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# AUSTRALIA'S AID PROGRAMME: WOMEN'S EMPOWERMENT IS KEY TO POVERTY REDUCTION

ActionAid Australia's submission to the inquiry into Australia's overseas aid and development assistance program.



Above: 1st Kitui Rural Women Assembly in Eastern Kenya, supported under the Australian African Community Engagement Scheme, an Australian Aid project. Photos: Alex Kamweru.



## **Preamble**

ActionAid Australia has prepared this submission to assess recent changes to Australia's overseas aid and development assistance program and make recommendations for strengthening the effectiveness of the program over the longer term. ActionAid Australia is a non-government organisation (NGO) with over 47 years of experience in development and humanitarian assistance and part of a global federation working to end poverty and advance women's rights in over 40 countries.

It is noted that while the government has released details of planned funding cuts for the remainder of the 2013-2014 financial year, uncertainty remains over what policy or administrative changes will be made to the program and funding allocations in future years. This submission is prepared with the information currently available.

This submission specifically considers the impact of recent changes on gender equality and women's rights, and specifically women's access to productive resources and women's right to a secure and violence-free environment, especially in conflict and disaster settings. ActionAid has prioritised these areas for analysis, recognising that women make up the majority of people living in poverty, and any changes to the aid program should assess the potential for changes to exacerbate or improve conditions for vulnerable population groups.

## **Summary of Conclusions & Recommendations**

1. Reducing poverty should remain the key objective of the Australian Government's aid program under the integration with DFAT. The aid program must recognise the limits of focusing solely on economic growth – it is an important element of poverty reduction, but will not achieve poverty reduction alone, thus we advocate for growth with equity.
2. Women are both overrepresented among people living in poverty, as well as being a driving force for change and powerful allies in the process of social and economic transformation. The government should ensure that deliberate and long-term commitments to advancing gender equality and women's rights are a key element of the aid program.
3. The government should reinstate funding to meet Australia's commitment to the Millennium Development Goals by 2015, including increasing ODA to 0.5% of GNI by 2015. Furthermore, 10% of ODA should be dedicated to humanitarian and emergency



assistance, including disaster risk reduction, recognising that disasters often exacerbate poverty and inequality.

4. The aid program should recognise that the issues of poverty, inequality and women's rights are complex and intertwined as a result of social, cultural, political, structural, and environmental factors, and therefore require a comprehensive, multi-faceted approach, including tangible, linear interventions such as infrastructure as well as less tangible interventions like capacity building, behaviour change and empowerment. An effective response also requires prioritised long-term funding for a diversity of actors in implementing aid, including multilateral institutions and a diversity of NGOs to harness diverse experiences and expertise.
5. Geographically, Australia's aid program should target low income countries and fragile states, honouring the MDG target of 0.2% of ODA going to low income countries. This means increasing, rather than reducing, targeted funding for Sub-Saharan Africa, where the majority of low income countries are located.
6. The integration of aid with Foreign Affairs and Trade should be used as an opportunity to improve policy coherence, and ensure that foreign affairs and trade policies all actively work towards improving poverty reduction, human rights and gender equality, as well as benefit people living in poverty, including their environment. All aspects of the government's aid, foreign affairs and trade programmes should promote and uphold international human rights standards, including the rights to decent work and food sovereignty, and women's rights to land ownership.
7. The Australian Government should improve policy coherence by promoting ethical tax behaviour amongst Australian corporations globally, supporting low and high income countries to reform and strengthen their tax systems, and working with the international economic community to improve international standards and information sharing to improve taxation transparency.
8. The government should integrate the environment and climate change across the aid program and provide adequate and prompt support to the Green Climate Fund, including long-term climate finance.
9. Transparency is a key element of aid effectiveness and the government should provide transparent publicly available information on planning, spending and evaluating aid, including gender disaggregated data and analysis; this should remain separate to foreign affairs and trade.
10. Funding for asylum seekers, refugees, migration, scholarships, defence and security should not be allocated from ODA as the expenditure is clearly incurred in the donor country.

## **Background**

This section provides background information designed to place ActionAid's analysis and recommendations in context.

### **a) Women's Experiences of Poverty**

Being female increases the likelihood of a person becoming poor and staying poor, resulting from unequal power relations between men and women, at household, societal and political levels. Women's full participation in life, including their potential to reduce poverty, is severely diminished as a result (World Bank 2012). Around the world, women are more likely than men to engage in low-productivity activities, bear responsibility for unpaid work such as child care and household chores, and work in unregulated or informal conditions.

Not only are women disproportionately affected by poverty, but progress in addressing women's poverty is lagging – the two Millennium Development Goals which address gender gaps (3 and 5) are the least achieved goals (UN 2013), and when assessed from a gendered basis, the performance on other MDGs also indicates insufficient progress for women (WB 2012). The slowest areas of progress in gender equality have been women's ability to make decisions about family income or spending, inequality within households, reducing domestic violence, women's political organising, and women's lack of access to decision making and power (WB 2012). Therefore, in assessing changes to Australia's aid program, it is imperative to examine how these may impact women living in poverty, where development progress is currently lagging.

### **b) Women as Change Makers**

While women are disproportionately represented among people living in poverty, they can also be powerful agents of change. Economic and development literature demonstrates that achieving gender equality is a key driver of development. The World Development Report (WB 2012) highlights that gender equality removes barriers that otherwise prevent women from improving their productivity (such as education, economic opportunities and productive inputs). It also improves the status of women, which then improves other development



outcomes including maternal, newborn and child health, and ensures women and men have equal chances to become active players in social and political life.

Addressing the lack of access poor and excluded people have to food and productive resources, particularly land and water, is also an essential priority for development. The Food and Agriculture Organisation (FAO, 2011) recently found that if women had the same access to productive resources as men, they could increase their yields by 20–30%, which could translate to up to 30% higher yields globally. This would also lead to 150 million fewer people living in hunger. In the context of the Australian government's commitment to economic growth as an engine for development, it is essential to recognise gender equality as a critical condition for ensuring both men and women benefit.

ActionAid's submission and analysis of the changes to Australia's aid program are based on recognition that women are among the most vulnerable and affected by poverty, but that investments in women's leadership and empowerment are critical drivers of long term development outcomes.

## **Analysis of Changes to Aid Program**

From the outset of this submission, ActionAid Australia would like to acknowledge the Foreign Affairs Minister's recognition of the role of empowering women and girls in reducing poverty. The organisation encourages the government to ensure support for long-term efforts that will achieve these outcomes. This analysis is designed to ensure this stated commitment translates into meaningful outcomes for women living in poverty.

### **1. Australia's ability to deliver aid against stated policy objectives and international commitments**

#### **Respect for Aid Effectiveness Principles**

ActionAid welcomes the Australian government's commitment to aid effectiveness. For donor countries, a commitment to aid effectiveness, as outlined in the Paris Declaration on Aid Effectiveness, means implementing approaches tailored to country contexts as defined by low income countries, coordinating, simplifying and sharing information and procedures to minimise duplication, and focusing on measuring outcomes for poverty alleviation (OECD



2005). The Australian aid programme has recently undertaken significant aid effectiveness reforms in order to manage the goal of increasing the aid budget to 0.5% of gross national income (GNI) by 2016/17, which has been supported by the OECD-DAC peer review. ActionAid recommends that any further reform should build on the extensive work that has already been carried out in this area. It is also essential that the integration of aid within a department focused on 'Australia's national interests', does not reduce the commitment to ensuring aid approaches defined by low income countries.

## **Respect for International Commitments**

### **a) Human Rights & Gender Equality**

Australia is signatory to a significant number of international commitments which should be respected in the delivery of its aid program. Some examples of international commitments relevant to reducing poverty and injustice, especially for women, which should be considered in the context of changes, include:

- *Universal Declaration on Human Rights (1948);*
- *Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW, 1979);*
- *Beijing Declaration and Platform for Action (1995)*
- *United Nations Security Council Resolution 1325 including the Australian National Action Plan on Women, Peace and Security 2012-2018*

These should provide a framework against which any government aid policy, as well as foreign affairs and trade policy, should be assessed. This is especially important for policies that focus on economic growth and trade for aid; upholding human rights and gender equality should be central to the design of any programs. CEDAW, as an international treaty, also binds Australia to address gender equity, embedded social values, cultural beliefs and unequal power relations to ensure freedom from exploitation and rights to political voice, education, employment, health care and family planning and elimination of violence against women. ActionAid Australia encourages further analysis to ensure planned reductions in aid budget do not negatively impact on our ability to meet and promote these commitments.

As stipulated in *Beijing Platform for Action (1995)*, it is also imperative that Australia mainstreams gender across all initiatives, including ensuring the collection, analysis and dissemination of gender disaggregated information. This includes gender responsive budgeting, which means collecting and allocating public resources in ways that are effective



and advance gender equality and women's empowerment, based on carefully identified, effective interventions for implementing policies and laws that advance women's rights. In the context of the recent aid budget cuts, it is essential that transparent information is provided on the impact of reduced funding on advancing gender equality and women's rights.

### **Right to Food and Food Sovereignty**

Australia has a number of commitments that must be immediately or progressively realised relating to the right to food and the need for food sovereignty<sup>1</sup>. The *International Covenant on Economic, Social and Cultural Rights* recognises the right of everyone to an adequate standard of living for them and their family, including the right to adequate food and freedom from hunger. The *Convention on the Elimination of all forms of Discrimination Against Women* makes specific provisions for women's right to food in the vulnerable contexts of pregnancy and rural livelihoods. Thus, a key focus of the Australian aid program should include measures which are deliberate, concrete and targeted to improve people's rights to adequate food and freedom from hunger, as well as determine their own strategies for food security, address imbalances of power in agricultural trade, and address the right to food for women in vulnerable contexts.

### **Climate Change**

Australia is signatory to a number of international commitments regarding climate change, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Green Climate Fund. ActionAid is concerned about the incoming government's policy position on climate change, and the impact this will have on future directions for the aid program under a combined aid, foreign policy and trade agenda. Our region will continue to experience increasing impacts from climate change, including larger and more frequent natural disasters and significant spoiling of land, water supply, agriculture and infrastructure, increasing migration as a result. Climate change will impact upon economic and social development, as well as the environment, and will only exacerbate the problems that official development assistance aims to address. Women are also more vulnerable to the impacts of

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<sup>1</sup> ActionAid defines food sovereignty as the rights of a country to determine their own strategies for food security, and the need for free and prior informed consent regarding food security.



climate change than men due to their responsibilities for securing water and food as well as fuel for cooking and heating (UN 2009).

The Foreign Minister has suggested that the government will reconsider Australia's long-term commitment to the Green Climate Fund. It is widely understood that multilateral climate financing measures are more effective than bilateral ones, and the Fund is designed to attract private sector funding, something that this government has expressed significant interest in. With this in mind, along with the increasing impacts of climate change, especially on women, ActionAid strongly recommends that the government provides adequate and prompt support to the green climate fund, as well as long term climate finance.

### **Millennium Development Goals**

The Australian Government's commitment to poverty reduction and achieving the Millennium Development Goals (MDGs) was reflected in the 2007 commitment to increase the aid budget to reflect 0.5 per cent of gross national income. While significant progress has been made on the MDGs and some targets have already been or are near to being achieved (UN 2013), a significant amount of work remains to achieve some goals, particularly in the areas of women's rights and gender equality. The decision to cut the scheduled 2013-2014 aid budget by \$650 million, and \$4.5 billion over the next four years, indicates that the government is reducing its support to these globally agreed commitments at a time when we are approaching the 2015 deadline and due to make commitments to the post-2015 development agenda. ActionAid is deeply concerned that unless the Australian government honours the original commitment, goals related to gender equality and women's rights will continue to lag behind. This commitment to lifting the aid budget is supported by a recent ActionAid supporter survey (2012), which indicated that 84% of respondents thought Australia should meet the Millennium Declaration commitment to increase aid to 0.7% of the GNI.

## **2. Maintaining International Development Priorities**

### **Sectoral Priorities**

The comprehensive aid policy framework 2015-2017 outlines the sectoral priorities for the Australian aid programme to include saving lives, promoting opportunities for all, sustainable economic development, effective governance, and humanitarian and disaster response.





ActionAid supports these objectives, which need to be maintained with continued and strengthened emphasis on gender equality, regular income, and food sovereignty. We specifically support the recommendations outlined in the recent AusAID report *Gender Quality and Rural Development – A Stocktake of AusAID’s Approach and Progress*, which are designed to improve outcomes for gender equality and rural development. This needs to be coupled with efforts to address the barriers that unpaid care plays in limiting women’s effective participation. Investment in social protection measures such as improving access to affordable child care, free education and public health care are a critical factor in this. There is also a need for special measures to ensure women benefit and are included in decision making over programs designed to respond to their needs. As the new government reviews priorities moving forward, ActionAid hopes these areas will be prioritised.

Australia has an important role in responding to disasters and conflict, and building stronger relationships with neighbouring nations in times of need. Humanitarian and Emergency Response is a specific policy objective under the Comprehensive Aid Policy Framework (AusAID 2012) and as such requires sufficient funding to deliver on these objectives. ActionAid is concerned by the recently announced cuts to Australia’s humanitarian programme, reduced by \$101 million from what was scheduled for the financial year, and \$26 million from the previous financial year, particularly in a context where there are now 11 significant global emergencies which are neglected and underfunded (UNOCHA 2014). It is also important to note that disasters exacerbate existing gender inequalities and increase women’s vulnerability to sexual violence, exploitation and trafficking, as shown in recent disasters in Haiti and the East African food crisis.

ActionAid’s work throughout Africa has also shown that women, as the traditional providers of basic needs, are disproportionately affected by climate change and natural disasters. ActionAid is therefore concerned that cuts to the humanitarian budget will have the unintended consequence of impacting on Australia’s ability to respond to women’s rights in these contexts.

ActionAid calls on the government to increase its funding to humanitarian and emergency responses in the future. Effective humanitarian and emergency response requires multidimensional, comprehensive programmes that address climate change adaptation, disaster risk reduction and community resilience, as well as providing material and infrastructure assistance. Within these responses, women’s rights in disaster relief and



recovery should be prioritised, along with long-term, gender sensitive disaster risk reduction and resilience programs.

Effective governance is another specific policy objective under the Comprehensive Aid Policy Framework (AusAID 2012) requiring prioritisation. ActionAid Australia encourages DFAT to recommit funding to promote effective governance as part of its aid program, as this supports social stability, improved democracy, and stronger civil society and facilitates improved ability both on the part of individuals and the state to claim and protect human rights. It is a critical element in achieving development and ensuring that progress is maintained. The Civil Society Engagement Framework (AusAID 2012) provides guidelines to build and support informed and engaged civil societies, enabling people in poverty to claim their rights, influence development policies and oversee implementation (AusAID 2012). ActionAid Australia is concerned that a reduction in the budget for effective governance (whether allocated separately or through sectors) will reduce its capacity to build civil society engagement and effective governance, along with reducing the overall effectiveness of the Australian aid program.

Effective governance is also essential in ensuring lower income countries are able to benefit from direct foreign investment and ensure sufficient tax revenues to support social infrastructure investment. This includes vital public funded services such as education, health care and livelihoods; all of which enhance women's ability to participate economically in societies and reduce the unpaid burden of care. ActionAid has been pleased to see the government's recent commitments to fair tax and ensuring that corporations pay tax in the countries where they have generated revenue as a way of ensuring vital revenue is retained in lower income countries. However, this commitment needs to happen alongside investment in effective governance to ensure new sources of revenue are directed to the benefit of people living in poverty and to reduce reliance on overseas aid in the longer term.

## **Regional Priorities**

ActionAid welcomes the focus on the Indo-Pacific region and agrees that as a wealthy nation in the Asia-Pacific region we have both a responsibility and interest in supporting our neighbours. However, the Millennium Declaration also includes a commitment to provide 0.15% to 0.2% of gross national income to low income countries. This should be considered in aid allocations. ActionAid is concerned that a limited focus on our region may neglect or reduce assistance to Least Developed Countries (LDCs), who face the greatest



consequences of human deprivation and environmental threats. In the spirit of the MDGs and Australia's commitment as one of the leading providers of aid, it is essential that the future Australian aid program prioritise development assistance for these nations, where 878 million people live (WB 2013).

In particular, Sub-Saharan Africa has 34 of the world's 49 LDCs and there is a moral responsibility to reduce poverty in this region (UNDESA 2013). This view is supported by Australian taxpayers; from 2011-2012, Africa received the highest amount of donations from Australian taxpayers of all regions (ACFID Annual Report 2013). Australia also has an economic interest in supporting development in Africa; six of the world's ten fastest growing economies are located in Africa, yet the benefits of this economic growth are not reaching the majority of African people, including women.

Australia is also a signatory to the Tokyo Declaration, which commits governments to deliver aid to Afghanistan to support its transition to self-governance. The new budget for ODA withdraws \$20 million scheduled for programmes this financial year. ActionAid is concerned over such abrupt changes in a fragile state, especially in a year where Australian and other foreign troops are scheduled to withdraw. This is a period that requires sustained efforts to bring stability and ensure progress on women's rights is sustained.

Through appropriately allocated aid programming, Australia can help ensure that the aid it provides reaches those who need it most, thus reducing poverty while developing trade and other economic opportunities. In light of this ActionAid recommends that the Australian Government revisit funding cuts to Sub-Saharan Africa and fragile states.

### **Bilateral and Multilateral Relationships**

Poverty, inequality and women's rights are complex and require concerted, multi-dimensional and multi-stakeholder cooperation based on partnership and linking the local, national, regional and global spheres, which is reflected in the *Busan Partnership for Effective Development Co-operation*. Addressing women's rights and gender equality requires especially comprehensive, long-term approaches and multi-stakeholder commitments. Multilateral development cooperation is often more cost-effective than bilateral aid due to the opportunities for specialisation and returns to scale. Agencies that have a specific focus on women's empowerment, such as UN Women, UNFPA and FAO, are an integral part of advancing gender equality and women's rights on a global scale.



Such agencies are critical in the monitoring and accountability of agreed commitments, facilitating best practice sharing and establishing the evidence base for effective strategies. ActionAid is concerned over plans to reduce multilateral funding and encourages the government to sustain funding to agencies that play a vital role in women's empowerment .

Bilateral relationships are also important, as national governments should be the key implementers and policy makers around issues that affect women's rights, consistent with the Busan principles. ActionAid supports relationships that are transparently made and ensure that aid is used most effectively to improve outcomes for women living in poverty.

### **3. The integration of AusAID into the Department of Foreign Affairs and Trade**

#### **Policy Coherence for Development**

ActionAid Australia sees the integration of the Australian Aid Program into the Department of Foreign Affairs and Trade as an opportunity for development policy to be brought into the mainstream and for greater consistency across the portfolios in the interest of reducing poverty. In a context of significant reductions to the aid budget, one of the most effective ways Australia could contribute to poverty reduction is to ensure that its policies on Trade and Foreign Affairs not only 'do no harm' but actively target poverty reduction and gender equality, and benefit people living in poverty, including their environment. Moreover, distinctions between social and economic development can lead to a separation of approaches which deal with human rights, sustainable resource use and the environment, decent work and wealth disparity in a piecemeal fashion. This is consistent with current dialogue on policy coherence for development, as outlined by the OECD, which describes how neglecting the consequences of domestic policies in high income countries can undermine development objectives in lower income countries, as well as the effectiveness of international development co-operation efforts (OECD, 2013). This position is also consistent with the *An Effective Aid Program for Australia* policy strategy which highlights the need to ensure that global economic policies such as trade, agriculture, investment and remittances all help to reduce global poverty. Thus Action Aid believes the integration presents new opportunities to strengthen efforts to reduce poverty on a more systemic level.



The Paris Declaration on Aid Effectiveness, the Accra Agenda and Busan Partnership for Effective Development Co-operation all emphasise the importance of transparency in ensuring aid effectiveness. The transparency of Australia's aid program will be even more critical given the integration with foreign affairs and trade. Greater transparency allows stakeholders to plan more effectively, to learn from and rectify problems, improve planning and coordination, and enable citizens everywhere are able to hold their governments to account, improving democracy.

The last OECD-DAC review (2013) commended Australia's improvements to aid transparency, placing it as a front runner in implementing the Busan commitment on transparency. However, the review recommended that the Australian Government must clearly state what refugee costs are being counted as ODA. ActionAid Australia calls on the government to maintain and strengthen this track record by increasing transparency on the amounts of ODA that are allocated to asylum seekers, refugees, migration, scholarships, defence, and security, as well as continuing to commit to transparency as a key element of aid effectiveness. This includes ensuring that the aid budget remains separated from foreign affairs and trade portfolios.

In the context of the changes to the aid program, ActionAid Australia specifically recommends mainstreaming of gender in all programs and the strengthening of indicators and transparency on women's progress, including gender-responsive budgeting and reporting. For example, the 2013 AusAID Annual Report states that Australia invested \$2.109 billion, or 52% of AusAid's program aid, in this area, but does not show how this has been calculated or how spending on gender has been defined. Advancing gender equality and women's rights requires not simply equal targeting of efforts to women and men, but addressing the structural and cultural barriers that continue to fuel inequalities and rights violations. Monitoring and evaluation of gender equality objectives must be sophisticated enough to explore how programs are addressing the unequal power dimensions and embedded social and cultural values that preclude women from participation. They must also account for the fact that long-term efforts are required for achievements in gender equality.

## **Aid for Trade**

The Australian Government is currently considering an 'aid for trade' approach. ActionAid believes that such an approach should be treated with caution and used only if people in



poverty are at the heart of the program, and when aid for trade runs alongside programs that improve human rights and the structural causes of poverty. The government needs to facilitate and manage markets to avoid market failures and create appropriate frameworks within which businesses should operate. Australia's aid program can facilitate this by strengthening local decision-making processes and supporting improvements to the transparency of business tax payments in lower income countries, as well as creating enabling environments for community representatives to defend their basic rights. This includes ensuring affected populations have free, prior, and informed consent, and specifically that they are able to "give or withhold their consent to actions that affect their lands, territories and natural resource" (Oxfam 2010).

Independent reviews have found significant problems with other donor countries' 'aid for trade' programs, including deficiencies in governance, financial management, procurement, value for money and transparency of spending, resulting in underperformance in producing meaningful impact for people living in poverty. Recommendations made from these experiences include the need for both baseline and monitoring analysis of the impacts of trade on people living in poverty, including actions to alleviate any negative effects. ActionAid encourages the Australian Government to learn from the experience of other governments in this instance and ensure people living in poverty are at the forefront of planning aid for trade initiatives before aggressively pursuing this policy direction.

ActionAid supports investments and programmes that are genuinely targeted at improving food security and capacity building for developing country smallholder farmers. A smallholder-focused agenda that protects land rights and supports women will positively affect regional political and social stability. Based on empirical evidence and our federation's four decades of experience, ActionAid Australia does not believe that agricultural trade liberalisation is the key to solving food security in the developing world. Credible evidence demonstrates that ongoing trade power imbalances and the urgent need for agriculture to produce food for household consumption need to be addressed in order to realise the outcomes envisaged in the Australian Government's promotion of a 'free-trade' agenda.

Facilitating smallholder agriculture in lower income countries secures a future which is pro-poor, environmentally sustainable and can foster a more inclusive governance environment. Women as farmers play a crucial role in current global food production and must be part of any solution to future food security pressures. ActionAid is encouraged by the foreign minister's interest in agricultural research, but we stress the need to specifically consider



gender in all agricultural research projects. National and international policies which create an enabling environment for gender-sensitive smallholder farming should be at the centre of long-term development strategies of all stakeholders.

## **Taxation**

A key area where the Australian government can support improved policy coherence is taxation. Exploitation of tax loopholes undermines the work of overseas development assistance and cripples the revenue and capacity of developing country governments. ActionAid welcomes the recent comments from the Prime Minister at the World Economic Forum regarding the need to tax companies in the countries they generate revenue from. ActionAid estimates that lower income countries lose over US\$138 billion in corporate tax incentives and between US\$120 and US\$160 billion a year in revenue owing to money hidden in tax havens, which is more money than they receive in aid (ActionAid 2013, Tax Justice Network 2012).

To overcome this economic injustice ActionAid recommends ending harmful tax incentives, ending corporate tax dodging, and increasing transparency of governments and big corporations<sup>2</sup>. The Australian government can play a key role by promoting good tax behaviour amongst Australian corporations, supporting lower income countries to reform and strengthen their tax systems and working with the international economic community to improve international standards and information sharing to improve transparency. ActionAid welcomes the Australian Government's leadership on this issue, which demonstrates how integration of aid, trade and foreign policy objectives can have positive repercussions.

## **Gendered Dimensions of Economic Growth**

Extensive evidence demonstrates that while investing in the empowerment of women and girls leads to gains in economic growth overall, investing in economic growth alone does not correlate with improved gender equality (Kabeer and Natali 2013). Therefore policies that encourage aid for trade must consider the societal norms and structures that subordinate women and preclude them from full participation in society, which includes, but is not limited to, economic participation.

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<sup>2</sup> As highlighted in ActionAid's #TaxPower campaign



According to the World Development Report (World Bank 2012), without a focus on gender equality, economic growth can even temporarily exacerbate gender inequality in some countries. Economic growth can promote equality for women by increasing economic opportunities and independent income for women, and by improving the services and infrastructure that women require, but this is only possible when women have access to economic opportunities and control over their incomes. Surveys for the MDG Report 2013 (UN 2013) showed that in the majority of countries in the sample, less than 50 per cent of women report that they are given the opportunity to participate in making decisions on large household purchases. Therefore, for economic growth to be an effective tool in reducing poverty, aid must also be directed to address the social, cultural and political norms that prevent women from equal participation. As the Australian government develops its economic growth agenda, ActionAid recommends that the gender dimensions of growth are considered in order to harness the full potential of growth and ensure growth with equity that benefits all people.

## **Decent Work**

Decent work is defined by the International Labour Organisation (ILO) as including ‘work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.’ The right to decent work is protected as a fundamental right under article 6 of the International Covenant on Economic, Social and Cultural Rights (ICESCR).

An unintended consequence of an economic growth agenda is that without sufficient protections, increased foreign investment in high income countries can result in further marginalisation of people living in poverty, and others being pushed into poverty and exposed to vulnerable situations. At the World Economic Forum the Prime Minister advocated for “renewing commitment against protectionism and in favour of freer markets”. There is a need to emphasise a human rights based approach, to ensure that employment opportunities meet international labour standards which include safe working conditions and regular incomes that meet minimum wage. The consequences for women of not meeting these standards have been highlighted by the recent garment factory collapse in Bangladesh, and the protests for better work standards in Cambodia. ActionAid is





concerned that any emphasis on economic growth must be balanced with adequate protection of and respect for human rights, as outlined above, as well as ensuring decent work opportunities for women in lower income countries.

## **Predictability**

Predictability is also a key element of aid effectiveness as stipulated in the Paris Declaration. Developing country governments, multilateral partners and implementing agencies require predictability, that is, that aid disbursements must be released according to agreed schedules in an annual or multi-year framework. Freezing funds and re-allocating a budget seven months into the financial year does not promote aid effectiveness and poverty reduction. Related to predictability, the 2013 Australian Aid Stakeholder Survey found that the two most serious weaknesses in the aid program were high staff turnover and slow decision making, undermining the consistency, expertise and responsiveness required for effective aid delivery. In light of the current freeze on ODA funding, and budget cuts, careful consideration should be given to any staffing changes to ensure timely and consistent expertise is available to deliver effective aid programs.

## **4. Any unintended consequences of these changes and 5. Any other related matters.**

### **The Need to Recognise Complexity in Assessing Aid Delivery**

While we welcome the Australian Government's commitment to an effective and efficient aid programme, ActionAid Australia encourages caution and consideration of the need to understand and appreciate the complexity of aid delivery and the need for diverse ways of both delivering aid, and measuring aid effectiveness. Effective aid delivery requires a range of approaches that include the linear development initiatives that lend themselves to quantitative assessment, such as infrastructure and delivery of goods and services, as well as programs which aim to achieve less tangible but equally important capacity building, behaviour change, empowerment, and policy outcomes. Using a cynefin framework (Snowden 2000), such programs can be understood to have complex or chaotic outcomes. While inputs and outputs can be known and outcomes can be predicted, there are many feedback loops and unknown factors which will affect their final impact (ACFID 2012). Thus, initiatives which aim to benchmark or assess value for money must be designed in a way



that acknowledges that some of the meaningful impacts of development cannot be monetised or measured numerically.

## **The Need for a Diversity of Actors**

ActionAid also encourages the government to design both aid and assessments of aid in a way that allows and encourages the participation of a wide range of voices. This should include the partners and recipients of the aid program, to ensure that initiatives find alignment between Australian interests and the interests of people and communities living in poverty, for whom the impacts of aid are designed.

ActionAid Australia welcomes the notion of targeting funding towards effective organisations, but stresses the need to fund a variety of groups. This need for a diversity of actors includes supporting a variety of organisations and implementing partners, not just a small number of large consultancies and NGOs. Diversity ensures a quality investment in different approaches and efforts targeting diverse groups, which is essential in finding proven strategies for poverty reduction.

Moreover, reliance on a few large contracting firms or NGOs poses significant threats to aid effectiveness. Between 2006 and 2011, delivery of ODA by managing contractors has reduced from 41% to 22% (Australian Government 2011) in response to concerns about the high remuneration and expenditure of private contractors and the impact this has on aid effectiveness. While there is certainly a role for the expertise of managing contractors, the 2011 independent review of aid effectiveness highlights that they should not be the default option, but rather play an important role in a diverse mix of delivery partners. Various organisation sizes and models, from NGO to private sector, offer their own strengths and challenges. An effective aid program needs to draw upon the strengths of all implementing actors to overcome weaknesses. Failure to fund a diverse range of actors risks losing the wide range of expertise and experience that the large Australian development community currently offers to the aid program.

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