



**Save the Children**

## **Australia's new international development policy**

**SUBMISSION**

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**November 2022**

## About Save the Children

Save the Children is a global development and advocacy organisation focused on the interests of children. We are a civil society organisation (CSO) with a wide Indo-Pacific footprint and a more than 100- year history of working to protect children and advance children’s rights all around the world.

Save the Children Australia acknowledges Aboriginal and Torres Strait Islander peoples as the traditional owners and custodians of the land on which we work. We pay our respect to their Elders past and present.

We would be delighted to talk more about our submission with you.

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## Submission

Save the Children welcomes the opportunity to make a submission on Australia’s new International Development Policy (IDP). Our submission will expand on the arguments made relating to financing Australia’s development cooperation,<sup>1</sup> by highlighting the trend towards ‘polycrisis’ and articulating how Australia’s development policy can better draw on strengths to deliver social infrastructure; centre climate and humanitarian action; build meaningful partnerships with Pacific leaders and civil society; and leverage resources beyond official development assistance.

### 1. Responding to ‘polycrisis’

As economic historian Adam Tooze points out, the world is grappling with a move towards ‘polycrisis.’ This term refers to a global condition in which multiple crisis trends – including climate change, conflict, and COVID-19 impacts – intersect and compound so that ‘the whole is even more dangerous than the sum of its parts.’<sup>2</sup> These compounding effects cannot be managed by treating development concerns as separate from humanitarian ones, or by maintaining the primacy of traditional, state-centric national security approaches to the global order. They even have the potential to overwhelm the post-Bretton Woods international financial order. This presents a fundamental shift in the ground on which traditional development cooperation is built, and prompts a substantial re-evaluation of our approaches, systems and capacities with a view to making the humanitarian imperative central to Australia’s development strategy.

Indo-Pacific communities are living on the frontlines of this polycrisis, and are experiencing associated

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<sup>1</sup> Save the Children Australia, 2021. *The Australian Government’s Development Finance Review: Submission to the Department of Foreign Affairs and Trade*. Available from <https://www.savethechildren.org.au/getmedia/c95ab55b-cff7-4e8c-a32c-b1101310ecf3/development-finance-review.pdf.aspx>.

<sup>2</sup> Tooze, A. 24 June 2022. ‘Chartbook #130 Defining Polycrisis - from Crisis Pictures to the Crisis Matrix.’ Substack newsletter, *Chartbook* (blog), available from <https://adamtooze.substack.com/p/chartbook-130-defining-polycrisis>; Tooze, A. 2021. *Shutdown: How Covid Shook the World’s Economy*. Penguin Books.

symptoms including violence, displacement, democratic regression, and major power competition. As a result, our region's children are experiencing appalling threats to their rights and wellbeing. They are more likely than their parents to face levels of poverty and precarity not known since their grandparents grew up in post-war societies striving for national development to deliver their populations the security they craved. Their precarity is compounded by growing exposure to extreme weather events driven by the climate crisis. In Papua New Guinea, today's children will face twice as many droughts and crop failures as their grandparents' generation, and over ten times as many heatwaves.<sup>3</sup>

As the Partnerships for Recovery policy expires, Australia now has an opportunity to establish a set of shared and common aims across its development program as a whole. This includes activities funded via its official development assistance (ODA) allocation that focus on social and economic development, and via its infrastructure financing facility that primarily engages in hard infrastructure development in competition with China. At present, there is no requirement that this infrastructure should produce social benefits, and this can cause the infrastructure component of Australia's development program to sometimes work at cross-purposes to the ODA-funded component.

As a result, even in the midst of the polycrisis, children and young people occupy a social, economic, and political terrain that is overshadowed by other development priorities – such as major power infrastructure competition.

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## Recommendations

- Ensure that the overarching aim of Australia's investments in international development is to **alleviate poverty, insecurity, and inequality** around the Indo-Pacific and beyond, and ensure that all of the Australian Government's development financing instruments are arranged in terms of building the systems and social infrastructure that will help achieve this aim.
- Recognise the disproportionate threat to children's rights and wellbeing, and ensure alignment with the United Nations Convention on the Rights of the Child via a **child rights policy and commitment to protect and promote child rights, including accountability and reporting** processes, in our region.
- Respond to this dynamic as a crisis for liberal civil society and a serious human security concern by establishing **an independent institution and standing fund** that would support civil society organisations, **investing in research programs** projects aimed at understanding human security challenges around the Indo-Pacific and strengthening democratic institutions.

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## 2. A strengths-based approach: investing in social infrastructure

In this complex state of crisis, investments in social infrastructure and strengthening liberal, rights-oriented civil societies are urgently needed and give Australia the opportunity to accrue soft power benefits. In the absence of such investments, many young people in our region are increasingly reliant on social infrastructure built by populist political forces that deal in ethnic or religious nationalism as the framework through which the polycrisis should be understood. As the recent election result in

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<sup>3</sup> Unpublished data from Save the Children International, 2021. *Born into the Climate Crisis: Why we must act now to secure children's rights*. Available from <https://resourcecentre.savethechildren.net/pdf/born-into-the-climate-crisis.pdf>.

Malaysia demonstrates, these forces shape young people's political thinking through long term involvement in providing education, health care, community-led informal crisis support, and even funeral services. A social infrastructure orientation for Australian development cooperation in the region should therefore be seen as an investment in not only alleviating short-term crisis impacts, but in building a generation's capacities to thrive and drive progressive change.

Australia's development program has changed remarkably since 2017, when the Australian Infrastructure Financing Facility for the Pacific (AIFFP) was first announced. It is no longer funded entirely by ODA, but rather, covers a more diverse set of objectives accompanied by specific financial streams aimed at helping meet them. Over the next four years, Australia will have stewardship of an ODA budget of more than \$4.5 billion per annum; a drawing facility administered through the AIFFP that has doubled in size; several sovereign loans; a part in several global debt refinancing measures; and a growing range of NGO-managed investment instruments, as well as a pool of public and philanthropic donations.

All these modalities should aim to build the social infrastructure the region's communities need to support their capacity to deal with the polycrisis, including by financing it directly; by de-risking facilities that expand and diversify access to finance; or by enabling debt relief to free up fiscal space to enable co-investment. They should also support policy research and advocacy, including by local civil society organisations and their international networks, and support the climate-resilient, small-scale community infrastructure these communities need – not fall into the trap of focusing solely on big-ticket hard infrastructure projects. While the AIFFP expanded its consideration of infrastructure to include social – particularly health – infrastructure in the context of the COVID-19 pandemic, there is scope to go further, including by financing investments in e-learning and mobile cash payment systems.

Such an approach also provides opportunities to strengthen development partnerships with like-minded donors and partners in the region, such as New Zealand, the United States, Japan and the European Union, to create greater impact at scale. This can build upon existing agreements, such as the recent renewal of the Trilateral Infrastructure Partnership,<sup>4</sup> as well as provide the opportunity for other ambitious and innovative approaches with other partners.

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## Recommendations

- Ensure that ODA funds development outcomes, including when used within the AIFFP, that allow for **social infrastructure to be packaged together with hard infrastructure projects**.
- Prioritise **small-scale community infrastructure within the climate infrastructure stream** that will be created within the AIFFP and ensure a 'social' approach to this infrastructure, requiring development dividends from all projects.
- Capitalise on existing infrastructure partnerships with like-minded partners, and each partner's relative expertise, by using them to increase **joint social infrastructure projects** in the Indo-Pacific.
- Aim Australia's interactions with **multilateral forums** such as the G20, including on debt relief and International Monetary Fund (IMF) Special Drawing Rights

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<sup>4</sup> *Joint Statement by the United States, Japan, and Australia on the Renewal of the Trilateral Infrastructure Partnership*, 17 October 2022. Available at: <https://www.dfat.gov.au/news/news/joint-statement-united-states-japan-and-australia-renewal-trilateral-infrastructure-partnership>.

(SDR) redistribution, at freeing up resources to build, finance, and advocate for improved social infrastructure across the Indo-Pacific.

- Invest in building social protection programs and **ending violence against children** as flagship measures of Australia’s development cooperation.<sup>5</sup>

### 3. Centering climate and humanitarian action

Just as climate shocks and humanitarian crises form fundamental pillars of the polycrisis, an international development policy seeking to respond must also adopt climate and humanitarian action as structurally integral rather than standalone thematic priorities.

Pacific small island states live not only on the frontlines of climate impacts, but at the forefront of innovative and urgently necessary climate policy. The state of Vanuatu first introduced the language of ‘loss and damage’ at UN climate negotiations in 1991,<sup>6</sup> 31 years before the international community rallied behind a loss and damage financing facility at COP27. Australia has historically not only remained distant from this thought leadership, but has actively undermined the voices of Pacific leaders providing a crucial reality check for development cooperation in the region.

As a matter of accountability as a historical and ongoing high-emitting state, Australia’s approach to climate action through the development program should be guided by lived experience insights of the climate crisis in our region.

#### Community-based adaptation at the heart of resilience in Vanuatu

Save the Children Australia and Vanuatu’s Ministry of Climate Change are implementing the world’s largest locally-led climate change adaptation project. The Vanuatu Community-based Climate Resilience Project, which is supported by the Green Climate Fund and the Australian aid program, is implementing scalable, locally appropriate initiatives, reaching 90,157 direct and 110,000 indirect project participants in 282 communities across all 6 provinces of Vanuatu. These actions are:

- Increasing community access to climate information and early warning systems – and helping them use it;
- Supporting locally-led adaptation actions to increase food security and build climate-resilient livelihoods; and
- Building long-term adaptive capacity to pursue sustainable development pathways for a range of potential climate futures.

### Recommendations

- Increase climate finance to a cumulative **\$3 billion over 2020-2025** with a particular focus on locally-led adaptation initiatives, child-sensitive finance and committing **\$400 million to the Green Climate Fund** at its next replenishment.
- Advocate for **increased accessibility of climate finance** as a means of rectifying systemic inefficiencies that see large swathes of climate finance remain undisbursed.
- Advocate for and invest in a **loss and damage** financing mechanism that provides public, grants- and needs-based finance to address and remedy the child rights impacts of loss and damage, structured and delivered in ways that are gender-transformative and comply with human rights, including by ensuring that the resources are directly accessible to communities – and particularly children – on the frontlines of the climate crisis. Critically, finance for loss and

<sup>5</sup> For more information including costed measures, see Save the Children Australia, January 2022. *2022-23 Budget Submission*. Available from <https://www.savethechildren.org.au/getmedia/e6f5b34f-b3e5-4da5-a6b6-3e0319af794f/save-the-children-budget-submission-2022-23.pdf.aspx>

<sup>6</sup> UNFCCC, 1991. *Vanuatu: Draft Annex Relating to Article 23 (Insurance) for Inclusion in the Revised Single Text on Elements Relating to Mechanisms (A/AC.237/WG.II/Misc.13) Submitted by the Co-chairmen of Working Group II A/AC.237/WG.II/CRP.8*. Available from <https://unfccc.int/sites/default/files/resource/docs/a/wg2crp08.pdf>.

damage must be additional and not come at the expense of existing ODA, nor climate finance for mitigation and adaptation activities.

- Take action in line with Pacific priorities outside of the international development program, namely by committing to **ending the subsidy of new fossil fuel developments**.
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Conflict and climate driven crises are increasing in number and intensity; today one in six children live in a conflict zone.<sup>7</sup> As humanitarian needs reach an all-time high, the absence of a standalone humanitarian strategy as a pillar of Australia's development program becomes striking. A separate humanitarian strategy, similar to that of 2016, should be restored, with a central focus on the humanitarian imperative to alleviate suffering where it is found. This means that decisions regarding preparation for, response to and rebuilding after crisis must be guided by humanitarian need. To reflect the compounding nature of the polycrisis, the humanitarian strategy should address the root causes of crises, invest in preventative measures that aim to strengthen systems and build resilience.

In addition to an adequately-funded humanitarian strategy, Australia has a range of diplomatic measures it can use to better protect civilians in conflict. These measures are important as they can deter attacks on civilians, end impunity, and address some of the underlying causes of conflict. These includes measures that hold violators of international humanitarian law to account, such as the use of targeted sanctions and the exercise of universal jurisdiction. Other diplomatic measures to support people in crises include advocating to parties to conflict to ensure humanitarian access, ensuring counter terrorism measures or sanctions do not unduly inhibit access to people in need, leveraging Australia's engagement with the United Nations Human Rights Council, supporting United Nations commissions of inquiry, United Nations special mandate holders, and international courts and tribunals, as well as other accountability mechanisms. Such actions should reflect commitments to uphold human rights, the rule of law and the rules-based international order. While compounding crises should shape the new international development policy, they should not end there. This policy review should be seen as the first step in reorienting Australia's overall foreign policy towards a world that has changed substantially since the last Foreign Policy White Paper was issued in 2017, and is increasingly shaped by actual and threatened crisis and related impacts on the lives of people, particularly children.

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## Recommendations

- Meet Australia's **'fair share' of humanitarian funding**, at least \$1.5 billion, and ensuring that this funding is new, flexible, and multiyear to allow recipient organisations to respond effectively and efficiently.
  - Implement policy changes in line with commitments in the Grand Bargain in order to reach the target of providing **25 per cent of humanitarian funding to local and national responders**, while ensuring representatives from local organisations are included in leadership and decision making.
  - **Increasing transparency** in humanitarian funding and state funding source, whether the funding is new or part of existing allocation. This should be done as funding is announced, and reported annually.
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<sup>7</sup> Save the Children, *Stop the War on Children: The Forgotten Ones*, November 2022. Available at: <https://resourcecentre.savethechildren.net/pdf/stop-the-war-on-children-the-forgotten-ones.pdf/>.

#### 4. Foundations for success: building meaningful partnerships

The Government's commitments to presenting a shared Australia-Pacific front have long existed on the page but have grown increasingly three dimensional in line with the aspiration to jointly host the COP31 climate conference in 2026. This bold commitment will loom over the coming years in Australia-Pacific engagement, and should guide a move from policy commitments to tangible action. In developing the new international development policy, the Government should embrace the opportunity to demonstrate the centrality of genuine partnership to Australia's international development cooperation by not simply referring to shared values, but embodying them by adopting and reflecting the priorities and language already set out in numerous declarations and statements by Pacific leaders and civil society; the most recent but not least of which is the Kioa Climate Emergency Declaration.<sup>8</sup>

This declaration – both in its content, which highlights the value of civil society advocates, and in its form as an outcome of regional civil society *talanoa* – is reflective of the decisive roles that civil society can play in building partnerships that ensure effective linkages to climate, development and humanitarian outcomes. Support for such civil society actors and the role they play in supporting democracy, deepening social capacity to build more inclusive institutions, and responding to populism is fundamental to implementing an Australian development program oriented around social infrastructure and human development outcomes. While civil society organisations hold deep expertise within their ranks, and have played vital roles in advocating for the rights of children via leveraging their knowledge of violations acquired through service delivery roles, they are limited by narrowing civic space and few opportunities to access resourcing for advocacy, research, or work beyond standard operations more broadly.<sup>9</sup>

For this reason, it is critical that Australia resolve some of its debates about the nature and desirability of 'localisation', and take practical steps to support networked and federated civil society cooperation between Australian civil society actors and counterparts across the Indo-Pacific. The Australian public's understanding of development issues in the region is often shaped by voices that are overwhelmingly drawn from similar, tightly defined, strategic policy circles, with all the equity and diversity challenges that can accompany such concentration of resources. Yet Australia could better incentivise increased diversity and more equal power structures by increasing its support for civil society cooperation, and civil society research, policy, and advocacy in the name of generating home-grown solutions to regional problems, with an appropriate quantum of Australian input. Australian CSOs are channels for diverse voices and exemplify the liberal democratic values that Australia holds.

CSOs, or the nongovernment and non-market organisations through which people organise themselves to pursue shared interests and values in the public domain, are critical to encouraging democratic participation in the region. CSOs are an important resource in terms of Australia's stock of regional Indo-Pacific area knowledge, and have a better track record of success against equity and diversity goals than many of Australia's universities and thinktanks. CSOs also connect Australia with a booming, global 'third sector' that plays an increasingly important social and economic role in societies around the world. Worth at least USD \$2.2 trillion in operating expenditures and employing at least 56 million full-time equivalent workers globally, this sector runs a range of important human services including welfare and health care providers while promoting inclusive social innovation by state and market partners.<sup>10</sup>

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<sup>8</sup> *Kioa Climate Emergency Declaration 2022*. Available from <https://350.org/kioa-declaration>.

<sup>9</sup> Save the Children, 2021. *Funding for Public Research into Foreign Policy Issues: Submission to Foreign Affairs, Defence and Trade References Committee*. Available from <https://www.savethechildren.org.au/getmedia/817e318b-9d35-488f-8e1a-ccf2e3971131/funding-for-public-research-into-foreign-policy-issues.pdf.aspx>.

<sup>10</sup> There is a paucity of accounting in relation to the value of the global third sector and this reference is to Salamon's figures, which are based on a sample of 40 countries and published nearly a decade ago. Refer to Lester M. Salamon (2010), 'Putting the Civil Society Sector on the Economic Map of the World,' in *Annals of Public and Comparative Economics* 81:2, pp. 167-210.

This approach is practical and flexible, and will not only ‘share power’ with regional civil society actors; but rather, it will also allow Australian civil society actors to contribute to regional solutions as economic relativities begin to shift and economies like Indonesia’s and Vietnam’s surpass ours. As the development program is no longer almost entirely centred on the Pacific but is also expanding to re-engage South and Southeast Asia, the language of ‘localisation’ will require considerable renovation to keep up with the changing nature of the region, and regional competition.<sup>11</sup>

Indeed, Australia’s new international development policy should also move beyond the language of ‘aid’ – it is language that many nations across the Indo-Pacific reject – and focus on development cooperation, including around the concerns of diverse middle-income countries looking for inclusive economic recoveries after several tough years.

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### Recommendations

- In finalising the new international development policy, refrain from restating overused terms around common values and instead **decisively reflect the language used in regional declarations and communiqués**, particularly those that recognise the climate crisis as the greatest challenge to Pacific development.
- Ensure that international development programs and projects funded by ODA allow for a **5 per cent research and policy advocacy weighting** in the assessment of all funding to be invested in research, policy development, and policy advocacy that is integrated into operational activity, in order to free up space for civil society contributions.
- **Adopt the language of ‘cooperation’** in recognition of the concerns and capacities of the countries in which Australia’s development program works.

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## 5. Beyond ODA: Financing in polycrisis

Though this submission has already highlighted the need for Australia’s increasingly diverse forms of development cooperation finance to point in the unified direction of a social infrastructure and human development orientation, the new international development policy must not be limited by the parameters of ODA. In operationalising the policy, additional financing should be sought and leveraged in order to alleviate pressure on an already-stretched ODA budget. To support such activities, cross-departmental expertise and knowledge should be strengthened to assist development programs from across the Australian Public Service.

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### Recommendations

- All blended financing instruments should be designed to mobilise **additional finance from sources beyond ODA**, instead of placing extra pressure on the ODA budget. This logic should apply to any successor to the AIFFP and to facilities that support the creation of private and civil society impact investment

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<sup>11</sup> For a discussion of these shifting relativities in relation to ASEAN as a whole, see, for example, McCawley, Peter, 15 June, 2022. ‘Australia, Asia, and the “Wealth of Nations,”’ *Lowy Interpreter*. Available here: <https://www.lowyinstitute.org/the-interpreter/australia-asia-and-wealth-nations>.



funds.

- The Australian Government should also take more action to support **civil society organisations to diversify their financing** options, including by taking up the suggestions we made in our submission to the 2022 Development Finance Review.<sup>12</sup>
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<sup>12</sup> Save the Children Australia, 2021. *The Australian Government's Development Finance Review: Submission to the Department of Foreign Affairs and Trade.*