

**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE
INQUIRY INTO AUSTRALIA'S OVERSEAS AID AND DEVELOPMENT ASSISTANCE PROGRAM**

**Submission from: International Women's Development Agency Inc.
5 February 2014**

International Women's Development Agency (IWDA) welcomes the opportunity to respond to the call for submissions in regards to Australia's overseas aid and development assistance program in light of the Government's \$4.5 billion cut to international development assistance.

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

1.1 The Government says it is committed to investing aid in the sustainable development of our close neighbours with the aim of 'lifting the living standards of the most vulnerable people in our region through aid for trade, better health and education outcomes, empowering women and girls and leveraging private sector involvement'. The starting assumption must be that Australia's aid program equitably benefits women and girls, men and boys and helps ensure a child's life chances don't depend on whether they are born a girl or a boy.

1.2 Thematically, IWDA is pleased that the empowerment of women and girls is stated as an overall priority for Australian aid. It is also referenced as a key cross cutting theme. However the preliminary budget information released in January shows a cut of \$3.7 million to targeted expenditure on gender and disability (from \$29 million last year to \$25 million this year). While this is concerning in itself, given the stated commitment to inclusion, this is only a small percentage of the overall aid budget that goes towards closing the significant gender gaps that persist, particularly in our region.

1.3 Support for women's empowerment and gender equality in Australia's aid program is provided through specific programs and through integrating gender considerations in mainstream programs. Addressing the structural barriers that reproduce gender inequality and improving outcomes for women and girls, some 50% of the population, requires attention to gender across the whole aid program, with a particular focus on areas where gender gaps are widest or which are particularly strategic for improving the lives of women and girls, such as the elimination of violence, education, health, water and sanitation, and law and justice.

1.4 In this context, we are particularly concerned about the potential for some cuts to cross-regional programs (i.e. programs not focused on a specific country) to have a disproportionate impact on women and girls, and slow progress towards gender equality:

1.4.1 *Health, water and sanitation*, where \$21.2 million has been cut from the announced budget for 2013-14 (down from \$80.7 million to \$59.5 million, though still a welcome increase on last year's expenditure of \$38 million). Investment in water, sanitation and hygiene (WASH) is especially vital for women and girls, who currently spend an estimated 40 billion hours globally

every year collecting water for their families – time that could be put to much more productive use, delivering enormous social and economic benefits. Access to WASH also reduces the risk of sexual assault faced daily by millions of women on long journeys to find water or a safe, private place to go to the toilet. This is a particular risk in Papua New Guinea where sanitation coverage is a mere 45%, exacerbating the already high risk faced by many women in villages, in cities and in markets. When sanitation facilities are available, school attendance by girls increases by 11%¹.

- 1.4.2 *Climate change and environmental sustainability* programs have been slashed from \$17 million last year to \$500,000 this financial year. While IWDA's deepest concern here is with the sustainability implications, we also know that women and girls are particularly vulnerable in natural disasters, have much local knowledge and experience to contribute to disaster risk reduction but are often closed out of decision-making about natural resource management.
- 1.4.3 *Governance* expenditure announced in the 2013-14 budget has been reduced by close to half (from \$32 million down to \$16.7 million) and is significantly down on last year's expenditure of \$27.2 million. Given the governance challenges in our region, and the fact that women's political representation and rates of violence against women are the worst of any region in the world, this seems unlikely to be helpful.
- 1.4.4 *Investment in research and development effectiveness within NGO, volunteer and community programs* is down by \$2.2 million on the \$12.5 million announced in the budget for 2013-14 and down \$1.5 million on last year's expenditure. Particularly in the Pacific, where gender inequality is pronounced and the statistical and other evidence base is limited, this can only hamper the Government's commitment to increased effectiveness.

1.5 IWDA supports the Foreign Minister, The Hon. Julie Bishop's statement in 2012 that 'Report after report, survey after survey, indicates the absolute truth that investment in gender equality yields the highest returns of all the development investment we can make.'² However, there is a very real danger that consistent work to support gender equality won't happen unless it is explicitly prioritised and funded. This is what has happened in the past. When the Labor Government cut aid commitments in 2013, programs supporting women's rights were disproportionately damaged. Just over 61% of the total \$375.1 million cut or diverted came from programs that had a principle or significant impact on women.

1.6 There is no debate to be had in regards to whether gender equality results in better development outcomes. We know that if women in developing countries had the same access to productive resources as men, they could increase yields on their farms by 20–30%³, contributing to both food

¹ UNICEF *Sanitation and Hygiene: A right for Every Child*, UNICEF, New York, 1995, p.8

UNDP Resource guide on gender and climate change, UNDP New York 2009, p.32

² Address to Make Poverty History's GROW Photographic Exhibition, WA. June 2012

³ <http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Resources/226300-1339798342386/eap-gender-key-findings.pdf> . See also: UNICEF (2006) *State of the World's Children 2007: Women and Children: The Double Dividend of Gender Equality* [Internet]. New York: UNICEF . www.unicef.org/sowc07/docs/sowc07.pdf [Accessed 15 May 2009].

security and economic growth. Boosting women's and girls' access to education improves livelihoods and economic outcomes; gender gaps in education are estimated to cost the Asia and Pacific region up to US \$30 billion a year. Continuing constraints on women taking up formal employment opportunities have financial implications for individuals and families, and significant economic and social costs: the Asia-Pacific region loses up to US\$47 billion every year as a consequence.⁴ A recent study estimates that if women were to work in the same sectors, types of jobs and activities as men, with the same access to productive resources, average output per worker in East Asia and the Pacific would be 7-18% higher.⁵ And even if total family income does not increase but women earn a greater proportion of it, families typically benefit.

Studies from across developing and developed regions (for example, from places as diverse as Brazil, Ghana, South Africa, and the United States) show that income in the hands of women positively affects their female children's health (Duflo 2003; Thomas 1995); commonly, the marginal effects of income and assets in the hands of mothers are larger than effects of similar income and assets in the hands of fathers.⁶

Investing more in sexual and reproductive health and maternal and newborn care would also deliver enormous social and economic benefits, reducing unintended pregnancies, maternal and newborn deaths and expenditure on medical care for complications from unsafe abortions and more.

2.0 Australia's ability to maintain its international development priorities, including sectoral, regional, bilateral and multilateral international relationships

2.1 Australia's seat on the United Nations Security Council has profound significance for Australia's voice, identity and global leadership, particularly in regards to Women, Peace and Security.

Accountability to, and success of, Australia's National Action Plan for Women, Peace and Security (particularly the international responsibilities and normative pillar) and our international obligations to UNSCR's 1325, 1820, 1888, 1960, 2106 and others, require dedicated investment through Australia's aid program and budget.

*On the 29 January 2014, Australia's Ambassador and Permanent Representative of Australia to the United Nations addressed the Council on the "Maintenance of international peace and security: war, its lessons, and the search for a permanent peace". He stated with concern, that the world is "still struggling to save succeeding generations from the scourge of war" and continued "to prevent conflict, we obviously must first understand what triggers and drives it. We must be able to recognize the warning signs. And we must recall the particular vulnerability of countries that have already experienced conflict. Between 1945 and 2009 more than half of all countries that suffered from civil war relapsed into conflict. Too often, history appears to be destiny."*⁷

² International Labour Organisation (2011), '2007 Economic and Social Survey of Asia and Pacific' [online] www.ilo.org/asia/info/public/pr/lang--en/WCMS_154852/index.htm

³ World Bank, op cit, , p.3

⁶ World Bank East Asia and Pacific Regional Report: Overview: Toward Gender Equality in East Asia and the Pacific: A Companion to the *World Development Report 2012*, p.5

⁷ Statement by HE Mr Gary Quinlan, Ambassador and Permanent Representative of Australia to the United Nations. <http://australia-unsc.gov.au/2014/01/maintenance-of-international-peace-and-security-war-its-lessons-and-the-search-for-a-permanent-peace/>

2.2 Increased investment in building women's agency and equality in peacebuilding, post-conflict reconstruction and relief and recovery is required to turn the above scenario around. Emphasis on funding NGOs focused on gender sensitive human security, women human rights defenders, women peace keepers and gender sensitive research into safety and security is essential to achieving a lasting change. Violence against women has huge direct costs for individual women and their families and for health services, translating into billions of dollars lost to national economies.

This is a particular issue in the Pacific, which has the highest incidence of violence against women in the world: in some Pacific Island countries, more than 60% of ever-married women 15–49 years have experienced physical or sexual violence at the hands of an intimate partner at some time in their lives (68% in Kiribati, 64% in Solomon Islands, and 60% in Vanuatu).⁸ Apart from the impact on individuals, this has a direct impact on national economies and the funds available for more productive national expenditure. One estimate puts the direct costs of violence against women to Fiji at US\$135.8m⁹ 'Reducing gender-based violence would thus have significant positive effects on the region's economies by reducing health care costs and increasing investments in women's human capital, female worker productivity, and women's accumulation of social capital.'¹⁰

2.3 The Government cuts to aid in 2013 removed \$375 million from programs designed to help poor women and men overcome poverty and remove the barriers that limit their social and economic contributions. This undermines the Government's own stated aims for the aid program. As the co-Chair of the United Nations Millennium Development Goals Advocacy Working Group, this cut also undermined our national commitment to helping ensure the world achieves its aims in halving global poverty by 2015.

3.0 The freeze in international development assistance funding and integration of AusAID into the Department of Foreign Affairs and Trade

3.1 IWDA notes with concern the Coalition Government's 18 January 2014 announcement to cut \$656 million from the aid program in the current financial year, now more than halfway through. This means that Australia will now spend \$107 million less on aid this year than last year. This is a cut to the aid budget in real terms, not just a cut to the rate of growth. It reverses the recent trend of real growth designed to move Australia closer to the global target for developed countries of spending 0.7% of Gross National Income (GNI) on aid, a target that has long had bipartisan political support in Australia. The Government's cuts reduce the percentage of national income Australia spends on aid from 0.36% last year to 0.33% in 2013-14.

⁸ The Hon. Bob Carr, Foreign Minister, Press Release, 8 March 2013; SPC, Ministry of Internal and Social Affairs, and Statistics Division 2010; SPC and NSO 2009; VWC 2011; cited in the World Bank East Asia and Pacific Regional Report 2012, p.10. In Uganda, about 9% of violent incidents force women to lose time from paid work, amounting to approximately 11 days a year. International Centre for Research on Women (2009) "Intimate Partner Violence: High Costs to Household and Communities", ICRW: Washington, DC.

⁹ 'Gender imbalance', Video presentation, The Economist *World in 2011* event, 27 January 2011

¹⁰ World Bank East Asia and Pacific Regional Report: Overview: Toward Gender Equality in East Asia and the Pacific: A Companion to the *World Development Report 2012*, p.4

3.2 The Government has said that from financial year 2014-15 the aid budget will grow each year in line with the Consumer Price Index (CPI). While this commitment to indexing provides certainty, it also means an end to real growth in Australia's aid program; funding will now simply keep pace with inflation. Furthermore, CPI reflects changes in costs in Australia, which have a limited relationship to actual costs in the countries where Australia's development assistance is focussed, or to the needs to which our aid program is responding.

3.3 There are a number of specific initiatives and investments that IWDA wishes to highlight as being of utmost importance to sustain, not only for their potential to address inequalities but because they will help the Government give effect to its broad policy commitments to women's leadership, economic empowerment and ending violence against women.

3.3.1 The Pacific Women Shaping Pacific Development (PWSPD) program is a long-term initiative designed to improve the political, economic and social opportunities of Pacific women. Women's representation in national parliaments in the Pacific is the worst in the world, on average only 4.35% of seats are filled by women. Funding for the PWSPD program is critical to addressing this democratic deficit and enabling more informed, representative government, including through IWDA's work with local organisations to get Pacific women into parliament and local government; increasing economic access and opportunities for women and girls; reducing violence; and increasing women's participation in peace, democracy and security issues and planning. Additionally, the research base and basic data collection across many areas is starkly limited. Gender sensitive evidence gathering across the region is crucial to equitable, efficient and sustainable national planning and development.

3.3.2 The Australian NGO Cooperation Program (ANCP) supports Australian NGOs that directly and tangibly alleviate poverty in developing countries, often by targeting particularly vulnerable and marginalised groups and communities. It is a long-standing program, supported by Coalition and Labour Governments alike and underpinned by a rigorous accreditation program, which enables the Australian Government to co-invest in those NGOs that Australians directly support through their donations. The 2011 Independent Review of Aid Effectiveness found the ANCP to be an effective mechanism in the delivery of Australian aid, and recommended increased funding to NGOs to utilize their comparative strengths.

3.3.3 The 'We Rise' program in Fiji is a pioneering approach to funding a management model between women's organisations in Australia and Fiji. With a focus on women's leadership, the partnership between IWDA, the Fiji Women's Rights Movement and the Fiji National Council of Women is promoting women's active participation in Fiji's 2014 democratic election.

3.3.4 It is crucial that sexual and reproductive health and rights remains a priority in the aid program and in Australia's diplomatic and international engagements where relevant, especially in discussions concerning the post-2015 development framework. Pregnancy and childbirth remain among the greatest killers of women worldwide. Australia is making a real difference to the lives of women in poor countries by working to enable more women to claim these most basic of rights.

3.3.5 IWDA urges your support for sustaining a diverse gender advisory and specialist team within the Department of Foreign Affairs and Trade, to assist Australia to meet its international treaty obligations and to effectively implement UN Security Council Resolutions and champion the women, peace and security agenda during Australia's term on the Security Council. Women and men continue to play different social and economic roles and face different opportunities and challenges in every country Australia engages with. Without the analytical capacity to see and understand the implications of this, opportunities will be lost and policies and programs will be sub-optimal, an unnecessary and avoidable waste of resources.

3.4 As recognised by the Government, economic growth is intrinsically linked to investment in women's rights and gender equality. Sustaining funding for these initiatives is therefore crucial to sustainable development in the Asia and Pacific region. IWDA shares the Government's emphasis on aid spending that is efficient and effective.

4.0 Consequences of these changes

4.1 IWDA is concerned with media speculation that the 2014-15 aid budget may take us back to a blank canvas and a redesign of the aid budget. If the Government is genuine in its concern with effectiveness and providing stability and future certainty to partner governments, non-government organisations and international organisations, then cuts to the aid budget halfway through the financial year and signals that further wholesale change will be delivered in the May budget are neither strategic nor effective. This leaves many partnerships, and the people they are supporting, vulnerable and exposed, in turn undermining the very same poverty reduction, security and sustainability the aid program aims to achieve.

5.0 Other comments

5.1 IWDA is deeply concerned that it remains unclear how Australia will capture and plan for the gender impact of this and subsequent budgets. IWDA calls for a gender budget mechanism as a companion to the focus on benchmarks, to connect policy and practice and provide greater transparency. Gender budgeting is a tool for translating the declared policy priorities into action and will ensure a more targeted aid program going forward. Unless policy is linked to resourcing, the gap between commitment and action on gender equality will remain wide.

5.2 IWDA also draws the Committee's attention to the International Development Gender Equality Bill 2013-14¹¹ recently passed by the UK House of Commons and now on a second reading in the House of Lords. This Bill establishes a statutory obligation to promote gender equality in the provision by the government of development assistance and humanitarian assistance to countries outside the United Kingdom; and for connected purposes. IWDA recommends that the Committee look at the potential for a similar development in Australia. The history of government efforts to integrate gender

¹¹ <http://services.parliament.uk/bills/2013-14/internationaldevelopmentgenderequality.html>

considerations into policy, programming and resourcing has demonstrated the need for specific mechanisms if policy commitments to gender equality are to be consistently translated into action.¹²

5.3 UNU-Wider (United Nations University – World Institute for Development Economics Research) based in Finland, conducts multidisciplinary research and policy analysis on structural changes affecting the living conditions of the world's poorest people. In 2013, UNU-WIDER commissioned 18 studies on the gender dimensions of foreign aid. These cover topics ranging from aid flows in support of gender equality and women's empowerment, to the sectorial composition (e.g. health, education, agriculture) and impact of aid, as well as how different actors (bilateral, multilateral, private foundations, and others) integrate gender issues into their policies and modalities. These studies provide robust evidence of some successful aid-funded initiatives. They also provide a greater understanding of the mechanisms underlying aid effectiveness in fostering gender equality and women's empowerment across a broad spectrum of donor practices. IWDA recommends these findings to the Committee.¹³

International Women's Development Agency is the only Australian development agency entirely focussed on gender equality and women's rights in Asia and the Pacific.

IWDA works in partnership with women's groups and advocates to create empowering and transformative change for women.

Our vision is for a just, equitable and sustainable world where women enjoy the full range of human rights, where women and men interact with dignity and respect, and where women have an effective voice in economic, cultural, civil and political systems and processes.

Joanna Hayter

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¹² For a brief overview of donor efforts, see Kilby, Patrick & Joanne Crawford, 'Closing the Gender Gap: Gender and Australian NGOs', *ACFID Research in Development Series Report No. 1*, 2011 available at http://www.iwda.org.au/wp-content/uploads/2012/04/20120412_GenderGapv2.pdf:

¹³ <http://www1.wider.unu.edu/recomgender/article/rethinking-gender-foreign-aid>