**2019-20 Pre-Budget Submission**

**World Vision Australia**

**January 2019**

**Background**

World Vision is a worldwide community development organisation that provides short-term and long-term assistance to 100 million people worldwide (including 77 million children). We have more than 45,000 staff members working in 99 countries. In Australia, we are actively engaged with over 700,000 members of the Australian public that have an interest in international development.

World Vision has a compelling track record on aid and development. For six decades, World Vision has been engaging people to work towards eliminating poverty and its causes. This could not be achieved without the generosity of our partners, supporters and donors, including the Australian public and the Australian Government, who help to create a brighter future for children and their families across the world. Over the past 50 years, more than two million Australians have chosen to partner with us when giving to charity.

World Vision is committed to the poor because we are Christian. We work with people of all cultures, faiths and genders to achieve transformation. We do this through relief and development, policy and advocacy, collaboration and education about poverty, with an emphasis on personal growth, social justice and spiritual values.

World Vision Australia has a productive working relationship with the Australian Government in partnering to deliver the Australian Aid Program. Our partnerships span food security programs in East Africa, livelihoods and resilience programming in fragile contexts, gender-based violence programs in the Pacific, and programs piloting innovative approaches in South East Asia. The Australia NGO Cooperation Program (ANCP) partnership is at the core of this relationship and is orientated towards supporting community development globally.

World Vision Australia also engages in dialogue with the Australian Government on matters of policy and practice. World Vision Australia welcomes the opportunity to make a submission to the 2019-20 Australian Government Pre-Budget process.

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**Executive Summary**

Australian aid makes an essential contribution to the alleviation of poverty and suffering in our region and around the world. It achieves significant impacts, both overseas and for Australia. Among its many positive outcomes, Australian aid empowers people living in poverty, helps people live longer, healthier lives, provides lifesaving assistance during crises and improves regional security.  As evidence of its impact, in the last 25 years, the number of people in developing countries living on less than $1.25 a day has dropped from 47 per cent in 1990 to 14 per cent in 2015.[[1]](#footnote-1) However, the inequality gap continues to rise within countries[[2]](#footnote-2) and global displacement has reached record levels[[3]](#footnote-3), making it increasingly urgent to rebuild and restore Australian aid levels.

Cuts to the Australian aid budget have represented 25 percent of total budget savings between the 2013-14 and 2018-19 fiscal years.[[4]](#footnote-4) For expenditure that represents less than 1 percent of total budget spend, it is unacceptable that such significant savings are derived by diverting life saving measures from some of the world’s most vulnerable children. In the current 2018-19 year aid has fallen to the lowest levels in history at 0.22 percent of GNI or $3.912 billion.[[5]](#footnote-5) This places Australia 17th in the OECD’s aid rankings, out of the 28 OECD donors, risking Australia’s reputation as a generous neighbour committed to addressing our world’s most pressing challenges.

There are 65 million people currently displaced around the globe, more than half of whom are children. Even as great strides are being made for the wellbeing of children and communities around the world, unprecedented levels of protracted conflict are still resulting in significant human suffering and displacement. Unfortunately, this displacement crisis in unlikely to dissipate soon, due to ongoing conflict and insecurity in Syria, Iraq, Yemen, Afghanistan, South Sudan, the Democratic Republic of Congo and, closer to home, the displacement crisis in Myanmar-Bangladesh. Australia can and should increase its humanitarian intake to do its ‘fair share’ in responding to these crises.

World Vision Australia’s position is that beginning with the 2019-20 Budget, the Australian Government should restore Australia’s aid level back to 0.33 percent of GNI over the next six years as well as increase Australia’s humanitarian program to 44,000 places within five years. If the Government does not act to address the persistent and sharp fall in Australian aid levels and increase its humanitarian program, it ignores the potential for further large-scale reductions in poverty alleviation and inequality. It also seriously puts at risk our previous development gains, as well as our ability to meet our commitment to the Sustainable Development Goals (SDGs) – 17 agreed goals which form a roadmap for global development efforts to 2030 and beyond.

Within the context of that overall position, this Pre-Budget Submission proposes four new areas of investment over the forward estimates. It explains how the Australian Government can prioritise aid investment in children and their rights, humanitarian assistance, disaster risk reduction and women’s economic empowerment. As this submission highlights, we believe these four areas are aligned with existing Australian Government policy and commitments and will strengthen Australia’s contribution to achieving the SDGs and being a good humanitarian donor.

World Vision Australia proposes development funding of $12.6 million for three costed programs and $514 million for scaling up humanitarian funding as outlined in the table below and detailed in the following New Policy Proposals:

| **Proposal** | **Description** | **Total funding over forward estimates**  | **Page** |
| --- | --- | --- | --- |
| **Establishment of a Children’s Rights Unit** | Setting up a unit to oversee the mainstreaming of children’s rights across all thematic areas of its Aid Program and to account for and help to track DFAT’s spend on children | $2.2m | 5 |
| **Meeting Australia’s Commitment and Fair Share of Humanitarian Funding** | Scaling up Australia’s humanitarian assistance, including funding Conflict Prevention and Violence Reduction interventions in humanitarian contexts and increasing funding directed to neglected crises like the Democratic Republic of Congo | $514.0m | 8 |
| **Scale up for Sendai: Supporting Multi-Stakeholder Implementation of the Sendai Framework** | Supporting multi-stakeholder involvement in AMCDRR2020, including enabling the participation of children and young people, facilitating the attendance of local DRR actors within the conference proceedings, and holding an innovation challenge to accelerate progress on data collection and analysis | $1.9m | 12 |
| **Empowering Women in the Pacific Through Inclusive Market Systems** | Program to support people’s participation in emerging markets, especially women in the Indo-Pacific region, with a focus on Papua New Guinea, Solomon Islands and Vanuatu  | $8.5m | 15 |

**PROPOSAL 1**

**Proposal Title:** Establishment of a Children’s Rights Unit

**Affected Agency:** Department of Foreign Affairs and Trade

**Financial Implications:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Total** |
| **Cost of proposal ($m)** | $0.38m | $0.61m | $0.61m | $0.6m | $2.22m |
| **Number of additional staff positions sought (ASL)** | 3 | 5 | 5 | 5 | 5 |

**Outline of proposal:**

World Vision Australia calls on the Australian Government to put children at the centre of development by establishing a unit to oversee the mainstreaming of children’s rights across all thematic areas of its Aid Program and to account for and help to track DFAT’s expenditure on children. This presents an opportunity for Australia to step up and become a global leader in championing and safeguarding children’s rights.

There are three compelling evidence-based arguments as to why the Australian Government should make an investment in children, firstly, the rights argument which is based on Article 4 of the United Nations Convention on the Rights of the Child (CRC) and binds signatory countries to action; second, the economic argument which focuses on the need to invest in human capital and finally, the political and social argument which illustrates how limited social investment yields high levels of inequality and severe poverty which undermine social cohesion. Getting it right for children from an early age is critical given the increasingly young population in DFAT supported countries and evidence on the linkages between childhood experiences of poverty and intergenerational poverty. World Vision calls on the Australian Government to**:**

1. Place a central focus on children by establishing a Children’s Rights Unit to oversee the mainstreaming of child rights into the Aid Program and to ensure that all aid interventions consider their impact on children.
2. Introduce child wellbeing as a metric for poverty reduction and ensure that at least 80 percent of investments of the Aid Program, regardless of their objectives, effectively support, protect and empower children in their implementation.
3. Identify and track how much public spending is allocated to Ending Violence Against Children (EVAC) and scale up Australia’s funding to EVAC.
4. Ensure that grant receipients listen to and capture the views and experiences of children so that their perspectives can help inform the Australian Aid Program and policymaking at the local, national and global levels.

**Strategic Policy Alignment:**

1. **The rights-based argument**

Australia is party to the United Nations Convention on the Rights of the Child. By ratifying the CRC, the Government accepted the obligations under international law to implement it. Article 4 of the CRC outlines the Government’s responsibility in the context of international development as follows:

*“States parties shall undertake all appropriate legislative, administrative and other measures for the implementation of rights recognised in the present convention. With regard to economic, social and cultural rights states parties shall undertake such measures to the maximum extent of their available resources and where needed within the framework of international co-operation”[[6]](#footnote-6)*

Further guidance is contained in the 5th General Comment of the General Measures for the Implementation of the Convention which states that the CRC should be the framework for any international development assistance directly or indirectly related to children. General Comment 5 also specifies that programs of donor states must be rights-based.[[7]](#footnote-7)

World Vision encourages the Department of Foreign Affairs and Trade to view children as partners and active contributors to development. Children should be prioritised, consulted and their perspectives considered in matters concerning them, in the same way that the Aid Program intentionally considers women and people with disabilities in the design and delivery of aid.

1. **The economic argument**

The purpose of Australian Aid is *“to assist developing countries to* ***reduce poverty*** *and achieve sustainable development*, in line with Australia’s national interest.[[8]](#footnote-8)

Children not only make up half the world’s poor, they are consumers, individuals dependent on adults for support, protection and for their welfare. They are also the human capital of tomorrow. Children’s rights are inalienable, indivisible and interdependent. Deliberately investing in children early and consistently monitoring the impact that Aid Programs have on children will enable the Australian Aid Program to strengthen its contribution to the attainment of children’s rights and to the success of the Sustainable Development Goals. It must be noted that the Sustainable Development Goals unlike their predecessor the Millennium Development Goals are more child rights focused and identify children as beneficiaries and significant stakeholders in development.

Every dollar spent on children is an investment in the ‘future’ human capital of a nation. Under Article 4 of the CRC, Australia as a development aid donor state is obliged to work within the framework of international cooperation to help other states to implement the rights established under the CRC. As such, the CRC forms a framework for good development assistance and for strengthening the realisation of children’s rights in DFAT funded countries.

1. **The political and social argument**

Each year, one billion children worldwide experience physical and humiliating punishment, sexual and emotional violence, child labour, child marriage or armed recruitment. Violence not only harms children but jeopardises their future survival, health and education. For example, a baseline study by UNICEF estimated the total costs of violence against children in the Asia-Pacific region at USD160 billion or 2 percent of regional GDP in 2004.**[[9]](#footnote-9)** One of the smartest investments a country can make is to invest in children earlyto minimise intergenerational transmission of inequality and severe poverty which in turn undermines social cohesion[[10]](#footnote-10).

**Rationale:**

Children are invisible stakeholders and beneficiaries in the Australian Aid Program and yet they are a fast-growing segment of the global population and constitute half of the world’s poor”.[[11]](#footnote-11) World Vision Australia notes that 1.3 billion people globally live in poverty - half of them are children aged 0 – 17 years. This means one out of every three children in the world are poor.[[12]](#footnote-12)

It follows then, that children make up half of the world’s poor, yet none of DFAT’s performance metrics directly target children as key stakeholders nor measure progress made in the realisation of their economic, cultural, social and political rights. As a result, WVA believes that Australian aid is missing its mark and failing to directly account for half its target constituency of ‘the poor’ in the countries the Aid Program is trying to pull out of poverty.

Many children experience neglect, physical and sexual abuse. Some are insecure in their own homes. Others are forced into child marriages or trafficked for work which includes commercial sexual abuse. Many are born and live in countries where laws that are not enforced to protect them from traditionally accepted means of correction such as physical and humiliating punishment. According to the Global Partnership to End Violence Against Children, a child dies from violence every 5 minutes; one billion children are estimated to have experienced emotional violence physical violence while one in 10 children (around 250 million) live in conflict environments.[[13]](#footnote-13) Children growing up under these circumstances may experience stunting, mental health, behavioural and social problems that will be a cost to production and to the budget throughout their lives.

Neuroscience shows that the foundation for health and well-being is established in childhood and that the first 1000 days of life lay the foundation and building blocks of a person’s life. It is the period during which the basics of an individual’s lifelong health, cognitive development and growth are laid.[[14]](#footnote-14)  To break the cycle of poverty, address inequality, and boost productivity later in life, countries must invest in children early and Australia can lead by example by establishing the proposed Child Rights Unit.

Effective Australian aid should empower and help to build sustainable and functional systems from which the Aid Program can withdraw. Unless Australian aid pays special attention to children and systematically assesses the impact of its policies on children as consumers of services and infrastructure and the future human capital it will contribute band aid solutions to the Sustainable Development Goals and fail to meet the goals for Agenda 2030. To be effective, Australian Aid must put children at the centre of development; invest in children early, track its Official Development Assistance (ODA) spending on children and account for the impact of its policies on children.

**Implementation:**

DFAT should write children into policy and make them a priority by mainstreaming children’s rights into the Aid Program using the approach the Department used to integrate gender and disabilities. A strategic target for the Aid Program should be set that at least 80 per cent of aid investments, regardless of their objectives, effectively support, protect and empower children in their implementation. The 2019-20 Budget should establish a Children’s Rights Unit within DFAT to facilitate and account for the mainstreaming of children’s rights in Australian Aid. The Unit could kickstart with 3 full time child rights experts in 2019/20 (including 1 x Director EL2; 1 x Assistant Director EL1; 1 x Senior Policy Officer APS 6). This resourcing should increase to 5 full time staff (1 EL2, 2 EL1, 2 AP6 by 2020/21) and be sustained thereafter. This will cost approximately $2.2 million over the forward estimates. Costings are based on salaries and superannuation as outlined in DFAT’s Enterprise Agreement 2019.

**Value for Money:**

The establishment of a Children’s Rights Unit is value for money because mainstreaming children’s rights across the Aid Program signals early intervention and enables DFAT to assist partner countries to address poverty and inequality alongside other rights violations that can impact negatively on children’s lives and in adulthood.

If the Australian Government is to show commitment and deliver on its international obligations provision should be made in the budget to enable the Aid Program to engage child rights specialists to spearhead an agenda that puts children at the centre of development and cross checks to ensure that all ODA policies, programs and interventions are in the best interests of children.

**PROPOSAL 2**

**Proposed title**: Meeting Australia’s Commitment and Fair Share of Humanitarian Funding

**Affected agency**: Department of Foreign Affairs and Trade

**Financial implications**:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Total** |
| **Cost of proposal ($m)** Meeting Australia’s Commitment and Fair Share of Humanitarian Funding | $91m | $116m | $141m | $166m | $514m |
| *Conflict Prevention and Violence Reduction* | *$10m* | *$10m* | *$10m* | *$10m* | *$40m* |
| *Neglected Crises: Democratic Republic of Congo* | *$2.5m* | *$2.5m* | *$2.5m* | *$2.5m* | *$10m* |
| **Number of additional staff positions sought (ASL)** | 0 | 0 | 0 | 0 | 0 |

**Outline of proposal**:

In 2019, the United Nations estimates that there will be 132 million people in need of humanitarian assistance, and that $25.2 billion USD would be required to provide an effective response.[[15]](#footnote-15) Last year closed with a 41.5 percent shortfall in humanitarian funding, leaving millions of children and families without desperately needed lifesaving assistance.[[16]](#footnote-16)

Australia has a proud history of providing humanitarian aid to the world’s worst crises, but as a wealthy middle-power, and in response to the burgeoning need, Australia has a responsibility to do more. This imperative was recognised in the Australian Government’s 2017 Foreign Policy White Paper, which committed to scaling up the humanitarian assistance budget to “more than $500 million a year”. Two years on, funding for this commitment has failed to materialise. World Vision Australia urges the Government to use the 2019-20 Budget to meet this policy commitment – an increase of $91 million from the current Humanitarian, Emergencies, and Refugees budget of $409 million. As we have previously noted, Australia’s fair share of global humanitarian assistance is in fact upwards of $570 million, and we encourage Australia to progressively scale up to this target over the coming four years. Fulfilling the Government’s White Paper commitment of “more than $500 million a year” in 2019/2020 is an essential starting point to reaching this trajectory.

This $91 million increase would permit the Australian Government to make several important investments. First, World Vision Australia encourages the Government to dedicate $10 million of the new funding to scaling up Conflict Prevention and Violence Reduction interventions in humanitarian contexts, and to make this its own budget line within the humanitarian envelope. Funding for this area would enable the Australian Government to support programs aimed at reducing communal and interpersonal violence in crisis settings, which is not only important for the safety of conflict-affected children and families, but also for the effectiveness of other humanitarian efforts that may be hindered by violence. World Vision has had success in implementing violence reduction programs in several active conflict settings and would welcome the opportunity to provide case studies to highlight different models that could be used for this purpose.

The second area World Vision Australia recommends prioritizing for the expanded humanitarian budget is to increase funding directed to neglected crises that have demonstrably high needs and suffer chronic underfunding, in particular the Democratic Republic of Congo (DRC). The DRC has an estimated 13.1 million people in need of humanitarian assistance (the same number as Syria), and yet has received only $5 million in earmarked DFAT humanitarian funding over the past five years.[[17]](#footnote-17) World Vision Australia recommends a portion of DFAT’s additional $91 million in humanitarian funding to be allocated directly to neglected crises. This should include, as a starting point, an initial investment of $2.5 million to the DRC Humanitarian Response Plan in 2019-20 as part of a $10 million funding package spread over four years. Although this would still be far less than Australia’s funding to the Syria response, and indeed less than the sector’s calculations of Australia’s fair share (1.9 percent of Humanitarian Response Plans), it would represent a significant improvement in current funding levels.

**Strategic policy alignment**:

In its 2017 Foreign Policy White Paper, the Australian Government stated that “Recognising the pressing need for stronger global support for displaced populations and to respond to natural disasters, Australia will increase its global humanitarian funding to more than $500 million a year.”[[18]](#footnote-18) The Foreign Policy White Paper, Humanitarian Strategy, and other core texts have recognised the need for humanitarian assistance to increase in accordance with needs, and have noted the benefits of addressing crises early and close to home. In its commitments to the World Humanitarian Summit, the Australian Government pledged to “collectively work towards a strengthened international framework for predictable and equitable responsibility sharing in response to large-scale movements of refugees.”[[19]](#footnote-19) Increasing the humanitarian budget to $500 million in 2019-20 would be an important step towards this end and is consistent with the policy commitments already made by the Government.

Both suggested areas of focus for the new humanitarian funding are in line with existing Government policy. The Foreign Policy White Paper notes that the Australian Government will “particularly encourage a more coordinated focus on conflict prevention, rather than waiting for crises to develop.”[[20]](#footnote-20) With DFAT’s Conflict and Fragility Section currently developing a Prevention Strategy, the 2019-20 Budget is an important opportunity to reinforce their efforts by providing funding to humanitarian organisations that have demonstrated expertise in conflict prevention and violence reduction and who can translate these policies and strategies into action.

Providing funding directly to underfunded humanitarian responses in countries like the DRC is also consistent with DFAT’s commitments in its Humanitarian Strategy and Good Humanitarian Donorship commitments to deliver assistance impartially and in proportion to needs, regardless of political priorities or motivations.[[21]](#footnote-21) Providing direct funding would likewise be consistent with Australia’s Grand Bargain commitment to increase the proportion of its humanitarian assistance provided directly to national or local actors.[[22]](#footnote-22)

**Rationale:**

Forced displacement is at its highest level in recorded history. Each year, the gap between the level of needs and available humanitarian assistance grows, and now more than ever, it is essential that governments provide their fair share of humanitarian support. The Australian Government has acknowledged this challenge, and already committed to a scaling up Australia’s humanitarian budget. Now is the time to deliver on this commitment.

This increased budget would present a valuable opportunity for Australia to increase its investment in conflict prevention and violence reduction. While programs in this space are often seen as distinct from humanitarian response, violence prevention activities are in fact a crucial part of humanitarian protection interventions in conflict settings and one of the most consistently underfunded sectors.[[23]](#footnote-23) Australia’s Protection in Humanitarian Action Framework identifies protection as “central to saving lives, alleviating suffering, and enhancing human dignity in times of crisis,” and recognises that “reducing risks” is a core part of protection in humanitarian settings.[[24]](#footnote-24) Dedicating funding specifically for conflict prevention and violence reduction would ensure that more substantial funding is provided to this crucial component of humanitarian action, and could save lives as a result.

Investing in violence prevention and reduction activities also improves the effectiveness of other humanitarian interventions, and therefore DFAT’s other investments. As the Protection in Humanitarian Action Framework highlights, “Humanitarian assistance delivered in the absence of people’s safety and security can mean that assistance has a limited or even detrimental effect.”[[25]](#footnote-25) The targeting of affected populations, humanitarian staff, or humanitarian assets reduces the impact of DFAT’s other humanitarian funding and strengthened conflict prevention and violence reduction can help to mitigate these risks.

Providing earmarked funding for neglected crises like the DRC can likewise ensure that DFAT’s humanitarian assistance is reaching the places most in need – including those neglected by other major donors. By funding the DRC Humanitarian Response Plan directly (rather than relying on UN agencies to prioritize DRC with their unearmarked funding), DFAT removes the uncertainty of where its funds will be allocated, and reduces the amount lost in overhead fees of “pass-through” UN agencies. Further, as previous research has shown, funding implementing actors directly has significant benefits for the timeliness, efficiency, appropriateness, and accountability of the humanitarian response.[[26]](#footnote-26)

**Implementation:**

Implementation of these recommendations can take place without delay. The most crucial starting point is for the Australian Government to immediately allocate the remainder of the $500 million for the humanitarian budget that was pledged in the 2017 Foreign Policy White Paper. Over the coming four years, World Vision Australia hopes that this will be further scaled up to $575 million, in line with Australia’s “fair share” of global humanitarian funding responsibility.

To build up DFAT’s commitment to conflict prevention and violence reduction, World Vision Australia suggests that DFAT earmark $10 million for Conflict Prevention and Violence Reduction programming as its own line in the expanded humanitarian budget, and that it sustain this level of funding (at minimum) over the coming four years. It is important that this funding be additional to any existing funding for prevention activities that are currently funded through development budgets – social cohesion and peacebuilding efforts in development settings are crucial to preventing future deteriorations into conflict and should not be cut because of the new funding. This new $10 million should be used to support conflict prevention and violence reduction in existing crisis settings specifically and would allow humanitarian organizations with expertise in this area to pilot models and generate an evidence base to support future investment. Given that it often takes time to see the dividends of these types of efforts, it is recommended that the funding be allocated through flexible, multi-year grants.

To increase funding to neglected crises, World Vision Australia recommends that $2.5 million be allocated directly to the DRC Humanitarian Response Plan in 2019-20 as part of a $10 million package spread over four years. It is crucial that funding go directly to implementers at country-level, rather than being allocated on an unearmarked basis to various UN headquarters. This funding would ideally come in the form of flexible grants that allow implementing organisations to adapt to changing contexts and make progress over time.

**Value for Money:**

Providing timely funding for humanitarian crises is in Australia’s best interest. Australia has consistently emphasised the importance of responding to crises close to their origins, in large part due to the recognition that doing so prevents crises from becoming protracted and from their impacts being felt across the region and globe.

Between 2002 and 2013, 86 percent of humanitarian funding needs were for responses to situations of conflict.[[27]](#footnote-27) In subsequent years, that number has risen to as high as 97 percent.[[28]](#footnote-28) If the level of conflict and violence could be reduced by even a small portion, this could have dramatic impacts on the amount of funding required for humanitarian responses. World Bank research suggests that every $1 invested in prevention saves $16 in response.[[29]](#footnote-29) In their seminal Pathways for Peace publication, the World Bank found that the international community could save up to $1.5 billion in humanitarian assistance and peacekeeping costs per year if it scaled up its investments in prevention, or a 5 percent savings on its average annual spending. This would represent a significant savings to Australia.

Investments in prevention are also good for the economy. In 2017, the estimated economic impact of violence to the global economy was $14.76 trillion – impacts that affect not only those directly experiencing violence, but also Australians here at home.[[30]](#footnote-30) Investing in conflict prevention and violence reduction initiatives thus not only reduces spending needs, but also stands to benefit economic growth.

Finally, providing direct funding to crises like DRC can also be far more effective than providing unearmarked funding through UN head offices. In a 2013 study, research found that money allocated through the UN Central Emergency Response Fund lost an estimated 10 percent in overhead fees before even reaching the organization doing the actual implementation.[[31]](#footnote-31) If that organization further sub-contracts, for example to a local NGO, additional overhead fees may be incurred. By providing funding directly to country level, and to those organisations doing direct implementation, DFAT reduces the amount spent on administration and increases the total support reaching affected populations.

**PROPOSAL 3**

**Proposal Title:** Scale up for Sendai: Supporting Multi-Stakeholder Implementation of the Sendai Framework

**Affected Agency:** Department of Foreign Affairs and Trade

**Financial Implications:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Total** |
| **Cost of proposal ($m)** | $1.95m |  |  |  | $1.95m |
| *Innovation Challenge* | *$1m* | *-* | *-* | *-* | *$1m* |
| *Hearing from Children and Young People* | *$0.45m* | *-* | *-* | *-* | *$0.45m* |
| *Supporting Front Line Voices* | *$0.5m* | *-* | *-* | *-* | *$0.5m* |
| **Number of additional staff positions sought (ASL)** | 0 | 0 | 0 | 0 | 0 |

**Outline of proposal:**

In mid-2020, Australia will host the Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR). This conference is a crucial opportunity for Australian leadership to securing meaningful progress towards Sendai Implementation and in doing so, ensuring a more resilient and disaster-prepared Asia Pacific region.

A strong investment in AMCDRR will reap dividends for the region. It will foster and facilitate the partnerships, ideas, policies and actions needed for regional partners and governments to embed risk reduction and resilience approaches. Most importantly, a well-resourced conference will demonstrate Australia’s commitment to and leadership on Disaster Risk Reduction (DRR).

As part of the 2019-20 Budget, World Vision Australia proposes the Australian Government provide additional funding to the allocated budget for hosting AMCDRR2020. This additional allocation, divided into three areas, will ensure the conference makes a tangible difference for communities at the frontlines of disasters:

1. Enabling the informed and meaningful participation of children and young people, through supporting a regional child and youth consultation process.
2. Facilitating the attendance of local DRR actors within the conference proceedings.
3. Holding an innovation challenge to accelerate progress on data collection and analysis.

**Strategic Policy Alignment:**

The Australian Government is a signatory to the Sendai Framework for Disaster Risk Reduction, having committed to working towards the Framework’s goals domestically, and in facilitating implementation internationally. Reducing Disaster Risk, including through the promotion of disaster risk reduction in line with the Sendai Framework, is a strategic objective of DFAT’s Humanitarian Strategy. The 2014 Aid Policy acknowledges the social and economic impact of disasters in the Asia Pacific region, and commits Australia to promote effective disaster risk reduction in the Indo-Pacific region. Finally, supporting Pacific states to build resilience to natural disasters and climate change is an explicit focus of the 2017 Foreign Policy White Paper.

A well-resourced conference supporting the voices of affected populations and enabling new ideas to catalyse greater action and investment in DRR, is thus aligned with Australia’s policy objectives of promoting and enabling effective DRR policy and practice.

**Rationale:**

The Asia Pacific region is one of the most disaster prone in the world, and effective risk reduction and preparedness policies and programs are crucial to saving lives and building strong and resilient economies and ecosystems. In 2017, 45 percent of all reported global disasters occurred in the Asia-Pacific. While many regional disasters are large scale (i.e. Nepal Earthquake, Pakistan Floods) since the 1970s most regional disasters have had fewer than 100 fatalities but have cumulatively affected 2.2 billion people and caused over USD400 billion worth of damage.[[32]](#footnote-32) Preventing new and reducing existing disaster risk to protect the lives and livelihoods of communities is therefore essential for the Asia Pacific region.

The Ministerial Conference on Disaster Risk Reduction is the preeminent regional forum whereby key regional stakeholders gather to increase their understanding of disaster risk and identify opportunities for collaboration to strengthen governance and action for risk reduction initiatives. Australia’s support of this gathering is a crucial contribution to building a more resilient and disaster-prepared region.

**Implementation:**

World Vision Australia recommends the Australian Government ensure the 2019-20 Budget includes an allocation of funding to support Australia’s 2020 hosting of AMCDRR. As part of this allocation, we recommend three investments to ensure the conference makes a tangible difference for communities vulnerable to disasters:

* ***Enable the informed and meaningful participation of children and young people before and during AMCDRR2020.*** Children and youth have inalienable rights to participate in decisions that affect them, including in how to effectively prepare for and reduce the risk of disasters. Children and youth are also key agents of change for disaster risk reduction, acting as communicators within their communities, identifying innovative opportunities for change, and building sustainable leadership for disaster reduction. Australia has a critical opportunity to demonstrate leadership in the inclusion and involvement of children in DRR by ensuring the informed and meaningful participation of children and young people at the 2020 Platform. World Vision Australia suggests the allocation of funding to support child and youth participation in conference preparation and implementation.

We recommend an allocation of $450,000 to support national child and youth consultation platforms across the Asia-Pacific ahead of AMCDRR2020. This funding would enable youth platforms to facilitate in-country consultations with children and young people on the priorities, progress, challenges and opportunities for reducing the risk of disasters in their communities. This funding will also facilitate the attendance and participation of children and young people in the AMCDRR2020 platform. A consultation process will affirm the rights of children to have input into the decisions that affect them, and help create the interest, ownership and momentum of young people towards the adoption of the Sendai Framework in the Asia Pacific region.

This funding should be made available to support the work of the Stakeholder Group on Children and Youth, that has been actively engaged in facilitating and elevating the voices of Children and Youth in previous Ministerial Forums.

* **Elevate the voice and experience of affected populations.** As identified in the 2018-2020 Regional Action plan, one of the biggest gaps of Sendai Framework implementation is ensuring national and regional policies and programs are implemented at the local level. Disasters are always localised and supporting and enabling front line actors to make risk reduction and resilience a part of their everyday realities is critical in achieving the Sendai Framework’s goals.

World Vision Australia recommends the Australian Government work in partnership with national governments, private sector actors and NGOs to facilitate the participation of local actors at the 2020 Conference, and to ensure that the conference proceedings are informed by this perspective.

DFAT should seek co-contributions from key stakeholders, including private sector actors, to make this application-based funding available.

* **Host an innovationXChange challenge, with regional partners, focused on meeting the data collection challenge ($1m).** Data collection and collation is critical for understanding the impact of policies and practices in reducing disaster risk, yet as noted in the AMCDRR2018 Ulaanbaatar Declaration, regional governments still face challenges in data collection, analysis and dissemination, particularly in the disaggregation of data. A lack of adequate, easily accessible, data presents a challenge for stakeholders in both setting targeted and responsive disaster risk management policy and in monitoring meaningful progress towards Sendai.

To address this challenge in the lead up to AMCDRR2020, DFAT should consider hosting an innovation challenge focused on supporting regional Governments’ ability and capacity to improve data collection related to the Sendai Framework. Working with UNISDR and other key regional actors, an innovationXChange challenge could bring in different stakeholders to identify new ways of addressing this challenge. The 2020 platform could then showcase and roll out these tools with regional governments – providing added incentive and capacity for governments to implement their commitments.

We propose this challenge round is run in coordination with UNISDR’s Asia Pacific office.

**Value for Money:**

While the cost benefit ratio of DRR varies depending on context and type of measures used, numerous studies have shown that appropriate DRR saves lives and money. Savings in avoided or reduced disaster response and recovery costs have ranged from USD2 to as much as USD80, for every dollar invested in evidence-based DRR.[[33]](#footnote-33) Supporting strong and collective DRR action in the Asia Pacific is both essential for saving lives, and in protecting development gains.

Australia has committed to hosting the 2020 Ministerial Conference. These proposals will assist in ensuring the experience and voice of individuals at the frontline of natural hazards shapes the conference deliberations and will build the necessary momentum and commitment by regional civil society actors to ensure implementation and monitoring of the Sendai Framework, ensuring the legacy of Australia’s leadership beyond the 2020 event.

**PROPOSAL 4**

**Proposal Title:** Empowering Women in the Pacific Through Inclusive Market Systems

**Affected Agency:** Department of Foreign Affairs and Trade

**Financial Implications:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Total** |
| **Cost of proposal ($m)** | $1.4m | $2.3m | $2.75m | $2.55m | $8.5m  |
| **Number of additional staff positions sought (ASL)** | 0.5 | 1 | 1 | 0.5 | 1 |

**Outline of proposal:**

Australia’s market-based programming in developing countries often has too narrow a focus on markets and is targeted too high at system-level change and, in the process, can neglect to build the productive capacity of the most marginalised people, especially women, so that they can participate in and benefit from markets. Productive capacity is the ability of individuals to produce goods and services as inputs to a market system, as determined by their physical ability, skills, knowledge and resources.

Recognising that women and men at different levels of poverty require different levels of support, this initiative – *Empowering Women in the Pacific Through Inclusive Market Systems* – will integrate a combination of ‘push strategies’ (e.g. business and financial literacy training, information provision and gender norm training) and ‘pull strategies’ (e.g. co-designing a sustainable inclusive business model through multi-sector partnerships and advocating for policy/regulation change), based upon the level of market-readiness of different marginalised and vulnerable groups. This mix of push and pull levers is illustrated by the graphic below.

*Figure 1: Mix of ‘push’ and ‘pull’ approaches to be used to economically empower Indo-Pacific women*

  

This proposal focuses on developing ‘push strategies’ to support women’s economic empowerment, given the significant gender-based constraints faced by women in Pacific countries. In the Pacific region, and around the world, women are disproportionately affected by poverty. Women are more likely to have less access to opportunities for skills development, fewer resources and less access to market services and information. In addition, women are often constrained by social norms, which influence their decision-making ability and manageable workloads within households, communities and markets. While there are some existing initiatives aimed at supporting women’s economic empowerment, they are often not done as part of broader market interventions like this proposal, so synergies and linkages can often be missed.

Based on foundational gender analysis, the proposed program will adopt both direct and indirect strategies that seek to achieve transformative gender norm change at different levels, including at the household, community and market system levels. It will also identify private sector partners in the selected market sub-sectors across selected Indo-Pacific countries to promote inclusive business models, which include the poor within a company’s supply chains as employees, producers, and business owners, or that develop affordable goods and services needed by the poor. Interventions will be designed through multi-stakeholder partnerships with NGOs, government, and the private sector.

The geographical scope of this proposal spans the Indo-Pacific region, with a specific focus on Papua New Guinea, the Solomon Islands and Vanuatu.

**Outcomes:**

The proposal, if implemented, would achieve four key outcomes:

1. Improve the income and the productivity of poor producers;
2. Increase the investment-readiness of private partners through strengthening inclusive business models and incorporating a gender lens;
3. Increase access to suitable finance for private partners to strengthen and scale their inclusive business models;
4. Improve empowerment outcomes for women engaged in the inclusive business models.

The proposal will promote positive outcomes for women who are engaged across the business model, with a focus on women living in poverty. As mentioned earlier, the proposal will implement ‘push’ strategies to economically empower women, addressing the specific barriers faced by women in the local country context, with a focus on countries in the Pacific region.

The proposed project will adopt a gender transformative approach, empowering both women and men and challenging harmful gender norms and relations. Gender norms and relations – or the power dynamics between people – are part of the ‘informal rules’ that govern market behaviours. Given the large numbers of people living in poverty that work on family farms, it is critical to consider the household as part of the value chain and to positively influence intra-household dynamics to transform relationships between couples, so that both women and men can succeed and advance economically and have the power and agency to make economic decisions.

The proposal will also support private sector development and innovative forms of development financing. Under this proposal, the delivery partner will identify and provide technical assistance to private sector partners to help them become investment ready to be able to crowd in future investment and therefore leverage DFAT’s initial funding. Whilst increasing the investment-readiness of private sector partners working within the market system, the program will also leverage current ecosystem building initiatives (Scaling Frontier Innovation, Pacific RISE, Investing in Women), membership deal-share platforms (AVPN, ANDE, Impact Investment Group etc), patient or subordinated capital sources (EMIIF) and crowd-funding partners (KIVA) to facilitate access to the appropriate finance. It will enable small businesses to become impact investment-ready, specifically for impact investors with a focus on gender and gender-lens investments.

**Strategic Policy Alignment:**

This proposal will help realise the vision articulated in the Foreign Policy White Paper to step up Australia’s engagement in the Pacific region and promote economic reform and inclusive growth, especially growth that involves and benefits women. In addition, the proposal will help advance a range of Sustainable Development Goals (SDGs) through the Aid Program, including reducing poverty (SDG 1), advancing gender equality (SDG 5), promoting inclusive economic growth (SDG 8), and reducing inequalities (SDG 10).

By breaking down barriers to women’s economic participation, the program will also promote women’s economic empowerment in line with DFAT’s *Gender equality and women’s empowerment strategy* and it will help achieve the Aid Program’s strategic target for more than 80 per cent of investments to effectively address gender issues. The proposal will also contribute to Australia’s aid for trade objectives by building the productive capacity of local communities to engage in and benefit from trade. The proposal seeks to bring together the Australian Government’s market systems development, aid for trade, impact investing and gender equality programming into a holistic development approach.

**Rationale:**

Most of DFAT’s Market Systems Development programming is managed by a small group of commercial managing contractors. Their preferred method is to use indirect facilitation, influencing structural changes at the macro, system level or local economy level, while not assuming any long-term market function themselves. While having impact, these indirect interventions should be complemented by more direct facilitation to build the productive capacity of vulnerable groups – including women, smallholder farmers, and people with a disability – through training and capacity building, transfer of assets or technology, information provision and collective action, among other interventions – to empower them to more effectively engage in the market system. That is why a holistic and intentionally inclusive market systems approach, such as the one described in this policy proposal, is needed.

Given the key barriers and constraints facing people living in poverty in the region, this proposal will consider a range of ‘push’ strategies, including household engagement, financial literacy and ‘farming as a business’ training, and the provision of ‘smart subsidies’. There will be special focus given to developing ‘push’ strategies for women, such as soft skills training, labour saving devices and gender-sensitive training packages, which promote gender equitable financial decision making and management.

This proposal builds on the Australian Government’s existing investments in market systems and would fill a gap in holistic programming that focuses on ‘push’ and ‘pull’ interventions simultaneously. The Office of Development Effectiveness evaluation (2014), *Smart Economics: Evaluation of Australian aid support for women’s economic empowerment*, showed that DFAT’s support for women’s empowerment through private sector and aid for trade programs was weak, and that there was a need to increase investment in programs that both empower women and support economic growth and aid for trade. Whilst progress is certainly being made, a Gender Norms report from DFAT’s Strongim Bisnis (November 2018) in the Solomon Islands found that women still have very little control over or benefit from their labour and production of high value cash crops.

This proposal will complement existing initiatives whilst addressing gaps by achieving market systems development in key regional subsectors that economically empower women and other vulnerable community members. It will do this by moving the private sector partners operating within those subsector market systems towards investment-readiness by strengthening their business models in a way that is inclusive of such groups.

**Implementation:**

Over the first 12-18 months, the focus would be on recruiting the right people, conducting sub-sector analyses and building partnerships. By the proposal’s second year we would expect to see formalised partnerships and preparation of pilots. And years 3 and 4 are where scale is reached as related actors are crowded in.

In line with best practice, opportunities for cross-sector partnerships will be identified as a priority and will be used to co-design and implement interventions that directly build the productive capacity of farmers who are poor, including both women and men, as part of an inclusive business model.

**Value for Money:**

With a total budget of $8.5 million, the proposal will directly benefit more than 10,000 people across the Indo-Pacific, with a focus on Papua New Guinea, the Solomon Islands and Vanuatu. This presents a high return on investment. By integrating gender, aid for trade, market systems and private sector development into the one holistic proposal, this proposal would contribute to multiple objectives through the one investment and it will have efficiencies and synergies in doing so. The pilot will unpack the potential for ‘collective impact’ amongst DFAT’s economic development programming, presenting a sound and impactful investment.

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