REVIEW OF INTERNATIONAL DEVELOPMENT POLICY

Micah recognises the world is changing.

Micah Australia (Micah) is a movement of Australian Christians - including individuals, churches and Christian development agencies - all raising a powerful voice for justice and a world free from poverty. It is the successor to Micah Challenge, building on a ten-year legacy of campaigning and community engagement. Now led by Executive Director Tim Costello, Micah has renewed its focus on Australia's development cooperation and tackling the most pressing global justice issues of our time. Every year Micah takes over 200 Australian Christians to Canberra and electorate offices, conducting meetings with more than 100 parliamentarians, to discuss Australia's aid budget and international development policy.

We believe that as a peaceful and prosperous nation that values fairness, kindness and compassion, we have a moral obligation to ensure Australia's development cooperation is supporting the world's most vulnerable and marginalised people. Acknowledging that every life is of value and worth, development cooperation must look beyond the strategic value it brings to Australia (as considerable as that is).

We respect the challenges this Government faces – Australia needs strong trading partners, reliable allies and close relationships in our immediate region. Each of these assist in building Australia's freedom, security and prosperity and we understand the role the Government sees the development cooperation portfolio plays in fulfilling such a vision for our nation. Thankfully, the reality is when we live out our values through a principled development cooperation policy, we can be both strategic and moral.

The issue of global justice is one in which Christians are substantially invested. We believe that individuals, institutions and nations are called to respond to neighbours in need with generous love and compassion. Christian humanitarian and international development agencies in Australia collect $621 million in charitable donations each year. The supporters of Micah do not just call for Government action, they act themselves.

There is growing recognition that there are a range of policy levers which can contribute to or hinder tackling poverty and injustice in our region and around the world. It is vital that the goals and objectives for development cooperation impact beyond the aid program policy areas, both within the foreign affairs and trade portfolio and across the Australian Government. Therefore, this submission seeks to describe its vision and recommendations in terms of 'development cooperation' not simply aid policy.

1.   Purpose

Australia's development cooperation should always be primarily for the purpose of alleviating poverty. This is fundamental to our values as a nation. As Christians we believe the gospel imperative to "uphold the cause of the poor and the oppressed" (Psalm 82:3) is clear, and we will continue to raise our voice in supporting this as a bedrock of all our development cooperation, including Australia's aid program. Since this is also the first development cooperation policy since the adoption of the Sustainable Development Goals (SDGs) in 2015, it is also critical that this policy clearly outline how the investments Australia makes through its development cooperation contribute towards achieving the SDGs and their purpose to 'leave no one behind'.

Australia's development cooperation and aid program investments, do have recognisable benefits to trade, security and diplomacy interests. However, the pursuit of Australia's national interests in these areas, should not usurp the primary purpose of alleviating poverty.

Sustained cuts to aid have had a significant impact on Australia's development cooperation program. The generosity of the aid program sits at its lowest level of 0.21% of gross national income and is continuing to decline. Australia now ranks 19th in generosity out of the 29 OECD countries. Micah believes Australia should work to return to the top half of rich country aid donors as a mark of our commitment to the world's poor, vulnerable and oppressed. This would be moving up to a ranking of 14th position, and a development cooperation budget that is at least 0.3% of GNI. This would put Australia just below the OECD average and around the levels of Canada and New Zealand.

Recommendation 1: Establish the purpose of Australia's development cooperation, including its aid program, as poverty alleviation and contribution towards achieving the Sustainable Development Goals.

Recommendation 2: Increase Australia's development cooperation budget over this term of parliament to 0.3% of GNI with a long-term goal of reaching the internationally agreed benchmark of 0.7% of GNI.

Cover image: Over 230 Australian Christians and Pacific Church Leaders gathered in Canberra last December 2019, for Micah's annual 'Voices for Justice' summit, where over 90 parliamentarians were met with to discuss Australia's development cooperation program.

2. Goals

The Foreign Policy White Paper identifies security, stability, prosperity and resilience as fundamental to Australia's foreign policy. Micah has prioritised social stability, inclusive prosperity and community resilience as three goals vital to Australia's development cooperation and offers below its views on how these should be considered. Consistent with Micah's view about the purpose of Australia's development cooperation, Australia's investments in aid should not be primarily for the purpose of Australia's security. Other portfolios within the government invest significantly greater resources than the modest aid program in securing Australia interests both at home and abroad.

Social Stability

Micah agrees with the Australian Government that a stable region and world is important to tackling poverty and promoting sustainable development. Fragile and conflict affected states also experience poorer outcomes in human development and can often see a reversal of development gains.[1] While the focus of much of the discussion on the stability of the Asia-Pacific has usually focused on the changes in the geo-political dynamics of the region, Micah has identified other drivers which could contribute to greater stability in the region, nations, communities and households. In particular tackling violence, particularly violence against women and children, and the scourge of modern slavery is fundamental to reducing conflict and creating a more peaceful region.

The International Labour Organisation estimates that 40.3 million people find themselves living in modern slavery with the Asia-Pacific having the highest prevalence of any region in the world[2]. More than 60 per cent of women in some Pacific Island countries have experienced violence with one in four adolescent girls experiencing physical violence, and one in ten sexual violence. Women and girls with disabilities are two to three times more likely to experience physical or sexual violence.[3]

The Modern Slavery Act is a strong example of the role other portfolios can play in development cooperation. Micah commends the Act's passage and looks forward to its effective implementation. Micah also commends the Australian Government on its Pacific Women Shaping Pacific Development Program. Current funding for the Pacific Women program is set to expire in 2021-2022. This commitment should be renewed as a priority for the Government, along with other new innovative forms of funding targeting this issue specifically.

The other clear threat to the stability of the region is climate change. Whether it is the consequence of forced migration due to uninhabitable homelands, conflict over ever diminishing resources such as water, or threats to food security, climate change is a risk to regional stability.

Inclusive Prosperity

Achieving real prosperity is about realising the sustained human development required for a flourishing life. It encompasses not only economic factors but also must include ecology, spirituality and well-being as important contributors. As the Government increases direct investments in economic infrastructure, these investments should be accompanied by the same development rationale of sustainability and inclusivity by ensuring all projects are gender-sensitive, accessible, climate- resilient and that they pass an additionality test, bundling hard infrastructure with soft infrastructure and community development programming to maximise development outcomes. Applying these principles will not only achieve better development outcomes, it will also differentiate Australia from other governments and multilateral lenders.

Sustained prosperity also requires investment in the next generation. Africa is the world's youngest continent with 60% of the population under the age of 25, however the Pacific is not far behind with 50% of the population under 25[4]. Therefore the health, education and protection of children and youth has never been more important. Malnutrition and violence for example both have significant impact on the physical and cognitive development of children[5] leading to long-term consequences for their education, livelihoods and wellbeing. Micah supports the creation of a Child Rights Unit to ensure children are intentionally considered in the design and delivery of development partnerships, including by conducting Child Impact Assessments for major initiatives.

Climate change also represents a significant threat to prosperity in the region. Changes already experienced in the productivity of land are a direct threat to those who subsist on farming. Alongside this, beyond the human consequence, the increase in natural disasters impacts directly on the productive assets of many livelihoods. Beyond the human consequences of a disaster, the economic consequences in our region are significant with Cyclone Pam in Vanuatu inflicting damage greater than half the GDP of Vanuatu[6].

Community Resilience

As noted above in relation to stability and prosperity, the single greatest threat to the resilience of the region is climate change. As Australian churches are responding to unprecedented natural disasters in Australia, church leaders in the Pacific are asking us to increase our support to the Pacific as they respond to the impacts of climate change. The Asia Pacific region is the most disaster-prone region in the world, with a person living in the region almost twice as likely to be affected by a disaster as a person living in Africa and 30 times more likely than a person living in North America or Europe.

Micah acknowledges DFAT's new Climate Change Action Strategy as an important recognition of the impact climate change is having on development and humanitarian action. However, this will impact every aspect of development cooperation policy as well as all areas of foreign and domestic policy. This policy review represents an opportunity to acknowledge the impact climate change is having across the portfolio.

Recommendation 3: Shape the goals of the new development cooperation policy to:

1. *Encompass broader levers of foreign policy, beyond the aid program, in advancing development cooperation in the region and around the world.*

2. *Ensure the new aid policy recognises the needs of the most vulnerable, particularly women, children and people with disabilities.*

3. *Ensure climate change is mainstreamed across Australia's development and humanitarian investments.*

3.   Geographic Focus

Bilateral Program

Micah acknowledges the strong focus of Australia's bilateral development cooperation program on the Pacific. Australia along with New Zealand, have a unique responsibility in this region for reasons of history, geography and human need. Many of Micah's members also have a significant footprint in the Pacific and long-standing partnerships and relationships. Investments should be focused on achieving long-term, sustainable and inclusive development and this should be the benchmark against which decisions are measured.

It is also important to recognise the impact of other policy settings of Australia which can promote or hinder sustainable development in the Pacific. In this context it is impossible to ignore the existential threat of climate change to the people of the Pacific, where Australia's own mitigation efforts along with investments in climate finance need to be commensurate to the scale and urgency of the challenge. Such actions are also critical for demonstrating solidarity with our Pacific neighbours, who find themselves on the 'front lines' of the impacts of climate change.

Alongside the investment in the Pacific, Australia has recognised its responsibility to the broader Indo-Pacific region through a bilateral program across the Asian region. However, through the past six years the program has borne significant cuts. While the government has pointed to Asia as a region of strong economic and human development, Australia's changing aid investment profile in the region has not been necessarily consistent with the places of greatest development. For example, the decisions to end aid to Pakistan and halving aid to Laos, two countries with some of the lowest human development outcomes in the region.[7]

This policy review is a vital opportunity to outline clear, transparent principles which will guide bilateral investment, particularly in Asia. As a fundamental principle, Micah believes that Australia's development assistance should be needs-based, focused on the areas of greatest disadvantage and those not on track to achieve the SDGs. While issues such as the profile of other donors, absorptive capacity and Australia's distinctive value-add are relevant, these should be considered in the context of how Australia makes an investment in countries where poverty is still pervasive and human development is low.

In countries where there is strong economic growth, investments should be targeted towards ensuring the benefits of that growth are shared and translate into human development outcomes. This should include investments to ensure government services reach the most vulnerable and investments to build the productive capacity of small-holder farmers and micro-entrepreneurs so they can access and benefit from trade. It may also include investments to allow citizens of these countries to be able to hold their governments to account, which is a unique role for civil society. There is also an important role for Australian aid in protecting human rights, particularly of minority groups.

Recommendation 4: Maintain investment in the Pacific, ensuring that investments promote long-term, sustainable and inclusive development.

Recommendation 5: Establish clear, transparent criteria for investment in Asia focused on where there is greatest need, including achieving the SDGs, promoting human rights, protecting minorities and reducing inequality.

Global Program

One of the significant consequences of the cuts to the development cooperation program over the past six years, has been the effective end to a bilateral program outside of the Asia-Pacific region, most notably in Africa. However, the current size of the budget, places a burden on the global program as Australia's only way to make a significant contribution outside the Asia-Pacific. Pervasive poverty is still predicted to be at its highest in sub-Saharan Africa over the coming decade. Alongside this, the world continues to face the greatest global humanitarian burden since the World War II with over 70 million people forcibly displaced worldwide, primarily in the Middle East and parts of Africa[8]. Emerging global threats will need collective global effort. Therefore, there is a strong case to maintain and strengthen Australia's investment in its global program which currently sits just under 30% of the budget. Effective Multilateral organisations or non-government organisations are a vital mechanism for extending the reach and impact of Australia's efforts to parts of the world in greatest need. The Australian NGO Cooperation Program (ANCP) is a long-standing, innovative and flexible mechanism, with many agencies investing in projects outside the Asia-Pacific in a way that is directly attributed to the Australian Government. Australia should not step back from its role as a principled middle power in order to step up in its own region. Australia's humanitarian investments - including the emergency fund - also sit within the global program and should continue to be distributed on the basis of need in line with humanitarian principles.

Recommendation 6: Maintain and strengthen the development cooperation portfolio's global program through investments in effective multilateral and non-government organisations, including the Australian NGO Cooperation Program.

4. Development Partners

People-to-people connections are the strongest bonds we can develop. They are what enables us to become closer culturally, relationally and spiritually, providing the opportunity for us to learn from one another's experience and better understand each other. The Church is a 'unique' partner, particularly in the Pacific that is different from government, the private sector and the rest of civil society in its strengths, capabilities, networks and influence. In the Pacific, where 90% of the population identifies as Christian, the Church is often the most significant civil society actor. The Church's reach, infrastructure and influence make it the largest piece of social infrastructure throughout the region. The continent of Africa now contains the largest number of Christians at 631 million.[9] The Church works alongside many other faith actors including faith-based NGOs, insitutions of other faiths and - particularly in our Asian neighbours – through multi-faith initiatives.

The Church is often a trusted community leader capable of addressing underlying beliefs and attitudes to produce sustained behavioural change and social transformation. In many cases, it has been called upon to deliver primary services like health and education, filling the often substantial gaps in government services. This includes in remote communities where government service delivery is often weak or non-existent. There is also a strong existing partnership between the Pacific churches and Australian churches, as well as with church-based and faith-based deveopment organisations working in the Pacific.

In looking to harness the opportunities of these unique partners in development, Micah recommends three concrete proposals. First, develop a set of Faith and Development Partnership Principles which provides a foundation for effective, mutually respectful partnership and collaboration with churches and other faith groups in development policy and programs. One effective model for this could be the United Kingdom's Faith Partnership Principles.[10] Second, establish a Faith and Development Advisory Group within the governance and oversight arrangements of the development cooperation portfolio. This group should include representatives from Christian churches, other faiths, and relevant faith-based development actors to advise on development and other international policy and program issues. It may include both Australian and regional representatives and provide a strategic conduit for consultation on policy priorities, program implementation, and community engagement. Finally, the advisory group could also work with the Government to co-design programs to harness the opportunity of working more closely with churches and faith groups, particularly in the Pacific on shared development priorities.

Another issue which arises through Micah's engagement with churches in the region is localisation. While donors and international forums made commitments on the need for greater localisation, progress on the ground has been slow. Church leaders, particularly in the Pacific, strongly support the need for greater self-determination and local empowerment, which is at the heart of the localisation agenda. However, this will require government donors to better prioritise the role of local actors in the design, delivery and evaluation of programs and also in the setting and shaping of countries' broader development cooperation plans. Civil society organisations, churches and other faith-based organisations have a vital stake in the future development and should have a seat at the strategy setting table.

Recommendation 7: Strengthen work with churches and faith groups through:

1. *Developing a set of Faith and Development Partnership Principles to guide partnerships with churches and faith groups.*

2. *Establishing a Faith and Development Advisory Group to advise and consult on policy priorities, program implementation, and community engagement.*

3. *Working with the Faith and Development Advisory Group to co-design initatives and programs to leverage the distinctive strengths of faith communities and networks.*

Recommendation 8: Consult directly with governments and diverse community leaders in the region including churches, particularly in the Pacific, in the development of Australia's new development cooperation policy.

Footnotes

1   Fund for Peace Fragile States Index in 2019 identified Afghanistan as High Alert and Myanmar and Pakistan Alert. This compares with the UNDP's Human Development Index where Myanmar is 145, Pakistan is 152 and Afghanistan is 179 out of 189 countries.

2   Global Estimates of Modern Slavery, ILO, 2017.

3   *Unseen, Unsafe: The underinvestment in ending violence against children in the Pacific and Timor-Leste, 2019.*

4   Craney, Aidan, Avoiding a Lost Generation: Understanding the Social and Economic Impacts of the Pasifika Youth Bulge, 2016; World Population Prospects 2019, UN.

5   Short Changed: The Human and Economic Cost of Child Undernutrition in Papua New Guinea, Save the Children, 2017. Unseen, Unsafe: The underinvestment in ending violence against children in the Pacific and Timor-Leste, 2019.

6   Vanuatu: Post-Disaster Needs Assessement, Government of Vanuatu, 2015; Economic Losses, Poverty & Disasters, United Nations Office for Disaster Risk Reduction, 2018.

7   Pakistan ranks 152, Laos ranks 140 out of 189 countries in the UNDP's Human Development Index.

8   United Nations High Commissioner for Refugees, Global Trends Report, 2018.

9   Global Christianity, Centre for the Study of Global Christianity, 2018.

10   Faith Partnership Principles, Department for International Development, UK, 2012.

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