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SUBMISSION INTO AUSTRALIA'S OVERSEAS AID AND DEVELOPMENT ASSISTANCE PROGRAM

The United Nations Association of Australia (UNAA) welcomes the opportunity to make a submission into the Inquiry into Australia's overseas aid and development assistance program.

The UNAA's submission responds to Terms of Reference (a) – (c) of the Inquiry, and provides that:

- Cuts to the aid budget undermine Australia's capacity to contribute the Millennium Development Goals and multilateral action on climate change;
- Focusing the Australian aid program on strengthening the economies of developing countries risks leaving the most marginalized populations behind;
- Funding cuts to the aid program should not unduly target UN agencies, especially in light of the overwhelmingly positive reviews multilateral organizations received in the 2012 Australian Multilateral Assessment; and
- Poverty reduction should remain the key objective of the Australian aid program.

ABOUT THE UNAA

The United Nations Association of Australia is a membership-based organisation dedicated to advancing the goals of the United Nations in Australia and around the world.

Established in 1946, the UNAA has a proud history of mobilising civil society, influencing decision-makers and educating the public in pursuit of UN ideals.

The UNAA has a national office and active branches in each state and territory of Australia. The UNAA runs many successful programs and activities, including the UN Academic Network, the UN Young Professionals Network, the UN Parliamentary Group, the UNAA National Conference, the World Environment Day Awards and the Media Peace Awards.

The UNAA is a member of the World Federation of United Nations Associations (WFUNA), which has Consultative status at the Economic and Social Council (ECOSOC).



(a) AUSTRALIA'S ABILITY TO DELIVER AID AGAINST STATED POLICY OBJECTIVES AND INTERNATIONAL COMMITMENTS

In 1961, the United Nations adopted the target of 0.7% of Gross Domestic Product (GDP) as the target for aid (Official Development Assistance, ODA) from developed countries to assist the development of poor countries. Australia made an early commitment to achieve this UN target but only during the first Rudd Government was an interim target of 0.5% of Gross National Income (GNI) adopted with a target date of 2015. Under Prime Minister Rudd, Australia's aid program began to increase significantly. During the Gillard Government the target date was pushed back to 2016/17 but the aid level continued to increase.

This commitment to aid and the target date enjoyed bipartisan support up until two days before the 2013 federal election when the Opposition announced that significant cuts to the aid program would be made if they were elected into government.

The Abbott Government has stated that aid will remain around \$5 billion and increase annually at the same rate as the consumer price index (CPI). While the Government has stated that it remains committed to achieve 0.5% GNI target, it has not suggested a date by which the target will be achieved. A target without a target date is no target at all.

The Government is rightly proud that Australia has not experienced economic recession for 22 years, a record that few other Governments can claim. But this fortunate economic record is not reflected in our commitment to assist those less fortunate in the world or to assist countries that have suffered due economic recession that was not of their making.

At the UN, Australia also committed to contribute to achieving the Millennium Development Goals (MDGs) and our previously growing aid program ensured there was substance to our commitment. The DFAT website includes the report '*Achieving the Millennium Development Goals: Australia's Support*'. In the preface, then Prime Minister Rudd says "Australia's commitment (to the MDGs) is strong. ... Australians can take pride in the achievements made possible by their aid program and their private contributions over the past ten years." Much was made of our commitment to the MDGs in our campaign for a seat on the UN Security Council. Cutting aid by \$107 million from that provided in 2012-13 and cutting forward estimates on aid by more than \$4 billion significantly undermines our international capacity to contribute to the MDGs. These cuts also undermine Australia's pride as a 'good international citizen' and a country that does what we say we'll do – another key plank in our Security Council campaign.



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Similarly Australia, under the previous Government, made commitment under the UN Framework Convention on Climate Change to support international efforts to reduce greenhouse gas emissions and to support international efforts for climate change mitigation and adaptation. Australia contributed its share to the Fast Start Climate Funding and this program is nearing completion. Australia's signing of the Kyoto Protocol in 2007 was a significant change of policy and helped boost international support for a post-Kyoto agreement which is yet to be negotiated. The Abbott Government's decision to cut all funding to international climate change initiatives and UN funds for climate change undermines international commitment to address climate change even though the Environment Minister, Greg Hunt, both acknowledges the threat of climate change ("As I've said before, we absolutely accept the science of climate change. We accept that it is real and that humans are contributing to it") and also the importance of multilateral action ("We believe that acting with other countries to tackle climate change is critical to Australia's future. Australia will exercise a constructive role in international climate change negotiations.")

In cutting contributions to all international climate change funds, the Government has undermined the Green Climate Fund which was established in 2010 and co-chaired initially by a Senior AusAID official. Australia also represented New Zealand on the Green Climate Fund Board. At the Davos World Economic Forum Meeting attended by Prime Minister Abbott in January 2014, international leaders including US President Obama and World Bank President Kim called for action to establish a plan to reduce carbon emissions and tackle climate change. Prime Minister Abbott will later this year host the G20 Meeting in Brisbane and yet Australia has stepped back from sharing responsibility for climate change and is refusing to participate in international action to address the climate crisis.

While there is much to commend 'direct action' to reduce carbon emission as advocated by the Government, international action is also required on climate change. Australia is one of the world's highest emitters of greenhouse gas per capita, yet we appear reluctant to accept our responsibility to the international community to contribute to global action to address climate change and have cut funding to international bodies whose establishment we supported.



**(b) AUSTRALIA'S ABILITY TO MAINTAIN ITS INTERNATIONAL DEVELOPMENT
PRIORITIES, INCLUDING SECTORAL, REGIONAL, BILATERAL AND
MULTILATERAL INTERNATIONAL RELATIONSHIPS**

At the Sir Edward 'Weary' Dunlop Lecture in December 2013, Prime Minister Abbott said that "Australian Government's aid, however, should be directed towards improving other countries' governance and strengthening their economies". While governance and economic growth are key elements of achieving sustainable development, there is growing recognition, reflected in speeches to the Davos meeting, that increasing inequality, especially for women, is preventing many millions of poor people from sharing in their country's economic growth. Economic growth alone does not reduce poverty; people's participation in the economy and ensuring benefits are distributed are increasingly critical issues. The UN Secretary General has not only called for greater action to support equal opportunity for women and girls but has also called for greater attention to social inequality in the formulation of the Sustainable Development Goals.

Cuts in existing commitments to support water and sanitation programs have undermined Australia's contribution to improving access to drinking quality water and to reducing open defecation in Asia and Africa. Several NGOs whose projects had been approved may not now receive the expected funding because of the cuts to Australian aid in this financial year.

Many UN agencies have received the same funding this year as last year, despite inflation and increasing demands. Overall, it appears that about \$20 million has been cut from UN agencies this year. The UNAA urges continuing support to UN agencies. While it is always appropriate to review the efficiency and effectiveness of aid activities including those delivered by UN agencies, the March 2012 Australian Multilateral Assessment (AMA) found that "Australia's contributions to multilateral organizations were overwhelmingly (96 percent) provided to organizations that were rated as being effective". While the UN continually strives to enhance the effectiveness of its operations, the UNAA seeks an assurance from the Government that further cuts to the aid program will not unduly target UN agencies. The UN agencies contributed time and resources to the AMA process and the findings of this assessment should provide the basis for allocation of resources, rather than any preconceived notions of the effectiveness of multilateral agencies.

The Governments' emphasis on 'economic diplomacy' and increased opportunities for the Australian private sector through the aid program, should be addressed by improving the opportunities for Australian companies to tender for procurement requests from the UN and its agencies rather than withdrawing contributions to multilateral organizations with a view to offering a more direct opportunity to



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Australian companies to share in aid procurement. The UNAA has offered suggestions in the past on how to improve the opportunity for Australian companies to access UN procurements and would be pleased to do so again.

The UNAA is also concerned about humanitarian and emergency response funding, which has been cut by almost 30% relative to the 2013-14 budget. These are substantial cuts to humanitarian and emergency funding at a time when calls on emergency funding are increasing. These cuts will impact Australia's ability to advance our development priorities, as bilateral allocations will likely be redirected from long-term development programs when emergencies arise due to these shortfalls.

(c) THE INTEGRATION OF AUSAID INTO THE DEPARTMENT OF FOREIGN AFFAIRS AND TRADE AND THE FREEZE IN INTERNATIONAL DEVELOPMENT ASSISTANCE FUNDING;

The UNAA recognizes there are potential benefits to the integration of the Department of Foreign Affairs and Trade (DFAT) and AusAID in terms of a more coherent approach by Australia in its international cooperation and partnerships.

However, the UNAA is concerned that the development focus of the aid program may become subsumed by the emphasis on Australia's interests and economic diplomacy.

For the past decade, Australian aid has had poverty reduction as the primary objective. This objective is consistent with the support the Australian community gives to the maintenance of the aid program and reflects the public's high level of donation to NGOs to reduce international poverty. As detailed above, Australia has also been a strong supporter on the UN Millennium Development Goals to halve global poverty by 2015.

However, with the integration of AusAID into DFAT, the objective for the aid program that appears on the new aid website is "Advancing the interests of Australia and Australians internationally", with no mention of reducing poverty. The focus for the aid program under the Abbott Government appears to emphasize trade opportunities and 'economic diplomacy strategies'. This new approach has the capacity to undermine the integrity of Australia's aid program and our commitment to the MDGs and the primary goal of ODA, poverty reduction. Australia, like no other country, other than New Zealand, is a rich industrialized country in a region that is home to more than 1.2 billion people living in absolute poverty. The down-



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playing of "poverty reduction" in descriptions of the Australian aid program is a serious misjudgment and should be corrected.

The Minister for Foreign Affairs' commitment to "develop rigorous benchmarks and to promote an accountable performance culture within the aid program" is welcome but it must be recognized that AusAID had established a rigorous aid effectiveness system over the past 3 – 4 years targeting its impact on poverty. In developing benchmarks, the Government must make clear what its overriding goal is, and it must be more than advancing Australia's interests. To date, there has been little mention of poverty in discussion about the new direction of Australia's aid program and much mention of aid for trade and economic diplomacy.

The UNAA is committed to international efforts 'to promote social progress and better standards of life in larger freedom' and hope that the challenge of reducing global poverty through sustainable development will received greater focus in the integrated DFAT.

For further information, please contact UNAA Executive Director Elizabeth Shaw via