

Submission on the 2021-22 Federal Budget

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MEMBER

Introduction

Caritas Australia welcomes the opportunity to participate in the consultation for the 2021-22 Federal Budget.

Caritas Australia is the international aid agency of the Catholic Church in Australia. Over the last 57 years Caritas Australia has worked to uphold human dignity and promote justice in partnership with marginalised communities regardless of their ethnicity, political beliefs or religion. Caritas Australia supports long-term and holistic development programs in the Pacific, Asia, Indigenous Australia and Africa. In 2019-20, working with 91 partners, we supported 65 long-term programs in 23 countries and 30 humanitarian and emergency responses in 20 countries. Caritas Australia reached over 1.52 million people directly through emergency and development programs. Over 60,000 people in Australia actively support our work through fundraising and advocacy.

We believe that Australia's development cooperation will be most impactful and effective when Australia's engagement is founded on two principles:

- **Putting the rights of the most vulnerable and marginalised people at the centre of our engagement.** Australia's development cooperation program should focus on ensuring that vulnerable communities and groups are protected and key drivers of marginalisation addressed to achieve inclusive and dignified development.
- **Subsidiarity.** Decisions should be made by the people closest and most affected by the issues and concerns of the community. Programmatically it is expressed through 'localisation', where local communities and organisations are supported and empowered, as partners in a reciprocal relationship, to lead their own development.

Our submission is based on our experience in working with our development and humanitarian partners and with the communities we serve, including during the COVID-19 pandemic in the past year.

Recommendations for the 2021-22 Federal Budget

Strengthen Australia's role in global efforts for COVID-19 response and recovery

The COVID-19 pandemic has severely impacted global poverty and human development, and has amplified existing socioeconomic inequalities across the world. Global poverty is expected to rise for the first time in 22 years, pushing up to 150 million additional people into extreme poverty this year.^{1,2} The Human Development Index, which measures the world's education, health and living standards, is forecast to decline for the first time since 1990.³ COVID-19 is highlighting and exacerbating existing inequalities in areas such as access to health services, education, livelihoods as well as gender, disability inclusion and climate change vulnerability.

COVID-19 is amplifying the underlying gaps in the public healthcare systems of many countries. Now more than ever, Australian assistance is needed to strengthen the resilience of healthcare systems to tackle the primary and secondary health impacts of COVID-19, and to combat existing infection diseases such as tuberculosis, which remains a significant challenge in countries such as Papua New Guinea.

Many countries are also highly vulnerable to the economic shocks created by the COVID-19 pandemic, as many of their economies are heavily reliant on domestic travel and trade as well as tourism. Building economic resilience and supporting an inclusive, COVID-safe and environmentally sustainable economic recovery is a key priority. This includes strengthening livelihoods, particularly for people in the most vulnerable sectors such as the informal economy.⁴

Given the current context, it is more vital than ever that Australia plays its part in global efforts to end the global pandemic, respond to the direct and indirect impacts which will be felt for years to come, and to maintain its support for existing challenges to long-term development outcomes. Through its development cooperation program, Australia has the ability to take a leadership role in supporting countries with greater vulnerabilities to the impacts of COVID-19, and to strengthen resilience, stability and human development in our region and beyond.

¹ <https://gho.unocha.org/introduction-and-foreword/glance>

² <https://www.worldbank.org/en/news/press-release/2020/10/07/covid-19-to-add-as-many-as-150-million-extreme-poor-by-2021>

³ http://hdr.undp.org/sites/default/files/eng_pr_human_development_on_course_to_decline_for_the_first_time_since_1990_.pdf

⁴ In many Pacific countries, for example, a large proportion of the workforce is engaged in the informal economy (around 77 per cent in the Solomon Islands, 59 per cent in Vanuatu and 41 per cent in PNG) and they have been particularly hard hit during the pandemic.

Caritas Australia welcomes the recent measures announced by the Australian Government in 2020 to help countries in dire need respond to the challenges of COVID-19. This includes the two-year recovery fund for the Pacific and Timor-Leste; the three-year initiative to improve vaccine access and health security in the Pacific and Southeast Asia; and the five-year package for Southeast Asia. These measures, worth approximately \$1.1 billion, are greatly needed given the scale of the challenges to vaccine access and growing poverty and inequality. Given the long-term nature of these challenges, we urge the Australian Government to make these temporary commitments permanent, to strengthen our support for the ongoing response to and recovery from the COVID-19 pandemic.

Recommendation: Commit to transitioning the temporary commitments to Official Development Assistance of approximately \$1.1 billion to permanent increases to support ongoing COVID-19 response and recovery.

Invest in Australia's global humanitarian assistance

The United Nations predicts that 2021 will be 'the worst humanitarian crisis year since the beginning of the United Nations' 75 years ago, largely due to COVID-19.⁵ A record 235 million people are estimated to need humanitarian assistance and protection this year, an increase of almost 40 per cent compared to 2020.⁶ Food insecurity is predicted to rise sharply, fueled by the impacts of the COVID-19 pandemic, conflict and climate change.⁷

At a time when humanitarian needs have increased dramatically, we call on the Australian Government to commit to its global fair share contribution to humanitarian funding of at least \$861 million per year.⁸ This increase should come from an increasing Official Development Assistance (ODA) program.

Recommendations:

- Significantly increase Australia's humanitarian financing in 2021-22 and commit our fair share of at least \$861 million per year. This increase in humanitarian funding must come from increasing the ODA program.
- Within Australia's fair share total, the Government should allocate at least \$300 million per year for multi-year funding packages to protracted crises in at least 5 countries or regions.

⁵ www.sbs.com.au/news/top-un-officials-say-2021-will-likely-be-the-worst-humanitarian-crisis-in-decades

⁶ <https://news.un.org/en/story/2020/12/1078852>

⁷ <https://gho.unocha.org/global-trends/hunger-rising-covid-19-will-make-it-worse>

⁸ Fair share calculation as calculated by Oxfam Australia

Civil society organisations have a key role to play in addressing protracted crises, particularly in light of their local networks and ability to reach communities. Supporting local agencies to access multi-year funding, which allows for appropriate and stable resourcing and planning, is a critical part of enabling their response and improving localisation outcomes. We encourage the Department of Foreign Affairs and Trade (DFAT) to ensure that local civil society organisations are included as a core component of funding packages for protracted crises.

Recommendation: Ensure that local civil society organisations are included as a core component of funding packages for protracted crises.

Food security is a significant, present and rising challenge. Pre-COVID-19, nearly 690 million people were undernourished in 2019.⁹ This included 350.6 million people in Asia and the Pacific, with mothers and children at particular risk.¹⁰ These numbers are set to increase significantly in 2021 as a result of the interlinked factors of COVID-19, conflict, extreme climate events and disasters.

Four countries are on the brink of famine, with another nine countries of high concern.¹¹ We urge the Australian Government to take early action and immediately adopt a \$150 million famine prevention package to address rising hunger and child malnutrition in at least three conflict affected countries outside the Indo Pacific. Funding under this package should be channeled through effective humanitarian partners and mechanisms including the Australian Humanitarian Partnership.

Recommendation: In response to the imminent threat of multiple famines, we call on the Australian Government to immediately adopt a \$150 million famine prevention package to address rising hunger and child malnutrition in at least three conflict-affected countries outside the Indo-Pacific.

Put Australia's development cooperation budget on track to meet our 2030 SDG targets for a globally-focused program

While we welcome the recent commitments for COVID-19 response and recovery, we note that these new commitments are temporary and have come in the context of prolonged and severe cuts to Australia's ODA over the term of the government during the past seven years. The government has cut Australia's ODA to just 0.21 per cent of Gross National Income (GNI), from 0.32 per cent in 2013-14.¹² These cuts to our ODA have gone against Australia's commitment

⁹ <https://gho.unocha.org/global-trends/hunger-rising-covid-19-will-make-it-worse>

¹⁰ www.wfp.org/publications/asia-and-pacific-regional-overview-food-security-and-nutrition-2020-maternal-and-child

¹¹ www.wfp.org/famine-prevention; <https://www.wfp.org/stories/hunger-hotspots-2021-world-food-programme-united-nations-famine-food-aid>

¹² <http://devpolicy.org/aidtracker/trends/>

as a signatory to the Sustainable Development Goals to reach an ODA target of 0.7 per cent GNI by 2030¹³, and also falls below the 2019 OECD average of 0.3 per cent GNI.¹⁴

Recommendation: Increase Australia's development cooperation budget to the internationally agreed benchmark of 0.7 per cent of GNI by 2030.

Australia has a proud history of supporting human development gains not only in the Indo-Pacific but also in other regions of the world. We urge the Australian Government to maintain a globally-focused approach to Australia's development cooperation strategy. In the 2020-21 Budget, the government delivered a 27 per cent cut to development assistance in South and West Asia, a 48 per cent cut to Sub-Saharan Africa, and a 61 per cent cut to Middle East and North Africa.

Recommendation: Re-invest in Australia's development cooperation funding to Africa, the Middle East and South/West Asia to a level that reflects the long-standing and high-trust relationships that the Australian Government and public, including diaspora communities, hold in these regions, and to support thriving and open democratic societies.

Promote civil society participation and local leadership in Australia's development and humanitarian programming

Caritas Australia's 57-year experience of working with communities in the Pacific, Asia, Africa, Latin America and in Indigenous Australia has shown us that development and humanitarian programming work best when they are led by local communities. The importance of localisation is more pronounced than ever in the face of the COVID-19 pandemic. In light of travel restrictions and other challenges, it is critical that local actors have the capacity to lead responses to COVID-19.

Civil society organisations are highly effective partners for development cooperation. An independent study commissioned by DFAT of the Australian NGO Cooperation Program (ANCP) found that 'The ANCP delivers strongly on results; in 2013–14 ANCP represented around 2.7 per cent of the aid budget and delivered 18.2 percent of outputs reported in the Department's aggregate development results'.¹⁵

Churches and faith-based organisations are an integral part of civil society in many countries. This is particularly the case in the Pacific, where over 90 per cent of people identify as Christian.

¹³ Target 17.2 of the Sustainable Development Goals

¹⁴ www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2019-detailed-summary.pdf

¹⁵ Evaluation of the Australian NGO Cooperation Program (ANCP). ODE Brief, August 2015.

Pacific churches have a central role in their societies, extensive reach and long-established networks. Church and faith-based networks are often amongst the first responders in emergencies, with the ability to activate their local networks quickly and to access areas that other humanitarian responders sometimes cannot (e.g. high conflict zones) due to their respected status. Church leaders are trusted and influential messengers in the Pacific and can frame social issues in locally appropriate terms. For all these reasons they are key community and development partners in the Pacific.

Recommendation: Re-orient the development cooperation program towards investment to and through local civil society organisations, including local church and faith-based organisations. This should:

- Include the establishment of a civil society partnerships strategy to guide DFAT's prioritisation, support and engagement with civil society.
- Be in line with an overarching target of channelling 20 per cent of Australian ODA to and through civil society for both humanitarian and development funding, and our Grand Bargain target of providing at least 25 percent of humanitarian funding to local and national responders as directly as possible.

Invest in ending violence and inequality against women and girls

In many countries in which Caritas Australia works, violence and inequality against women and girls was already an issue of extremely high concern before the COVID-19 pandemic. In some Pacific countries over 60 per cent of women have experienced violence.¹⁶ However, both COVID-19 and climate-related disasters are exacerbating the existing violence and inequality against women and girls, as evidenced by data across many countries. Our partners have raised this as an urgent issue.¹⁷

There is a clear and urgent need to increase resourcing to respond to the increase in violence against women and girls. Our partners have also highlighted the need for a greater emphasis on prevention, through initiatives that change community attitudes and behaviour.¹⁸

Recommendations:

- Strengthen support for community-led initiatives to end gender-based violence and inequality, particularly during COVID-19, by increasing the accessibility of funding for local communities and organisations, including churches and faith-based organisations, to lead these initiatives.
- Support the implementation of gender mainstreaming and gender sensitive practices across broader development and humanitarian programming.

¹⁶ WHO supports the end of violence against women and girls in the Pacific. WHO, December 2017

¹⁷ Caritas Oceania submission to the 2020 Inquiry on the Human Rights of Women and Girls in the Pacific

¹⁸ Caritas Oceania submission to the 2020 Inquiry on the Human Rights of Women and Girls in the Pacific

In many countries in our region and beyond, women are not well represented in decision-making processes. Their voices are not being heard and their stories are not being told. Yet evidence shows that the participation of women increases the effectiveness of humanitarian outcomes and reduces gender inequalities.¹⁹

In the Pacific, a DFAT-funded program that gained significant ground in strengthening women's leadership and improving the political, economic and social opportunities of Pacific women was the *Pacific Women Shaping Pacific Development Program*. We commend DFAT on their commitment to support the transition of this initiative into the new *Pacific Women Lead* program, and encourage DFAT to continue consulting civil society organisations, including churches and faith-based organisations who are key development actors in the Pacific, on its design and implementation.

Recommendations:

- Commit at least \$304 million over the 8-year *Pacific Women Lead* program to strengthen Australia's support for Pacific women's leadership and participation, particularly in response to the challenges of COVID-19.
- Include measures to increase local church and faith-based organisations' engagement in *Pacific Women Lead* to ensure that local churches are part of the dialogue on this initiative and engaged to explore the role that they can play.

Invest in disability inclusion

Of the world's one billion people living with disabilities, 80% live in the global south.²⁰ People living with disabilities are more likely to experience pre-existing health conditions, lower accessibility to health care and education, higher rates of violence and higher barriers to participation in the community.²¹

COVID-19 is now compounding these pre-existing inequalities. People living with disabilities are at greater risk of contracting COVID-19 and developing more severe health conditions and dying from COVID-19, at greater risk of discrimination in accessing healthcare, and are disproportionately disadvantaged by the socio-economic consequences of COVID-19.²²

To enable DFAT to fulfil their *Partnerships for Recovery* commitment to focus on the most vulnerable, we call on the government to increase the central disability allocation to \$14m in FY21-22 with a 1.5 per cent CPI increase over the forward estimates. This will enable DFAT to adequately resource Australia's commitments to disability inclusion measures under our *Development for All 2015-2021* and *Partnerships for Recovery* strategies, as well as our commitments under the 2030 Agenda and Sustainable Development Goals. The proposed

¹⁹ The Effect of Gender Equality Programming on Humanitarian Outcomes, UN Women, 2015

²⁰ Policy Brief: A Disability-Inclusive Response to COVID-19. United Nations, May 2020

²¹ <https://www.un.org/development/desa/disabilities/news/dspd/unitar.html>

²² Policy Brief: A Disability-Inclusive Response to COVID-19. United Nations, May 2020

annual \$14m budget is a modest increase on the FY2020-21 budget of \$12.9 million, with additional funds to be put towards the global development and implementation of disability inclusive data that is essential to achieving the Sustainable Development Goals, ground-breaking work to advance accessibility across the Pacific, contributing to the development of sign languages in the Pacific, and implementing the *Pacific Framework for the Rights of Persons with Disabilities 2016-2025*.

Recommendations:

- Commit to increase the central disability allocation to \$14 million in 2020-21 and increase by CPI over the forward estimates.
- Invest in the development of a third *Development for All* strategy that will build on success to date and guide their continued leadership, advocacy, support and implementation of disability-inclusive development through the Australian development and humanitarian programs.
- Ensure that a third strategy is designed and implemented in partnership with people with disabilities and their representative organisations. Consultations should encompass those currently benefiting from aid investments, as well as ensuring inclusion of diverse members of the disability movement, including commonly marginalised groups and those from rural and remote areas.

Strengthen our support for community-led climate change adaptation and mitigation

While COVID-19 has presented unprecedented challenges, communities around the world continue to face the pre-existing and severe challenges of climate change. As documented in annual Caritas Oceania State of the Environment reports, communities are losing homes, food and water security, public infrastructure, health, wellbeing, livelihoods and even lives as a result of environmental degradation and climate-related disasters.²³

Like COVID-19, climate change is undermining the security, stability and economic resilience of our region. Climate change and COVID-19 both expose and exacerbate social, economic and ecological vulnerabilities. Furthermore, COVID-19 is challenging the resilience of economies and health systems which is reducing countries' capacity to respond to the impacts of climate change.

Our experience working with partners in the Pacific, Asia and Africa has shown us that climate adaptation measures, such as sea walls, water tanks and climate-resilient houses, that build resilience against these climate impacts are a major priority for these communities.

Climate adaptation is also a fundamental part of disaster risk reduction. Disaster risk reduction protects lives, livelihoods and economies, especially in the most vulnerable communities.

²³ Available for download at www.caritas.org.au/publications/special-reports/

Disaster risk reduction is also highly cost effective – according to the Department of Foreign Affairs and Trade, every \$1 invested in disaster risk reduction activities saves up to \$15 on response and recovery in the aftermath of a disaster.²⁴

Recommendations:

- Increase investment in climate change adaptation and disaster risk reduction funding mechanisms that are accessible to local civil society actors including churches, consistent with the principle of localisation.
- Provide a dedicated stream of funding which principally targets climate adaptation, and within this provide a mechanism that specifically targets local community-led climate adaptation initiatives, which may be similar to the former Community-Based Climate Change Action Grants Program.
- Incorporate criteria within its climate finance delivery that require recipients to commit to objectives and indicators that:
 - Target at-risk communities;
 - Target participation of civil society including churches and faith-based organisations as they play a key role in ensuring targeting of at-risk communities;
 - Strengthen accountability and feedback mechanisms to ensure genuine voice and participation by civil society including churches and faith-based organisations.

However, no preventative or restorative disaster strategy will be effective without a deep understanding of the root causes of that vulnerability, and of our own influence, domestically and internationally, in relation to tackling climate action. We urge the Australian government to develop and implement a roadmap to align Australia’s domestic and international climate policies with our commitment to the Paris Agreement target of limiting global warming to 1.5 degrees, especially in light of any new policy framework emerging from the COVID-19 recovery.

For our partners across the globe, the protection of healthy forests, waterways and oceans is a vital aspect of maintaining community resilience and mitigating environmental damage and climate change. This has been highlighted countless times in discussions on sustainable livelihoods, food and water security, disaster risk reduction, migration, deforestation and deep-sea mining. We encourage DFAT to include ecological resilience as a part of their country strategies.

Recommendations:

- Invest in developing and implementing a roadmap to align Australia’s domestic and international climate policies with our commitment to the Paris Agreement target of limiting global warming to 1.5 degrees, especially in light of any new policy framework emerging from the COVID-19 recovery.
- Include ecological resilience as a part of country strategies with a particular focus on the protection of healthy forests, waterways and oceans as an integral part of supporting community resilience and the Paris Agreement.

²⁴ Climate Change Action Strategy. DFAT, November 2019.

Summary of recommendations

Caritas Australia encourages the Australian Government to adopt these recommendations in the 2021-22 Budget:

Strengthen Australia's role in global efforts for COVID-19 response and recovery

- Commit to transitioning the temporary commitments to ODA of approximately \$1.1 billion to permanent increases to support ongoing COVID-19 response and recovery.

Invest in Australia's global humanitarian assistance

- Significantly increase humanitarian financing in 2021-22 and commit Australia's global fair share of at least \$861 million per year. This increase in humanitarian funding must come from increasing the ODA program.
- Within Australia's fair share total, allocate at least \$300 million per year for multi-year funding packages to protracted crises in at least 5 countries or regions.
- Ensure that local civil society organisations are included as a core component of funding packages for protracted crises.
- Immediately adopt a \$150 million famine prevention package to address rising hunger and child malnutrition in at least three conflict-affected countries outside the Indo-Pacific.

Put Australia's development cooperation budget on track to meet our 2030 SDG targets for a globally-focused program

- Commit to increase Australia's development cooperation budget to the internationally agreed benchmark of 0.7 per cent of GNI by 2030.
- Re-invest in Australia's development cooperation funding to Africa, the Middle East and South/West Asia to a level that reflects the long-standing and high-trust relationships that the Australian Government and public, including diaspora communities, hold in these regions, and to support thriving and open democratic societies.

Promote civil society participation and local leadership in Australia's development and humanitarian programming

- Re-orient the development cooperation program towards investment to and through local civil society organisations, including local church and faith-based organisations. This should:
 - Include the establishment of a civil society partnerships strategy to guide DFAT's prioritisation, support and engagement with civil society.
 - Be in line with an overarching target of channeling 20 per cent of Australian ODA to and through civil society for both humanitarian and development funding, and our Grand Bargain target of providing at least 25 per cent of humanitarian funding to local and national responders as directly as possible.

Invest in ending violence and inequality against women and girls

- Strengthen support for community-led initiatives to end gender-based violence and inequality, particularly during COVID-19, by increasing the accessibility of funding for local communities and organisations, including churches and faith-based organisations, to lead these initiatives.
- Support the implementation of gender mainstreaming and gender sensitive practices across broader development and humanitarian programming.
- Commit at least \$304 million over the 8-year *Pacific Women Lead* program to strengthen Australia's support for Pacific women's leadership and participation, particularly in response to the challenges of COVID-19.
- Include measures to increase local church and faith-based organisations' engagement in *Pacific Women Lead* to ensure that local churches are part of the dialogue on this initiative and engaged to explore the role that they can play.

Invest in disability inclusion

- Commit to increase the central disability allocation to \$14 million in 2020-21 and increase by CPI over the forward estimates.
- Invest in the development of a third *Development for All* strategy that will build on success to date and guide their continued leadership, advocacy, support and implementation of disability-inclusive development through the Australian development and humanitarian programs.
- Ensure that a third strategy is designed and implemented in partnership with people with disabilities and their representative organisations. Consultations should encompass those currently benefiting from aid investments, as well as ensuring inclusion of diverse members of the disability movement, including commonly marginalised groups and those from rural and remote areas.

Strengthen our support for community-led climate change adaptation and mitigation

- Increase investment in climate change adaptation and disaster risk reduction funding mechanisms that are accessible to local civil society actors including churches, consistent with the principle of localisation.
- Provide a dedicated stream of funding which principally targets climate adaptation, and within this provide a mechanism that specifically targets local community-led climate adaptation initiatives, which may be similar to the former Community-Based Climate Change Action Grants Program.
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 - Strengthen accountability and feedback mechanisms to ensure genuine voice and participation by civil society including churches and faith-based organisations.

- Invest in developing and implementing a roadmap to align Australia's domestic and international climate policies with our commitment to the Paris Agreement target of limiting global warming to 1.5 degrees, especially in light of any new policy framework emerging from the COVID-19 recovery.
- Include ecological resilience as a part of country strategies with a particular focus on the protection of healthy forests, waterways and oceans as an integral part of supporting community resilience and the Paris Agreement.