

Plan International Australia

Submission to the Senate Inquiry
on Australia's overseas aid and
development assistance program
– February 2014



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About Plan

Plan is one of the worlds' oldest and largest children's development organizations. We work in 50 developing countries across Africa, Asia and the Americas to uphold and defend child rights and lift millions out of poverty. Plan is independent, with no religious affiliation.

In 2012 Plan raised just over 27 million dollars from Australian supporters and received 10.5 million dollars from the Australian Government through AusAid to support programs in the countries where we work.

Introduction/overview

Plan International Australia is pleased to make this submission to the Senate inquiry on Australia's Overseas Aid and Development Assistance Program.

The Terms of Reference ask for submissions on Australia's overseas aid and development assistance program in light of the Government's \$4.5 billion cut to international development assistance, with particular reference to:

- a. Australia's ability to deliver aid against state policy objectives.
- b. Australia's ability to maintain its international development priorities including sectoral, regional, bilateral and multilateral international relationships.
- c. The integration of AusAID into the Department of Foreign Affairs and Trade and the freeze in international development assistance funding.
- d. Any unintended consequences of these changes.
- e. Any other related matters.

Before addressing these terms of reference, it should be noted that Plan's submission is prepared from our particular perspective as an accredited partner agency, working with the Australian government to deliver aid through the Australian NGO Cooperation Program (ANCP). Plan's response to the Terms of Reference for this inquiry is informed by the view that for the partnership to work effectively and efficiently and for it to be well placed to deliver against any single government policy objective and the international commitments which have been made by successive governments, the overseas aid and development assistance program should have the following elements:

- It should be transparent and predictable;
- It should be informed by a comprehensive policy that has a strong focus on equality and on reaching the most vulnerable people in the countries where it works (including, and in particular children);
- It should acknowledge the critical role played by civil society in poverty alleviation and international development cooperation;
- It should acknowledge Australian NGOs as valuable partners in the development portfolio;

- It should 'Pull its weight' relative to other comparable countries in relation to the amount of aid it contributes.¹

The decision of the government to cut 4.5 billion dollars has negative implications for all of these important components.

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

Which policy objectives?

In 2013, the OECD DAC peer review of Australia's aid program commended Australia on the growth of the aid program and on recent organisational reform². The review also noted the strength of the Australian economy and recommended that it continue to increase its development assistance.³

As a result of the cuts, the aid budget will now be 0.32% of GNI, a level well below the commitments made in the past by both the labour and liberal parties to lift aid to 0.5% of GNI.

It is not simply the budget cuts that make it difficult to deliver aid against stated policy objectives, it is also the fact that the development sector is unclear about which 'stated policy objectives' it is working to. The previous government developed the *Comprehensive Aid Policy Framework (CAPF)* to inform the delivery of the aid program, this framework no longer governs the way in which the aid budget is spent and it remains unclear what current government policy objectives will be, beyond some headline indications.

Minister Bishop has announced broad policy objectives that include poverty reduction in the Indo-Pacific region, through aid for trade, better health and education outcomes, empowering women and girls and leveraging private sector involvement.⁴ The Government has also indicated that it wants aid to be tied to a set of rigorous benchmarks, although the detail of what these benchmarks will be is unspecified and the difference between proposed benchmarks and the standards to which the sector are already held remains unclear.

Plan welcomes the continued commitment to poverty reduction, gender equality for women and girls, health and education, and notes the fact that these objectives seem to echo some of the policy priorities of the previous government. However, the lack of policy detail or clear strategic objectives creates challenges for development agencies in designing and delivering new programs or deciding about continuing existing programs. This leaves country strategies in disarray and agencies funded through the ANCP partnership unclear about where some of their existing work fits.

International Objectives

The Howard government committed to the Millennium Development Declaration in 2000 and the Millennium Development Goals (MDGs) have informed the structure and focus of the aid program

¹ Many of these elements are contained in Plan International's submission to the previous government's Independent review of Aid effectiveness, in 2012, which is on the public record.

² *OECD Development Co-operation Peer Review Australia 2013* <http://www.oecd.org/dac/peer-reviews/OECD%20Australia%20FinalONLINE.pdf>.

³ Ibid.

⁴ Julie Bishop 'Five billion dollar aid budget to focus on the region', Media release 18 January 2014

since then. There have been significant achievements in relation to the MDGs, with more work still to be done. The significant cuts to the aid budget make that work more difficult to do.

Recommended action:

Australia's aid commitment should reflect Australia's relative prosperity and the values which underpin a fair and just society. It should also reflect and be aligned with Australia's obligations under a number of International human rights instruments, including the Convention on the Rights of the Child and other conventions which ensure that our work is focussed on the most marginalised people in the communities with which we work.

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

Australian NGOs and the Australian Aid Program

The announcement made in January this year, that cuts were to be made in the current financial year, that is to the existing ANCP partnership agreement, has meant that Plan, along with the other recipients of ANCP funding must cut 8.3 % from existing programs.

As these cuts come more than half way through the financial year, the cuts will mean significant shortfalls in funding already committed to the field. This leaves ANGOs and their partners with the unenviable task of having to make choices about reducing programming targeted to those communities who are most affected by poverty.

Plan estimates that **10,111** children who were to benefit from planned activities will potentially be impacted.⁵ This will also mean adverse impacts for their families and communities. Given the nature of these programs, and the complex development issues they are designed to address, the direct impacts will be felt by those who are the most vulnerable and marginalised including children. These programs are developed and implemented according to the quality standards embedded in existing accreditation processes, as well as the commitments made by Plan and other ANGOs to pursue development practice, in line with the international agreements which govern good development effectiveness.⁶ This includes a commitment to align development efforts with the local contexts in which we work, to ensure that we are accountable to the people with whom we work, to ensure that our work is directed to those who are most marginalised and to recognise that the communities with which we work are vitally involved in their own development. These programs were also designed in alignment to the previous government's 'stated policy objectives'. The success of our work relies in part on enabling the conditions which contribute to effective development outcomes, which in turn relies on predictable resourcing arrangements over time.

⁵ This figure is based on the total number of beneficiaries that were estimated prior to the cuts.

⁶ These include the *Paris Declaration on Aid Effectiveness* (2005) the *Accra Agenda for Action* (2008) and the *Busan Partnership for Effective Development Cooperation* (2011) all of which have been endorsed by Australia.

Sustainable effective programs require predictable funding

The government's Independent Review of Aid Effectiveness, conducted in 2012 found that amongst other things, reliable, predictable multi-year funding was key to achieving effective programs.⁷ Plan has recently signed a deed of amendment to the 4 year partnership agreement which reduces our funding by 8.3% in the current financial year. There remains no information about cuts to the subsequent three years of the current agreement. Planning is extremely difficult in such an environment, particularly planning of multi-year projects, which are the most effective in terms of long term outcomes and sustainability. At the very least, we are asking for certainty for our programs and partners and if we do need to revise activities in line with new funding arrangements, that we be informed of these changes as soon as possible.

The following is a case study which illustrates why multi-year funding of projects is important. This is a project that may be impacted as a result of the budget cuts.

Case Study - Plan Zimbabwe Food Security Project

While bilateral programs and international organisations provide food aid and relief, NGO programs are embedded in the local context, through strong local partnerships. By implementing projects through long-standing, established relationships, NGOs are also well placed to understand the agricultural and social factors that cause and perpetuate food insecurity in many households. NGO programs are well placed to work with communities and other stakeholders to promote locally appropriate crops, improved practice and local community support to the most food insecure households.

Gender and social inequalities are key issues to address over the medium to long term to promote food security. While food relief efforts are programmed on a short term basis, changing the practices of farmers, households and communities, for the long-term requires sustained work over a number of years to build local capacity, and enable community members to see the benefits themselves.

In southern Zimbabwe many households face chronic food insecurity and have become dependent on food aid during the 'hungry months'.

To address this issue, Plan works with community members and women in particular to grow quality open pollinated small grain seed that is suited to the local conditions, which benefits other farmers in the area who can access locally appropriate seed. The women trained through the program are encouraged to work with others in the community to provide advice and encouragement. Through changes in crops and adoptions of soil and water conservation practices, a plot that harvested 50 kg of maize in a good year, can now harvest 350 kg of sorghum.

By focussing on women, the program has also promoted the importance of girl's education and the importance of giving women equal opportunities so that they can become self-dependent in the future.

⁷ AusAID Report - *An Effective Aid Program for Australia Making a real difference—Delivering real results-2012*, p65.

Sectoral Priorities – cuts to Water Sanitation and Hygiene Programs

Improving WASH services has a transformative impact on the lives of communities that stretches beyond immediate health improvements. WASH investments underpin long-term change in multiple areas including education, workforce participation, tourism, and gender equality, while reducing poverty, and catalysing economic growth. The impact of improved water, sanitation and hygiene on women and girls in particular is profound and far reaching. The potential of women and girls to participate in education, employment, and enterprise is often severely constrained by lack of access to basic WASH services, including the need to fetch water and the lack of separate toilets and menstrual hygiene facilities. Seventy two percent of the population tasked with water-fetching labour are women and girls, and in much of rural Africa and South Asia, women and girls spend on average two hours each day collecting water, often from dirty, unprotected sources. While Water Sanitation and Hygiene was a priority of the previous CAPF, it is unclear what the current government's plans are for this particular portion of the aid budget.

Case study- Plan's WASH/Menstrual Hygiene Program

In Uganda, Plan is working on a project to provide access to information about menstrual hygiene and menstrual hygiene products. This information is crucial to keeping girls in school. Currently one in ten girls drop out of school when they reach puberty and start menstruating, missing out on crucial years of education, simply because they do not have the right support to help them to stay. Cuts to Plan's Menstrual Hygiene Program could mean up to 3350 girls who would have been reached by this program, may miss out.

Regional focus has not included a focus on humanitarian emergencies or climate change

In spite of the increase in natural disasters and the humanitarian emergencies that follow on from those disasters. A 97% cut to the area of 'climate change and environmental sustainability - will impact on the resilience of the communities living in our region to withstand the anticipated changes to their climate. This has potential long term implications for regional growth and security. Australia has reduced its global emergency response fund. It has also reduced the funding available for climate change related programs.

Case Study: Vietnam – Building local resilience to Climate change

This project aims to build the resilience of the poor and vulnerable communities in the northern mountainous region of Vietnam to climate related disasters. Ha Giang is the third poorest provinces in Vietnam and has a poverty rate of 37.5 %. 79% of the population are ethnic minorities. Poverty, coupled with the natural hazards threaten the livelihoods of the people and the security of their assets, including housing, land, and basic services. Recently, food security in Ha Giang has become more fragile, due to climate change, exacerbated by poor natural resource management. Drought, in particular has severe impacts on poor farmers, who can lose entire crops. Through Plan's intervention, farmers are turning to growing their traditional source of income, bananas, together with ginger and taro. These 'mixed crops' are mutually beneficial and are low maintenance. The diversification helps villagers to insure against failure. There has been a 1.5 – 2 increase in income from the same amount of land as a result of the project.

Funding Civil Society Organisations in Developing Countries

Plan has previously advocated that the aid program acknowledge the centrality of civil society to sustainable development outcomes by consolidating and expanding the role of civil society and that the aid program should acknowledge Australian NGOs as valuable partners in the development portfolio.⁸ Plan has also suggested a clear civil society framework and strategy for improving effectiveness.⁹

Much work has already been done in relation to understanding the pivotal role of civil society organisations in ensuring good development processes. The Office of Development Effectiveness' analysis of civil society effectiveness found that:

'Civil society in developing countries can be a powerful agent for change. Alongside government and private sector actors, civil society can contribute to positive and sustainable development in partner countries in many ways, including by delivering better services, enhancing social inclusion, and making governments more effective, accountable and transparent.'¹⁰

⁸ Plan International Australia, Submission to the Independent Aid Review, 2011.

⁹ Ibid, p9.

¹⁰ *Working Beyond Government: an Evaluation of AusAid's engagement with Civil Society Organisations in developing countries – ODE Briefs October 2011.*

Case Study – Empowering Poorest Families Project

The Empowering Poorest Families Project is implemented by Plan International Australia, Plan International Cambodia and our Local NGO partner, Krousar Youeng, through funding provided by the ANCP partnership program. This project explicitly targets the poorest and most vulnerable groups in rural areas of Cambodia. The project works to:

- Improve health through strengthening access to government services;
- Improve access to education services for vulnerable groups;
- Support community members to make sustainable incomes;
- Work to share information from the community level with government and other stakeholders.

In order to strengthen Plan's ability to effectively include People with disabilities into the program, Plan has partnered with local disabled peoples organisations in Cambodia to provide training within rural communities on the issues and obstacles facing people with disabilities. The cuts to the ANCP agreement may mean that ongoing training through these organisations may not be possible.

Recommended Action:

- That the Australian government prioritise the development of a detailed policy framework to inform its overseas aid and development program
- That Australian aid policy recognise that effective development programs take time and require funding predictability.
- That the ANCP partnership be given certainty for our programs and partners and that any further changes in funding be communicated as soon as possible

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

The government have explained the integration of AusAID into the Department of Foreign Affairs and Trade by saying that it would allow aid and diplomacy to be more closely aligned. Certainly, the functions of aid and trade have been combined in the past in Australia, It also has appeared to mean a significant down grading in the importance of aid within the broader foreign affairs and trade portfolio. The result from the perspective of the NGO sector are two-fold. First there is a lack of certainty about how aid is now to be administered. Second, it seems very unlikely that the same level of collaborative policy development and dialogue about development effectiveness which occurred between AusAID and the NGO sector will continue, due to loss of staff and expertise.

From a policy perspective, Australian NGOs have contributed, through policy engagement with the government to build an understanding within country posts about key development issues. With less available staff to do this policy engagement, Plan is concerned that much of the shared knowledge about what works in different settings and sectors will be lost.

Recommended Action:

- That the Department of Foreign Affairs clarify its revised structure as a matter of urgency
- That the Department of Foreign Affairs ensure that key development expertise is not lost as a result of the restructure
- That the Department continue to engage in policy dialogue with the NGO sector to ensure the best and most sustainable development outcomes.

d. Any unintended consequences of these changes

It is unclear what all of the intended consequences of the changes to the budget are, aside from budget savings and a reduction in development specialists within the public service. Whether or not it was intended, the decision to cut the ANCP agreement mid-year has created significant challenges for Australian NGOs, which have committed resources to the field, based on agreed funding arrangements.

The budget cuts come at the same time as the government announcement to refocus the aid program, to develop 'rigorous benchmarks' and focus on aid for trade in the Indo-Pacific region. Without more detail, these announcements have created anxiety and confusion as aid agencies try to interpret what this might mean for their work.

The Australian government has already acknowledged, through its Independent aid effectiveness review, the complementary strengths that Australian NGOs bring to the aid program. Particularly in their ability to respond quickly and flexibly in emergencies and in their community based approach and perspective. The ANCP partnership agreement has been an important means of ensuring greater reach within developing countries and improving the overall effectiveness of Australian aid and development efforts.

As Plan stated in its submission to the Aid effectiveness review, however, such partnerships demand long-term commitments and currently there have been no assurances as to what the future of the ANCP partnership might be.

Summary

Plan International Australia endorses a highly effective development aid program that promotes Australia's leadership in the global fight against poverty. We believe that this can and should be achieved through maintaining funding commitments at the level of our global peers, focusing the aid program on the poor and vulnerable, and providing clarity and consistency in well articulated policy framework. Moreover, we believe that partnerships with effective civil society organisations and Australian NGOs will enable Australian Aid to address poverty and maintain people at the centre. Plan looks forward to working with Government in achieving this objective.