



Submission No 1

Review of IFAD Amendment Bill 2012

Name: Mr Peter Graves

Organisation: Private Capacity

Submission by Peter Graves

Committee Secretary

Joint Standing Committee on Foreign Affairs, Defence and Trade

Proposal for Australia to re-join the International Fund for Agricultural Development

Introduction

I write welcoming the proposal to re-join IFAD, especially in the context of AusAID's interventions directly targeted at the poorest of the world's poor and as an Australian committed to the ending of the worst aspects of hunger and poverty in our world.

My following comments concern two issues. These are the place of IFAD in the twin contexts of (1) Australia's commitments as a signatory to the United Nations Convention to Combat Desertification and (2) the possible development of Australia's support for the civilians of Afghanistan after our military forces are withdrawn. This latter aspect would also be relevant to AusAID's assistance priority of **Displacement and resettlement of people in development activities**, as it relates to refugees.

IFAD & United Nations Convention to Combat Desertification (UNCCD)

The livelihoods of more than 1 billion people in some 100 countries are threatened by desertification and the UNCCD "aims to promote effective action through innovative local programmes and supportive international partnerships". Australia signed this Convention in 1994 and ratified it in 2000. Under Article 6 as a developed country party, Australia undertakes to:

- (a) actively support, as agreed, individually or jointly, the efforts of affected developing country Parties, particularly those in Africa, and the least developed countries, to combat desertification and mitigate the effects of drought;*
- (b) provide substantial financial resources and other forms of support to assist affected developing country Parties, particularly those in Africa, effectively to develop and implement their own long-term plans and strategies to combat desertification and mitigate the effects of drought;*

As a subsidiary body of the UNCCD, the Global Mechanism (GM - <http://www.global-mechanism.org/en/About-Us/Who-we-are>) supports developing countries to position land as an investment priority at the national and international levels. In addition, the GM provides countries with specialised advice on accessing finance for sustainable land management from a range of public and private sources, both domestic and international.

IFAD has hosted the GM (<http://www.ifad.org/partners/gm/index.htm>) since its beginning in 1998. Australia's renewed membership of IFAD would thus be another mechanism for implementing our commitments to the UNCCD and supporting its priorities in Africa and elsewhere.

IFAD, Rural Poverty and Microfinance.

Since IFAD's last *Rural Poverty Report* (2001), more than 350 million rural people have lifted themselves out of extreme poverty. But the 2011 report (<http://www.ifad.org/rpr2011/index.htm>) notes that global poverty remains a massive and predominantly rural phenomenon – with 70 per cent of the developing world's 1.4 billion extremely poor people living in rural areas. Key areas of concern are Sub-Saharan Africa and South Asia.

Starting with IFAD's support for the Grameen Bank in the 1970s, IFAD-supported micro-finance programmes have targeted poor borrowers. Many used the credit to purchase fertilizers, tools and other inputs as well as make on-farm investments to raise farm yields. Others have been able to purchase a cow, goats or chickens, take up crafts or start trading activities and microenterprises.

My enclosed article from *The Canberra Times* of 7 February 2009 (*Attachment 1*) sets out the successes of the Grameen Bank and the wider benefits of microfinance as a form of development assistance. It is intended to be read in conjunction with AusAID's current microcredit strategy in its [Financial Services for the Poor: A strategy for the Australian aid program 2010–15](#), launched in March 2010.

IFAD in Afghanistan

Currently, IFAD has a [limited presence in Afghanistan](#), with its "Rural Microfinance and Livestock Support Program", which seeks to improve the livestock sector and generate income for poor rural households by supporting:

- small-scale dairy activities in Nangarhar, including milk and fodder production,
- improved livestock nutrition and health services in the Northern region for the benefits of poor cattle owners, nomadic Kuchis and households headed by women
- backyard poultry raising activities, particularly for the benefit of poor women who head households
- dairy goat raising, particularly for poor women in remote and mountainous areas

IFAD [has noted](#) that poverty in Afghanistan is closely related to:

- the high illiteracy rate in rural areas, where 90 per cent of women and 63 per cent of men are unable to read or write;
- rural people's dependance on livestock and agricultural activities for at least part of their income;
- inadequate land ownership and access to land;
- lack of irrigation infrastructure.

The poorest rural people include small-scale farmers and herders, landless people and women who are heads of households. There are an estimated 1 million Afghan widows. Their average age is 35, and 90 per cent of them have an average of four or more children. Without the protection of a husband, widows suffer from social exclusion in Afghanistan's patriarchal society. Many widows have no choice but to become beggars.

Children aged five or under are the most vulnerable segment of Afghan society. As many as 50 per cent of them suffer from chronic malnutrition. *Attachment 2* is a recent article by **Save the Children** on the burden carried by Afghan civilians, noting the development underway of Australia's long-term partnership with Afghanistan.

I agree that we must leave Afghanistan a better place for its men, women and children.

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Attachment 1

The Canberra Times Saturday, February 7, 2009

B4 Forum

A few dollars make a difference

It costs very little to give impoverished people the wherewithal to improve their lives, PETER GRAVES writes

Peter Singer, in last week's *Forum*, challenged each of us to make poverty history and to give and shout about it. There are ways we can respond to his challenges and share our good fortune. I want to share my responses from the past 22 years. Ending poverty is possible, affordable, and we can each make a difference. Yes, we can.

Singer mentioned microfinancing - small loans of about \$200 to the poorest of the poor, so that they can start their own businesses and lift themselves out of poverty. In these troubled financial times, it's also good news for the value of Australia's aid dollar - help that is not a hand-out, but a hand-up.

Singer also pointed out that 27,000 children die each day around our world from preventable causes such as malaria, measles and diarrhoea. Their mothers can die, too. A woman in Niger has a one-in-seven chance of dying from complications during pregnancy or delivery.

Those 27,000 preventable and unnecessary deaths are the equivalent of 60 jumbo jets filled with children crashing each day. Twenty-two years ago those daily deaths numbered 40,000, so progress is possible - 13,000 fewer children are dying each day, and that's worth shouting about. That's because of efforts by the UN Children's Fund, the World Bank, the World Health

Organisation, governments and many committed organisations and individuals. In 1987, I was asked if I wanted to help prevent the deaths of 40,000 children and was shown how it was possible. It didn't cost much.

Three billion people around our world struggle to live on US\$2 a day. Yet the value of a cup of coffee in Australia changes lives in our developing world. Microfinance is one small step for the world's poor and one giant leap for ending hunger and poverty.

The recently released State of the Microcredit Summit Campaign 2009 report said that in 2007, more than 100 million of the world's poorest families received a microloan. This was the attainment of an audacious goal set by the Microcredit Summit Campaign and more than 2900 delegates from 137 countries at the first microcredit summit in Washington DC in 1997. Achieving this goal now touches the lives of an estimated half a billion family members.

The Grameen Bank of Bangladesh was started in 1976 by Muhammad Yunus to combat rural poverty by providing credit to the very poor. He and the bank jointly shared the 2006 Nobel Peace Prize for 30 years of providing small, collateral-free credit for income-generating activities to poor rural people. As at December 2008, Grameen Bank had lent a total of US\$7.6 billion to 7,670,000 members - 97 per cent of them



NOBEL LAUREATE: Muhammad Yunus

women. Living in 83,000 villages, these borrowers have a repayment rate of 98 per cent.

About 21 per cent of the Grameen Bank borrowers have managed to lift their families out of poverty within about four years of participation. Through its Millennium Development Goals, the UN wants to cut absolute poverty in half by 2015. There has been significant progress since 1990: 280 million fewer people are living in extreme poverty; 40 million more children are in school; three million more children survive each year; two million people now receive HIV/AIDS treatment.

Microcredit plays a critical role in achieving change. As well as offering financial services, microcredit has become a platform for delivering services such as health education, renewable energy and housing. Small loans that generate income can reduce poverty directly, while simultaneously stimulating benefits such as better health.

At the most basic level, higher and steadier incomes make it easier to put food on the table each day. When health problems - emerge, having reliable ways to borrow and save can make it easier to pay for treatment. Financial access also can help people cope with unemployment caused by illness and forestall the need to sell assets.

The world's development aid is diminishing and cuts are expected to increase as the economic crisis deepens. But last year Norway announced that it would boost its foreign aid to \$US4.2 billion (\$46.45 billion) in 2009. For every \$US100 generated by the Norwegian economy, it will give one dollar to aid.

That's three times more than Australia's present 32c. The Government can be congratulated on its plans to lift this to 50c of gross national income by 2015; this will restore it to the levels of 1974-75.

The Asia-Pacific region contains 64 per cent of people who live in absolute poverty, and the majority of microfinance borrowers. Australia is

well-placed to respond to their needs by helping the poor gain access to microfinance services. Over the past decade Australia's aid program has supported several successful microfinance organisations, including in Bangladesh and Vietnam.

However, at around \$10 million annually in recent years, Australian government aid funding for microfinance is surprisingly low. The Rudd Government has publicly stated its commitment to increasing aid for microfinance. Given our total aid of \$3.7 billion, about \$45 million would be a good target.

The Australian Government's aid in one year represents a small \$2.40 from each of us. Would we feel it if this were doubled? We can ask our local parliamentarian to urge the Government to do this.

We can also help to create so much. For example, \$5000 could help to start a microcredit bank in Malawi. The price of a large plasma TV in Australia can instead mean child and adult literacy, clean water and agricultural training in one community in Afghanistan.

Whether they are government or private, Australian dollars help end world hunger and poverty. We can make a difference.

■ Peter Graves, an advocate for microfinance, is a Canberra resident who supports Peter Singer's call to end world poverty (theifeyoucanmake.com).

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Attachment 2

Afghanistan's children need to be protected

THE CANBERRA TIMES Wednesday, February 15, 2012, 1/18

If a tear falls in the dust of Afghanistan, does anyone understand what that war has wrought? ("Afghan civilians carry the burden", February 14, p13).

I agree that the Afghan men, women and children must be at the heart of Australia's partnership strategy.

After all, Australia has signed the Convention on the Rights of the Child, where Article 38 (4) provides: In accordance with their obligations under international humanitarian law to protect the civilian population in armed conflicts, States Parties shall take all feasible measures to ensure protection and care of children who are affected by an armed conflict. Indeed, the Australian Civil-Military Centre in Queanbeyan has developed a training package "Mandated to Protect: Protection of Civilians in Peacekeeping Operations".

Recognising that Afghanistan is not one of the United Nations' 1990s peacekeeping operations, can the Aust-

ralian Defence Force comment on how it does ensure protection and care of children who are affected by an armed conflict? It is clear that the children of Afghanistan are dying to know.

Peter Graves, Curtin

Afghan civilians carry the burden

REBECCA BARBER

CANBERRA TIMES (p.13) 14 Feb 2012

On Sunday evening last week in the southern Afghan province of Uruzgan, an improvised explosive device hidden in a motorcycle detonated, killing one child and maiming four others. According to local media, the intended target was a member of the Uruzgan provincial council. Cold comfort for the grieving family whose loved ones were cut down in a bloody act of savagery.

Regrettably, it's not uncommon. Last week the UN released its annual report on the civilian cost of the Afghan war. The report shows that the number of civilians killed annually has risen steadily for the past five years, with the death toll in 2011 the highest so far recorded. More than 3000 civilians were killed last year, an increase of 8 per cent from 2010, 25 per cent from 2009 and 100 per cent from 2007. More than 10,000 civilians have been killed in the past five years.

The increase in civilian casualties is attributed primarily to the changing nature of the insurgency. There's been a greater use of IEDs (improvised explosive devices) across a wider geographical area, more frequent use of suicide attacks with a larger number of victims, and a greater number of targeted killings. More civilians have also been killed in aerial attacks carried out by international military forces.

The death toll tells only part of the story. Nearly 200,000 civilians were forced from their homes last year, an increase of 41 per cent on the previous year, as the conflict moved from the traditional fighting areas in the south to the once-peaceful north and east.

Most concerning of all, the report describes the increasing victimisation of women and children. Some 166 women and 306 children were killed in the Afghan conflict in 2011, an increase of 29 per cent and 51 per cent respectively from 2010. These increases were due in part to the more frequent use of IEDs and aerial bombardments.

Australia's engagement in the war was debated in Parliament late last year. The Prime Minister, Opposition Leader and members of parliament discussed progress made, and the set-backs. They could almost have been describing a different war. From the Australian government, we heard that military operations throughout the year had weakened the Taliban's leadership and disrupted their ability to recruit and resupply, and that the ability of the Afghan army to combat IEDs had improved. The Prime Minister, Opposition Leader and members of parliament mourned the troops killed and wounded, and acknowledged their families and communities, and the "police, diplomats, aid workers and other Australians working hard in Afghanistan". With the exception of Senator Scott Ludlam, however, there was not a single reference to the Afghan civilians who year on year are paying a higher price for the war.

Australia has a strong, bipartisan commitment to an enduring relationship with Afghanistan, and expects to become a more important partner relative to other donors. This commitment would be welcomed by the Afghan men, women and children who so desperately long for peace. This year is an important one for Australia, as the government works towards defining the nature of its long-term partnership with Afghanistan. The nature of this and other government partnerships will be up for discussion at upcoming conferences in Chicago in May, and Tokyo in July.

If we're to leave Afghanistan a better place for its men, women and children, they must be at the heart of our partnership strategy. They must no longer be invisible, but rather must feature, in our parliamentary debates, in our reporting, and at every stage of planning, monitoring and evaluation by every government department and agency. As noted in the UN's report, to the Afghan people, the value of progress towards peace will be measured by reduced civilian casualties and improved security. This is the objective we should all be working towards.

■ Rebecca Barber is a humanitarian advocacy and policy adviser for Save the Children.