

ACTIONAID AUSTRALIA
SUBMISSION TO THE FOREIGN AFFAIRS, DEFENCE & TRADE REFERENCES COMMITTEE
INQUIRY INTO AUSTRALIA'S TRADE & INVESTMENT RELATIONSHIPS WITH AFRICA

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ActionAid Australia is a global women's rights based organisation working to achieve social justice, gender equality and poverty eradication in 45 countries (www.actionaid.org), with an extensive presence in the African region. The organisation focuses on economic and climate justice for women and women's rights in emergencies. ActionAid Australia currently delivers a number of projects in Africa funded by the Australian Aid Program and public donors focused on women's economic empowerment, climate change adaptation and access to justice. This includes work with women smallholder farmers, survivors of sexual and gender based violence in conflict, and those from mining and crisis affected communities. As such ActionAid Australia brings strong gender expertise to inform the current inquiry into Australia's Trade and Investment Relationships with the Countries of Africa, under consideration by the Foreign Affairs, Defence and Trade References Committee.

ActionAid is a member of the Australian Council for International Development (ACFID) and the Australian Fair Trade and Investment Network. The organisation supports the development of fair and equitable trading relationships with all countries, provided that they are regulated through the negotiation of international rules and respect human rights, gender equality and the environment.

ActionAid notes that a transformative approach underlies the Sustainable Development Goals and one that requires a functioning civil society, private sector and Government. Currently, the space for civil society and democratic decision making is shrinking or limited in a number of African countries. Despite the success of the Australian Africa Community Engagement Scheme funded by DFAT until 2016, the Australian Government has chosen to limit aid investment in Africa, which has also severely curtailed initiatives that strengthen civil society and citizen education. In addition, there are numerous Australian companies operating in and investing in Africa, and these investments far outstrip the aid that the Australian Government invests in Africa. From ActionAid's perspective, further trade and investment in Africa should be matched with an investment of aid geared towards civil society strengthening. This is critical to not only protecting Australia's business interests but also ensuring that trade and investment relationships contribute to poverty reduction over the longer term.

If trade and bilateral investment is expanded in Africa, the Australian Government should ensure that agreements and frameworks ensure rigorous assessment to ensure that:

- they promote women rights and empowerment in line with DFAT's Gender Equality and Women's Empowerment strategy;
- do not increase the global carbon footprint nor exacerbate other environmental impacts on water and land;
- that the intellectual property rights of community men and women are respected;
- as well as the labour rights of women and men.

ActionAid encourages the Australian Government to work with their African Government counterparts to put people at the centre of trade agreements and bilateral investment treaties. These

should be negotiated openly, transparently and promote accountability to citizens. They should exclude provisions for Investor State Dispute Settlement as this provides the private sector with a disproportionate amount of power and can prevent Governments from bringing in legislation that protects and promotes women's rights, including their land rights, where this impacts on corporate profits. In October 2016 women from across Africa symbolically climbed Mt Kilimanjaro and demanded their land and livelihood rights in a charter handed to the African Union. The Australian Government through trade, bilateral investment and aid can play an important role in supporting women in their struggle to obtain land justice, and it is important to assess provisions within trade agreements to ensure they 'do no harm' either directly or indirectly.

ActionAid recommends that the Australian Government ensure regulation of trade and Australian companies that invest in Africa in line with obligations under the OECD and the UN Guiding Principles on Business and Human Rights. These include ensuring that the National Contact Point is publicised and operates as a genuine grievance mechanism that women and their communities can use, and that they follow the guidelines for due diligence for supply chains of minerals in conflict-affected and high-risk areas. The Voluntary Guidelines for the Governance of Tenure that are mentioned in the OECD-FAO Guidance for Responsible Agricultural Supply Chains can also provide guidance in establishing an improved regulatory environment.

ActionAid also recommends that the Australian Government regulates extra-territorially as part of trade agreements and bilateral investment treaties to ensure that Australian Companies operate overseas in ways that are sustainable and ethical, and protect Australia's reputation overseas. This includes paying their fair share of taxes in all countries in which they operate. ActionAid research has found evidence of Australian companies operating in Africa engaged in profit shifting. The organisation's research report *Double Jeopardy* (2017) also shows that Ugandan women continue to be subjected to high levels of intimate partner violence, femicide and other forms of violence partly because the Government does not have sufficient revenue to enforce laws and fund prevention and protection programs.

Through the Australia Africa Community Engagement Scheme, ActionAid demonstrated that African women smallholder farmers are able to engage with international value chains provided they are supported to understand their rights, organise and obtain support to negotiate on prices and conditions. However, women must also be supported to make their own decisions about whether to engage in global value chains or territorial markets, and ActionAid encourages the Government to ensure investment in territorial, local markets is not neglected in favour of investment in global value chains. Putting gender equality and African communities at the centre of trade agreements and bilateral investment can enable Australia to contribute to more significant achievements against the Sustainable Development Goals.

ActionAid also encourages the Australian Government to increase data availability and transparency of Australian investments in Africa, particularly in relation to Australian extractive companies, which have a large presence in Africa and carry a particularly high level of human rights risk. This should include introducing public country by country and project by project reporting and a public register of beneficial ownership. These measures would ensure that Australian mining companies are paying their fair share of taxes in the countries in which they operate. This is particularly important given the

significant loss of revenue in Africa due to illicit financial flows, estimated to be in excess of [\\$68 billion](https://www.theguardian.com/global-development/2017/may/24/world-is-plundering-africa-wealth-billions-of-dollars-a-year), or three times that of the aid received by African nations. (<https://www.theguardian.com/global-development/2017/may/24/world-is-plundering-africa-wealth-billions-of-dollars-a-year>).

The Australian Government should also take steps to ensure that any government agency support for Australian investments in Africa are in line with our human rights and climate change obligations. In the case of Efic, which has supported and considered projects in Africa, this should include changing the Efic Act to remove exemptions from Freedom of Information laws, ruling out investment in fossil fuel projects, considering the carbon impact of all projects as part of due diligence, and ensuring all Efic investments are subject to consideration under the EPBC Act. This is particularly important given the impact that climate change is already having across Africa - with 18 million people facing starvation in the East Africa food crisis - and Australia's commitment under the Paris Agreement to limit global warming to 1.5-2 degrees.

ActionAid hopes the Foreign Affairs, Defence and Trade References Committee will give due consideration to these issues as part of its inquiry into Australia's Trade and Investment Relationships with the Countries of Africa. We wish to underscore the importance of the Australian Government ensuring that these relationships are grounded in respect for gender equality, human rights and the environment, and are developed in ways that put people before profit and support the achievement of the SDGs.

Submitted by:

Michelle Higelin, Executive Director, ActionAid Australia

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