe.

²⁴ Federal Coalition, *The Coalition's Policy for Foreign Affairs*, September 2013, p. 8.

²⁵ Asian Development Bank, 2012, 'The Greater Mekong Subregion at 20: Progress and Prospects,' <http://www.adb.org/sites/default/files/pub/2012/gms-20-yrs-progress-prospects.pdf>, accessed 5 February 2014.

²⁶ OECD, 2013, 'Southeast Asian Economic Outlook 2013,' p.348.

Australia Timor–Leste NGO Priority Program to enhance economic and employment opportunities

Timor–Leste has long been a key focus for Australia’s aid and development assistance, in recognition of a close relationship and people-to-people links, the high levels of poverty and the need to overcome the effects of conflict. Australia’s support is focused on helping the Timorese Government to improve access to basic services, economic opportunities and quality of life.

Over 30 Australian NGOs are actively working on the ground in Timor–Leste with the support of the Australian Government and annual donations of around \$9 million from the Australian public, including in the key areas of water and sanitation, gender equality, vocational education and training, access to financial services and sustainable livelihoods.

The proposed Priority Program would leverage the experience, links and funding of Australian NGOs to improve economic and employment opportunities in Timor–Leste, with a particular focus on vulnerable and marginalised groups including women, people with disabilities and people living in rural areas. Three proposed priority areas are:

- Providing vocational education and training opportunities
- Increasing access to financial services – including savings and loans
- Improving agricultural productivity and food security.

Such a focus aligns with Australia’s aid policy objectives and Timor’s Strategic Development Plan 2011–to 2030, to drive growth and rural development and improve equality of opportunity. For instance, women’s economic participation and control over productive assets speeds up development, helps overcome poverty and reduce inequalities, and improves children’s nutrition, health, and school attendance.²⁷

Australia Myanmar NGO Priority Program to enhance sustainable peace

Myanmar is presently undergoing rapid political, economic and social transformation with great potential for human development. Despite these changes, almost a quarter of the population still lives in poverty and investment in health and education remains at globally low levels.²⁸ Since reform processes began in 2012, the Australian Government has played a pivotal role in supporting the Myanmar Government to implement vital changes, becoming the first western nation to sign a Memorandum of Understanding on development cooperation.

As Myanmar transitions towards democracy, the Australian Government is well placed to work in collaboration with NGOs in delivering programs that address peacebuilding and women’s empowerment needs.

Over 23 Australian organisations are already working in Myanmar. Drawing on their expertise and successes to date, the Australian Government can leverage their aid investment and make a substantial difference in the lives of the poorest people.

A proposed cooperation agreement would focus on two key areas, in line with the agreed-upon priorities of the governments of Myanmar and Australia. These areas would cover:

- Sustainable Peace: As many regions of Myanmar are either still affected by conflict, or in the early stages of post-conflict reconstruction, a cooperation agreement should be centred on peace building initiatives and conflict prevention mechanisms in regions deeply affected by decades of violence.

²⁷ OECD, 2010, *Investing in Women and Girls – the Breakthrough Strategy for Achieving the MDGs*.

²⁸ UNDP Myanmar, <http://www.mm.undp.org/content/myanmar/en/home/countryinfo/>, accessed 5 February 2014.

- Women's empowerment: Programs must enable women to participate in and benefit equally from Myanmar's transition processes. Through such a focus, Australia could work with Myanmar to further commitments to the United Nations Security Council (UNSC) Resolution 1325 on Women, Peace and Security, and in so doing further our own commitments under Australia's National Action Plan on Women, Peace and Security.

In combination with direct bilateral aid programming, an NGO priority program will maximise the Australian Government's investment in Myanmar's development and affirm the Australian commitment to Myanmar's transition.

Australia Pakistan Priority Program – education, health and job creation

As a key country of focus, where Australia has enduring foreign affairs interests,²⁹ a thematic aid initiative would allow the Australian Government to prioritise key programming areas of shared importance with the Government of Pakistan (GoP), which include education, health, jobs creation, and women's empowerment.

During the 2012–13 financial year, Pakistan was one of the top 10 countries to receive Australian aid, totalling \$85.7m.³⁰ As a sector, ACFID members allocated over \$14.2 million on their programs in Pakistan in 2011–12. Additionally, ACFID members expended over \$7 million on humanitarian response in Pakistan, making it the third largest country to receive humanitarian funding from the Australian community.³¹ The primary sectors targeted through NGO programs were education, disaster risk reduction (DRR) and health.

Pakistan's social development challenges, as outlined in the 2012 National Sustainable Development Strategy include achieving economic growth in rural areas; essential social service delivery and infrastructure development especially with respect to education and health; creating job opportunities; and effectively delivering programs through improved governance at every level.³²

Working to achieve these aims is made more complex when grappling with security challenges, a substantial Afghan refugee population and a sequence of major natural disasters including droughts (1999 and 2002), cyclones affecting the south coast and a devastating earthquake in late 2005, followed by flooding in 2010 and 2011.³³

In support of Government of Pakistan priorities, ACFID's three recommended programming areas are:

- Improving access to education, especially for girls, both with respect to service delivery and infrastructure development of learning centres in rural areas, in alignment with the Pakistan Girls' Education Initiative (PGEI)
- Vocational training programs for youth, working towards the achievement of economic growth through jobs
- Cross-cutting disaster risk reduction awareness raising programs, linked with education and vocational training initiatives, aimed at building community resilience and targeting teachers, parents, children and youth.

²⁹ Federal Coalition, op. cit., p. 7.

³⁰ AusAID, op. cit., pp. 113, 123.

³¹ ACFID, op. cit., pp. 9, 13.

³² Government of Pakistan, *National Sustainable Development Strategy: Pakistan's Pathway to a Sustainable & Resilient Future*, 2012, pp. 7–8, <http://www.uncsd2012.org/index.php?page=view&type=6&nr=216&menu=32>, accessed 5 February 2014.

³³ *ibid*, p. 6.

Through an educative and training approach, a considerable contribution can be made to achieving sustainable development, strengthening economic growth potential and identifying future trade opportunities with this important south west Asian regional partner.

Australia Pacific Disaster Risk Reduction (DRR) Priority Program

'We acknowledge the important role of independent humanitarian action, and the crucial role it plays in reaching those most in need. This includes preventive diplomacy and disaster risk reduction. Ultimately, it is only through sustainable economic growth that provides jobs and opportunity can we truly strengthen vulnerable communities... There is no doubt that humanitarian crises cost lives, reverse economic and social progress, and cost billions in recovery efforts.' – The Hon Julie Bishop MP.³⁴

To build on the Australian Government's strong record in disaster risk reduction (DRR) programming, crisis mitigation and capacity development ACFID recommends that the Australian Government invest in an agreement that will aid sustainable economic partnerships in the Pacific through disaster loss prevention strategies.

According to both the UN Development Program (UNDP) and the International Federation of Red Cross and Red Crescent Societies (IFRC), every dollar invested in DRR programming saves anywhere between \$2 and \$10 in emergency response and recovery costs thereafter.³⁵ The UNDP 'Act Now, Save Later' campaign advocates '1 saves 7'³⁶ and even the most conservative estimates attribute a \$4 saving for every dollar invested in DRR programming.³⁷

The United Nations Office for Disaster Risk Reduction (UNISDR) estimates that 80% – or roughly US\$294 billion – of global economic losses from disasters in 2011 occurred in the Asia Pacific region.³⁸ Thus, establishing a Pacific DRR scheme that would leverage NGO capacities and include a focus on empowering women's and girls' participation in DRR, would present a sound ODA economic growth opportunity.

More specifically, we propose that this Program would:

- Enable Australian aid to strategically target one of the world's most disaster prone zones in strengthening the capacity of Pacific governments, civil society and local communities to minimise economic losses occurring annually as a result of natural disasters
- Enable Australian aid to be utilised by high performing Australian disaster preparedness and response agencies to empower women's and girls participation in DRR, resilience programming and decision making, for the benefit of the broader community; this scheme would further serve to protect previous Australian ODA investments in Pacific development gains by mitigating against annual seasonal disasters
- Leverage Australian aid invested in increasing the resilience of Pacific communities to protect future economic growth gains, boost regional economic exchanges and enhance the performance of ODA efficiency and effectiveness.

³⁴ The Hon Julie Bishop MP, 'Humanitarianism in the 21st Century', speech delivered to the Australian Red Cross Humanitarian Forum on Conflict, Displacement and Disruption, 11 November 2013, http://foreignminister.gov.au/speeches/2013/jb_sp_131111.html, accessed 5 February 2014.

³⁵ IFRC, *Global Alliance for Disaster Risk Reduction: Building safer, resilient communities*, 2007, p. 1, <http://www.ifrc.org/Global/global-alliance-reduction.pdf>, accessed 5 February 2014.

³⁶ UNDP, 'Act Now, Save Later: new UN social media campaign launched', 2 July 2012, <http://www.undp.org/content/undp/en/home/presscenter/articles/2012/07/02/act-now-save-later-new-un-social-media-campaign-launched/> and http://www.undp.org/content/undp/en/home/ourwork/get_involved/ActNow.html, accessed 5 February 2014.

³⁷ OCHA, IRIN humanitarian news and analysis, 'Analysis: Getting governments to cough up for DRR', 9 May 2013, <http://www.irinnews.org/printreport.aspx?reportid=98003>, accessed 5 February 2014.

³⁸ United Nations Office for Disaster Risk Reduction (UNISDR), *The Asia Pacific Disaster Report 2012*, Preface vii, <http://www.unisdr.org/archive/29286>, accessed 5 February 2014.

South and West Asia Regional Priority Program

ACFID recommends that the Australian Government establishes a Priority Program in South and West Asia aimed at civil society strengthening.

In recognition of the post-conflict fragility of this region, the funding would be targeted specifically at the most marginalised and vulnerable segments of populations, increasing their capacity to hold governments to account for the delivery of essential services at the local level. It would encourage the development of freedom and democratic practices, by providing support for local organisations to build positive dialogues about issues in their communities and ways that they can be addressed. Furthermore, such an approach would build upon the election commitment of the Federal Coalition to take forward a principled stance on human rights and human rights abuses in the region,³⁹ by supporting communities to make their own voices heard on these matters.

This Program would:

- Enable Australian aid to be utilised to develop programming which is explicitly aimed at strengthening the capacity of local civil society and communities to hold their governments to account more effectively; this would be particularly useful for supporting action in countries in the region that are reluctant to incorporate a rights based focus for their bilateral aid program with Australia;
- Enable Australian aid to be utilised to address extreme poverty and marginalisation in larger middle-income countries, such as India, where no bi-lateral aid program exists; and,
- Enable Australian aid to be aimed in a strategic manner to addresses issues that are cross-border in nature, such as disaster preparedness, water management and people movements, all of which can be effectively addressed at a regional level.

Recommendation 1.2: Increase the Australian NGO Cooperation Program (ANCP) to 8% of ODA

The Australian NGO Cooperation Program (ANCP) is a unique funding mechanism that allows the Australian Government to recognise and support the good works of Australian citizens undertaken through Australian NGOs. The ANCP was comprehensively endorsed by the 2011 Independent Review of Aid Effectiveness and was recommended for increased funds.⁴⁰

At present, the ANCP accounts for only 2% of ODA, from which Australian NGOs deliver a large suite of programs and results. A recent Review of ANCP Partnerships⁴¹ found that between 2010 and 2012 the Partnerships 'reach[ed] over 6.5 million direct beneficiaries and have [had] considerable potential to expand the reach and quality of the Australian aid program to better target the needs of very poor people'.⁴² In FY2011–12 alone, an estimated 385,000 extra people gained access to improved water supply through the ANCP, as well as 600,000 people benefiting from health programs and 190,000 gaining access to improved agricultural technologies.⁴³ Increasing ANCP to 8% of ODA would expand these benefits and allow additional NGOs with proven effectiveness to become accredited partners of the Australian Government.

An important benefit of the ANCP is the strong accreditation process that NGOs must pass in order to be granted funds. Accreditation is an essential risk management tool for the Australian

³⁹ Federal Coalition, op. cit., p. 7.

⁴⁰ Independent Review of Aid Effectiveness, 2011, pp. 205–207, 210.

⁴¹ There are eight ANCP 'Partner' NGOs and a further 34 NGOs with either 'full' or 'base' ANCP accreditation. More information about accreditation and the full list of accredited NGOs can be found at <http://aid.dfat.gov.au/ngos/pages/accreditation.aspx>, accessed 5 February 2014.

⁴² Draft *AusAID NGO Cooperation Program Annual Program Performance Report 2012*, yet to be released, p. 9.

⁴³ DFAT website, *AusAID NGO Cooperation Program Annual Program Results*, available at <http://aid.dfat.gov.au/ngos/ancp/pages/home.aspx>, accessed 5 February 2014.

Government. It ensures that aid money is being directed to effective programs on the ground, through organisations that are accountable and transparent. The ACFID Code of Conduct is one foundation for the Accreditation of Australian NGOs.

The benefits of core funding to Australian NGOs through ANCP

The Independent Review of Aid Effectiveness outlined a range of benefits that the Core funding to NGOs through ANCP brings to the official aid program (pp. 205–207, 210), including:

- The rigor of the [accreditation] process gives [the Australian aid program] and the public confidence that accredited NGOs are able to deliver quality development outcomes.
- Australian NGOs often operate in countries where the Australian Government has no country program. AusAID's core funding of NGOs, along with its core funding of multilateral organisations, is a key component of Australia's engagement with these countries.
- Many of the development results NGOs achieve are impressive, and deserve to be highlighted within the story of the overall impact of the aid program.
- The role which AusAID and other Australian government agencies play in development, and the role of NGOs, are not identical, but they can be powerfully complementary.

Recommendation 2: Implement the Government commitment to increase ODA annually by the Consumer Price Index (CPI)

In the *Final Update on Federal Coalition Election Policy Commitments* the Federal Coalition stated that growth in aid would be indexed to CPI.⁴⁴ The Coalition's Foreign Policy further stated that the Coalition would 'consistent with robust benchmarks, remain committed to increasing the foreign aid programme towards 0.5% of gross national income (GNI)'.⁴⁵

ACFID welcomes this commitment to continue to increase Australian ODA and notes that the commitment has been restated by the Foreign Minister on numerous occasions. We also note and welcome the commitments of Mr Abbott and Mr Hockey to increasing aid at a faster rate when the Australian budget is in surplus, with the aim of reaching 0.5% of Australia's GNI towards ODA in the future.⁴⁶ At the same time, the current savings leveraged from the aid program over the forward estimates amount to A\$4.5 billion, including \$650 million in budget cuts to ODA for the current financial year. These savings made up 10.7% of the total \$42 billion in savings announced prior to the Federal Election. At around \$5 billion after savings measures in the current financial year, Australian ODA makes up approximately 1.4% of the Australian Federal Budget. In this regard, the Government has presently drawn over 10% of projected savings from ODA, a comparatively very small proportion of Federal expenditure.

The Hon Julie Bishop MP expressed the ongoing commitment of the Australian Government to working towards achieving the United Nations' eight Millennium Development Goals by 2015 during her recent trip to New York. The Foreign Minister has also committed Australia to playing a role in the creation of the next iteration of a global development framework, ensuring common global goals beyond the current 2015 target date.⁴⁷ Fulfilling these commitments and playing our role responsibly on the global stage requires a strong and focused Australian aid program. An effective and well resourced aid program is an essential part of the work of the Australian Government. Delaying or stepping away from the current commitment to lift ODA only modestly each year by CPI would put much of this work in jeopardy.

As a member of the Group of 20 (G20), the Organisation for Economic Cooperation and Development (OECD), and the United Nations, it remains essential that Australia invests appropriately, along with its peers, in global efforts towards poverty alleviation. Drawing down further on promised aid funding after such large reductions have already been made would negatively set Australia apart. In particular, ODA giving is most often measured through the OECD Development Assistance Committee (DAC), of which Australia is also a member. Our OECD DAC ranking in 2012 was 13th out of its 24 member economies, based on the ratio of aid to GNI.⁴⁸ The OECD noted this year that the medium-term outlook for the Australian economy is good and Australia's public finances are in good shape compared to those of other OECD countries. In this context, they recommended that Australia continues to increase its development assistance.⁴⁹ Given the comparative strength of the Australian economy, it remains important that the Australian Government delivers ODA on a footing similar to our peers.

⁴⁴ The Hon Joe Hockey MP & The Hon Andrew Robb AO MP, *Final Update On Federal Coalition Election Policy Commitments*, 5 September 2013, available at <http://www.liberal.org.au/latest-news/2013/09/05/final-update-federal-coalition-election-policy-commitments>, accessed 5 February 2014.

⁴⁵ Federal Coalition, September 2013, *The Coalition's Policy for Foreign Affairs*, available at <http://www.liberal.org.au/our-policies>, accessed 5 February 2014.

⁴⁶ The Hon Tony Abbott MP, Transcript of Joint Doorstop Interview with the Hon Tony Smith MP, Federal Member for Casey, Silvan, Victoria, 5 September 2013; and The Hon Joe Hockey MP, Transcript of Joint Press Conference with Andrew Robb on Coalition Costings, 5 September 2013.

⁴⁷ The Hon Julie Bishop MP, 25 September 2013, Address to *The Special Event in 2013 to follow up efforts made towards achieving the Millennium Development Goals*, available at http://www.foreignminister.gov.au/speeches/2013/jb_sp_130925.html, accessed 5 February 2014.

⁴⁸ OECD DAC, 2013, see *Preliminary ODA 2012 and trends since 2002 – Interactive charts*, available at <http://www.oecd.org/dac/stats/oda2012-interactive.htm>, accessed 5 February 2014.

⁴⁹ OECD DAC, 2013, OECD Development Co-operation Peer Review – Australia 2013

Moreover, Asia is home to some of the world's fastest growing economies. This growth, however, continues to leave large swathes of people living in poverty. To realise the maximum potential of human capital for increasing productivity and driving additional growth, we must target appropriate levels of Australian investment to the necessary pre-conditions for sustainable economic growth and poverty alleviation. These pre-conditions include peace and security, health, education, rule of law, social policy and protection, as well as environmental sustainability. In the area of health, for example, a strong official Australian aid program is able to lower the risk of health pandemics entering Australia by assisting health systems, and providing vaccines and medical treatment.

The Australian aid program is capable of achieving impressive results. Money spent on vaccinations, for example, not only saves the lives of children and adults but is also estimated to yield an 18% return on investment for developing country economies by lowering the disease burden and increasing productive years of life.⁵⁰ Similarly, for every US\$1 invested in water, sanitation and hygiene education and projects, it is estimated that there is an economic return of US\$4.⁵¹ Investments as small as A\$3 can provide a birthing kit for a woman living remotely where there is usually no other assistance available.⁵² Such interventions save and drastically improve people's lives, and result in significant ongoing national and economic benefits.

⁵⁰ GAVI Alliance, 2013, *Value of Vaccination*, online at <http://www.gavialliance.org/about/value/>, accessed 5 February 2014.

⁵¹ Hutton, G., 2012, *Global costs and benefits of drinking-water supply and sanitation interventions to reach the MDG target and universal coverage*, p.4, World Health Organisation (WHO), available at http://www.who.int/water_sanitation_health/publications/2012/global_costs/en/index.html, accessed 5 February 2014.

⁵² Birthing Kit Foundation Australia, 2013, *Frequently Asked Questions*, online at: <http://www.birthingkitfoundation.org.au/faq.aspx>, accessed 5 February 2014.

Recommendation 3: Pilot Program – Tackling Challenges Together: a multi-stakeholder partnership to boost sustainable production for coffee growers in PNG

Fostering sustainable development and economic opportunities in developing communities across Asia and the Pacific is a challenge simultaneously faced by, and of benefit to, the private sector, civil society, national and donor governments. Each of these development actors has valuable experience and a pertinent role to play in promoting economic opportunities, ensuring the sustainability of development projects, and nurturing healthy, resilient societies able to contribute to, and access the benefits of, economic growth.

The Government has consistently emphasised its desire to leverage private sector investment to see growth and permanent poverty reduction in the developing countries in Australia's region.⁵³ ACFID is keen to work with the Government and the private sector to find areas of convergence between the work of Australian NGOs and the private sector in a way that is mutually beneficial for communities and companies alike.

Recognising the unique skills, knowledge, experiences and resources of leaders from civil society, business and government, ACFID proposes piloting a multi-stakeholder partnership that would bring together key leaders from a range of sectors, to find practical and innovative solutions to niche problems in our region's poorest communities.

ACFID recommends that the initial pilot partnership be focused on boosting productivity and sustainable production, as well as inclusive connections to global markets and supply chains, for coffee growers in PNG. With almost 85% of PNG coffee produced, grown, harvested and processed by smallholder farmers, coffee production remains a leading source of cash income for a large proportion of the population; however, many of these growers remain in poverty.⁵⁴ The high level of reliance upon coffee production for a significant proportion of the PNG population, combined with Australian business interests, means that coffee production is a pertinent topic around which leaders from civil society, business and government can converge.

This 'Tackling Challenges Together' pilot partnership could be rolled out as follows.

Through the Government's clear expression of political will, coupled with its convening and brokering power, an initial concept could be developed through a multi-stakeholder forum bringing together agribusiness, infrastructure developers, community development specialists, women's empowerment experts, banking and financial service providers, mining companies, relevant provincial and national government authorities of PNG, local civil society organisations, and non-government organisations.

Through the concept development, each actor would identify the role of their sector in achieving increased yields and marketability of coffee, as well as ensuring that these increases to productivity lead to greater community development for smallholder coffee farmers in PNG. This process would focus both on building a multi-stakeholder partnership⁵⁵ and designing a multi-sectoral, holistic action plan for achieving the end result.

⁵³ The Hon Julie Bishop MP, 25 September 2013, Address to *United Nations General Assembly High Level Debate – Building global security and prosperity*, available at http://www.foreignminister.gov.au/speeches/2013/jb_sp_130927.html, accessed 5 February 2014; The Hon Julie Bishop MP, 30 October 2013, *Address to ACFID Chairs and CEO's Dinner*, available at http://www.foreignminister.gov.au/speeches/2013/jb_sp_131030.html, accessed 5 February 2014.

⁵⁴ CSIRO, 6 February 2012, *Improving the livelihoods of coffee growers in the highlands of Papua New Guinea*, available at <http://www.csiro.au/Organisation-Structure/Flagships/Sustainable-Agriculture-Flagship/Coffee-growers-PNG.aspx>; *Papua New Guinea Coffee Industry Corporation Limited*, <http://www.coffeecorp.org.pg/>, accessed 5 February 2014.

⁵⁵ ACFID has recently finalised a draft research report on *Partnerships for Effective Development*. A key finding in investigating successful partnerships is an adequate focus on investing in partnership as an outcome rather than simply as a modality. Bringing together sectors with different values, operational cultures and drivers as well as complementary but different roles within a holistic action plan, will require up-front investments in building common understanding, shared goals and a trust dividend to enable multi-year, coordinated action for a single goal.

That action plan would go through a peer review process, undertaken through a multi-year, staged-approach where each actor plays their part through a harmonised and coordinated partnership model.

This multi-stakeholder partnership would be initiated through provision of a seed grant by the Government with an ongoing financing mechanism to be part of the design phase of a final harmonised model. Some elements may continue to be funded with Government support across the life of the project, while others may be funded by the private sector through a matching or co-funding approach, social impact investment and/or Australia’s on-budget foreign aid to the PNG Government.

Initial seed funding to convene stakeholders and initiate the concept development leading to a harmonised multi-stakeholder partnership with phase one ready for implementation in FY 2015–16 would be \$300,000 in the financial year 2014–15.

Recommendation	Allocation (A\$m)
Recommendation 3: Pilot Program – Tackling Challenges Together: Multi-stakeholder partnership to boost productivity and sustainable production for coffee growers in PNG	0.3

Recommendation 4: Boost support for effective humanitarian action

Australian aid has always played a crucial role in saving lives when emergencies strike. As former Prime Minister John Howard has noted, Australia’s humanitarian aid demonstrates ‘that Australia has a good heart and the people of Australia will always respond to a deserving cause in a very generous fashion’.⁵⁶ Below we have outlined two recommendations to boost Australia’s support for effective humanitarian action.

Recommendation 4: Boost support for effective humanitarian action	Allocation (A\$m)
4.1: Increase the budget allocation to humanitarian action and emergency response to 10% of ODA	517.81
4.2: Reserve at least 20% of humanitarian and emergency response funding for NGO action	51.78
Total allocation	569.59

Recommendation 4.1: Increase the budget allocation to humanitarian action and emergency response to 10% of ODA

‘Australia will continue to be an effective and principled humanitarian donor. We will continue to give quickly and generously when help is needed. And we will continue to work with our partners to reduce the human and economic costs of conflict and displacement’ – The Hon Julie Bishop MP⁵⁷

ACFID welcomes the commitment by the Australian Government to respond to humanitarian crises on the basis of need.

As noted earlier, the scale and frequency of humanitarian emergencies is undeniably on the rise. In the Asia Pacific region alone, where the United Nations Officer for Disaster Risk Reduction estimates that 80%, or roughly US\$294 billion, of global economic losses from disasters occurred in 2011,⁵⁸ millions are forced to evacuate their homes to safety every year to avoid the destructive path of natural hazards including severe flooding, landslides, earthquakes, tsunamis, cyclones and typhoons. The number of people forced to flee from violence, human rights violations and armed conflict was also recorded at its highest levels at the end of 2012, reaching a staggering figure of 28.8 million, up 2.4 million from the previous year.⁵⁹

As a Government committed to the Good Humanitarian Donorship principles, it is essential to plan and budget for greater allocations to humanitarian action as a proportion of Official Development Assistance. ACFID calls upon the Australian Government to return the proportion of ODA dedicated to humanitarian action in 2014–15 to a minimum of 10%, in keeping with previous year’s commitments and in line with the OECD average.⁶⁰

Whilst we welcome the fact that Australia continues to focus the aid program regionally on the Asia, Pacific and Indian Ocean Rim regions, we call for the Government to allocate funding on the basis of greatest need in the case of humanitarian response. This would include increasing support for global crises such as the Syrian regional response. ACFID recommends that within the 10% of

⁵⁶ The Hon John Howard, former Prime Minister of Australia, when announcing a \$1 billion Australian aid package for the Asian Boxing Day Tsunami in 2005

⁵⁷ The Hon Julie Bishop MP, *Speech to Red Cross Humanitarian Forum*, 11 November 2013.

⁵⁸ UNISDR, op. cit.

⁵⁹ Internal Displacement Monitoring Centre, *Global Overview 2012: People internally displaced by conflict and violence*, 29 April 2013, <http://www.internal-displacement.org/publications/global-overview-2012>, accessed 5 February 2014.

⁶⁰ OECD Development Assistance Committee, *OECD Development Co-operation Peer Review: Australia 2013*, 2013, pp. 96, 116.

ODA allocated to humanitarian assistance, 20% of this funding be allocated directly to NGOs with a proven capability to respond effectively and efficiently to crises.

Good Humanitarian Donorship: Principle 2

Humanitarian action should be guided by the humanitarian principles of humanity, meaning the centrality of saving human lives and alleviating suffering wherever it is found; impartiality, meaning the implementation of actions solely on the basis of need, without discrimination between or within affected populations; neutrality, meaning that humanitarian action must not favour any side in an armed conflict or other dispute where such action is carried out; and independence, meaning the autonomy of humanitarian objectives from the political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented.

Recommendation 4.2: Reserve at least 20% of humanitarian response funding for NGO action

Figures from the UN Office for the Coordination of Humanitarian Affairs (OCHA) indicate that in 2011–12, the Australian Government (through AusAID) only channelled 4% of its humanitarian response funding to NGOs. Comparatively, figures based on OECD DAC and OCHA Financial Tracking Service data, over the period of 2007–2011, record an average of 24% of humanitarian assistance being channelled by OECD DAC members directly through NGOs as first level recipients.⁶¹

Australian NGOs have strong linkages with in-country partners in places frequently affected by disasters, allowing them to reach the most vulnerable. Through consistent programming approaches in countries that are most susceptible to humanitarian shocks, NGOs have been proven to be significantly more rapid in providing essential assistance to affected populations than other actors. Research demonstrates that NGOs are able to deliver support within days and weeks, rather than the two-month average that UN agencies typically take to deliver activities with funding provided.⁶²

UN agencies have key roles to play in coordination during emergencies and in building the capacity of their government counterparts. However, ACFID observes that the current balance of Australian Government funding in humanitarian emergencies could be improved by reserving at least 20% of these funds for NGO action on the ground; this was the approach in the Philippines through the strong Typhoon Haiyan response.

As noted by the Independent Review of Aid Effectiveness, many NGOs 'have expertise in meeting people's basic needs, particularly in emergencies where quick and flexible responses are needed. This means they are well placed to assist where government capacity is weak',⁶³ or weakened as a result of humanitarian crises. In many cases the ground-level assistance is delivered by NGOs working alongside affected communities, with the use of UN mechanisms sometimes adding administrative costs and bureaucratic time delays before funds reach those most in need.

It is therefore recommended that the Government reviews the balance of its humanitarian commitments, taking into account the vital role of the UN, Red Cross and NGO funding mechanisms and critical initial military logistical support. A more appropriate balance of funding would be achieved by directing 20% of humanitarian allocations to NGOs as first-level recipients,

⁶¹ Development Initiatives, Global Humanitarian Assistance, *Global Humanitarian Assistance Report 2013*, 2013, p. 61, <http://www.globalhumanitarianassistance.org/wp-content/uploads/2013/07/GHA-Report-2013.pdf>, accessed 5 February 2014.

⁶² Humanitarian Advisory Group, *Humanitarian Financing in Australia: Scoping Report on Comparative Mechanisms*, 2013.

⁶³ Independent Review of Aid Effectiveness, 2011, pp. 205–206.

reflecting Good Humanitarian Donorship (GHD) principles.⁶⁴ This would allow faster delivery of assistance to those in crisis and provide more life-saving services at a lower cost.

An exemplary response: Typhoon Haiyan in the Philippines

Typhoon Haiyan made its first landfall in the Eastern Samar province of the Philippines in the early hours of Friday 8 November 2013. It brought with it sustained wind speeds of up to 315km/h and raging tidal surges, making it the strongest typhoon to hit the Philippines in 2013 and one of the strongest storms ever recorded. According to the UN Office for the Coordination of Humanitarian Affairs (OCHA) 14.1 million people in the Philippines were affected by the super typhoon, 4.1 million were displaced and 1.1 million houses were damaged. As many as 6,200 people were killed and 1,785 remained listed as missing in the aftermath.

In the month that followed, the Australian Government had committed A\$40 million to assist the Government of the Philippines with the response, with \$30 million of the contribution pledged in the first week following the disaster. By 5 December, 32 ACFID member agencies that launched Typhoon Haiyan public appeals reported that donations had reached almost \$29 million.

Of the \$40 million contributed by the Australian Government, 22.5% (\$9 million) was channelled directly to international and national non-governmental organisations (NGOs) responding on the ground in the Philippines. Australian based international NGOs, with a proven capacity to provide large-scale emergency responses, were quickly allocated \$5 million in funding through a Humanitarian Partnership Agreement (HPA) with the Australian Government. Through this mechanism it is estimated that well over 220,000 people will be reached in the first 6-months of the response by CARE, Caritas, Oxfam, Plan, Save the Children and World Vision. NGOs are continuing to provide essential life-saving services including the immediate distribution of emergency shelter kits; clean water, sanitation and hygiene promotion (WASH) assistance; emergency food distributions; and non-food household, health and hygiene item kit distributions.

The Australian Government also delivered essential funding to the UN agencies, funds and programs (\$19 million, 47.5%) and the Red Cross movement (\$7 million, 17.5%), and \$3 million (7.5%) was allocated to support the deployment of an Australian specialist medical assistance team and a field hospital established in Tacloban. \$1 million was spent on emergency relief supplies and non-food items (2.5%) and a final \$1 million was dedicated to deploying other AFP disaster management specialists and DFAT humanitarian and consular experts (2.5%).

Together, the Australian Government and Australian community through NGOs have thus far contributed almost \$70 million in an exemplary humanitarian response to assist our neighbours in a critical time of need.

⁶⁴ Good Humanitarian Donorship (GHD), *Principles and Good Practice of Humanitarian Donorship*, 2003, <http://www.goodhumanitariananddonorship.org/gns/principles-good-practice-ghd/overview.aspx>, accessed 5 February 2014.

Recommendation 5: Increase support for Australia’s world leading disability-inclusion work

Recommendation 5: Increase support for Australia’s world leading disability-inclusion work	Allocation (A\$m)
5.1: Embed disability-inclusion practices across all programmatic areas of the Australian Government’s aid spend	207
5.2: Equip and support governments across the East Asia and Pacific region to implement the UN Convention on the Rights of Persons with Disabilities.	3
Total allocation	210

Within the first months of assuming Government, both the Foreign Minister and the Parliamentary Secretary for Foreign Affairs reaffirmed the Australian Government’s commitment to people with disabilities being a core focus of Australia’s foreign aid program.⁶⁵ Australia is regarded as a world leader in disability-inclusive development and the current disability-inclusion strategy, *Development for All: Towards a disability-inclusive Australian aid program 2009–2014* has received international acclaim. The 2012 Mid-Term Review of this strategy gave strong recommendations for Australia to continue its global leadership in disability-inclusive development.

Prioritisation and adequate resourcing of disability-inclusive practices is essential for Australia to build on its global leadership role in this field, and to continue improving the quality of life of many people with disabilities in developing countries.

ACFID recommends that \$210 million be allocated to disability-inclusion programs, to increase the Australian Government’s work on disability as the Development for All strategy comes to an end and preparations for a new strategy are commenced.

Disability policy developments

On International Day of Persons with Disabilities 2013, Parliamentary Secretary for Foreign Affairs, Senator the Hon Brett Mason announced the Government’s commitment to develop a new strategy on disability-inclusive development to cover the period beyond 2015.

ACFID warmly welcomes the Government’s commitment to the development of a new disability-inclusive strategy and looks forward to working with the Government on its development. We also urge the Government to bolster the role of the Ambassador for Disability-Inclusive Development, to ensure Australia’s commitments in this arena are translated into action.

Recommendation 5.1: Embed disability-inclusion practices across all programmatic areas of the Australian Government’s aid spend

The Mid-Term Review of the *Development for All* strategy recommended that a 3–5% budget be included for disability-inclusive analysis and implementation within all program designs and delivery strategy development processes.⁶⁶

Embedding disability inclusion within all programmatic areas of the Australian Government aid spend is essential to ensure that people with disabilities have access to and are included in poverty

⁶⁵ The Hon Julie Bishop MP, 23 September 2013, Address *The Way Forward, a disability inclusive development agenda towards 2015 and beyond*, available at http://www.foreignminister.gov.au/speeches/2013/jb_sp_130923.html, accessed 5 February 2014; Senator The Hon Brett Mason, 3 December 2013, Address on International Day of People with Disability, available at http://ministers.dfat.gov.au/mason/speeches/2013/bm_sp_131203.html, accessed 5 February 2014.

⁶⁶ Linda Kelly and Lorraine Wapling, October 2012, *Development for All Strategy: Mid Term Review*, p.64.

alleviation processes and development outcomes. Mainstreaming disability inclusion across the Australian aid program strengthens the effectiveness of the program by reaching the poorest of the poor. Embedding a specific budgetary allocation, such as specific line items within program budgets during the design, implementation and evaluation phase, would ensure that programs are fully accessible to people with disabilities. ACFID recommends that \$207 million be allocated in 2014-15 for this purpose. We note that while a total figure for disability funding across the entire aid program has not been available in recent years, in 2011-12 Australia provided approximately \$108 million to this area. This proposal would represent an increase of \$99 million on that past allocation.

Disability inclusion inbuilt across all programs for a minimal cost results in people with disabilities having opportunities to overcome social, economic and physical barriers, to end the cycle of poverty. ACFID envisages that this would include disability-inclusive practices such as consultations with disabled persons' organisations and data disaggregation ensure that people with disabilities are benefiting from, and contributing to, Australia's foreign aid program.

ACFID also recommends improved systems to track and monitor budgetary allocations towards disability inclusion within all sectors. To best measure the impact and reach of the aid program's disability-inclusive practices, a stronger focus on tracking the budget allocated for mainstreaming disabilities within all sectors is essential. Such tracking would also act as a measure of the effectiveness of the new strategy.

Recommendation 5.2: Equip and support governments across the East Asia and Pacific region to implement the UN Convention on the Rights of Persons with Disabilities

Governments in the Pacific and East Asia region are increasingly signing and ratifying the UN Convention on the Rights of Persons with Disabilities (CRPD). At the UN meetings in September 2013, Papua New Guinea ratified the CRPD, along with Kiribati and Tuvalu. While the ratification of the CRPD is a crucial first step in committing to meet the needs of persons with disabilities, for many countries, particularly small island nations, implementation of the CRPD is extremely challenging. For example, while Vanuatu ratified the Convention over three years ago it is yet to report to the Committee.

Building on the strengths of Australia's global leadership in disability-inclusive development and world-class national disability policy platform, the Australian Government has an excellent opportunity to work with regional governments to provide continuing training and technical assistance to comply with the requirements for implementation and reporting. Opportunities include:

- Provision of support to governments that have interest in signing or ratifying the Convention and its Protocol, but lack the resources and capacity to meet obligations under the Convention upon doing so.
- Supporting governments that have recently ratified the Convention to strengthen policies, reporting processes and human resources to enable them to implement the Convention and Optional Protocol.
- Supporting civil society organisations such as disabled people's organisations to use and report on the CRPD, and support the Government with regard to its implementation.
- Supporting regional bodies, such as the Pacific Islands Forum Secretariat, to undertake a regional approach to CRPD implementation, including providing training and advice to member states and providing technical expertise where appropriate.

- Supporting governments to establish independent human rights institutions that include a mandate to promote and uphold the rights of people with disabilities as set out in the CRPD.⁶⁷

The significant number of countries in the Pacific and East Asia that have recently ratified the UNCRPD demonstrate the importance of support in the area of CRPD implementation. These include PNG, Vanuatu, Indonesia, Nauru, Laos, Philippines, Myanmar, Kiribati and Tuvalu.

The Australian Government is in a unique position to offer its experience, skills and resources in ensuring that regional governments are able to fully implement the CRPD, thus ensuring greater opportunities for people with disabilities living across the region. Implementation of the CRPD can lead to improved quality of life for people with disabilities, such as better access to health and education services, physical rehabilitation services and greater opportunities to overcome stigma and discrimination.

⁶⁷ As recommended by the Pacific Disability Forum's Biannual Conference Outcome Statement 2010, p 5.

Recommendation 6: Fully resource the role of Australia’s Global Ambassador for Women and Girls

‘The role of Ambassador for Women and Girls is a very special role within the Australian Government. We see it as being pivotal to our foreign policy policies and initiatives. We see Australia’s Ambassador for Women and Girls as being our voice on the international stage as we promote important issues surrounding gender equality and gender empowerment.’ – The Hon Julie Bishop MP⁶⁸

In our 2011 Federal Budget Submission, ACFID first raised the proposal for Australia to appoint a Global Ambassador for Women and Girls, and we are delighted that the current and previous Australian Governments have continued to support this important position. Australia’s Global Ambassador for Women and Girls is not only a clear diplomatic statement of the seriousness with which Australia regards gender equality as a social and economic issue: it also offers a range of unique spaces and opportunities for issues such as violence against women, women’s representation and the inclusion of women and girls in education across our region to be highlighted and addressed.

Violence against women, for example, remains prevalent in our region and is devastating on community, personal and economic grounds. As noted by the former Global Ambassador for Women and Girls at the 5th East Asia Gender Equality Ministerial Meeting, ‘We cannot calculate the appalling cost to victims of this violence. The physical, emotional and psychological damage cannot be quantified. But we can put a price on health costs, expenses across service systems, legal fees, lost wages and lower productivity. In Australia, the impact of domestic violence on our economy has been estimated at more than A\$13.6 billion per year, with that figure likely to rise to A\$15.6 billion per year by 2021 if action is not taken’.⁶⁹ In the 18 developing countries that are our close neighbours, these costs can be expected to be much greater. As recently as last year, the United Nations Development Program and others found that in most developing countries across Asia and the Pacific, between 30 and 57% of men reported having used physical or sexual violence against an intimate partner. In countries such as PNG the rate was as high as 80%.⁷⁰

Ensuring that Australia’s Ambassador for Women and Girls has access to a full budget allowing for travel, appropriate staff and convening of special meetings on topics such as this would form one part of a holistic and high-level approach from the Australian Government on gender equality in our region. Other pieces of the puzzle, such as placing women’s empowerment front and centre in the Australian aid program, and supporting some of the earlier recommendations in this submission focused on gender equality, will also help Australia to tackle these issues head-on in partnership with other countries in our region.

Recommendation	Allocation (A\$m)
Recommendation 6: Fully resource the role of Australia’s Global Ambassador for Women and Girls	1.1 ⁷¹

⁶⁸ The Hon Julie Bishop MP, *Announcement of Australia’s Ambassador for Women and Girls*, press conference, 16 December 2013, available at http://foreignminister.gov.au/transcripts/2013/jb_tr_131216.html, accessed 5 February 2014.

⁶⁹ Penny Williams, Australia’s former Global Ambassador for Women and Girls, 5th East Asia Gender Equality Ministerial Meeting, *Address to Plenary II: The eradication of Violence Against Women*, 15–16 May 2013, see https://www.dfat.gov.au/media/speeches/department/130515_eagemm_plen2.html, accessed 5 February 2014.

⁷⁰ UNDP, UNFPA, UN Women & UN Volunteers, *Why do some men use violence against women and how can we prevent it? Quantitative Findings from the United Nations Multi-Country Study on Men and Violence in Asia and the Pacific*, 2013, available at www.undp.org/content/dam/rbap/docs/Research%20&%20Publications/womens_empowerment/RBAP-Gender-2013-P4P-VAW-Report.pdf, accessed 5 February 2014.

⁷¹ This funding would not come from ODA.

Recommendation 7: Invest in research and innovation for development effectiveness

Research is crucial to a better, more accountable and innovative Australian aid program. Ongoing research investment leads to evidence-informed policy and practice by establishing a robust and relevant knowledge base for accountable decisions. Quality research can also ensure that Australia's aid program generates knowledge that responds to a rapidly changing global environment and increases opportunities for innovation where Australia can play a lead role in identifying solutions to such changes.

Recommendation 7: Invest in research and innovation for development effectiveness	Allocation (A\$m)
7.1: Continue the Australian Development Research Award Scheme	10 for Year 1
7.2: Support innovation through the initiation of a 'Grand Challenges' fund	30 for Year 1
Total allocation	40

Recommendation 7.1: Continue the Australian Development Research Award Scheme

The Australian Development Research Awards Scheme (ADRAS) was introduced as a competitive grant process to support applied research and assist the government in meeting the priority areas for the aid program. Since the introduction of the scheme in 2007, this scheme has supported 129 primary research projects and 17 systematic reviews of development research.

Continued investment in development research and evidence must be maintained if the aid program is to establish itself as a leader in finding lasting solutions that address global poverty. The ADRAS continues to open opportunities for policy-relevant research that is necessary for an informed approach to achieving benchmarks in an aid program. Additionally, the scheme has proved valuable in enabling collaboration between developed and developing country researchers.

As an existing and well supported flagship scheme within the aid program, it is recommended that financial support for the ADRAS be continued or expanded in 2014.⁷² This announcement should be met with a commitment to multi-year funding as such commitments to ensure that research 'is world class, effectively delivered and well targeted'.⁷³

Recommendation 7.2: Support innovation through the initiation of a 'Grand Challenges' fund.

Australia has a demonstrated research expertise that could be utilised to support innovation and enhance development outcomes through the aid program. Given the strength of the Australian research community, the 2011 Independent Aid Effectiveness Review identified increased funding for research, particularly medical research, as a potential 'flagship' of Australia's aid program. Further, the recently released McKeon Review⁷⁴ into Australian health and medical research lists global health research as one of the priority areas requiring increased focus by Australia over the next decade.

⁷² This amount is the proposed allocation for the first year of a larger funding envelope available for competitive tender.

⁷³ The Hon Tony Abbott MP, *Address to the Universities Australia Higher Education Conference, Canberra*, 28 February 2013. <http://www.liberal.org.au/latest-news/2013/02/28/tony-abbotts-address-universities-australia-higher-education-conference>, accessed 5 February 2014.

⁷⁴ Australian Government, *Strategic Review of Health and Medical Research in Australia – Better Health Through Research*, Feb. 2013. Available at http://www.mckeonreview.org.au/downloads/Strategic_Review_of_Health_and_Medical_Research_Feb_2013-Final_Report.pdf, accessed 5 February 2014.

There is currently international momentum and recognition about the potential for aid programs to facilitate innovative solutions to global challenges. The USA and UK have recently joined forces to support research and innovation to amplify their 'impact through the discovery of breakthrough technologies and approaches to help end extreme poverty'.⁷⁵

Similarly, Grand Challenges Canada, a public-private partnership between various departments of the Government of Canada (including the International Development Research Centre, Department of Foreign Affairs, Trade, and Development) and the Gates Foundation⁷⁶ could be a useful model that leverages the impact of Australian aid efforts across the private sector and civil society.

⁷⁵ USAID Press Office, *USAID and DFID Announce Global Development Innovation Ventures to Invest in Breakthrough Solutions to World Poverty*, 6 June 2013. Available at <http://www.usaid.gov/news-information/press-releases/usaid-and-dfid-announce-global-development-innovation-ventures>, accessed 5 February 2014.

⁷⁶ See www.grandchallenges.ca, accessed 5 February 2014.

Recommendation 8: Ensure ongoing people-to-people links through skilled volunteer placements

'[It is] our volunteers that are the public face of Australian diplomacy in so many communities particularly across Asia and the Indo-Pacific ... building capacity that will gradually have the same effect as infrastructure investment – structural, long-term changes and unbreakable ties with our region.' – Senator the Hon Brett Mason.⁷⁷

The Australian people are our nation's greatest assets in forging and building our place in the world. 60,000 Australians have volunteered in developing countries over six decades. ACFID recommends that the Government ensures support for international volunteer programs to broaden and deepen people-to-people links and understanding, and to deliver capacity development outcomes in international partner organisations.

Recommendation	Allocation (A\$m)
Recommendation 8: Ensure ongoing people-to-people links through skilled volunteer placements	75

The value of international volunteer programs has been endorsed by the recently released report from DFAT's Office of Development Effectiveness on its evaluation of the Australian Volunteers for International Development (AVID) program:

'The evaluation confirmed that AVID is making an effective contribution to Australian and partner government development objectives. It is also an effective public diplomacy mechanism. Volunteers benefit from their experience and bring expertise and professionalism that host organisations value highly; they are often compared favourably to volunteers from other countries or paid technical advisers. Volunteers contribute to the capacity of host organisations, develop people-to-people links and generate goodwill for domestic and foreign diplomacy.'⁷⁸

Moreover, the evaluation noted that AVID is value for money, stating, 'Although AVID is one of the most visible elements of Australia's aid effort, it comes at a modest cost relative to the annual aid budget'.⁷⁹

By implementing the recommendations of the ODE review, DFAT can capture greater efficiencies in the program and establish a sound base for further expansion of Australian volunteering in ways that both respond to opportunities in developing communities and leverage the professional expertise and capacity of the Australian organisations delivering the program.

Expansion does not mean simply more volunteers, or volunteers in more countries. It requires programs specifically designed to produce particular outcomes in capacity development and public diplomacy in selected themes and geographies, such as:

- Regional civil society strengthening initiatives focusing on themes such as women's leadership, disability-inclusive policy and practice
- Programs directed at promoting sustainable business practices
- Programs designed to twin organisations in international partnerships

⁷⁷ Senator the Hon Brett Mason, Parliamentary Secretary for Foreign Affairs, *International Volunteer Day speech*, 5 December 2013.

⁷⁸ Office of Development Effectiveness (ODE), *Evaluation of the Australian Volunteers for International Development (AVID) Program*, January 2014, p. 7.

⁷⁹ ODE, op. cit., p. 1.

- Two-way volunteer programs between Australia and countries in the region.

In recognition of its cost effectiveness and high profile contribution, ACFID also recommends that budget allocations for international volunteering should aim to reach 2% of ODA over the four-year period of the forward estimates.

Recommendation 9: Empower young women and girls through education initiatives in the Pacific

‘Australia firmly believes that all girls should have the right to go to school. 774 million people around the world lack basic literacy skills; two-thirds of those are girls and women. For girls, every year of basic education makes a difference to employment opportunities, marriage age, health and their capacity to make better decisions about their lives and those of their children.’ – The Hon Julie Bishop MP⁸⁰

The Australian Government has expressed its strong commitment to focusing on girls’ education through its international development program, as well as harnessing the power of the private sector to deliver development outcomes. This recommendation provides two proposals through which the Government can expand upon these commitments.

Recommendation		Allocation (A\$m)
Recommendation 9: Focus on education and leadership for young women and girls	9.1: Joint Private Sector–Civil Society Education Empowerment Fund	0.5 for Year 1
	9.2: Deliver \$120m to the Global Partnership for Education	120
Total allocation		120.5

Recommendation 9.1: Joint Private Sector–Civil Society Education Empowerment Fund

In the Pacific, 15–24 year olds account for almost two million people, which is close to a fifth of the region’s total population. Girls comprise around 48% of those under 20.⁸¹ UNICEF has identified that key risk factors affecting young people in the Pacific include disengagement from the political process and the lack of participation in community decision-making.⁸² The situation is worse for girls in the Pacific Islands who are often subject to discriminatory social practices. These practices have led to an unempowered generation of women and girls, having been denied choices and authority to shape their participation in society. The UN Division for the Advancement of Women has recommended, in response to this situation, that ‘donors should include at least one programme of action to empower the girl child within their programmes of assistance’.⁸³

ACFID welcomes Australian government efforts to encourage the participation of women in politics, decision-making and peace-building, and support for the economic empowerment of women. Focusing on the current generation of women, however, is not enough. Programs are needed to actively assist the next generation of women by empowering youth and girls. Australia’s efforts to ensure that girls have access to the formal education they require in order to participate fully in their societies should be complemented by grassroots programs. As part of an approach to empowering young women and girls, the role of men and boys in supporting the participation of girls and young women in leadership and development also needs to be addressed.

ACFID recommends the establishment of a joint private sector–civil society education empowerment fund be established in the Pacific. We note that the business community could play an important role in this arena, and that the fund would support civil society and private sector actors working together to promote empowerment of girls through education.

⁸⁰ The Hon Julie Bishop MP, Minister for Foreign Affairs, Media Release, *International Day of the Girl*, 11 October 2013.

⁸¹ UNICEF State of Pacific Youth 2011 – Opportunities and Obstacles.

⁸² UNICEF State of Pacific Youth 2011 – Opportunities and Obstacles.

⁸³ EGM/DVGC/2006/EP.14 United Nations Division for the Advancement of Women in collaboration with UNICEF Expert Group Meeting, *Elimination of all forms of discrimination and violence against the girl child*, ‘Violence against the girl child in the Pacific Islands region’.

This model could require corporate and civil society applicants matching funds on each project, with areas of focus for activities following the model proposed by a recent paper on the subject by the Corporate Social Responsibility Initiative at the Harvard Kennedy School,⁸⁴ including:

- Supporting education initiatives generally, but especially those focused on empowering girls
- Building the capacity of local teachers and community leaders
- Supporting/co-creating gender sensitive and relevant curricula development
- Providing resources to teach ICT skills
- Providing premises for education programs
- Supporting employee volunteerism for knowledge transfer
- Supporting school nutrition programs
- Supporting sanitation facilities for schoolgirls.

Such a fund could also be the basis for further exploration of social impact investment and its role in promoting private sector involvement in delivering development outcomes.

ACFID proposes an initial Year 1 contribution of \$500,000 in 2014–15 in order to comprehensively design this joint fund in consultation with partner governments in the Pacific, civil society and the corporate sector, with a view to the fund making approximately \$5–\$10 million available for projects over the following 3–5 financial years.

Recommendation 9.2: Deliver \$120m to the Global Partnership for Education

Globally, aid to basic education is not only declining, it is falling fastest in the poorest countries.⁸⁵ The latest Global Monitoring Report of the Global Partnership for Education shows that 130 million primary school-aged children worldwide are not learning the basics despite at least four years in school. Development assistance aimed at further funding for well trained teachers and essential resources and curriculum development in the poorest countries is necessary to help these children achieve basic, good quality, education outcomes.

ACFID recommends that the Australian Government assists the Global Partnership for Education to work towards these aims in 2014–15 by delivering the promised Australian contribution of \$120 million in the coming financial year. We also recommend a strong contribution from Australia at the upcoming June 2014 pledging conference of at least \$250 million over the future multi-year period from 2015–16 onwards.

⁸⁴ Murphy, S., and Belmonte, W., *Investing in Girls' Education: An Opportunity for Corporate Leadership*, Corporate Social Responsibility Initiative at the Harvard Kennedy School, 2009, available at http://www.hks.harvard.edu/m-rcbg/CSRI/publications/report_40_investing_in_girls.pdf, accessed 5 February 2014.

⁸⁵ Rose, P., Global Partnership for Education, *Launch of the new Education for All Global Monitoring Report*, 29 January 2014, see <http://www.educationforallblog.org/education-data-2/donors-must-reverse-decline-in-aid-to-basic-education>, accessed 5 February 2014.

Recommendation 10: Lift aid for proven and cost effective health programs

One measure of the impact of aid over the past decade has been the steep decline in child deaths. Globally child deaths have almost halved from over 12 million in 1990 to 6.6 million in 2012.⁸⁶ Aid in the form of new health technologies, vaccines, medicines and support for health systems has been critical to this success, which has been achieved not just in those countries with high GDP growth, but in almost all developing countries.⁸⁷ ACFID welcomes the emphasis placed by the Foreign Minister on better health outcomes through our aid program in recent public statements.⁸⁸ We recommend that, in line with this emphasis, health programs be increased as a share of ODA, from 14% of ODA in 2012–13 to 20% of ODA in 2014–15. We further recommend that water and sanitation programs be allocated at least 5% of ODA.

Recommendation		Allocation (A\$m)
Recommendation 10: Lift aid for proven and cost effective health programs	10.1: Lift the overall health spend to 20% of ODA, including <ul style="list-style-type: none"> • a continuation of the strong focus on maternal and child health • \$40m for the Scaling Up Nutrition initiative • at least \$225m for the period 2014–16 for the GAVI Alliance (75m per yr) • a top-up of \$200m for the Global Fund to fight HIV/AIDS, TB and malaria • an increased allocation to combat non-communicable diseases. 	1,035.63
	10.2: Allocate an overall spend on water, sanitation and hygiene (WASH) initiatives at 5% of ODA	258.91
Total allocation		1,294.54

Health aid and aid for water, sanitation and hygiene are proven high impact aid investments – transforming communities, reducing caring and domestic burdens especially on women and children, lifting education access and performance, and building a healthy population which is a key foundation for economic development.

Despite massive improvements in health across the Asia Pacific region, there are still significant health and hygiene needs not being met largely because of a shortage of funds. For example, in 2011 an estimated 134,000 children under the age of five died in Indonesia and 57,000 in the Philippines.⁸⁹

Increasing the share of the aid budget for health, water and sanitation programs will lift the impact and cost effectiveness of the aid program, help empower women and girls, and support increased economic development. It will also reduce global health threats and their impact on Australia.

⁸⁶ UNICEF, 2013, see http://www.unicef.org/media/media_70375.html, accessed 5 February 2014.

⁸⁷ ChildInfo, 2013, see http://www.childinfo.org/mortality_ufrcountrydata.php, accessed 5 February 2014.

⁸⁸ The Hon Julie Bishop MP, Media Release, *Five billion dollar aid budget to focus on the region*, 18 January 2014.

⁸⁹ UNICEF *State of the World's Children 2013*, Annex Table 1.

Recommendation 10.1: Lift the overall health spend to 20% of ODA

In the 2012–13 Federal Budget, health spending accounted for approximately 14% of total ODA. Targeted health interventions represent one of the most effective and tested forms of development assistance, saving lives as well as increasing people's living conditions and potential productivity. ACFID recommends that an increased investment in health be focused on an expansion of the current focus on maternal and child health, and proposes a range of new investments for 2014 onwards, including:

- \$40m for the Scaling Up Nutrition initiative: The 2014–15 Budget should include an Australian contribution of \$40 million for the Scaling Up Nutrition (SUN) initiative. The SUN initiative brings together donor governments, business, NGOs and the UN to improve the nutrition outcomes for the more than 165 million children globally who suffer from stunting. This would represent a high impact allocation, with investments in nutrition able to increase a country's GDP by at least 2–3% annually.⁹⁰
- At least \$225m for the period 2014–2016 for the GAVI Alliance: The GAVI Alliance is a proven global initiative focused on providing essential vaccines to men, women and children worldwide. It is estimated that GAVI initiatives have prevented approximately six million future deaths since the year 2000.⁹¹ Vaccines protect health and livelihoods as well as strengthening economies. ACFID recommends that an allocation of \$75 million be made to the GAVI Alliance over each of the following three financial years.
- A top-up of \$200m for the Global Fund to fight HIV/AIDS, TB and malaria: ACFID welcomes the recent contribution of \$200 million by the Australian Government to the Global Fund to fight HIV/AIDS, TB and malaria at the recent international pledging conference. In recognition of the prevalence of these diseases in our region and as a further national statement of commitment to fighting HIV/AIDS, TB and malaria ahead of the AIDS 2014 Conference in Melbourne, we propose that the Government considers an additional contribution of \$200 million for the Fund over the 2014–2016 period.
- An increased allocation to combat non-communicable diseases: As a recent ACFID report illustrates,⁹² non-communicable diseases (NCDs) are now the world's leading cause of death and disability. In 2010, the four main disease groups that constitute NCDs – cardiovascular diseases, chronic respiratory diseases, cancers and diabetes – accounted for approximately 65.5% of all deaths globally, and 54% of disability-adjusted life years (DALYs).⁹³ In most countries, during the period 1990–2010 NCDs overtook other diseases as leading causes of death and disabilities. Furthermore, and contrary to a common misconception, the impact of NCDs is felt most strongly in low and middle income countries: around 80% of all people killed by NCDs are in the developing world, and NCDs are a major cause of poverty and a substantial economic drain on health systems. In all regions except Africa, NCD-related mortality now 'exceeds that of communicable, maternal, perinatal, and nutritional conditions combined',⁹⁴ and in Africa NCDs are catching up.
- The Australian Government's commitment to NCDs is commendable; however, it has been piecemeal. With the finalisation of the Action Plan and Monitoring Framework, imminent release of the post-2015 development framework, and review of global development priorities and strategy currently being undertaken by the Australian Government, a major opportunity exists for Australia to play an enhanced and innovative global leadership role in

⁹⁰ Scaling Up Nutrition initiative, *Why Nutrition*, see <http://scalingupnutrition.org/about/why-nutrition>, accessed 5 February 2014.

⁹¹ GAVI Alliance, GAVI's impact, see <http://www.gavialliance.org/about/mission/impact/>, accessed 5 February 2014.

⁹² Sam Byfield and Rob Moodie, *Addressing the World's biggest killers: Non-communicable diseases and the international development agenda*, Australian Council for International Development, Research in Development Series Report #7, 2013.

⁹³ Institute for Health Metrics and Evaluation, 'The Global Burden of Disease: Generating Evidence, Guiding Policy', 2012.

⁹⁴ WHO, *Global Status Report on NCDs*, 2011.

addressing NCDs. In particular, we recommend that the Australian Government further build upon its international leadership in the prevention and control of NCDs. ACFID proposes funding initiatives for 2014–15 and over the coming four-year forward estimates as:

Funding initiatives: Combatting Non-Communicable Diseases (NCDs)	\$Am for 2014–15	Total amount over forward estimates in \$Am
Country-level roll out of activities under the NCDs Action Plan	3.75	15 over 4 years
Support for multisectoral research on NCDs	2.5	10 over 4 years
Continued (and where investments are proven to be successful, scaled-up) programs in the Pacific, focusing on bilateral funding for health ministries	7.5	30 over 4 years
Build new programs in East and South East Asia drawing upon previous and current modalities in the Pacific of bilateral funding and grants allocation	2.5	10 over 4 years
Expansion of Development through Sport initiatives, including broadening the focus to more Indo–Pacific countries	15	60 over 4 years

Recommendation 10.2: Allocate an overall spend on water, sanitation and hygiene (WASH) initiatives at 5% of ODA

‘WASH represents one of the most pressing challenges confronting the world today; almost 2,000 children die every day from preventable diseases, like diarrhoea, caused by unclean water and inadequate sanitation and a staggering 2.5 billion people do not have access to adequate sanitation. 50% of hospital beds in the developing world are filled with people suffering from WASH-related illnesses. Investment in such basic services has far-reaching returns in health and education for women, girls and whole communities. WASH is fundamental to human development and economic growth, and thus very much in Australia’s national interest.’ – WaterAid Australia⁹⁵

Ensuring strong health outcomes – and healthy economies in our region and beyond – necessitates a sound ongoing investment in the health fundamentals: this means water, sanitation and hygiene. ACFID recommends an overall commitment of at least 5% of total ODA to water, sanitation and hygiene initiatives, with a particular focus on sanitation in schools and health centres where diseases can easily spread to vulnerable people.

⁹⁵ WaterAid Australia, *Australia’s aid program and water, sanitation and hygiene*, see <http://www.wateraid.org/au/news/news/australias-aid-program-and-water-sanitation-and-hygiene>, accessed 5 February 2014.

Annex A: The ACFID Executive Committee

President: Sam Mostyn

Vice President – Finance: Nigel Spence – CEO, ChildFund Australia

Vice President: Ian Wishart – CEO, Plan International Australia

Vice President: Julia Newton-Howes – CEO, CARE Australia

Committee Members

Dimity Fifer – CEO, Australian Volunteers International

Adam Laidlaw – CEO, WaterAid Australia

Melanie Gow – Chief Strategy Officer and Chief of Staff, World Vision Australia

Christian Nielsen – Executive Director, Live & Learn

Brian Doolan – CEO, The Fred Hollows Foundation

Helen Szoke – CEO, Oxfam Australia

Joanna Hayter – CEO International Women’s Development Agency

Matthew Maury – National Director, TEAR Australia

Annex B: List of ACFID Members as at November 2013

Full Members:	Australian Injecting and Illicit Drug Users League	Engineers without Borders
40K Foundation Australia	Australian Lutheran World Service	Every Home Global Concern
ACC International Relief	Australian Marist Solidarity Ltd	Family Planning New South Wales
Act for Peace – NCCA	Australian Medical Aid Foundation	Foresight (Overseas Aid and Prevention of Blindness)
ActionAid Australia	Australian Red Cross	FreeSchools World Literacy
ADRA Australia	Australian Mercy	Fred Hollows Foundation, The
Afghan Australian Development Organisation	Australian Respiratory Council	Global Development Group
Anglican Board of Mission – Australia Limited	Australian Volunteers International	Global Mission Partners
Anglican Overseas Aid	Baptist World Aid (now part of Transform Aid International)	GraceWorks Myanmar
Anglican Aid	Beyond the Orphanage	Grameen Foundation Australia
Assisi Aid Projects	Birthing Kit Foundation (Australia)	Habitat for Humanity Australia
Australasian Society for HIV Medicine	Brien Holden Vision Institute Foundation	Hagar Australia
Australian Cranio–Maxillo Facial Foundation	Burnet Institute	HealthServe Australia
Australia for UNHCR	Business for Millennium Development	Hope Global
Access Aid International	CARE Australia	Humanitarian Crisis Hub
Asia Pacific Journalism Centre	Caritas Australia	Hunger Project Australia, The
Asian Aid Organisation	CBM Australia	International Children's Care (Australia)
Australia Hope International Inc.	Charities Aid Foundation	International Christian Aid and Relief Enterprises
Australian Business Volunteers	ChildFund Australia	International Detention Coalition
Australian Conservation Foundation	CLAN (Caring and Living as Neighbours)	International Needs Australia
Australian Doctors International	Credit Union Foundation Australia	International Nepal Fellowship (Aust) Ltd
Australian Doctors for Africa	Daughters of Our Lady of the Sacred Heart Overseas Aid Fund	International RiverFoundation
Australian Federation of AIDS Organisations	Diplomacy Training Program	International Women's Development Agency
Australian Foundation for the Peoples of Asia and the Pacific	Door of Hope Australia Inc.	Interplast Australia & New Zealand
Australian Himalayan Foundation	EDO NSW	Islamic Relief Australia
		John Fawcett Foundation
		Kyeema Foundation

Lasallian Foundation	Project Vietnam	UNICEF Australia
Leprosy Mission Australia, The	Quaker Service Australia	Union Aid Abroad–APHEDA
Lifestyle Solutions (Aust) Ltd	RedR Australia	UnitingWorld
Live & Learn Environmental Education	Reledev Australia	University of Cape Town Australian Trust
Mahboba’s Promise Australia	RESULTS International (Australia)	Volunteers in Community Engagement (VOICE)
Marie Stopes International Australia	Royal Australian and New Zealand College of Ophthalmologists	WaterAid Australia
Marsh Foundation	Royal Australasian College of Surgeons	World Education Australia
Mary MacKillop International	Royal Institute for Deaf and Blind Children	World Vision Australia
Mercy Works Ltd.	Salesian Society Incorporated	WWF–Australia
Mission World Aid Inc.	Salvation Army (NSW Property Trust)	Affiliate Members:
Motivation Australia	Save the Children Australia	Refugee Council of Australia
MSC Mission Office	Service Fellowship International Inc.	Vision 2020 (Also signatories to the ACFID Code of Conduct)
Nusa Tenggara Association Inc.	Scarlet Alliance: Australian Sex Workers Association	La Trobe University – Institute for Human Security
Oaktree Foundation	SeeBeyondBorders	University of Melbourne – School of Social and Political Sciences
Openaid 1000 Villages	Sight For All	Australian National University – School of Archaeology and Anthropology, College of Arts and Social Sciences
Opportunity International Australia	SIMaid	Deakin University – Alfred Deakin Research Institute
Oro Community Development Project Inc.	Sport Matters	University of the Sunshine Coast – International Projects Group
Oxfam Australia	Surf Aid International	
Partners in Aid	TEAR Australia	
Partners Relief and Development Australia	Transparency International Australia	
People with Disability Australia		
PLAN International Australia		

Annex C: The impact of past cooperation agreements

A scan of the Government's evaluations of Cooperation Agreements with NGOs reveals a range of positive findings.

- Cooperation Agreements are cost effective and represent value for money.
- Cooperation Agreements utilise the specialised skills of NGOs and their partners.
- NGOs and their partners undertake innovative, effective practices to achieve results, consistently working to set objectives.
- Cooperation Agreements allow NGOs to bring their own value-add to the Australian aid program, through their existing country knowledge, partners, development practice and on-the-ground experience.

Examples of impact

The **Australian Partnerships with African Communities (APAC) Cooperation Agreement**, the predecessor to the current Australia Africa Community Engagement Scheme (AACES), delivered results in key areas of priority for the Australian aid program in Africa. The UK based Overseas Development Institute found that the program extended the reach of the Australian Government's official aid program: *'The success of the [APAC] program lay in harnessing the added-value of Australian NGOs and their partners by going beyond the provision of basic needs through citizen empowerment, capacity building, and engagement with local governments to enhance results for the poor'* (Samuels, James and Sylvester, *Beyond Basic Needs: Programming for marginalised and vulnerable groups – The Australian Partnerships with African Communities (APAC)*, ODI, 2009). This cooperation agreement was also found to strengthen and support the broader objectives of the Australian aid program in Africa: *'The relationships, contextual understanding, and evidence base developed through a program like APAC can form a valuable compliment to inform AusAID's broader engagement'* (Bennett, C, et al, *Review of Australian Partnerships with African Communities Final Report*, September 2009).

Similarly, the final evaluation report of the **Vietnam Australia NGO Cooperation Agreement (VANGOCA)** found that the program was cost efficient, representing *'value for money'*, and that it achieved on-the-ground results: *'Projects have made positive progress towards achieving [set] objectives, laid the foundation for sustainable outcomes, and contributed to significant impacts at the village and commune levels'*. The report also found that NGOs took innovative approaches that demonstrated *'an appreciation of the complexities of the development context, geographic location, stakeholder and partner relations, and the sub-national operating environment'* as well as *'the value added that VANGOCA NGOs have brought in their own right as INGOs, and also as part of GoA's [the Government of Australia's] contribution to development assistance in Vietnam'*. (Vietnam Australia NGO Cooperation Agreement Program (VANGOCA), *Review & Final Report*, June 2009.)