



Submission to the inquiry into the strategic effectiveness and outcomes of Australia's aid program in the Indo Pacific and its role in supporting our regional interests

World Vision Australia

15 June 2018

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Committee Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
Canberra ACT 2600

15 June 2018

To the Committee Secretary

Please find enclosed World Vision Australia's submission to the inquiry into the strategic effectiveness and outcomes of Australia's aid program in the Indo Pacific and its role in supporting our regional interests.

At World Vision Australia, we constantly strive to improve the effectiveness of our work with vulnerable communities. We welcome this inquiry as a mechanism to reflect on the achievements of Australian aid, and to identify ways that the aid program can be improved to more effectively reduce poverty, promote prosperity and economic growth, and enhance global peace and security.

Australian aid is helping people live longer, healthier lives; it is empowering communities to lead their own positive change, advancing gender equality, educating the next generation to end the poverty cycle, and helping make our region more prosperous, safe and free. However, much more can and should be done.

Successive cuts to Australian aid in real terms over the last five years have limited the transformative potential of Australia's international development work and harmed Australia's international standing. While we welcome the aid program's focus on gender equality and innovation, we urge the Australian Government to rebuild the aid program as a matter of urgency.

Going forward, there are opportunities to better target Australia's aid for trade investments to support people living in poverty to engage in trade, mainstream a focus on children and especially girls across the aid program, strengthen Australia's engagement in fragile contexts, align the overall aid strategy and evaluation framework with the Sustainable Development Goals, and support community-driven development through multi-stakeholder partnerships.

I would like to thank the Minister for Foreign Affairs, the Hon Julie Bishop MP, for requesting this important and timely inquiry and thank the Joint Standing Committee for undertaking this inquiry.

We would welcome the opportunity to appear at a public hearing for this inquiry to further share World Vision's insights and experiences in delivering effective aid.

Your faithfully

Claire Rogers
CEO

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 impact, both overseas and for Australia.

The introduction in 2014 of Australia's aid policy *Australian Aid: promoting prosperity, reducing poverty, enhancing stability* and the associated performance framework established a new approach to the design and delivery of Australian aid. This policy has pushed Australia's aid into new, innovative and transformative spaces. However, there remains significant potential to improve Australia's aid, both in its focus and its quantity, to achieve its full potential. Repeated aid cuts in recent years have curtailed the aid program's ability to meaningfully deliver on the vision and impact that the 2014 policy sought to achieve.

A hallmark of the 2014 policy was an emphasis on reducing poverty through trade and private sector development. Based on World Vision Australia's deep programming expertise in economic development, we welcome this policy focus, understanding the transformative role that international trade and markets, as key drivers of job creation, play in helping drive economic growth. However, ensuring that marginalised and vulnerable communities and individuals can engage in and benefit from trade and vibrant economic markets, will be crucial to realising the poverty reduction potential of aid for trade. In looking forward, we recommend that Australia strengthen its focus on productive capacity building, and less on the construction of economic infrastructure, because the former is a more immediate, direct and effective way to reduce poverty through trade.

World Vision knows that gender equality and the empowerment of women and girls are fundamental to the well-being, stability and prosperity of all. World Vision welcomes the Government's ambitious gender equality targets for the aid program, which have been critical in driving progress and change for women around the world. However, the Government's gender equality strategy has focused more on women than girls, and there is an opportunity to better address the specific challenges, needs and opportunities of girls across the aid program.

Critical to the effectiveness of Australia's poverty reduction initiatives is community focused, led and owned development. Through the Australian NGO Cooperation Program (ANCP), Australian NGOs have positively affected 12.8 million people's lives in the last reporting year alone. Support to community owned initiatives not only assists in reducing poverty and vulnerability, but also plays a critical role in building a strong and active civil society, so it should be continued and strengthened as a core part of Australia's aid strategy.

Since the 2014 Aid Policy was released, the international community has united around a collection of global development and sustainability frameworks. Principal among these is Agenda 2030 – the Sustainable Development Goals (SDGs). The Aid Policy, and the performance and evaluation frameworks that underpin it, should be reviewed to ensure they not only align with the SDGs, but that they have their SDGs have their backbone to ensure policy coherence.



World Vision Australia welcomes the opportunity to make a submission to the Joint Standing committee's Inquiry into the strategic effectiveness and outcomes of Australia's aid program in the Indo-Pacific. In addition to the above, our submission examines the effectiveness of Australia's aid program in:

- Embedding an innovative approach across the entire aid program, not just as a standalone team.
- Strengthening Australia's investment and engagement in fragile states, acknowledging that the locus of poverty and vulnerability is increasingly shifting to fragile contexts.
- Improving the delivery of the aid program through working with the most effective partners.
- Ensuring Australia does its part to support a stable and prosperous Indo-Pacific region.

Australia has a long history of being an active and effective development partner, especially in the Indo-Pacific region. However, there is an opportunity to reflect on lessons learned and emerging best practice – in Australia and overseas – to further strengthen and target Australia's impact and build an aid program fit for the challenges and opportunities of the 21st century.

Introduction

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.

For six decades, World Vision has been engaging people to work towards eliminating poverty and its causes. Informed by Christian values, World Vision is committed to working with those living in poverty, with a particular focus on the most vulnerable children. World Vision works with people of all cultures, faiths and genders to achieve transformation. This is done through humanitarian responses and ongoing community development, public policy and advocacy for change, collaboration, education about poverty and an emphasis on personal growth, social justice and spiritual values.

World Vision Australia has a productive and longstanding working relationship with the Australian Government in partnering to deliver the Australian aid program. The life of agreement value of this relationship is AU\$136 million, spanning food security programs in East Africa, livelihoods and resilience programming in fragile contexts, gender based violence programs in the Pacific, and programs piloting new innovation 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 based on our field programming experience. As such, World Vision welcomes the opportunity to make this submission to the Joint Standing Committee's Inquiry into the strategic effectiveness and outcomes of Australia's aid program in the Indo-Pacific and its role in supporting Australia's regional interests.

World Vision Australia affirms that the central purpose of an official aid program is to promote the economic development and welfare of developing countries.¹ Official Development Assistance (ODA) should be focused on providing essential public services and promoting economic development for those who are marginalised and experiencing poverty, to end poverty and build sustainable peace.

Effectiveness of Trade and Private Sector Development initiatives

World Vision Australia recognises that international trade and markets, as key drivers of job creation, are powerful enablers of economic development. However, many communities, especially those living in poverty, currently lack the knowledge, skills and market connections to fully realise the benefits of markets and trade. Between 1981 and 2001, only 1.5 percent of global economic growth benefited people on less than \$1 per day (even though this group constituted one-third of the world population at the time).² That is why inclusive aid for trade, private sector development and market systems development are important parts of a diverse aid portfolio, since they build the capacity of communities in developing countries to engage in trade-related activities and share in their rewards.

World Vision welcomes the Australian Government's emphasis on reducing poverty through trade but recommends that Australia's range of market-based development programming, including aid for trade, have a more intentional focus on reaching non-market ready individuals, including people living in poverty, women, young people, ethnic minorities and/or other marginalised groups, who are often excluded from traditional market systems. Australian aid should reduce trade barriers facing these groups and assist in building their productive capacity to both expand trade flows and reduce poverty.

Aid for trade

World Vision Australia supports aid for trade initiatives that are inclusive and have a poverty reduction focus, equipping developing countries with the policies, infrastructure and capacity they need to lift their populations out of poverty through trade.

The global approach to aid for trade dates back to 2005 when the World Trade Organization launched the global Aid for Trade Initiative to increase the trade capacity of developing countries.³ The Australian aid program has had a long history of investing in trade facilitation as a means to reduce poverty under multiple governments, even though those investments have not always been reported as 'aid for trade.' The Australian Government launched its *Strategy for Australia's Aid for Trade Investments* in 2015.

The Government's aid for trade strategy has not been reviewed since it was launched in 2015, despite the strategy itself stating that it "will be reviewed and updated periodically, taking into account our

¹ This is in line with the OECD DAC definition of ODA, as found in: OECD, *Is it ODA?*, November 2008, available at: <https://www.oecd.org/dac/stats/34086975.pdf>

² Duncan Green, *From Poverty to Power: How Active Citizens and Effective States Can Change the World*, 2008, Oxfam Great Britain, available at: https://www.oxfamamerica.org/static/media/files/From_Poverty_to_Power_2nd_Edition.pdf.

³ World Trade Organization, *Aid for Trade factsheet*, available: https://www.wto.org/english/tratop_e/devel_e/a4t_e/a4t_factsheet_e.htm.

implementation experiences and lessons learned.”⁴ World Vision welcomes this current inquiry as a mechanism to review the purpose, focus, and investment mix of Australia’s aid for trade to date. Based on World Vision’s experience, we outline below some recommendations regarding the Government’s aid for trade strategy.

Purpose of aid for trade

The Australian Government should clarify that the primary purpose of aid for trade is to reduce poverty through trade. In the context of aid for trade, trade is a means to an end (poverty reduction), rather than an end in itself. The 2018 OECD Development Co-operation Peer Review of Australia recommended that “as Australia continues to orient its programme towards economic diplomacy, economic growth and security, it will need to anchor the poverty reduction objective within a framework that considers all of its support and how this support contributes to inclusive growth and to a clearly established interpretation of leaving no one behind.”⁵ With this in mind, the first test for aid for trade investments should be whether they empower families and individuals to lift themselves out of poverty, and considerations such as whether those investments meet the needs of developing country partners or align with Australian interests should be secondary.

World Vision Australia has deep programming expertise in empowering families to more fully participate in and benefit from trade-related activities. For example, World Vision’s Local Value Chain Development (LVCD) project in Tanzania is helping farmers overcome their isolation and disadvantage, empowering producers to work together to improve their productivity and access to markets. World Vision has supported 7,000 farmers to form 152 commercial producer groups to share their farming knowledge, carefully stage harvesting and negotiate to get higher prices. This has resulted in an 800 percent increase in yields for some farmers and a 49 percent increase in the price farmers receive for their onions, resulting in 22 percent of households increasing their income. World Vision LVCD projects are now active in more than 35 countries, enabling more than 100,000 families to better access markets and trade. A Social Return on Investment analysis undertaken by World Vision on a LVCD project in Flotim, Indonesia, found that for every US\$1 invested in the project, there was US\$4.41 return of value for key stakeholders, with 70 percent of this return experienced by the producer families.

⁴ DFAT, 2015, *Strategy for Australia’s Aid for Trade Investments: Supporting developing countries to trade and prosper*, available: <http://dfat.gov.au/about-us/publications/Documents/strategy-for-australias-aid-for-trade-investments.pdf>.

⁵ OECD, *OECD Development Co-operation Peer Reviews: Australia 2018*, 2018, available at: https://read.oecd-ilibrary.org/development/oecd-development-co-operation-peer-reviews-australia-2018_9789264293366-en#page1.

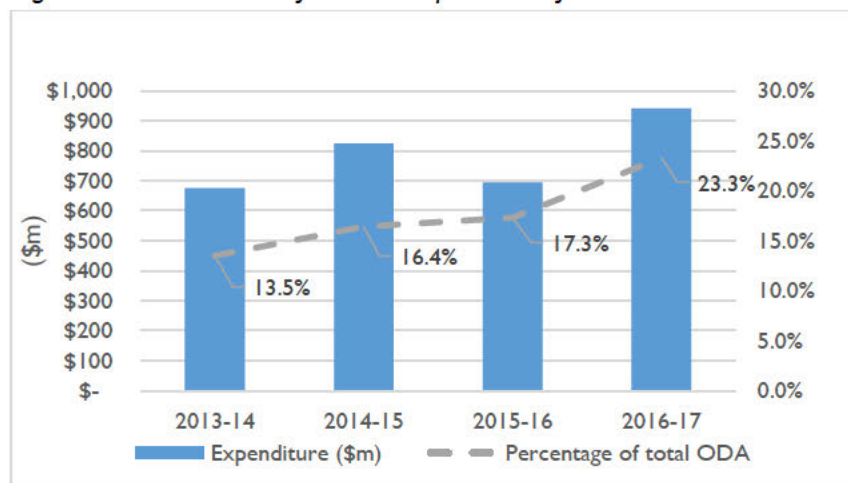


Expenditure on aid for trade

Australia ranks in the top ten countries on trade in the Commitment to Development Index.⁶ The Australian Government achieved its target of increasing aid for trade investments to 20 percent of the total aid budget in 2016-17, well ahead of its 2020 deadline.⁷

It should be noted, however, that the proportion of aid for trade has increased in the context of a declining overall aid budget. In 2016-17, Australia's aid for trade totaled \$941 million and comprised 23.3 percent of the aid budget.⁸ If the same amount of aid for trade expenditure (\$941 million) was invested as part of the 2014-15 aid budget – which totaled \$5.4 billion before a series of significant cuts to the aid program – then aid for trade would have comprised 17.3 percent of total ODA, rather than 23.3 percent. World Vision warns against overstating the increased investment in aid for trade, as it is often presented in percentage terms against a reducing aid budget. As shown in Figure 1, since 2013-14 the percentage of Australian ODA flagged as aid for trade has increased year-on-year, despite a net reduction in aid for trade funding in 2015-16, for example.

Figure 1: Australia's aid for trade expenditure from 2013-14 to 2016-17⁹



Focus of aid for trade

In World Vision's view, Australia is rich in technical strengths, especially in the agriculture sector, that can be leveraged to improve productivity and build prosperity in our neighbourhood. Our value add in the Indo Pacific is in building productive capacity and supporting strong institutions, and this should be the clear focus of Australia's aid for trade strategy in the future.

⁶ Center for Global Development, *Commitment to Development Index 2017, 2018*, available at: https://www.cgdev.org/commitment-development-index-2017#CDI_TRA.

⁷ Minister for Foreign Affairs, the Hon Julie Bishop MP, and Minister for Trade, Tourism and Investment, the Hon Steven Ciobo MP, *Aid for trade commitment achieved*, 2018, available at: https://foreignminister.gov.au/releases/Pages/2018/jb_nr_180502.aspx.

⁸ DFAT, *Performance of Australian Aid 2016-17*, 2018, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>.

⁹ See *Performance of Australian Aid* reports from 2013-14, 2014-15, 2015-16 and 2016-17.

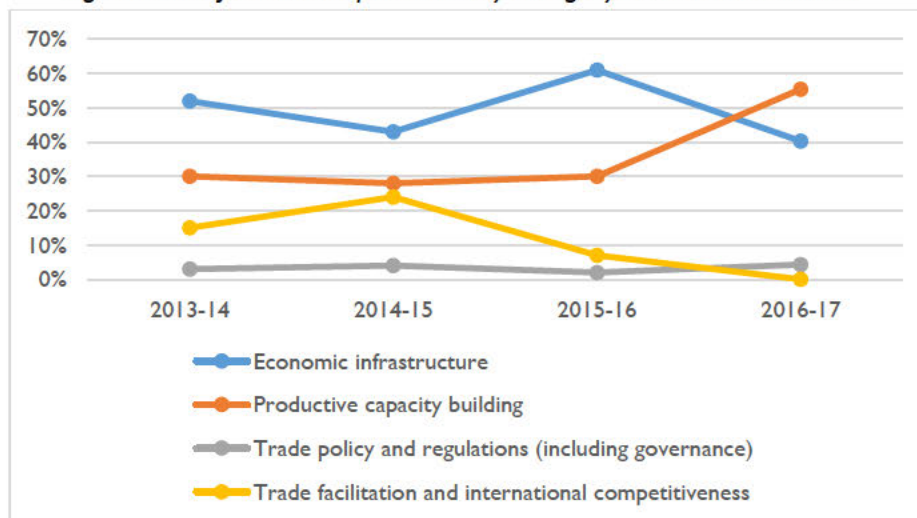


World Vision Australia recommends that the Government adopt a more inclusive approach to aid for trade by focusing on building the productive capacity of small-holder farmers and micro-entrepreneurs, equipping them with the skills, information, access to finance and/or access to markets they need to benefit from trade opening. Building the productive capacity of local communities living in poverty is the most direct and immediate way to help poor communities in developing countries to engage in trade.

By contrast, the benefits from aid for trade investments in regulatory reform and economic infrastructure often take a long time to materialise, and they often disproportionately favour larger businesses and producer groups operating in the formal sector, rather than supporting informal and semi-formal financial intermediaries or businesses. While investment in infrastructure and in the enabling environment for large enterprise is critical to facilitate trade, it needs to be complemented by investment in supply-side capacity and in increasing the productivity of the labour force. In fact, building local capacity should be mainstreamed across all aid for trade initiatives, ensuring local skills and knowledge are used and developed when building economic infrastructure and reforming trade policies and regulations.

Australia's mix of aid for trade investments has changed significantly in recent years. As shown in Figure 2, investments in productive capacity building increased considerably as a proportion of aid for trade expenditure, rising from 30 percent in 2015-16 to 55.4 percent in 2016-17.¹⁰ This is in line with World Vision's calls. However, World Vision Australia understands that this change in the aid for trade investment mix is largely due to a change in reporting and categorisation (to align Australia's aid for trade reporting through the *Performance of Australian Aid* to its aid for trade reporting to the OECD), rather than due to a change in investment priorities.

Figure 2: Aid for trade expenditure by category 2013-14 to 2016-17¹¹



¹⁰ See DFAT, *Performance of Australian Aid 2015-16*, 2017, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2015-16.pdf>. DFAT, *Performance of Australian Aid 2016-17*, 2018, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>.

¹¹ See *Performance of Australian Aid* reports from 2013-14, 2014-15, 2015-16 and 2016-17.

Effectiveness of aid for trade

Aid for trade must not only ‘increase the volume and value of trade’ but increase the impact trade has on poverty reduction in developing countries. However, aid for trade programs generally fail to “adequately measure and evaluate the actual impact on poor and excluded groups”, according to the Overseas Development Institute.¹²

A 2016 evaluation conducted by the Office of Development Effectiveness (ODE) within the Department of Foreign Affairs and Trade (DFAT) considered the effectiveness of Australia’s aid for trade investments in trade facilitation and assistance.¹³ Promisingly, the evaluation found that DFAT’s investments showed significant potential to impact poverty reduction. Now that the Australian Government has achieved its target percentage for aid for trade, it is timely for the Office of Development Effectiveness to undertake a follow-up review to evaluate the outcomes of aid for trade for reducing poverty in developing economies.

To assist in future evaluations of aid for trade, indicators should be developed to measure the inclusiveness of Australia’s aid for trade investments – that is, the extent to which investments benefit a broad cross-section of the community, with a particular focus on those living in poverty.

Recommendation 1: That the Australian Government clearly define the objective of Australia’s aid for trade to be primarily about reducing poverty through trade.

Recommendation 2: That the Australian Government prioritise building the productive capacity of micro-, small and medium-sized enterprises, including small-holder farmers, through its aid for trade investments.

Recommendation 3: That the Australian Government include a focus on using and building the capacity of local actors and elevating their role, where possible, in the construction of economic infrastructure in developing countries through Australia’s aid for trade, to both facilitate trade and support local industry.

Recommendation 4: That the Australian Government develop a global impact framework and set of indicators to measure the level of inclusiveness of economic growth from aid for trade initiatives, and that the inclusiveness and poverty reduction outcomes of aid for trade be monitored and reported on to improve accountability and effectiveness.

Private Sector and Market Systems Development

Today, Market Systems Development programming – which involves developing market systems so that they function more effectively, sustainably and beneficially for people who are poor – is becoming a key feature of Australia’s development assistance.

World Vision’s experience has shown that, while Market Systems Development interventions have been immensely valuable, they can be better targeted to support people who are poor and marginalised.

¹² Overseas Development Institute, *Increasing the effectiveness of Aid for Trade: the circumstances under which it works best*, Working Paper 353, 2012.

¹³ DFAT, *Gearing up for trade: Australia’s support for trade facilitation programs*, Office of Development Effectiveness, 2016.



Similar to the challenge of aid for trade programs, Market Systems Development can often have too narrow a focus on macro forces and be targeted too high at system-level change and, in the process, it can neglect to build the productive capacity of the most marginalised so that they can participate in markets. 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 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. To this end, leading development practitioners like World Vision, who understand both market forces and community development, should be operating in partnership with commercial contractors on all DFAT Market Systems Development Facilities.

World Vision's Micro-franchised Agricultural Service Expansion (MASE) Project in Cambodia is a prime example of how a market systems project can be adapted to promote greater inclusion. Partnering with International Development Enterprises, World Vision recruited and trained more than 40 Farm Business Advisors to empower smallholder farmers with the right skills, knowledge and market connections to improve their livelihoods. While the project achieved a 186 percent increase in annual sales in its first year, an evaluation found that the project reached less women than men (approximately 20 percent of total beneficiaries) and that the benefits of the project did not reach the ultra-poor. Going into Phase 2 of the project, World Vision has adjusted its approach based on the evaluation to include direct facilitation to more effectively target poor farmers who cannot quite access the treatment that their less poor counterparts are benefiting from.

The parameters for Australia's market systems programming should be made more flexible to accommodate both direct and indirect interventions in the market system. In both design and implementation, DFAT should adapt its market-based programs to better target marginalised groups – such as women, youth and the ultra poor – and make these groups central to its monitoring and evaluation strategies.

Recommendation 5: That the Australian Government invest in direct facilitation and capacity building initiatives to complement its indirect facilitation through market-based programming, to ensure people living in poverty can more fully engage in the market systems that the aid program is strengthening.

Recommendation 6: That the Department of Foreign Affairs and Trade require that all Market Systems Development Facilities are jointly implemented by a commercial contractor and a leading development practitioner that has a local presence and understands both market forces and community development.

Effectiveness of Initiatives on Gender Equality and Empowering Women and Girls

In World Vision's experience, gender equality and the empowerment of women and girls are fundamental to the well-being, stability and prosperity of all. On this basis, World Vision welcomes the *Gender Equality and Women's Empowerment Strategy*, launched in 2016, in which the Australian Government commits to mainstream gender considerations across Australian aid and foreign policy, positioning Australia as a global champion for gender equality.¹⁴

While the target on ensuring more than 80 percent of all aid investments effectively address gender has not yet been achieved, World Vision Australia notes that significant progress has been made since 2014. The proportion of Australia's aid investments that effectively address gender equality in implementation has increased from 74 percent in 2013-14 to 77 percent in 2016-17.¹⁵ This progress has been greatly assisted by DFAT's Gender Equality Branch in providing high-level oversight and technical support to internal teams and the Ambassador for Women and Girls who has played a critical role in advocating internationally for women's equal participation in political, economic and social affairs. The recently published OECD DAC peer review of the Australian aid program acknowledged Australia's progress in this area, concluding that "Australia's approach to gender equality is exemplary." The peer review noted that a much higher proportion of Australia's bilateral allocable aid had gender equality as a principal or significant objective (54 percent in 2015), compared to the DAC country average (36.3 percent in 2015).¹⁶ World Vision Australia supports the Government's continued prioritisation of gender equality in its aid investments and diplomatic engagements internationally, regionally and bilaterally. World Vision remains supportive of an ambitious target for ensuring that Australian aid investments, regardless of their objectives, are effectively addressing gender issues in their implementation.

DFAT's 2016 Gender Equality and Women's Empowerment Strategy recognises that women are not a homogenous group. World Vision recognises that compounding vulnerability and discrimination can result from a multitude of factors (including having a disability or being a member of a minority ethnic or religious group) and, with this in mind, World Vision encourages DFAT to ensure that aid initiatives are grounded in a thorough vulnerability analysis and equipped with an appropriate inclusion strategy.

Progress towards the target has been uneven across the geographic spread of the aid program and performance has varied by sector. In particular, the gender equality outcomes in the Pacific lag behind all other regions, despite being a geographic priority of the aid program.¹⁷ In World Vision's own experience, sustainable progress and lasting change on addressing gender-issues in the Pacific is challenging, but not impossible. In the Solomon Islands, Vanuatu and Timor-Leste, World Vision's Reducing Gender-Based Violence (GBV) Project has fostered dual pathways to address the causes and

¹⁴ DFAT, *Gender equality and women's empowerment strategy*, 2016, available at: <http://dfat.gov.au/about-us/publications/Documents/gender-equality-and-womens-empowerment-strategy.pdf>.

¹⁵ DFAT, *Performance of Australian Aid 2013-14*, 2015, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2013-14.pdf>; DFAT, *Performance of Australian Aid 2016-17*, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>.

¹⁶ OECD, *OECD Development Co-operation Peer Reviews: Australia 2018*, 2018, available at: https://read.oecd-ilibrary.org/development/oecd-development-co-operation-peer-reviews-australia-2018_9789264293366-en#page1.

¹⁷ DFAT, *Performance of Australian Aid 2016-17*, 2018, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>.

symptoms of high levels of violence against women and girls. Community activities have created awareness and action on gender-based violence, while support to organisations providing shelter, counselling and legal advice have strengthened services available to people affected by violence.

Allowing local context to guide activities and dialogue on gender roles and rights has been key. At the same time, the multi-country project recognised common cultural elements in the three countries, especially the power of faith leaders as community advocates and change leaders. Before project implementation, faith leaders and their spouses were already expected to provide counsel to families experiencing violence, but few understood the nuances of gender roles and how cultural barriers and practices are a barrier to violence reduction. Using World Vision's Channels of Hope for Gender project model, workshops and coaching were provided to help these community figures gain confidence in giving the right advice, including referrals to professional and formal services where necessary, and to be proactive in discussing root causes of violence and abuse. Partnerships with government and community-based services for survivors of violence strengthened their response capacity and effectiveness. However, given the entrenched inequity of gender roles in communities in these settings, much work remains to be done on attitudinal change. The project found that some male-dominated church networks were hesitant to talk about gender equality, and that messages about violence (how to stop it, what to do for victims) were often better received than messages about women's equal status and value. A long-term gender strategy in these countries recognises the need for phased, culturally-sensitive partnerships with communities to address gender norms if lasting change is to occur.

Initiatives for empowering children, especially girls

While these gender equality measures and targets are said to be focused on both women and girls, the reality has been that the specific challenges, needs and opportunities of girls have been neglected to date under DFAT's aid policy. Girls experience (dis)empowerment and (in)equality differently than adult women. In addition, to achieve lasting change, Australia's aid investments must address both boys and girls from the outset to ensure wider and early intervention in programs that seek cultural, attitudinal and behavioral change.

Just as a dedicated strategy, performance targets, financial resources and political leadership have been critical for making women's empowerment a genuinely cross-cutting development issue, the same levers should now be used to champion the well-being and rights of children, particularly girls, more broadly in the aid program. It is recommended that the Government apply a child rights lens across Australian aid and that a new strategy be developed for mainstreaming the rights and needs of children across the aid program. This should include, but not be limited to, ensuring the systematic use of both age and sex disaggregated indicators, establishing a child rights branch or unit within the Department of Foreign Affairs and Trade to support the implementation of child rights across the aid program, improve the impact of Australian aid on children and build an evidence base for effective aid investment in children, including girls. Child impact assessments should be conducted for all aid projects to determine their likely impact on children. Australian aid initiatives should ensure that children are protected, participate and are provided for (the 3Ps) and Australia's diplomatic engagement should complement

this by advocating for policies, laws and systems (including awareness and campaigns to change behaviour) that protect child rights and advance their wellbeing.

Initiatives on women's economic empowerment

World Vision welcomes the Government's focus on investing in women's economic empowerment initiatives, as outlined in its policy *Australia Advancing Women's Economic Empowerment Through Aid, Trade and Economic Diplomacy*.¹⁸ World Vision recommends that all aid for trade proposals conduct a gender inclusion analysis upfront as part of the economic analysis to ensure their design and delivery advance (and do not hinder) women's economic empowerment and 'do no harm'.

To address the barriers facing women's economic participation, World Vision has adopted an intentional gender inclusion lens in several of its market systems development projects in Sri Lanka, Bangladesh and Myanmar. A key critical part of the approach has been to conduct gender sensitive-market and value chain analysis, which acknowledges that men and women have different experiences in a market system. It is important to investigate the different roles and responsibilities of men and women in value chains, to what extent men and women are making decisions within value chains, and the specific barriers preventing women from participating in, and benefitting from, value chain activities. This foundational analysis enables the development of sound interventions that can include and benefit both men and women.

The benefits of women's economic empowerment are well documented, especially as they relate to improving the well-being of entire families, including nutrition and education outcomes for children. Therefore, in addition to gender sensitive value chain analysis, it is also important to focus on intra-household decision making and relationships between couples. In households, women struggle to control decision making related to income, including spending and how to generate income. Household level interventions can promote more equitable decision making between men and women relating to income generation.

One example of World Vision's inclusive approach to women's economic empowerment is the Gender and Disability Inclusive Economic Development Project in Sri Lanka, which aims to increase the incomes of 6,000 families of vulnerable women and people with disabilities over five years. The project, which is still being implemented, works with vulnerable and isolated women and people with disabilities to break down barriers to accessibility in livelihoods. Working with Promundo, World Vision is connecting these people with economic opportunities while also seeking to address inequitable household decision making and negative attitudes to women's economic empowerment and the empowerment of people with disabilities in the wider community. After only two years, 80 percent of the producer groups and small-scale savings groups are comprised of women, with 7.5 percent of producer groups, and 10 percent of savings groups being people with disabilities. This inclusive approach helps to broaden the

¹⁸ DFAT, *Australia Advancing Women's Economic Empowerment Through Aid, Trade and Economic Diplomacy*, 2017, available at: <http://dfat.gov.au/about-us/publications/Documents/australia-advancing-womens-economic-empowerment-aid-trade-economic-diplomacy.pdf>.

reach and benefits of economic development to women and people with disabilities who are often excluded from economic opportunities.

The Australian Government should promote a holistic approach to women's economic empowerment that promotes changes in both women's agency and structures in an integrated programming approach. This recognises that programming needs to empower women with new knowledge, skills, resources, time, while promoting normative change and more equitable relationships and governance structures within market systems, communities and households.

Recommendation 7: That the Australian Government continue to advance gender equality and the empowerment of women and girls through the Australian aid program and continue to transparently report on the proportion of aid funding allocated to advancing gender outcomes and the impact of aid investments on achieving gender equality outcomes.

Recommendation 8: That the Australian Government elevate its focus on empowering girls and children more broadly through the aid program by developing a strategy for mainstreaming the rights and needs of boys and girls across Australian aid and establishing a dedicated child rights section or branch in the Department of Foreign Affairs and Trade.

Recommendation 9: That the Australian Government apply a gender inclusion lens in all aid for trade and economic development programming to remove barriers to and increase opportunities for women's economic empowerment.

Recommendation 10: That the Australian Government promote gender-sensitive approaches to Market Systems Development, including by conducting gender sensitive situational analysis, intervention design and monitoring and evaluation, drawing on both economic development and gender approaches.

Effectiveness of supporting community investment in development outcomes

Ensuring that Australian aid investments are community focused, led and owned is essential to ensuring the success and sustainability of poverty reduction initiatives. World Vision's model of community development is built upon close engagement with communities at all stages – from working with community members to identify their particular needs and opportunities, to building community ownership over projects, to providing skills and capacity training to ensure leaders are well-equipped to maintain positive momentum after World Vision has left a community. World Vision's model of community-focused development has had a tangible impact on poverty reduction in many of the communities we work. In the past five years, 89% of the severely malnourished children we have treated have made a full recovery and the lives of over 200 million vulnerable children have been impacted by tackling the root causes of poverty.¹⁹

In World Vision's experience, community-driven development also assists in creating an engaged and active civil society. A strong and active civil society plays a vital role in supporting development outcomes, including enabling citizens to claim their rights, influencing national governments to make

¹⁹ World Vision, *Our Impact*, available at: <https://www.wvi.org/ourimpact>

positive policy changes, providing basic services to marginalised and vulnerable populations and responding to crises and emergencies.²⁰ A 2012 review undertaken by the ODE of AusAID's Engagement with Civil Society in Developing Countries noted that working with government alone is not enough to build effective states, and that civil society has an important role to play alongside state and market actors.²¹

Through the program 'Citizen Voice in Action,' (CVA) World Vision mobilises citizens and equips them with the tools to engage in non-confrontational dialogue with their governments to address ways to improve government services.²² In 2013 World Vision Australia supported a CVA project seeking to improve the quality of education and health services in Uganda, Tanzania and Rwanda. More than 4,500 people were trained across in Uganda and Tanzania and given the tools and resources necessary to engage with service providers. An evaluation of the project found that community members experienced better access to health facilities due to the increased availability of drugs, friendlier services provided and reduced waiting times. Staffing was increased, which reduced workloads and created a more conducive working environment. Education service delivery was also improved, demonstrated through increased enrolment rates, reduced absenteeism of both teachers and pupils, reduced school dropout rates, and more positive attitudes among parents towards the education of their children.²³ Further, World Vision's Channels of Hope program in Afghanistan works with Mullahs to support them to speak publicly about women's political and civil empowerment and rights, recognising that religious leaders in Afghanistan are vital to creating a safe enabling environment for women to realise greater freedoms within civil and political life. The program also supports the development of women's shura (advisory councils) to help build skills and leadership for women to meaningfully participate in decision making and to effectively represent women in their engagement with the government. Through this program, women are able to take action to address the issues that affect them and other women in their communities. Programs such as these assist in building an active and engaged civil society, which plays an essential role in building safer, more prosperous and stable communities for women and men.

The Australian NGO Cooperation Program (ANCP) is an effective program of the official aid program that enables community led development. Through ANCP, Australian NGOs leverage Australian government funding to support community development initiatives. A 2015 review by the Office of Development Effectiveness recognised ANCP as one of DFAT's best-performing programs – in the year under review (2013-14), ANCP programs delivered 18.2 percent of the Department's output-level aggregate

²⁰ OECD, 'Support to Civil Society: Emerging Evaluation Lessons,' 2013, available at: <https://www.oecd.org/dac/evaluation/Evaluation%20Insight%20Civil%20Society%20FINAL%20for%20print%20and%20WEB%2020131004.pdf>; OECD, *Busan Partnership for Effective Development Co-operation*, available at: <http://www.oecd.org/development/effectiveness/busanpartnership.htm>

²¹ AusAID ODE, *Working Beyond Government: Evaluation of AusAID's Engagement with Civil Society in Developing Countries*, March 2012, available at: <http://www.oecd.org/derec/49905692.pdf>.

²² World Vision, *Citizen Voice and Action within the Development Programme Approach*, available at: https://www.wvi.org/sites/default/files/CVA_within_DPA.pdf; World Vision, *Citizen Voice and Action*, available at: https://www.wvi.org/sites/default/files/Citizen_Voice_and_Action_PM.pdf

²³ World Vision, *Hear my voice/CEED Project Evaluation (2013-2016)*, 2016, Internal Report.



development results, despite being only 2.7 percent of the aid budget.²⁴ The most recent ANCP Aid Program Performance Report found that 12.8 million people's lives were improved through the 54 ANCP NGOs working in 58 countries around the world.²⁵

An example of ANCP funding in action is World Vision's Matabeleland Integrated Development project in Zimbabwe, which sought to simultaneously improve household income, community markets, maternal and child health and food security, to change opportunities and promote long-term economic equity to benefit the next generation. World Vision worked alongside communities through improving health care facilities for expecting mothers, support to trialling new drought-resistant crops and household chicken rearing, working with community cooperative models to gain access to broader market opportunities, and encouraging women to take up opportunities in farming initiatives and men to take greater responsibilities in their family health. The project reported significant positive change for health and economic security by its end, including a substantial reduction in neonatal mortality, an increase in farming productivity, steps towards less polarised gender roles, and decreased rates of stunting and underweight children in all locations measured, opening opportunities and promoting long-term economic equity to benefit the next generation. Through the support of ANCP, Australian NGOs play a critical role in supporting community centred development initiatives that reduce poverty and build sustainable communities.

Beyond ANCP, DFAT has supported community development initiatives through a range of partnership windows with NGOs. These include the Australia Africa Community Engagement Scheme (AACES) which concluded in 2016. A final review of AACES found that the program:

- Collectively benefited more than 2.3 million women and marginalised people.
- Provided over 1 million people with improved water, sanitation and hygiene services.
- Improved agricultural productivity for over 800,000 people.
- Provided 4,000 people with disability accessed services, exceeding the outcomes originally envisaged by the project.²⁶

In Afghanistan, a collaboration between five NGOs, DFAT and the Afghan Government through the Australia Afghanistan Community Resilience Scheme seeks to increase the resilience and livelihoods of rural Afghan communities, with initial observations finding that farmers reported positive average net household income effects from higher yields, less field insecure households, and improved access for farmers to new markets.²⁷ In the Palestinian Territories, the Australian Middle-East NGO Cooperation Agreement (AMENCA) has enabled some 8,660 poor farmers and over 2,500 small businesswomen to

²⁴ DFAT ODE, *Evaluation of the Australian NGO Cooperation Program Final Report*, 2015, available at: <http://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/ode-evaluation-australian-ngo-cooperation-program-final-report.pdf>

²⁵ DFAT, *Aid Program Performance Report 2016-17: Australian NGO Cooperation Program (ANCP)*, November 2017, available at: <http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-appr-2016-17.aspx>

²⁶ DFAT, *The Australia Africa Community Engagement Scheme Program Review 2011-2016*, available at: <http://dfat.gov.au/about-us/publications/Documents/aaces-program-review-2011-2016.pdf>

²⁷ Coffey, *Mid Term Review of the Australian Afghanistan Community Resilience Scheme (AACRS): Final Report*, July 2017, available at: <http://dfat.gov.au/about-us/publications/Documents/aacrs-midterm-review-report.pdf>

raise their incomes by an average of 47 percent.²⁸ Investment in complex and fragile contexts, where more than half of the world's poor are expected to be located by 2030,²⁹ can have significant impacts on poverty reduction where programs are delivered by community based actors who have a longstanding community presence. The government should look at deepening and strengthening partnerships with community actors able to do this.

Recommendation 11: That the Australian Government continue to invest in growing funding through the Australian NGO Cooperation Program, in line with an increasing aid budget, in recognition of the role Australian NGOs play in alleviating poverty, strengthening governance and assisting to build an active civil society.

Recommendation 12: That the Australian Government explore ways to support multi-stakeholder partnerships, involving NGOs, within bilateral and regional country programs.

Effectiveness of innovation in the Australian aid program

Innovation has become an increasing focus of the Australian aid program since the 2014 aid policy was introduced. The innovationXchange, established in 2015, has been effective at being a catalyst for new project pilots and partnerships, however this has led to an ad-hoc approach to innovation across the aid program rather than a systematic one. Moreover, innovation as a concept remains ill-defined in the context of Australian aid and could be better mainstreamed across the Department of Foreign Affairs and Trade, once an agreed vision and definition is in place.

Defining and scoping innovation in Australian aid

The Australian aid program does not have a clear, agreed and publicly articulated definition of innovation. It is sometimes talked about as “finding new ways to solve problems,”³⁰ and has been used by the Foreign Minister in the context of exploring “new and exciting technologies, ideas and partnerships in our aid program.”³¹ Furthermore, the Foreign Policy White Paper frames innovation as testing new ideas and harnessing breakthroughs in science and technology.³²

It is recommended that the Government clarify what is meant by innovation, and the role that innovation can and should play across the whole aid program. A clear definition would help align and coalesce innovative development stakeholders toward a shared vision for the aid program. When defining innovation in the context of the aid program, World Vision recommends that innovation not be limited to the nature or design of aid projects (the what), but be extended to the mode of delivery (the how), and most importantly the realisation of the desired impact (the why). Innovation should lead to a preferred future state that can be measured and felt. The scope of innovation in the Australian aid

²⁸

Research Communications Group, *Program Review: Australia Middle-East NGO Cooperation Agreement (AMENCA), Phase Two (2009-15)*, available at: <http://dfat.gov.au/about-us/publications/Documents/aus-middle-east-ngo-coop-agreement-amenca-phase2-review-report-jan-15.pdf>

²⁹ World Bank Group and United Nations, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, 2017

³⁰ innovationXchange, *About Us*, available at: <https://ixc.dfat.gov.au/about-us/>.

³¹ Minister for Foreign Affairs, the Hon Julie Bishop MP, *Address to launch of innovationXchange*, 2015, available at: https://foreignminister.gov.au/speeches/Pages/2015/jb_sp_150323a.aspx.

³² Australian Government, *2017 Foreign Policy White Paper*, 2017, available at: <https://www.fpwhitepaper.gov.au/>.

program should extend to include innovative implementation (in partnership with different actors), innovative financing (leveraging in multiple donors and using ODA to incentivise private sector investment), innovative ways of working with communities (such as co-design, localisation and participation), and innovative monitoring and evaluation (using pilots and randomised control trials, and leveraging technology, such as blockchain to track outcomes in real time).

Extending the focus of innovation to the mode of delivery of the aid program must include a commensurate increase in the risk appetite of government. The 2014 Aid Policy recognises that greater innovation demands a different approach to managing risk,³³ but this is yet to be realised in DFAT's ways of working. As the proportion of people in poverty shifts towards fragile and conflict affected contexts, a greater willingness to take risks will be necessary for Australian aid to make a meaningful difference in lifting people out of poverty. Around the world, World Vision works with vulnerable populations in many fragile contexts. In each location, World Vision undertakes comprehensive, and regularly updated security and risk analysis to inform our operations. With increasingly tight donor requirements on operating in fragile contexts, NGOs and multilateral organisations have become increasingly innovative in how we design, deliver and monitor programs. Exemplifying this, and despite the high operational risks, World Vision programs in Afghanistan are yielding results in improving food security, supporting community savings groups, building water infrastructure and engaging with community leaders and mullahs for transformational development. The world's most vulnerable people will increasingly be in fragile states and across their borders. As DFAT evolves its appetite for risk in fragile contexts, and NGOs develop innovative delivery and monitoring capability, Australia's investment in fragile contexts can deliver life-saving impact for the world's most vulnerable, and value for Australian taxpayers.

While World Vision welcomes innovation as a means to improve the impact and effectiveness of Australian aid, it warns against the pursuit of innovation as an end in itself. The focus on innovation (what is new) should not come at the expense of implementing tried and tested projects that have proven outcomes (what works). The value of innovation should be gauged by its contribution to achieving social outcomes and positive impact, not its 'newness'. Not all development problems require new solutions, but some do.

Innovation and the innovationXchange

World Vision Australia has a productive working relationship with the innovationXchange. In partnership with the innovationXchange, World Vision is piloting a project to support 2,000 high potential "most missing middle" businesses – those which have outgrown microfinance, but are still considered too high-risk to access bank loans – in Myanmar and Ghana. Working with World Vision's microfinance subsidiary, VisionFund,³⁴ the pilot will provide access to credit, ongoing business coaching and technical support to recipients, half of whom will be woman entrepreneurs. World Vision has appreciated the

³³ DFAT, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, June 2014, p. 2

³⁴ VisionFund is the microfinance subsidiary of World Vision. It has more than 1.2 million active borrowers, with an average loan size of \$552. There is significant potential to further leverage VisionFund's global impact in micro-financing through Australia's aid for trade program to increase access to finance for small businesses.

two-way design process with the innovationXchange, which has been streamlined, collaborative and creative.

The value add of the innovationXchange is that it creates a safe space to think through and test concepts freely, for both donors and delivery partners alike, reducing the risk of innovating to address market failures. The approach of the innovationXchange rests on three pillars – to experiment, partner and learn – which has been an effective *modus operandi* in World Vision's experience. The 2018 OECD Development Co-operation Peer Review of Australia similarly found that the innovationXchange "is encouraging experimentation and non-traditional partnerships and is building links to DFAT's thematic and geographic priorities" while also strengthening senior-level commitment to embedding innovation in development.

Innovation and the broader Department of Foreign Affairs and Trade

However, the responsibility to innovate should not lie solely with the innovationXchange. Innovation needs to be integrated across the whole aid program to enable truly transformative ideas to intractable development challenges. This is not a simple or straight-forward task. There is an opportunity to strengthen the enabling environment for innovation across the Department of Foreign Affairs and Trade by:

- equipping staff with the right skills, knowledge and tools to increase divergent thinking and creative problem solving,
- celebrating innovation successes as well as learnings and failures, creating a culture of taking risks and accepting failure,
- reducing red tape and simplifying procurement and tender processes, and
- appointing innovation champions to encourage and seek out new ideas and collaborations, rather than remaining trapped in business-as-usual mind-sets.

The Australian Government should commission independent research into the extent to which existing funding mechanisms help or hinder innovative development solutions among its aid delivery partners, including NGOs and managing contractors. There can often be contradictory messages from donors between the need for guaranteed results on the one hand and riskier experimentation and innovation on the other, and funding mechanisms are an important signal.

Recommendation 13: That the Australian Government define innovation and articulate a clear vision for what innovation in the Australian aid program should look like.

Recommendation 14: That the innovationXchange continue to partner with aid design and delivery partners, including non-government organisations, to pilot and test new approaches to maximise aid impact, especially in the fields of agriculture and livelihoods.

Recommendation 15: That the Australian Government reassess its risk appetite and funding allocation for working in fragile and conflict affected states to ensure development partners are empowered, acknowledging appropriate duties of care, to continue to deliver high impact and innovative programs for the world's most vulnerable populations.

Recommendation 16: That the Australian Government seek to mainstream innovation across the aid program, integrating the entrepreneurial mindset of the innovationXchange in line areas and reviewing the extent to which existing funding mechanisms help or hinder the innovative development solutions of aid delivery partners.

Effectiveness of Alignment with Strategic and Development Goals

The 2030 Agenda presents an opportunity to improve policy coherence across the Australian aid program, bringing together Australia's international development, environment and economic agendas into one overarching framework for sustainable development. The Sustainable Development Goals should be made the backbone of Australia's aid policy, performance and evaluation frameworks. This overarching approach will enable the mainstreaming of climate, disaster risk reduction and financing considerations in the context of sustainable development to ensure alignment and coherence with broader strategic and development goals.

Alignment with the Sustainable Development Goals (SDGs)

Agreed to by all 193 members of the United Nations in 2015, the SDGs are a comprehensive framework of 17 Goals and 169 targets that integrate the economic, social and environmental dimensions of development. The Australian Government played an active role in developing the SDGs and it should be a leader in their implementation, both domestically through national, state and territory policies and programs, as well as internationally through Australia's bilateral and multilateral engagements, trade and the Australian aid program.

The 2017 *Foreign Policy White Paper* highlighted the Australian Government's commitments to the SDGs, however it was a missed opportunity to outline a practical roadmap for contributing to the achievement of the SDGs by 2030. Nevertheless, World Vision Australia welcomes the Australian Government's subsequent commitment to outline how aid investments will contribute to the achievement of the SDGs in all new Aid Investment Plans from 2017-18.³⁵ While the Aid Investment Plans will help ensure the aid program's alignment with the SDGs at a country or regional level, an overarching strategy or action plan is still needed to define a roadmap for how Australia's development assistance as a whole will contribute to the SDGs.

World Vision Australia recommends that the Australian Government develop and implement an action plan to advance the SDGs through Australia's ODA.³⁶ The SDG action plan for Australian aid should:

- Define Australia's vision for the SDGs and what 'leaving no one behind' means in the context of Australian aid;
- Articulate the role of Australia in advancing sustainable development internationally;
- Align Australia's aid policy, performance and evaluation frameworks to the SDGs;

³⁵ DFAT, *Performance of Australian Aid 2016-17*, 2018, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>.

³⁶ For example, in addition to developing a domestic SDG action plan, Denmark has launched its SDG development cooperation strategy, *The World 2030*, which outlines its SDG priorities in different country contexts. Germany has also developed a Sustainable Development Strategy which highlights its commitments to advancing the SDGs domestically and overseas.

- Align budget planning and allocation with the SDGs to ensure investments are prioritised as part of a global contribution to "leaving no one behind";
- Identify longer-term and shorter-term targets, outlining actions against each SDG; and
- Set up a mechanism and cadence for future evaluations of the aid program against the SDGs (in addition to participation in voluntary reporting mechanisms under the United Nations).

What gets measured, gets done. World Vision Australia therefore recommends that this action plan, once agreed, be monitored and its implementation evaluated. The Office of Development Effectiveness should be given a broader mandate and additional resources to evaluate Australia's aid projects against the SDG action plan on a regular basis to ensure alignment.³⁷ To ensure no one is left behind, data collection should be disaggregated – by age, sex, disability, race and income. According to UNICEF, data availability for more than half of the 50 child-related global SDG indicators is "limited or poor."³⁸

World Vision Australia considers that the measure of Australia's progress towards the SDGs will be how well it meets the needs of children. The underlying principle of the SDGs is to leave no one behind and to reach those who are furthest behind first. For World Vision, this means reaching vulnerable children in the world's hardest places to live. Children need to be considered, involved, respected and prioritised in Australia's efforts to achieve the SDGs through its aid program. According to the World Bank the rates of child poverty are above 17% and are higher than those of adults.³⁹ As a child-focused organisation, World Vision believes that sustainable development begins with healthy, educated, safe and free children – and the SDGs represent an unprecedented opportunity to make these aspirations a reality. Children are affected by all of the SDGs, whether poverty (SDG 1), hunger (SDG 2), health (SDG 3), education (SDG 4), gender equality (SDG 5), climate change (SDG 13) or violence against children (SDG 16.2). Within its implementation of the SDGs, the Australian Government should therefore mainstream a focus on children, similarly to how it has mainstreamed a focus on gender equality in Australian aid. Ultimately, children will be deeply affected by the success or failure of the 2030 Agenda, for they will inherit the opportunities and challenges that are created today.

Critical to the realisation of the SDGs and ensuring no one is left behind, is the active inclusion and participation of people with a disability. People with disabilities account for approximately 15% of the world's population, but disproportionately 80 per cent of people with disability live in developing countries.⁴⁰ Persons with disabilities are poorer compared to persons without disabilities, and the poorer a person is, the greater chance they will have a disability.⁴¹ Access and inclusion in development

³⁷ Humanitarian action contributes to the achievement of the SDGs in the long-term, even though it is not designed to necessarily support long-term systematic change. World Vision affirms that the central purpose of humanitarian programs is to save lives

³⁸ UNICEF, *Is Every Child Counted: Status of data for children in the SDGs*, 2017, available at <https://data.unicef.org/wpcontent/uploads/2017/04/SDGs-publication-SPREADS-WEB-1.pdf>.

³⁹ The World Bank, *New estimates of extreme poverty for children*, 2016, available at: <http://documents.worldbank.org/curated/en/402511475417572525/pdf/WPS7845.pdf>.

⁴⁰ World Health Organization, *World report on disability*, 2011, available at: http://www.who.int/disabilities/world_report/2011/en/

⁴¹ CBM International, *Inclusion Counts: The Economic Case for Disability-Inclusive Development*, 2016, available at: https://www.cbm.org/article/downloads/54741/DID_series_2_-_Inclusion_Counts_coming_soon_.pdf

programs is a basic human right afforded to people with disability under the Convention on the Rights of Persons with Disabilities.⁴² The Australian Government has been a leader in implementing and advocating for disability inclusive development, and World Vision commends actions taken to date. However, given its importance for poverty reduction, we recommend that the Australian Government strengthen its commitment and ambition on Disability Inclusion in Australia's Aid program. As a member of the Australian Disability and Development Consortium, we endorse the Consortium's submission and recommendations to the present inquiry.

Recommendation 17: That the Australian Government develop, implement and monitor delivery of an integrated action plan to contribute to achievement of the Sustainable Development Goals through Australia's aid program.

Recommendation 18: That the Australian Government make the Sustainable Development Goals the backbone of the aid program's policy, performance and evaluation frameworks to enable policy coherence across Australia's Official Development Assistance.

Recommendation 19: That the Australian Government commit to regularly review and evaluate the aid program against the Sustainable Development Goals, in addition to participating in the Voluntary National Review process through the United Nations.

Recommendation 20: That the Australian Government mainstream a focus on children in Australia's implementation of the Sustainable Development Goals and ensure that sustainable development programs, regardless of their primary objectives, protect the rights of all children and effectively promote child well-being.

Alignment with the Addis Ababa Action Plan

Worldwide, the funding required to meet the SDGs in developing countries alone exceeds the total global aid budget by US\$2.5 trillion.⁴³ The United Nations Addis Ababa Action Agenda sits alongside the SDGs as the global plan to fund the implementation of the 2030 Agenda. Among other items, the Action Agenda calls for the SDGs to be embedded within ODA and, importantly, calls for the mobilisation of different forms of public and private finance for sustainable development.⁴⁴

New and innovative sources of development finance are therefore needed to bridge this financing gap. Non-traditional forms of development finance should be explored and piloted through Australian aid, including social impact investing, results-based financing including Development Impact Bonds, domestic resource mobilisation, remittances, foreign direct investment, private sector partnerships, new types of private sector finance and philanthropic funds, to name a few. Australian aid could be better

⁴² Article 32 contains a specific provision ensuring international cooperation, including international development programmes is inclusive of and accessible to persons with disabilities. See *Convention on the Rights of Persons with Disabilities*, available at: <http://www.ohchr.org/EN/HRBodies/CRPD/Pages/ConventionRightsPersonsWithDisabilities.aspx#32>

⁴³ United Nations Development Programme, *Impact Investment to Close the SDG Funding Gap*, 2017, available at: <http://www.undp.org/content/undp/en/home/blog/2017/7/13/What-kind-of-blender-do-we-need-to-finance-the-SDGs-.html>.

⁴⁴ United Nations Department of Economic and Social Affairs, *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, 2015, available at: http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf.



leveraged to incentivise private sector investment to achieve Australia's aid and development objectives, including the SDGs.

World Vision Australia welcomes the Australian Government's announcement to establish a \$40 million 'fund of funds', known as the Emerging Markets Impact Investment Fund (EMIIF), to support investment in small and medium-sized enterprises in the Asia Pacific region.⁴⁵ The Australian Government should leverage the early learnings obtained through EMIIF and build upon its initial three-year investment of \$40 million to crowd-in additional capital with a focus to addressing all of the SDGs as a whole. We propose that EMIIF be complemented by a \$100 million Sustainable Development Impact Fund to augment its aid and social services funding by providing finance to the private sector for investments that promote sustainable development in Australia and in aid recipient countries. The SDGs would be directly integrated into the impact management framework of this Fund.

In the near term, new sources of finance, including co-investment from the private sector, will not diminish the need for aid or an effective and well-funded Australian aid program. Aid is now even more critical to support and incentivise new forms of finance, and vital to support the achievement of the SDGs in communities where other forms of capital cannot or will not immediately flow.

Recommendation 21: That the Australian Government trial innovative forms of financing including but not limited to social impact investing, results-based financing including Development Impact Bonds, and social franchising.

Recommendation 22: That the Australian Government establish a \$100 million Sustainable Development Impact Fund using an impact investing model aimed at incentivising private sector investment to advance the Sustainable Development Goals in Australia and overseas, with a focus on the most disadvantaged groups to ensure no one is left behind.

Alignment with the Paris Climate Agreement and Sendai Framework for Disaster Risk Reduction

Climate change and environmental degradation are among the greatest challenges facing humanity and will curtail and limit Australia's ability to meet the SDGs. Beyond its environmental impact, climate change is predicted to undermine economic growth, make poverty reduction more difficult, and exacerbate conflict situations.

The anticipated erosion of food and water security for many people around the world is likely to hinder global poverty reduction efforts. This was confirmed by the latest report of the Intergovernmental Panel on Climate Change which projected that climate change is likely to make poverty reduction in developing countries more difficult, creating new poverty traps, particularly in urban areas.⁴⁶

⁴⁵ Minister for Foreign Affairs, the Hon Julie Bishop MP, *Impact investment for economic development*, 2017, available at: https://foreignminister.gov.au/releases/Pages/2017/jb_mr_171114.aspx.

⁴⁶ *IPCC Report, 2014: Summary for policymakers*. In: *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* (Cambridge University Press: Cambridge), p. 20.

Climate change is also projected to affect economic growth. In developing countries, the majority of families derive their livelihoods from the environment and, without targeted and immediate action, the impacts of climate change may both erode current development gains as well as future development efforts. Finally, disruption in livelihoods, increased physical, economic, and psycho-social losses due to natural hazards, and the movement of people within and between countries, may compound existing social and political tensions, multiplying risk factors for future conflict.

The Paris Climate Agreement entered into force on 4 November 2016, bringing together nations to undertake ambitious efforts to combat climate change and adapt to its effects, with greater support to assist developing countries.⁴⁷ Of importance for the Australian aid program is the commitment by developed countries to take a lead in mobilising climate finance.⁴⁸ Australia was instrumental in the development of the 2016 *Roadmap to US\$100 billion* that established a pathway to fulfilling the commitment under the Paris Agreement to mobilise \$100 billion per year by 2020 to support developing countries to take action on climate change. The Australian Government has committed \$1 billion over five years through Australia's aid program.⁴⁹ While World Vision welcomes this commitment, we do not consider the current funding as commensurate with the scale of current and future needs.

The 2014 Aid Policy has disappointingly scant focus on climate change. It is currently included as the fifth sub-point of the broader 'Building Resilience' Investment Priority area. Most notably, despite the anticipated impacts of climate change on agriculture and fisheries in the Indo-Pacific region, there is presently no mention of climate change under this Investment Priority area. The 2017 White Paper acknowledges the detrimental impact that climate change is likely to have on the Indo-Pacific region, and recognises that climate change will be a political, economic and security disrupter over the longer term.⁵⁰ This highlights the growing acknowledgement within the Australian Government over the future impacts of climate change for Australia and our region, and the opportunity now exists to strengthen our aid policy and programming approach in response. As noted by Mitchell and Pickering, given Australia's pre-existing focus on climate-sensitive sectors like infrastructure, food security and health, and that many of Australia's aid partner countries are highly disaster-prone, Australia is well placed to integrate climate risk and adaptation into its aid program.⁵¹

It is imperative that an Australian Government Climate Change Strategy take into account the impact of disasters and natural hazards in the Indo-Pacific, and respond accordingly. The Asia-Pacific region is one of the most disaster prone regions of the world. In 2015, half of all reported global disasters occurred in

⁴⁷ United Nations Climate Change, *The Paris Agreement*, available at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

⁴⁸ As per Article 9, *Paris Agreement*.

⁴⁹ Department of the Environment and Energy, *The Australian Government's action on climate change, 2017*, available at: <https://www.environment.gov.au/system/files/resources/f29a8ccb-77ca-4be1-937d-78985e53ac63/files/factsheet-australian-government-action.pdf>

⁵⁰ Australian Government, *2017 Foreign Policy White Paper*, 2017 p.33.

⁵¹ Paul Mitchell and Jonathan Pickering, *How Should Australia's aid program respond to a climate-challenged future?* Available at: <https://acfid.asn.au/sites/site.acfid/files/Mitchell%20Paul%20and%20Pickering%20Jonathan%20-%20How%20should%20Australia%E2%80%99s%20aid%20program%20respond%20to%20a%20climate-challenged%20future.pdf>

the Asia-Pacific and over 51 million people were affected.⁵² 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.⁵³ Pre-existing geographic vulnerabilities have intensified as the region has struggled to address underlying risk factors exacerbating hazards, including rapid and poorly managed urbanization, natural resource exploitation and increasing social inequalities.⁵⁴ Regional leaders in both Asia and the Pacific have recognised these challenges, and demonstrated strong commitment to reduce disaster risk and achieve resilient and sustainable development.⁵⁵ Any move to respond to the impacts of climate change within Australia's aid policy, must also incorporate a commitment to reducing disaster risk and building resilience.

In March 2015, the third World Conference on Disaster Risk Reduction adopted the Sendai Framework for Disaster Risk Reduction – a 15 year agreement seeking the '*substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries.*' The framework sets seven global targets to reach this goal and outlines four priorities for action: understanding disaster risk, strengthening disaster risk governance, investing in DRR for resilience and enhancing preparedness for effective responses.⁵⁶ Australia has committed itself to implement the Sendai Framework.⁵⁷ At present, the Aid Policy makes no mention of the Sendai Framework, but promoting disaster risk reduction and increasing disaster-resilient investments is a commitment under the 'Building Resilience' investment priority.

In response to the pressing concern of climate change and increasing exposure to natural hazards, DFAT should develop a Climate Change Strategy to guide the full spectrum of Australia's international engagement and, in particular, articulate how Australia's ODA integrates climate change and risk reduction considerations across all aid investments. A Climate Change Strategy for the Aid Program should include a minimum of three components: ensuring all aid initiatives are screened for climate and disaster risk;⁵⁸ ensuring that climate finance-eligible components of aid investments are captured and

⁵² 152 disasters were reported in Asia, and 22 in Oceania. See, UNISDR, USAID and CRED, *2015 disasters in numbers*, 2015, available at: http://cred.be/sites/default/files/2015_DisastersInNumbers.pdf

⁵³ UNESCAP, *Disasters without Borders: Regional Resilience for Sustainable Development – Asia Pacific Disaster Report 2015*, 2016, p. XXII.

⁵⁴ United Nations International Strategy for Disaster Reduction (UNISDR), *Asia Regional Plan for Implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030*, 5 November 2016, available at:

http://www.unisdr.org/files/50912_finalasiaregionalplanforimplementat.pdf

⁵⁵ United Nations International Strategy for Disaster Reduction (UNISDR), *Asia Regional Plan for Implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030*, 5 November 2016, available at:

http://www.unisdr.org/files/50912_finalasiaregionalplanforimplementat.pdf; Pacific Islands Forum Secretariat, *Framework for Resilient Development in the Pacific 2017-2030*, 11 September 2016, available at: <http://www.forumsec.org/pages.cfm/strategic-partnerships-coordination/framework-for-pacific-regionalism/>

⁵⁶ United Nations, *Sendai Framework for Disaster Risk Reduction 2015-2030*, 2015, available at:

<http://www.unisdr.org/we/inform/publications/43291>

⁵⁷ http://ministers.dfat.gov.au/finravanti-wells/speeches/Pages/2017/cf_sp_170525.aspx?w=p2wUImE1t7kKlI%2BiOm3ggq%3D%3D

⁵⁸ The 2016 DFAT Humanitarian Strategy includes a commitment to all aid investments integrating DRR and climate risk

considerations, this should be fully realised and publicly reported on.

transparently reported on and integrated; and stand-alone climate change initiatives are monitored for effectiveness and impact.⁵⁹ Noting the success of benchmarking for driving implementation and reporting on Aid for Trade and Gender, the Government should establish a benchmark to ensure all programs are climate and disaster risk responsive. Climate change and disaster risk reduction is deeply embedded within the SDGs and, as such, adequate responses will be critical for Australia to meet its commitments to the SDGs.

Recommendation 23: That the Australian Government acknowledge the impact of climate change and natural hazards on Australia's development partners by incorporating climate change and risk reduction within Australia's overarching aid policy.

Recommendation 24: That the Department of Foreign Affairs and Trade develop a Climate Change Strategy for Australia's aid program that encompasses, at minimum, ensuring all investments are screened for climate and disaster risk, ensuring that expenditure on climate finance is captured and transparently reported on, and monitoring both standalone and integrated climate change initiatives for effectiveness and impact.

Recommendation 25: That the Australian Government ensure that all aid investments integrate disaster risk reduction and climate risk considerations, in line with the Department of Foreign Affairs and Trade commitments under the 2016 Humanitarian Strategy.

Recommendation 26: Establish an ambitious benchmark to measure and track progress towards integrating a greater focus on climate and risk informed investments.

Supporting a stable and prosperous Indo-Pacific region

In today's deeply interconnected world, Australia's national interest is best served when our region – and the world – is peaceful and prosperous. Decades of economic integration with regional and international markets has linked Australia's economic prospects, inextricably, to the continued social and economic progress of the world's emerging economies – particularly those in the Asia-Pacific region. Due to this complex web of economic and security dependencies, Australia's future security and prosperity is contingent upon the security and prosperity of those in our region. Research by the Development Policy Centre has found that every AU\$1 of Australian ODA to Asian countries resulted on average in AU\$7.1 in Australian exports to Asian countries between 1980-2013, which illustrates empirically how aid and donor-recipient prosperity are linked.⁶⁰

In helping to build the environment conducive for Australia's diplomatic, defence and trade interests to flourish, Australian aid is an oft overlooked but critical strategic resource.⁶¹ Australia's ODA is a long-term investment in Australia's partners and signifies the value and worth Australia places on the social

⁵⁹ Mitchell and Pickering, *How Should Australia's aid program respond to a climate-challenged future?*

⁶⁰ Sabit Amum Otor and Matthew Dornan, How does foreign aid impact Australian exports in the long-run? Development Policy Centre Discussion Paper 62, Australian National University, 2017, available: http://devpolicy.org/publications/discussion_papers/DP62_How-does-foreign-aid-impact-Australianexports.pdf

⁶¹ Mark Beeson and Shahar Hameri, 'Australian Foreign Policy and the New International Disorder' in Mark Beeson, Shahar Hameiri (ed.) *Navigating the New International Disorder: Australia in World Affairs 2011-2015*, 2017, p. 2.



and economic wellbeing of its allies. This engagement cements Australia's diplomatic relationships with emerging and developing nations, and reinforces Australia's trade ties and our security cooperation.

Moreover, poverty is a destabilising force, so investments that reduce poverty and inequality also serve as investments to improve stability. Aid initiatives focused on strengthening governance and institutions, protecting and strengthening the rule of law, and creating resilient and sustainable pillars of democracy make communities more safe and stable. Australia's humanitarian assistance helps countries and economies rebuild after crises. Investments in health and education, for example, build the capacity of individuals and households, enabling them to better participate in and benefit from, economic, social and political activities. Innovative aid programs in economic development – financed by Australian ODA – focus on connecting disaffected and disadvantaged people and communities to local, national and international markets, thereby boosting their resilience and livelihoods and reducing disenfranchisement. Similarly, ODA investments in the infrastructure and policy environment of developing countries builds the capacity of these countries to engage in effective and beneficial trade, and promotes inclusive economic growth.⁶² All these programs support the prosperity and stability of neighboring countries and our region.

World Vision's work in fragile contexts is a prime example of the value of aid in stabilising and rebuilding communities in the aftermath of significant crises. In Papua New Guinea's semi-autonomous Bougainville province, ten years of internal conflict between Papua New Guinea (PNG) and secessionist forces displaced families and destroyed livelihoods. A once-thriving cocoa industry had collapsed. In this setting, World Vision's Economic Development Project helped 1,426 producers—37 percent of them women—improve their cocoa farming and management skills, and assisted 2,667 individuals through savings, financial literacy training and access to financial services. Evaluation of the project reported an 85 percent increase in the savings of cooperative members in Bougainville. This economic development project also contributed to peacebuilding outcomes, bringing understanding, acceptance and solidarity among post-conflict communities.

Despite the vital role that Australian aid plays in building a safer and more prosperous region, successive aid cuts totalling more than \$11 billion since 2014⁶³ have undermined Australia's role as a trusted donor and hampered Australian Government's ability to deliver on the outcomes and intent of its 2014 aid Policy. There is significant potential to improve Australia's aid, both in its focus and its quantity. Since the 2014 aid policy was introduced, Australian aid investments to vulnerable countries have significantly decreased – and unfortunately this has not been as a result of a decreased need for such investment.

⁶² The impacts of Australian ODA investments are published by the Department of Foreign Affairs and Trade in a range of publications. E.g., see: Department of Foreign Affairs and Trade, *Annual Report 2015-16*.

⁶³ A total cut of \$11.018 billion was obtained by comparing ODA figures for each year from 2014 onwards (inclusive of 2018-19 Federal Budget forward estimates) with what those figures would have been each year if the 2013-14 budget had grown in line with 2% CPI. This figure would be considerably larger if real ODA figures were compared with growth projections from the 2013-14, which exceeded CPI.

Reducing the aid budget reduces Australia's impact on poverty reduction and its contribution toward the SDGs, meaning that more people will be left behind.

Not only do cuts to the aid program impact vital poverty reduction and peacebuilding initiatives, they can also damage Australia's credibility as a donor and regional partner. Australia's ODA as a percentage of GNI ratio, a measure of generosity used across the world, has fallen from 15th (in 2015) to 20th (in 2017) amongst OECD DAC members.⁶⁴ In response to rumours of further aid cuts in the 2018 Federal Budget, Senior Australian Defence Personnel named such action as indicative of 'not a lot of strategic thinking going on about our place in the region,' acknowledging that aid is a crucial part for any country to project influence in the region.⁶⁵

For Australia's aid program to be most effective, in both reducing poverty and building Australia's influence across the Indo-Pacific, setting a long term trajectory towards meeting our global commitments on aid allocation will be a crucial step in demonstrating solidarity and support for our regional neighbours. Australia's aid must be properly targeted for maximum impact. An expanded aid program must be targeted towards the primary purpose of aid - supporting human development and poverty reduction. Australia's aid must focus on providing essential public services and promoting economic development for those who are marginalised and experience poverty. Doing so will help end poverty and build sustainable peace.

Recommendation 27: That the Australian Government rebuild the aid budget to 0.33 percent of GNI over six years (2023-24), with a long-term bipartisan commitment to increase aid to 0.7 percent of GNI in line with international commitments.

Effectiveness of the Aid Performance Framework

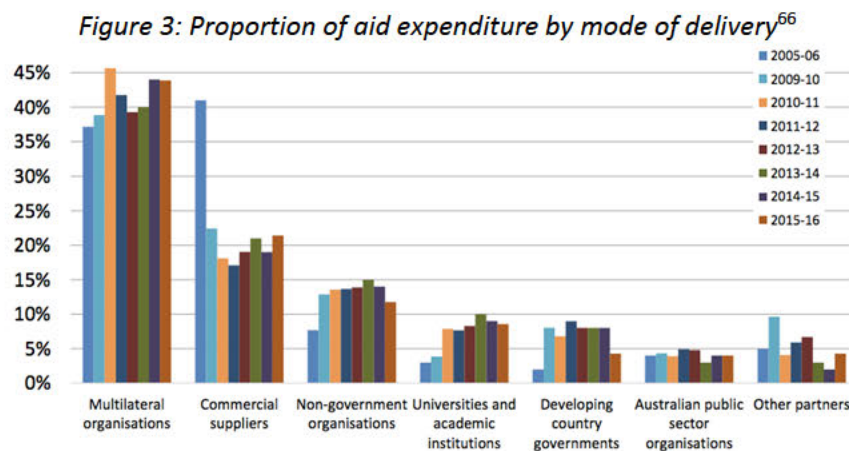
The aid performance framework, *Making Performance Count: enhancing the accountability and effectiveness of Australian aid*, was developed in 2014 to better link the performance of aid delivery partners with funding to improve the impact of the aid program. World Vision Australia welcomes a more evidence-based and performance-driven approach to aid delivery. However, while the framework has driven a more rigorous performance assessment process, it appears that aid funding remains only partly aligned with performance and the metrics themselves could be refined to capture a more holistic picture of aid performance. Moreover, the consolidation of aid contracts in recent years, while streamlining administration for DFAT, has reduced contestability and may pose a challenge for aid performance in the future.

⁶⁴ Terence Wood, 'Australia stumbles further down the donor generosity rankings,' DevPolicy Blog, 10 April 2018, available at: <http://www.devpolicy.org/australia-stumbles-further-down-the-donor-generosity-rankings-20180410-2/>

⁶⁵ Angus Grigg and Lisa Murray, 'Defence establishment frowns on proposed Australian aid cuts' Financial Review, 6 April 2018, available at: <http://www.afr.com/news/world/asia/defence-establishment-frowns-on-proposed-australian-aid-cuts-20180405-h0yd3t>



Between 2012-13 and 2015-16, the proportion of aid expensed through contracts to multilateral organisations and commercial suppliers increased, while the proportion to NGOs and developing country governments decreased (see Figure 3).



Despite multilateral organisations consistently having the lowest Partner Performance Assessment ratings of all three major delivery partner types (see table below), multilateral organisations administer the largest proportion of Australian aid (42 percent in 2016-17). In fact, Australian aid funding to multilateral organisations is more than that administered by commercial suppliers (21 percent in 2016-17) and NGOs (11 percent in 2016-17) combined. If the intent of the performance assessments is to link performance and funding, then the Australian Government should align its investments more explicitly and consistently with performance, which would include significantly increasing the proportion of aid delivered by NGOs given their consistently high ratings.

Table 1: Overall PPA ratings (out of 6) by delivery partner type

Year	Commercial partners	NGOs	Multilateral organisations
2014-15 report rating ⁶⁷	5.0	4.9	4.5
2015-16 report rating ⁶⁸	5.1	5.0	4.6
2016-17 report rating ⁶⁹	4.9	4.8	4.5

World Vision Australia recommends that the Australian Government review the proportion of Australian aid delivered by different partners, including how expenditure by partner type aligns with the results of recent performance assessments. Where required, the Australian Government should take steps to

⁶⁶ ANU Development Policy Centre, *Post-Budget review of Australia's Aid Program*, 2016

⁶⁷ DFAT, *Performance of Australian Aid 2014-15*, 2016, available: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2014-15.pdf>

⁶⁸ DFAT, *Performance of Australian Aid 2015-16*, 2017, available: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2015-16.pdf>

⁶⁹ DFAT, *Performance of Australian Aid 2016-17*, 2018, available at: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2016-17.pdf>.

better align partner performance with funding allocations, so that funding increasingly flows to the most effective organisations.

To increase transparency, DFAT should also publish the data underlying its annual Partner Performance Assessments and increase transparency on who is delivering what aid contracts. In particular, DFAT should release ratings for each type of delivery partner against each assessment criterion, not only aggregate ratings, to show the relative performance at a more granular level. The aid performance metrics themselves could be improved by factoring in how delivery partners work and collaborate with local communities, the extent to which they partner with local communities and the depth of their existing in-country relationships that can be leveraged for Australian aid projects. The aid program is strongest when it delivers inclusive outcomes through an inclusive mode of delivery.

World Vision Australia warns that the consolidation of aid contracts in recent years has increased market concentration, reduced contestability and limited opportunities for new entrants to compete for aid contracts, which may be problematic for future performance. From 2013-2016, the average size of Australia's aid contracts increased by 90 percent and the number of agreements decreased by 33 percent.⁷⁰ Fewer organisations are now contracted for larger contracts. In 2016, \$461.8 million of the Australian aid budget was delivered through four contractors alone (Cardno Emerging Markets, Palladium International, Coffey International Development and ABT Associates).⁷¹

To ensure healthy competition in the delivery of Australian aid, it is recommended that the Australian Government develop and report against market diversity and collaboration indicators to encourage competition and transparency, and promote inclusive business models for aid delivery. Fewer contracts are not inherently better. There are mechanisms to address fragmentation which are less blunt than 'reducing the total number of contracts', and there are other imperatives like innovation, collaboration and market diversity that need to be factored into aid delivery decisions. There should be a range of contract sizes to harness the value of different actors and to enable new entrants to bid for aid contracts.

Recommendation 28: That the Australian Government conduct an independent review of Australian aid delivery mechanisms and the mix of different actors in aid delivery to ensure that funding increasingly flows to the most effective organisations to deliver impact.

Recommendation 29: That the Department of Foreign Affairs and Trade develop and report against market diversity and collaboration indicators for aid delivery to encourage competition and transparency, and promote inclusive business models in the delivery of Australian aid.

Recommendation 30: That the Department of Foreign Affairs and Trade publish data underlying its annual Partner Performance Assessments, including ratings for each type of delivery partner against each assessment criterion (not only aggregate ratings) to increase transparency.

⁷⁰ DFAT, *Performance of Australian Aid 2015-16*, 2017, available: <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2015-16.pdf>

⁷¹ H. Belot, ABC News, *Australia's decreasing foreign aid budget offers chance for private companies to cash in*, 2017, available: <http://www.abc.net.au/news/2017-08-24/private-companies-to-cash-in-on-australias-foreign-aid-budget/8836390>