

New International Development Policy Submission

Who we are: About Tearfund Australia

Tearfund Australia is a Christian aid, development and advocacy organisation that has worked for over 50 years with local partner organisations in Africa, South Asia, South-East Asia, Australia and the Pacific. Tearfund Australia (Tearfund) is focused on places of great need, partnering with local Christian agencies to end poverty, challenge inequality and build sustainable communities.

Tearfund represents a constituency of more than 50,000 supporters across Australia and for many years has been actively speaking out on issues of poverty. Tearfund is part of the global Tearfund family of relief and development agencies.

Tearfund is fully accredited by the Australian Government and receives funding through the Australian NGO Cooperation Program (ANCP). Tearfund is also an active member of the Australian Council for International Development (ACFID) and coalitions such as Micah Australia.

1. Purpose of Australia's development cooperation

Recommendation: An overarching priority for this new Development Policy should be to re-centre the primary purpose of Australia's development cooperation to be poverty reduction.

Reducing poverty should be a central tenet of Australia's development cooperation, but since the launch of the 2014 New Aid Paradigm by Julie Bishop there have been various shifts which have put into question the focus on poverty alleviation. Tearfund recommends that poverty alleviation should be central in the new International Development Policy. This is in keeping with the first Sustainable Development Goal of eradicating extreme poverty by 2030.

Australia is a prosperous nation surrounded by developing countries in the most disaster-prone region in the world. As such we have a moral responsibility to play our part in reducing poverty and inequality around the world. Generous and effective development cooperation, targeted at poverty reduction, not only benefits recipient communities, it also simultaneously serves Australia's own national interest.

Despite significant achievements in poverty eradication in the past 30 years, the impact of the COVID pandemic has reversed some of these gains. The World Bank has calculated that Covid-19-induced poverty is set to increase by between 0.9% and 1.3% across the 34 countries in which they completed studies.¹

Years of successive cuts to Overseas Development Assistance have driven Australia's aid generosity to an historic low of 0.2% of GNI. This ranks Australia 21st out of 29 OECD wealthy donor nations, where the average is 0.39% of GNI. Even with the recently announced increases to the aid budget, when accounting for inflation, this measure is projected to fall further still to 0.19% by 2024-25.^{2 3} In the near term, Australia should work to return to the top half of rich country aid donors as a mark of its commitment to addressing poverty and sustainable development with a longer-term goal of reaching the internationally agreed benchmark of 0.7% of GNI.

¹ World Bank (2022) "The Impact of COVID-19 on poverty and inequality: Evidence from phone surveys" <https://blogs.worldbank.org/opendata/impact-covid-19-poverty-and-inequality-evidence-phone-surveys>

² <https://devpolicy.org/labor-aid-budget-20221026/>

³ <https://devpolicy.org/aidtracker/comparisons/>

Working in partnership to end poverty



To reduce poverty it is critical to have a multidimensional approach and to understand the factors that lead to poverty, which is why targeting prosperity on its own is not enough. Poverty is the result of multiple factors, and being a complex problem, complex solutions need to be found that address the factors at a systemic level. Economic development is essential, and both community-based and higher-level systemic initiatives need to be supported to bring about sustainable, accessible and equitable economic development for people living in poverty. The aim of economic development is not to merely provide subsistence-level status, but to enable people to reduce the vulnerabilities in their context and communities that can lead to them falling back into poverty if a crisis strikes. Enabling people to engage with, and participate in, the economic system requires a broader and more holistic approach than just an economic intervention. Participation in economic development means addressing challenges of access and inclusion, working with complexity and fragility, and overcoming climate impacts on agriculture, food security and disasters. Development cooperation also needs to be framed within growing moves towards local sovereignty and ownership of development initiatives on one hand, and the need to work alongside and strengthen local actors who are embedded in their local contexts and communities on the other.

Recommendation: Achieving the Sustainable Development Goals should be prioritised and adequately resourced throughout Australia's development cooperation.

Recommendation: Australia's development cooperation budget should increase over this term of Parliament with a firm timeline towards achieving 0.5% of GNI with a long-term goal of reaching the internationally agreed benchmark of 0.7% of GNI.

2. Key Questions for Consultation

DFAT Question: What key trends or challenges will shape Australia's engagement in our region and globally over the next five to 10 years? What risks and opportunities does this present for Australia's development assistance?

Recommendation: Australia's development cooperation should include Africa in its geographic focus given the link between poverty, weak governance, conflict and poor development results.

Australia needs to ensure that it has strong relationships with countries in regions beyond the Indo-Pacific. This is especially important when global trends are considered. Tearfund urges consideration of the place of Africa in Australia's development cooperation.

Africa will increase in significance in terms of foreign policy priorities, including development and trade in the next fifteen years. It is expected that Africa will gain in significance in three key areas that will be relevant to Australia and to the global community.

- Growth of a large young labour force of one billion people, increasingly urbanised and with growing disposable income.
- The discovery and utilisation of large amounts of natural resources.
- Opportunities to leapfrog in some technologies, such as innovative use of the mobile phone, to expand and encourage growth of small and medium enterprises.

In parallel to these positive trends, it is also predicted that by 2030 Africa will shoulder 82% of the global share of poverty. While significant strides have been made in addressing poverty in Africa, if current growth rates continue, a quarter of all Africans will still be consuming less than \$1.25 per day by 2030. The impact of climate change and chronic instability on the agricultural livelihoods of the large numbers of people in Africa has resulted in food crises in the Horn of Africa and parts of East and West Africa. This impact is predicted to deepen, further pressuring household livelihoods and resilience and ability to use traditional coping mechanisms in the face of drought⁴. As well as increasing funding to the region, Australia's dry soil expertise can add significant value to technical development of climate resistant livelihoods.

⁴For example, the likelihood of reduced yields for Ethiopian coffee and wheat farmers is predicted to increase by 11% (wheat) to 31% (coffee) over a ten year period resulting in up to 3% drop in Ethiopia's GDP growth rate. <https://www.mckinsey.com/capabilities/sustainability/our-insights/how-will-african-farmers-adjust-to-changing-patterns-of-precipitation>

Given the link between poverty, weak governance, conflict and poor development results, it is critical that efforts are renewed within Africa. Australia should invest in appropriate development assistance in Africa, promote good governance, and build fair trade links that share Australian expertise in natural resource management that also enables Africa to lead its own development in sustainable ways.

Recommendation: Australia's development cooperation should prioritise fragile states, conflict affected areas and protracted crises

Fragility, conflict, and protracted crises not only threaten to reverse development gains made in the past decade, but it is also estimated that regions facing such complex issues will be home to nearly half of the world's extreme poor in the next ten years⁵. Short term measures or approaches are not sufficient to address the rights of people who face extreme poverty in such environments.

Australia's development cooperation should have a strategic priority to tackle the vulnerabilities faced by people in complex operating environments. In particular, development initiatives should address levels of malnutrition, chronic poverty, food insecurity and a lack of economic opportunity.

Humanitarian crises are becoming increasingly protracted, complex and long-term. Meeting the needs of people facing crisis now transitions into broader areas traditionally covered by development financing. For example, amongst the Rohingya refugees in Bangladesh nearby host communities are also facing loss of livelihoods, and the displaced Rohingya population is facing ongoing and long-term needs such as education, health, and social infrastructure. Another example is Afghanistan which is facing chronic drought, pre-existing poverty and gender inequality, which combined with insecurity and financial collapse have brought 46% of the population into Integrated Food Security Phase Classification (IPC) category 3 (crisis) or above⁶. Australia's development cooperation must aim for a coherent response in such situations, recognising the lines between humanitarian assistance and development are increasingly blurred. Programs should factor in the longer-term development financing needs for people in protracted crisis situations.

Fragility and conflict lead to migration and the large-scale flow of people both within and between countries. This results in the blurring formal national boundaries and in many cases and creating humanitarian crises. For example, conflict in Myanmar, or the pressures of food insecurity in the Horn of Africa, unless addressed through a combination of humanitarian, developmental, and diplomatic responses, will increasingly lead to attempts of migration and people smuggling. This will in turn affect the whole region, presenting severe risks to those who are desperate enough to try to improve their lives through this means⁷. Addressing the increasing mobility of people will require positive and developmental engagement in responding to the causes of their mobility.

To respond to, and assist in preventing, the further expansion of fragility and conflict affected areas, a committed engagement at a senior political level, and the inclusion of civil society into the process is required. A whole of government approach including diplomacy, capacity building in governance and transparency, aid and development, private enterprise and employment opportunities across the sectors will be necessary to enable those living in poverty to engage productively.

Australia's development cooperation should facilitate the resourcing of Australian NGOs that have extensive reach into areas of fragility and conflict. With strong "on-the-ground" monitoring, security, financial and safeguarding systems in place, accredited NGOs provide the Government with a highly useful channel to address extreme poverty in the most challenging environments. Australian NGOs also provide additional reach to the Australian aid program, being able to work with local partners and in locations that are not priorities for bilateral aid arrangements.

⁵ International Development Association <http://ida.worldbank.org/theme/conflict-and-fragility>

⁶ <https://data.humdata.org/dataset/afghanistan-crisisinsight-core-dataset>

⁷ <http://www.thenewhumanitarian.org/news/2020/1/16/Rohingya-trafficking-refugees-forced-marriage>

Recommendation: Australia’s development cooperation should prioritise climate change, mitigation and adaptation

Climate change is a poverty issue and one of the biggest threats to global development. A recent report for the UN Special Rapporteur on Extreme Poverty and Human Rights warns that climate damage threatens to undo the last 50 years of progress in development, global health and poverty reduction, and could push more than 120 million more people into poverty by 2030⁸. Climate change must be a central part of Australia’s development cooperation strategy since the impact is most severe on the people living in the world’s poorest communities. It is one of the greatest injustices of our time: the people least responsible for climate change are often the most vulnerable to its impacts. The impacts of climate change are already harming people’s health, livelihoods and homes, and their access to food and clean water.

Within Australia’s region, over the coming decades, large numbers of Pacific Islanders – and in some cases entire nations – face displacement from their homes and livelihoods due to climate change.

Australian action on climate change impacts international development and security. Australia’s development cooperation must adequately address climate change and support Australia’s commitments to the Paris Agreement. One of the important aspects of this needs to be a commitment to providing funds for climate adaptation for developing countries. The most recent Climate Change Performance Index (CCPI) ranked Australia 55th (9th last) in its comparison of the climate performance of 59 countries and the EU, which together account for 92% of global greenhouse gas emissions.⁹

It is in Australia’s national interest, and critical for the achievement of Australia’s international development objectives, to be globally responsible on climate change. Not only in terms of the far-reaching impacts on Australia itself that more than 1.5C increase will have, but also in terms of its standing in the region and globally. The region now faces a greater number of prospective development and security partners, and if Australia is to remain a trusted partner in the region and a valued member of the Pacific family, it must adequately prioritise climate action.

The Government’s higher ambition for climate action is a welcome and necessary shift in light of the urgent threat climate change poses to lives and security within our region and to those experiencing extreme poverty around the world. At COP26, Australia increased its climate finance commitment to \$2 billion over 2020-2025. However, even with this increase, Australia’s existing climate finance commitments fall far short of its fair share of the USD 100 billion per year goal set out under the Paris Agreement.

In the 2022/23 Federal Budget, the Government highlighted a range of climate measures, however it remains unclear how much of this funding will be spent. Latest analysis suggests the world is on course for a devastating 2.4C of warming, based on the full implementation of the latest country climate plans. More needs to be done on climate mitigation and adaptation, as well as loss and damage, to address what the Department itself has described as, “the greatest threat to livelihoods, security and wellbeing of our closest neighbours in the Indo-Pacific.”¹⁰

DFAT Question: How should the new policy reflect the Government’s commitments to build stronger and more meaningful partnerships in our region, founded on mutual trust and respect and shared values of fairness and equality?

Recommendation: Australia’s development cooperation should prioritise locally-led responses.

Australia has committed to The Grand Bargain of changes in the working practices of donors and aid organisations, including a focus on the localisation of humanitarian aid. Tearfund strongly endorses this direction, and advocates for the importance of working alongside and through local actors in development as well as in humanitarian action.

⁸ *Climate Change and Poverty: Report of the Special Rapporteur on extreme poverty and human rights*. Human Rights Council, July 2019. <https://news.un.org/en/story/2019/06/1041261>

⁹ <https://ccpi.org/>

¹⁰ <https://www.dfat.gov.au/sites/default/files/oda-development-budget-summary-october-2022-23.pdf>

To enable good development which is led by local capable and sustainable organisations and communities, it is essential that in addition to long-term and predictable program funding these organisations are supported through training, capacity-strengthening and organisational support.

The greatest barrier to effective localisation is a lack of trust and respect. Partnerships across the development program should therefore be characterised by a mutual commitment to learning, recognising the respective strengths of each party, acknowledging the local knowledge, and understanding held by local organisations and actors of their development contexts, and ideally, mutual sharing of risks.

It is acknowledged that working through a large number of local or national organisations is not feasible for an aid program the size of Australia's with the current capacity of the Department of Foreign Affairs and Trade. Australian NGOs, through their partnerships with local organisations, offer proven, effective, and efficient means through which the Australian Government would be able to implement its localisation commitments if it were to channel more of its aid funding through new NGO funding mechanisms¹¹.

Recommendation: Australia's development cooperation should prioritise inclusive development, interconnecting the sectors that focus on: disability, poverty, gender crisis, and conflict and mental health.

Poverty and disability are interconnected – poverty being both a cause and consequence of disability¹². Poverty causes disability through factors such as inadequate water and sanitation, malnutrition, poor living conditions and lack of access to healthcare. Having a disability often leads to additional stress, and social exclusion, resulting in decreased opportunities for work, education and healthcare and hence reinforcing a cycle of poverty^{13,14}.

It is important that Australia's development cooperation:

- Recognises that disability and mental illness are disproportionately present in areas of extreme poverty, and conflict affected areas.
- Upholds and promotes inclusive programs which pay particular attention to those additionally marginalised through gender, disability, mental illness and due to other reasons.
- Demonstrates commitment to addressing social inequality and multidimensional poverty through long-term community development approaches, which contribute to both prevention of mental illness and strengthen recovery and inclusion of people with psychosocial disability.
- Shows leadership in creating space for hearing the views of those with disability and psychosocial disability throughout community development processes.

Inclusion and inequality

The significant reduction in levels of poverty achieved over recent decades has been mirrored by ever-increasing levels of inequality within countries. For development to be truly inclusive, and to achieve social stability and prevent conflict, care must be taken to ensure that development initiatives bring benefits to all people who currently live in poverty¹⁵.

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¹¹ Warria, Cullen, Bryson, Clarey, Mulwa & Mala (2022) Passing the Buck: The economics of localising international assistance available from: https://thesharetrust.org/s/Passing-the-Buck_Report.pdf Estimates that local intermediaries are 32% more efficient than international agencies.

¹² Grech, S. (2015). Disability and Poverty in the Global South: Renegotiating Development in Guatemala. London: Palgrave.

¹³ World Health Organization; World report on disability: World Health Organization; 2011. Available from: http://whqlibdoc.who.int/publications/2011/9789240685215_eng.pdf

¹⁴ Pinilla-Roncancio, M. and Alkire, S. (2017). 'How poor are people with disabilities around the globe? A multidimensional perspective.' *OPHI Research in Progress* 48a, University of Oxford.

¹⁵ Koubi, V. & Böhmelt, T. (2014) "Grievances, economic wealth and civil conflict" *Journal of Peace Research*, Vol 51(1), 19-33