

Submission to the Australian Government's Foreign Policy White Paper Consultation Process

World Vision Australia

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I. World Vision Australia's Recommendations

World Vision Australia recommends that the Australian Government:

Recommendation 1: Frame its national interest in terms of securing a peaceful, stable and prosperous world to benefit current and future generations. Australia must commit to strengthening the global system of international rules-based order, in particular contributing to the achievement of the Sustainable Development Goals.

Recommendation 2: Elevate its Official Development Assistance (ODA) to a core asset of Australia's foreign policy, and recognise its vital role in helping support global and regional peace and prosperity, in Australia's national interest.

Recommendation 3: Incorporate a specific focus on children and young people in its Foreign Policy White Paper, given the intergenerational impact of the next decade of Australian foreign policy. Australia must ensure its foreign policy is guided by a child rights approach, in line with the United Nations Convention on the Rights of the Child, to shape a world where all children, young people and future generations thrive.

Recommendation 4: Proactively pursue reform of international peacekeeping and peacebuilding architecture in advance of its 2029-2030 United Nations Security Council bid.

Recommendation 5: Continue to actively engage with multilateral development banks and the international financial architecture to address inequality and extreme poverty through these institutions.

Recommendation 6: Ensure Australia's human rights obligations are upheld in domestic policy, providing legitimacy to Australia's international human rights advocacy and its United Nations Human Rights Council bid.

Recommendation 7: Proactively engage and seek leadership opportunities within United Nations' agencies, programmes and funds, to promote greater effectiveness, transparency and accountability and ensure these organisations are fit-for-purpose into the future.

Recommendation 8: Influence other nations to open their markets to the world's developing economies through Australia's participation in the World Trade Organisation, the G20 and other international fora.

Recommendation 9: Enable emerging and developing economies to engage in beneficial trade through:

- Investments in programs which effectively link people living in poverty to markets, increase their productivity and their ability to contribute to local, national and international trade; and
- Increasing the proportion of Australia's aid for trade portfolio that is invested in programs that build the productive capacity of developing countries.

Recommendation 10: Use its position in the G20 to accelerate international efforts to lower the costs of sending remittances, particularly to the Asia-Pacific region. Australia should ensure that the average cost of transferring remittances from Australia is 5 per cent or lower in line with commitments made by the G20.

Recommendation 11: Use its influence in the G20, the OECD and other related international institutions to mandate greater transparency by multinational enterprises. In particular:

- Require the publication of country-by-country reporting by all multinational enterprises;
- Establish public registers of ultimate beneficial ownership of companies, trusts and foundations; and
- Ensure the comprehensive, automatic exchange of financial information between jurisdictions.

Recommendation 12: Actively encourage the Australian private sector to:

- Implement the United Nations Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles within their operations and supply chains;
- Enforce relevant international standards and agreements including the United Nations Convention on the Rights of the Child and International Labour Standards; and
- Proactively contribute to the achievement of the Sustainable Development Goals by 2030.

Recommendation 13: Continue Australia's strong history of engagement for international peace and security, specifically by:

- Building consensus with other United Nations member states on ways to overcome the Security Council deadlock on critical threats to peace;
- Actively engaging in strengthening the United Nations' conflict prevention capabilities and improving coherence and coordination on peacebuilding; and
- Aligning Australia's ODA investment with its strategic diplomatic engagement in sustaining peace and addressing fragility.

Recommendation 14: Commit to responsibility sharing in the Global Compact on Refugees and promote constructive regional collaboration to improve protection of displaced people in the Asia-Pacific region.

Recommendation 15: Ensure that the particular threat of climate change to the Asia-Pacific region is a focus included in Australia's Foreign Policy White Paper, and commit to regional partnerships to support climate change mitigation and adaptation, particularly through increased resilience and risk reduction support to communities.

Recommendation 16: Prioritise its ODA investment flows to least developed countries, fragile contexts and states vulnerable to conflict, and to disadvantaged communities in middle income countries, particularly in the Asia-Pacific region.

Recommendation 17: Pilot new financial instruments which use ODA to lower risk and encourage private investment in development initiatives.

Recommendation 18: Invest in building the development and humanitarian knowledge and capability of Australian diplomats and trade officials, and reinvest in specialised development and humanitarian expertise and capacity.

Recommendation 19: Ensure Australia's foreign policy is informed by the experience of global vulnerable populations, including children and young people as partners for sustainable development, alongside partnerships with INGOs, universities and other civil society groups to capitalise on technical, research and policy-based expertise housed within these sectors.

2. Summary of World Vision Australia's Submission

World Vision Australia's submission to the Australian Government's 2017 Foreign Policy White Paper process is grounded in its position that Australia's foreign policy in the next 10 years is pivotal to solving current global challenges. This is an opportunity for Australia to actively unify its foreign policy objectives and be a global influencer in delivering inclusive sustainable development and stability to the next generation.

With increasing transnational challenges which no state can address single-handedly, Australia must frame its national interest in terms of securing a peaceful, stable and prosperous world. Australia must commit to strengthening the global system of international rules-based order, in particular, contributing to the achievement of the Sustainable Development Goals (SDGs).

The Foreign Policy White Paper is an opportunity for Australia to reposition its Official Development Assistance (ODA) as an essential component of its foreign policy, and one which is critical to making a lasting contribution to global peace, prosperity and the international rules-based system. This is consistent with Australian values and has benefits for Australia and the world.

Agenda 2030 emphasises that the integration of the global economy means that the prospects of all nations are profoundly linked. To secure its own national interest, Australia must engage in working with the full range of partners to achieve a region and world where the inequality gap is closed and peace and security can prosper.

Australia should integrate a child rights approach to its foreign policy, consistent with the United Nations Convention on the Rights of the Child and its guiding principles. Ensuring that the rights of the child are respected is a good barometer for global peace, prosperity and the health of the international rules-based system (section 4.1).

Australian foreign policy to 2027 should prioritise intergenerational strategies to address current global challenges of conflict, mass forced displacement, increasing inequality, the impacts of climate change and engaging children and young people in Australia and globally (section 4.2).

To ensure enduring solutions are achieved through its foreign policy, Australia must effectively contribute to regional and international institutions by supporting the mechanisms for international peace and security, and to enable global and regional prosperity, promote and protect human rights through international frameworks and build partnerships to deliver global change (section 4.3).

Australia should be ambitious with economic opportunities by growing its pool of trading economies, harnessing its ODA and development policies to build trade capacity in developing countries, and leading international reform to enable developing countries to increase their domestic resources. This can be done while ensuring that the Australian private sector takes a lead in supporting Agenda 2030, human and labour rights and stability (section 4.4).

To confront the most pressing global challenges, Australia can play an active role in sustaining peace, constructively engage with the Asia-Pacific region on forced displacement, collaborate on the regional impacts of climate change and ensure ODA is invested in stability, peace and prosperity (section 4.5).

In doing so, Australia is pursuing its international interests by investing its ODA in the root causes of instability and building prosperity and leveraging ODA to encourage private investment in development and humanitarian outcomes. The capabilities of DFAT should be further invested in, and cross-sector partnerships can be strengthened by deeper and more sustained engagement across a wider-range of actors who can inform a more inclusive foreign policy (section 4.6).

3. Introduction

World Vision is a worldwide community development organisation providing short-term and long-term assistance to 100 million people worldwide (including 41 million children). Globally, World Vision has more than 45,000 staff members working in 99 countries.

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 response and 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 working relationship with the Australian Government in partnering to deliver the Australian aid program.¹ World Vision also engages in dialogue with the Australian Government on matters of policy and practice. World Vision welcomes the opportunity to make a submission to the Australian Government's 2017 Foreign Policy White Paper consultation process.

4. World Vision Australia's Response to the Australian Government's Call for Submissions

The following six sections address the call for submissions in detail and provide the basis for World Vision Australia's recommendations set out in section 1.

4.1 Australia's National Interest

4.1.1 *Australia's national interest is served by peace and prosperity around the world*

In today's deeply interconnected world, Australia's national interest is best served when our region – and the world – is peaceful and prosperous. Global challenges continue to transcend national borders and require international action and cooperation.² The states of the world are increasingly bound together by complex ties of trade, diplomacy and security. Australia's interests are served through all states constructively functioning in a framework of internationally agreed rules, standards and norms concerning equality, human rights, good governance and the rule of law.

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. Australia, due to this complex web of economic and security interests, benefits when our region – and by extension the world – is peaceful and prosperous.

As a nation that has "consistently pursued ambitious international order-building efforts ... in intimate conjunction with its domestic nation-building project",³ Australia should prioritise supporting, together with

¹ The current life of agreement value of this relationship is AUD178 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 oriented towards supporting community development globally.

² Such as armed conflict, the transmission of disease, changes in the environment, the rise of non-state actors, and the movement of people.

³ Andrew Phillips, 'Australia and International Order-Building, 1901-Present' in Mark Beeson and Shahar Hameiri (eds.), *Navigating the New International Disorder: Australia in World Affairs 2011-2015*, 2017, p. 19.

other liberal democracies, a stable, rules-based international order at a time of heightened global instability. This concept was affirmed by the Australian Government in the Defence White Paper, and from a foreign policy perspective is of equal importance.⁴ Australia's foreign policy, including Australia's aid program, counters the drivers of instability by strengthening economic and security ties between nations, promoting economic growth and development, and by addressing the root causes of conflict and displacement.

Consistent observance of voluntarily assumed international obligations is another hallmark of the rules-based order. Agenda 2030,⁵ which now forms part of Australia's international obligations, articulates that what is good for an individual state is good for the international community of states. With increasing transnational challenges which no state, including Australia, can address single-handedly, it is in Australia's national interest to bolster the rules-based system which will directly contribute to peace and prosperity for Australia, the region and the world in the decade to come.

4.1.2 *Australian values inform Australian engagement*

Australia's role in promoting security, stability and prosperity is and should be underpinned by Australia's values as a nation: giving all a fair go, making a contribution, operating on the basis of consistency and always having regard to the importance of the rule of law.⁶ Australia, and Australians, have always been outward facing; deeply interested in global affairs and engaged in shaping the international rules-based system.⁷ Australia has long engaged in the international community as a voice for social justice and the rights of minorities, advocating for our brand of equality, egalitarianism and multiculturalism. Australia must continue to actively demonstrate its commitment to its values in practice; its foreign policy is a vehicle of prime importance to do so.

Based on its values, Australia has a responsibility to contribute to international peace, prosperity and security and to promote and protect human rights.⁸ Australia must take a proactive, innovative and internationalist approach in order to become a global influencer by actively engaging with the rest of the world, contributing creative and enduring solutions to the most pressing challenges while being grounded in the international rules-based system. Children and young people have a strong interest at stake here, as the world that Australian foreign policy helps shape is the world they will grow up in and inherit responsibility for.

Recommendation 1: That the Australian Government frame its national interest in terms of securing a peaceful, stable and prosperous world to benefit current and future generations. Australia must commit to strengthening the global system of international rules-based order, in particular contributing to the achievement of the Sustainable Development Goals.

4.1.3 *Now is the time to work differently – Australia's Official Development Assistance*

As the world changes, Australia must also change how it engages. In recent times, Australia has overlooked the role and importance of its Official Development Assistance (ODA), one of the three pillars of Australian

⁴ Commonwealth of Australia, Australian Government Department of Defence, *2016 Defence White Paper*, 2016, p. 14-16.

⁵ Agenda 2030 sets out the Sustainable Development Goals and their associated targets as adopted by the United Nations General Assembly. General Assembly Resolution 70, (2015), (Transforming our world: 2030 Agenda for Sustainable Development), A/RES/70/1.

⁶ Australian Government Department of Immigration and Border Protection, *Australian values statement*, available at: <https://www.border.gov.au/Trav/Life/Aust/living-in-australia-values-statement-long>

⁷ Andrew Phillips, 'Australia and International Order-Building, 1901-Present,' in Mark Beeson, Shahr Hameiri (ed.) *Navigating the New International Disorder: Australia in World Affairs 2011-2015*, 2017.

⁸ Tim Costello, 'Australia needs to be open to the world, not turn inwards in troubled times,' *The Sydney Morning Herald*, 7 February 2017.

foreign policy, together with diplomacy and defence.⁹ This is a mistake. Australia's ODA is a long-term investment in Australia's partners and signifies the value and worth Australia places on the social 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, modern forms of development – of which Australia is at the cutting edge – are focused on strengthening governance and institutions, protecting and strengthening the rule of law, and creating resilient and sustainable pillars of democracy through citizen empowerment and participation. Australia is a significant humanitarian actor, having made critical contributions to helping countries and economies rebuild after crises.

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, in turn contributing to the realisation of their human rights. Investments in health and education build the capacity of individuals and households, enabling them to better participate in and benefit from, economic, social and political activities. 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.¹⁰

Recommendation 2: That the Australian Government elevate its Official Development Assistance (ODA) to a core asset of Australia's foreign policy, and recognise its vital role in helping support global and regional peace and prosperity, in Australia's national interest.

4.1.4 *Current decisions have intergenerational impact: Child focus*

All of the global challenges discussed in this submission impact on children and young people and their rights and best interests, given the current and intergenerational nature of the challenges. Therefore, Australia's foreign policy, guided by its national interest, will have an intergenerational impact, as it sets the strategic vision for decisions with impacts enduring well beyond the ten-year timeframe of the Foreign Policy White Paper. Accordingly, the interests of future generations of Australians should be central to Australia's conception of its national interest.

As a middle power with strong diplomatic influence and credibility both regionally and internationally, Australia should lead by example in promoting children's rights and the protection of children and their interests through its foreign policy. Ensuring Australian foreign policy takes a child rights approach is in Australia's national interest and will have a positive impact on international relations. Australia can set a strong example to influence other states and non-state actors concerning their moral and legal obligations towards children and their rights. Taking this approach, Australia will contribute to shaping a world in the twenty-first century that reflects the United Nations Convention on the Rights of the Child in practice, building a world where all children and young people and future generations can thrive.

As such, Australia's foreign policy and national interest must incorporate a focus on children and young people, eschew short-term reactions and reflect a long term commitment to fostering peace, building prosperity and reinforcing the international rules-based system.

⁹ Mark Beeson and Shahar Hameri, 'Australian Foreign Policy and the New International Disorder' in Mark Beeson, Shahar Hameri (ed.) *Navigating the New International Disorder: Australia in World Affairs 2011-2015*, 2017, p. 2.

¹⁰ 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*.

Australia should integrate a child rights approach to its foreign policy, consistent with the United Nations Convention on the Rights of the Child and its guiding principles.¹¹ Ensuring children's rights are respected is a good barometer for global peace, prosperity and the health of the international rules-based system.

Recommendation 3: That the Australian Government incorporate a specific focus on children and young people in its Foreign Policy White Paper given the intergenerational impact of the next decade of Australian foreign policy. Australia must ensure its foreign policy is guided by a child rights approach, in line with the United Nations Convention on the Rights of the Child to shape a world where all children, young people and future generations thrive.

4.2 Australia's Diverse Global Interests

4.2.1 *Prioritise international peace and security*

Global conflict and insecurity is a key challenge that Australia's foreign policy must proactively engage with over the next decade. Armed conflicts are becoming increasingly widespread and protracted, particularly in parts of the world that have known relative stability during the post-Cold War era, notably the Middle East and North Africa.¹² A third of today's civil wars include the involvement of external actors and this internationalisation is making civil wars more deadly and prolonged.¹³ Conflict, violence and resulting fragility are key drivers keeping populations in poverty, even in previously prosperous regions of the world.¹⁴

Conflict and instability are major contributors to the challenge of mass, forced and prolonged displacement, which has become a hallmark of contemporary conflicts. In 2016, there were over 65 million forcibly displaced people in the world, the highest rate of displacement since World War II.¹⁵ Over half of these people are children. Further, over half of the world's refugees registered by UNHCR come from just three countries: Syria - 4.9 million, Afghanistan - 2.7 million and Somalia - 1.1 million.¹⁶

Displacement is a symptom of the current scale of protracted conflicts and fragile contexts globally, and the lack of political will to resolve them and share responsibility for their humanitarian consequences. Australia's foreign policy assets, including diplomatic engagement and ODA investments, should aim to protect Australia's national interest by fostering peace, development and stability, to strive towards a peaceful global order at a time of heightened global instability. In places where Australia has a strong ability to influence – for example the Asia-Pacific region – Australia's ODA should continue to contribute to resolving the drivers of displacement, such as economic poverty, conflict and violence.

¹¹ United Nations Convention on the Rights of the Child, 1989. The guiding principles of the CRC as identified by the Committee on the Rights of the Child in its General Comment No. 5, General Measures of Implementation of the Convention on the Rights of the Child, 2003, [12] are: the definition of the child (Article 1, CRC); non-discrimination (Article 2, CRC); best interests of the child (Article 3, CRC); right to life, survival and participation (Article 6, CRC); and respect for the views of the child/child participation (Article 12, CRC).

¹² SIPRI, *SIPRI Yearbook 2016: Armaments, Disarmament and International Security*; Institute for Economics and Peace, *Global Peace Index 2016*; The Fund for Peace, *Fragile States Index 2016*.

¹³ United Nations General Assembly, *One Humanity: Shared Responsibility*. Report of the Secretary-General for the World Humanitarian Summit, A/70/709, 2016, [23].

¹⁴ Lili Mottaghi, 'The Economic Effects of War and Peace', World Bank Group, *MENA Quarterly Economic Brief*, Issue No. 6, 2016; Frontier Economics and World Vision International, *The Cost of Conflict for Children: Five Years of the Syria Crisis*, 2016, available at: <https://www.worldvision.com.au/docs/default-source/publications/emergency-and-humanitarian-affairs/the-cost-of-conflict-for-children-report---online-version.pdf?sfvrsn=2>

¹⁵ United Nations High Commissioner for Refugees (UNHCR), *Global Trends: Forced Displacement in 2015*, 2016.

¹⁶ UNHCR, *Figures at a Glance*, available at: <http://www.unhcr.org/en-au/figures-at-a-glance.html>

4.2.2 Address increasing inequality to avoid stifling economic growth

The global economy is increasingly interconnected. Improvements in transportation have meant supply chains now span enormous distances. Technological advancements in communications connect consumers and producers across different regions and countries, while the increasing mobility of capital has linked international financial markets in unprecedented ways.¹⁷ Global economic integration is greater than ever before, and is likely to deepen in years to come.¹⁸

Emerging markets and developing economies (EMDEs) are increasingly dominant players in the integrated marketplace. Today, EMDEs account for almost 60 per cent of global gross domestic product (GDP), and have driven global economic growth since the Global Financial Crisis.¹⁹

Despite this growth, developing economies – including economic giants such as India and China – are still home to the majority of the world's people living in poverty.²⁰ Though extreme poverty rates have been cut by more than half since 1990, 836 million people still live in extreme poverty.²¹ In the Pacific, poverty continues to be a growing problem with around one-third of the region's population not having access to the income or resources necessary to meet basic needs.²²

Developing economies are also experiencing concerning levels of rising inequality. On average, income inequality increased by 11 per cent in developing countries between 1990 and 2010.²³ More than 75 per cent of the population in developing countries are now living in societies where income is more unequally distributed than it was in the 1990s.²⁴

In developing countries, income inequality is often driven by insufficient employment levels among people living in poverty, caused by shifts away from the agricultural sector or economic growth based on commodity exports which do not translate to inclusive returns to the economy.²⁵ Income inequality entrenches disadvantage by perpetuating unequal social and economic opportunities.²⁶ In developing countries, children in the poorest 20 per cent of the population are three times more likely to die before their fifth birthday than children in the richest quintiles.²⁷

High rates of income inequality also undermine long-term economic growth by stifling aggregate demand for goods and services and reducing socio-political and therefore, economic stability.²⁸ Moreover, persistent inequalities tend to lead to underinvestment in health and education by people living in poverty, depressing economic growth and social mobility in the future.²⁹

Rising inequality in emerging economies, particularly in the Asia-Pacific region, has vast implications for Australia. Australia is undeniably well-placed to take advantage of the unprecedented economic rise of Asia-Pacific countries. Sustained trade with Asia-Pacific countries is already a central driver of Australia's economic

¹⁷ International Monetary Fund, *Factors driving global economic integration*, 2000.

¹⁸ Ibid.

¹⁹ International Monetary Fund, *World Economic Outlook 2017*; International Monetary Fund, Speech by IMF Managing Director, *The Role of Emerging Markets in a New Global Partnership for Growth*, 2016.

²⁰ United Nations, *Poverty: Why It Matters*, 2016.

²¹ One in five people in developing regions still live on less than \$1.25 a day, with the overwhelming majority of these people living in Southern Asia and sub-Saharan Africa. See: United Nations, *Poverty: Why It Matters*, 2016.

²² Australian National University, Development Policy Centre Discussion Paper 9, *Measuring Poverty in the Pacific*, 2011.

²³ United Nations, Sustainable Development Goals, *Goal 10: reduce inequality within and among countries*, 2015.

²⁴ Ibid.

²⁵ United Nations, World Economic and Social Survey 2013, *Global trends and challenges to sustainable development post-2015*.

²⁶ Ibid.

²⁷ United Nations, Sustainable Development Goals, *Goal 10: reduce inequality within and among countries*, 2015.

²⁸ United Nations, World Economic and Social Survey 2013, *Global trends and challenges to sustainable development post-2015*.

²⁹ Ibid.

growth, with seven of Australia's ten largest trade partners located in the region.³⁰ This is likely to increase further if, as projected, the Asia-Pacific region becomes home to the world's largest consumer and producer markets within a decade.³¹

However, this also means Australia's prosperity is tied to the continued social and economic progress of countries in our region and those further afield. As Agenda 2030 emphasises, the integration of the global economy means that the prospects of all nations – developed and developing – are profoundly linked. Australia has an important role to play in building peace and prosperity, promoting stability and security in the Asia-Pacific region and in developing countries around the world, and confronting the shared challenge of rising inequality through diplomacy, trade policies and ODA.

4.2.3 *Mitigate and adapt to the impact of climate change*

Australia's foreign policy must address and respond to the significant impacts of a changing climate over the next decade, and the Foreign Policy White Paper should include climate change as an explicit focus.

The Climate Change Authority states that a warming planet will have wide-ranging impacts on natural systems and human life, both in Australia and around the world.³² The recent report by the Intergovernmental Panel on Climate Change concluded with confidence that a range of climatic risks including rising sea levels, increased prevalence and frequency of extreme weather events, and the continued destruction of ecosystems and corresponding loss of biodiversity will occur if the global temperature increases to two degrees Celsius.³³

Of significant concern for Australia is the threat climate change poses to the security of already vulnerable people living in poverty, particularly in the Asia-Pacific region. Australia's region is at the front-lines of climate change and this vulnerability is already evident in the prevalence of natural disasters. In 2015, half of all reported global disasters occurred in the Asia-Pacific region, affecting over 51 million people.³⁴ Climate change is a challenge that does not respect national borders, and demands urgent coordinated international cooperation and response. The Centre for Policy Development has noted the climate "threats that undermine the human security of our partners and neighbours will impact upon Australia."³⁵

Australia can lead states in the Asia-Pacific region – one of the regions of the world most prone to the extreme effects of climate change – to support each other to both mitigate and deal with the existing and future impacts of our rapidly warming world. Further, given Australia's domestic experience in preventing and responding to a wide-range of natural disasters, Australia should ensure the provision of ODA and technical support to assist Asia-Pacific states to reduce risks from natural hazards, and bolster national and local preparedness. For every dollar invested in evidence-based disaster risk reduction, savings in avoided or

³⁰ Department of Foreign Affairs and Trade, *Australia's trade at a glance*, available at: <http://dfat.gov.au/trade/resources/trade-at-a-glance/pages/default.aspx>

³¹ Australian Government White Paper, *Australia in the Asian Century*, 2012.

³² Australian Government Climate Change Authority, *Reducing Australia's Greenhouse Gas Emissions – Targets and Progress Review: Final Report*, February 2014, p. 36.

³³ Intergovernmental Panel on Climate Change, *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, 2014, p. 59-60.

³⁴ UNISDR, USAID and CRED, *2015 disasters in numbers*, 2015.

³⁵ Robert Sturrock and Peter Ferguson, *The Longest Conflict: Australia's Climate Security Challenge*, Centre for Policy Development, 2015, p. 15.

reduced disaster response and recovery costs as a result of preparedness initiatives have ranged from USD2 to as much as USD80,³⁶

4.2.4 *Lead the world in protecting children and young people and partner with them to achieve sustainable development*

Around the world, and particularly in less-developed contexts, children and young people remain vulnerable to violations of their rights as articulated under the United Nations Convention on the Rights of the Child.

The world today has the largest number of young people it has ever had, with over 1.8 billion people aged 10-24 amongst the world's current population.³⁷ Eighty-nine per cent of young people live in less-developed countries.³⁸

Global population projections envisage a continuing growth in the numbers of young people up until 2030 and in some instances, beyond.³⁹ This 'youth bulge' is particularly relevant to the Asia-Pacific region, where 1.7 billion young people live, and 220 million youth are not involved in education or employment.⁴⁰ Given their unique perspective on the challenges, their ability to frame solutions to these challenges, and the extent to which they will be affected by current global choices, children and young people in Australia's region, and around the world, are critical allies for Australia in the pursuit of the SDGs.

The recommendations for dealing with these global trends are detailed in the following sections 4.3 to 4.6.

4.3 Influence in Regional and International Organisations

4.3.1 *Australia can shape international institutions*

World Vision Australia affirms the fundamental importance of the United Nations to Australia as the preeminent international organisation designed to maintain international peace and security, support relations amongst nations and achieve international cooperation in solving international problems.⁴¹ World Vision Australia and encourages the Australian Government in its Foreign Policy White Paper to rearticulate Australia's strong and continued participation as a Member State of the United Nations.

(a) Supporting international peace and stability

As already noted, trends on conflict and instability are on the rise, and will demand Australian engagement over the next decade. The United Nations Security Council (UNSC) has primary responsibility for international peace and security.⁴² Australia's tenure as a non-permanent member in 2013-14 was widely acknowledged as having a positive and lasting impact.⁴³ Leadership which saw the UNSC adopt resolutions

³⁶ Cabot Venton, 'Cost Benefit Analysis for Community Based Climate and Disaster Risk management', 2010, Tearfund and Oxfam America, available at: http://www.preventionweb.net/files/15116_FinalCBASynthesisReportAugust2010pl.pdf; and Kelman, I. and C.M. Shreve (eds.), *Disaster Mitigation Saves*, 2013, available at: <http://www.ilankelman.org/miscellany/MitigationSaves.doc>

³⁷ United Nations Populations Fund (UNFPA), *The Power of 1.8 Billion: Adolescents, Youth and the Transformation of the Future*, 2014, p. ii.

³⁸ UNFPA, *The Power of 1.8 Billion: Adolescents, Youth and the Transformation of the Future*, 2014, p. 3.

³⁹ *Ibid*, p. 5-6.

⁴⁰ United Nations Development Programme (UNDP), *Key messages for the 2016 Asia-Pacific Human Development Report: Shaping the Future – How Changing Demographics Can Power Human Development*, 2016, p. 3-4.

⁴¹ Art. I, United Nations Charter, 1945.

⁴² *Ibid*, Art. 24.

⁴³ Nick Bryant, 'Australia at the UN Security Council,' *The Monthly*, November 2013; Richard Gowan, 'Australia in the UN Security Council,' Lowy Institute, June 2014; Emily Howie, 'Australia at the Human Rights Council: Ready for a Leadership Role?' Human Rights Watch and Human Rights Law Centre, 2015; Lisa Sharland, 'Australia's term on the UN Security Council: an intensive final quarter,' *ASPI Strategist*, 22 July 2014.

on the authorisation of humanitarian access in Syria demonstrated Australia's clear ability to take a proactive leadership role and contribute to addressing one of the world's most pressing humanitarian challenges.⁴⁴ Recalling this experience, World Vision Australia supports Australia's 2029-2030 UNSC non-permanent member bid, to see Australia again have lasting impact.

However, Australia should not wait until 2029 to contribute to international peace and security efforts. Australia is a major supporter of peace, as one of the top ten donors to the Peacebuilding Fund⁴⁵ and the eleventh largest contributor to peacekeeping missions.⁴⁶ As such, World Vision Australia considers there is an immediate and critical opportunity for the Australian Government to take a leadership role and seek reform of international peacekeeping and peacebuilding.

World Vision Australia urges the Government to commit to sustained support for the implementation of recommendations from the High Level Panel report on peacekeeping operations and the 2015 Review of the UN Peacebuilding Architecture.⁴⁷ Australia's contribution to the Sustaining Peace resolutions in the UNSC and United Nations General Assembly (UNGA) are evidence of how Australia can act in partnership with UNSC members, and through the UNGA, to deliver reform to ensure greater efficiency and effectiveness of peace operations.⁴⁸

Recommendation 4: That the Australian Government proactively pursue reform of international peacekeeping and peacebuilding architecture in advance of its 2029-2030 United Nations Security Council bid.

(b) Enabling global and regional prosperity

Given Australia's role and potential to bolster international growth and economic development, World Vision Australia recommends the Foreign Policy White Paper emphasise Australia's participation in multilateral development banking and its commitment to using these instruments to address inequality and extreme poverty. The multilateral system is comprised of a vast array of multilateral institutions funded by a range of donors. Australia should systematically and regularly assess the performance of its multilateral partners, and prioritise investment in institutions demonstrating the highest results and value for money, and which are transparent and accountable.⁴⁹

Australia should consistently seek to ensure multilateral development banks and international financial fora, including the G20 and World Economic Forum, build robust financial institutions, protect and promote human rights and the environment through implementing safeguards, and support inclusive economic growth.⁵⁰ In particular, World Vision Australia encourages Australia to play a proactive role in the governance and operation of the Asian Infrastructure Investment Bank (AIIB) to ensure that the highest environmental and

⁴⁴ We also note, and commend, Australia's success on sanctions reform, greater transparency of the Council's work and an investigation into MH17.

⁴⁵ UNDP Multi-Partner Trust Fund Office, *The Peacebuilding Fund*, available at: <http://mptf.undp.org/factsheet/fund/PB000>

⁴⁶ United Nations General Assembly, *Implementation of General Assembly resolutions 55/235 and 55/235: Report of the Secretary-General*, 28 December 2015.

⁴⁷ United Nations General Assembly and United Nations Security Council, *Challenge of sustaining peace: Report of the Advisory Group of Experts on the Review of the Peacebuilding Architecture*, 30 June 2015; United Nations General Assembly and United Nations Security Council, *Report of the High-level Independent Panel on Peace operations on uniting our strengths for peace: politics, partnership and people*, 17 June 2015.

⁴⁸ In 2016, Australia worked with Angola to lead negotiations on parallel resolutions in the UNSC and UNGA on giving effect to the findings of the 2015 Review of the UN Peacebuilding Architecture. Department of Foreign Affairs and Trade, *Peacekeeping and peacebuilding*, available at: <http://dfat.gov.au/international-relations/security/peacekeeping-and-peacebuilding/Pages/peace-and-conflict.aspx>

⁴⁹ See e.g. Department for International Development, *Raising the Standard: the Multilateral Development Review 2016*.

⁵⁰ E.g., the World Bank has recently released a new Environment and Social Framework that expands protection for people and the environment in Bank-financed investment projects. See: <http://www.worldbank.org/en/news/press-release/2016/08/04/world-bank-board-approves-new-environmental-and-social-framework>

social standards are met, and to encourage investment in pro-poor infrastructure projects which are much needed in the Asia-Pacific region.

Recommendation 5: That the Australian Government continue to actively engage with multilateral development banks and the international financial architecture to address inequality and extreme poverty through these institutions.

(c) Progressing and protecting human rights through the international rules-based system

World Vision Australia views membership on the United Nations Human Rights Council (UNHRC) as a key opportunity for Australia to demonstrate global human rights leadership and influence the human rights compliance of other UN Member States, thereby contributing to a more peaceful, secure, stable and prosperous world.

In order for Australia to be truly influential during its tenure on the UNHRC, World Vision Australia echoes the concerns of many UN Member States in Australia's recent Universal Periodic Review regarding the indefinite detention of those seeking asylum in Australia.⁵¹ World Vision recommends the Foreign Minister and senior office holders in DFAT work with whole-of-government counterparts to ensure Australia's international human rights obligations are also upheld domestically.⁵² Doing so will cement Australia's credibility to undertake international advocacy on human rights.

Beyond Australia's potential UNHRC tenure, World Vision Australia supports Australia's engagement with and use of all UN human rights organs and processes, most notably the Universal Periodic Review process, to consistently seek action from the international community on the protection and realisation of children's rights, and recommends that Australia prioritise this in its Foreign Policy White Paper.

Recommendation 6: That the Australian Government ensure Australia's human rights obligations are upheld in domestic policy, providing legitimacy to Australia's international human rights advocacy and its United Nations Human Rights Council bid.

4.3.2 Australia must build partnerships to deliver global change

Australia must take a proactive, innovate and internationalist approach to engagement with regional and global organisations. This will assist in creating the essential infrastructure needed to deal with current and future challenges, creating a safer, more secure and prosperous world for all Australians.

Australia's international efforts to support peace and security, enable equitable economic development, and promote and protect human rights, must be underpinned by deep and proactive partnerships with regional institutions, including the Pacific Island Forum, ASEAN and international agencies. It is within these partnerships that Australia can further seek progress on identifying solutions to the most pressing global and regional challenges.

United Nations Humanitarian and Development Programmes and Funds⁵³ have a critical role in addressing global challenges.⁵⁴ These international organisations assist in enabling international peace and security,

⁵¹ Human Rights Council, Report of the Working Group on the Universal Periodic Review: Australia, 2016, A/HRC/31/14.

⁵² This is in line with recommendations made by Human Rights Watch and the Human Rights Law Centre on Australia's bid for the UNHRC. Emily Howie, 'Australia at the Human Rights Council: Ready for a Leadership Role?' Human Rights Watch and Human Rights Law Centre, 2015.

⁵³ Including UNOCHA, UNHCR, UNDP, UNICEF and WFP.

⁵⁴ World Vision Australia acknowledges that there is a broader range of United Nations agencies that Australia engages with to achieve global outcomes. In this submission, World Vision Australia has identified those organisations we consider best placed to end poverty and hunger, protect the planet from degradation, ensure all human beings can enjoy prosperous and fulfilling lives, and foster peace, just and inclusive societies.

protecting and advancing children's rights and pursuing sustainable development through, amongst other activities, supporting countries achieve the SDGs, providing food assistance and providing assistance to children and mothers in need.⁵⁵ Australia has, and continues to play leadership roles in many of these organisations.⁵⁶

World Vision Australia recommends Australia continue demonstrating leadership in these international organisations, actively exemplifying Australian commitments to equality, sustainable development, human rights and good governance. Australia should use leadership opportunities to deliver greater organisational effectiveness, transparency and accountability throughout the United Nations, both to target populations and donors. It should also promote reform efforts where they are needed, to ensure these organisations remain fit-for-purpose to address current and future challenges. Australia could take its cue from Sweden, who has increased funding to UNOCHA to finance a new reform unit, ensuring clearer returns on investment from funding United Nations agencies.⁵⁷ Australia can also ensure that Australian involvement and investment in organisations including UNHCR and UNOCHA continue to address and respond to the particular challenges facing the Asia-Pacific region.

Recommendation 7: That the Australian Government proactively engage and seek leadership opportunities within United Nations' agencies and programmes, to promote greater effectiveness, transparency and accountability and ensure these organisations are fit-for-purpose into the future.

4.4 Being Ambitious with Economic Opportunities

4.4.1 Australia must grow the pool of economies with which it can trade

In order to ambitiously grasp economic opportunities, Australia must ensure its trade and foreign policies contribute to increasing the number of economies with which it can trade effectively. For the last decade, global economic growth has been driven by the rapid growth and development experienced by the world's emerging economies.⁵⁸ Australia's economic interests – like those of most developed nations – are increasingly linked to the continued social and economic progress of the world's emerging economies, particularly those in the Asia-Pacific region.

In 2016, Australia's export and import markets contributed to more than 40 per cent of Australia's GDP.⁵⁹ More than two thirds of Australia's current trade in goods and services is with countries in the Asia-Pacific Economic Cooperation (APEC) group.⁶⁰ This is expected to rise in line with the region's rapid growth.⁶¹

Australia's trade policies are critical to strengthening Australia's economic relationships with emerging economies. Australia is a leading trading nation, with free trade agreements with countries across Asia, Europe

⁵⁵ United Nations, *Funds, Programmes, Specialized Agencies and Others*, available at: <http://www.un.org/en/sections/about-un/funds-programmes-specialized-agencies-and-others/index.html>

⁵⁶ Australia is currently a member of the WFP Board, the UNDP and was a member of the UNICEF Executive Board in 2015-2016. WFP, *Members of the Board*, available at: <http://executiveboard.wfp.org/members-of-the-board>; UNDP, *Members of the Executive Board*, available at: http://www.undp.org/content/undp/en/home/operations/executive_board/membership.html; UNICEF, *UNICEF Executive Board members in 2016*, available at: https://www.unicef.org/about/execboard/files/Executive_Board-Members-2016-EN-11Oct2016.pdf

⁵⁷ As reported in Samuel Oakford, 'UN humanitarian wing OCHA lays off 170, starts overhaul,' *IRIN News*, 16 January 2017, available at: <https://www.irinnews.org/investigation/2017/01/16/exclusive-un-humanitarian-wing-ocha-lays-170-starts-overhaul>

⁵⁸ International Monetary Fund, Speech by IMF Managing Director, 'The Role of Emerging Markets in a New Global Partnership for Growth', 2016.

⁵⁹ See Australian Government, *Federal Budget 2016-17*, Budget Statement 2.

⁶⁰ Department of Foreign Affairs and Trade, *Asia Pacific Economic Cooperation group*, available at: <http://dfat.gov.au/international-relations/regional-architecture/apec/pages/asia-pacific-economic-cooperation-apec.aspx>

⁶¹ Australian Government White Paper, *Australia in the Asian Century*, 2012.

and the US.⁶² Australia must continue to open its markets and work with the emerging economies of Asia and Africa to help integrate them into Australian and international markets. Trade enables developing countries to grow their economies; economic growth is critical to reducing poverty and to opening opportunities for new and better work for people living in poverty.⁶³ World Vision Australia has seen first-hand the opportunities economic integration and reduced trade barriers create for small businesspeople and farmers in developing countries.

Increased international trade provides Australia – and Australian business – with critical trade and investment opportunities, and is a key driver of Australia's economic growth. Reducing trade barriers and promoting open markets also creates new opportunities for Australian businesses to expand overseas, and attracts new investment in Australian firms while lowering prices and increasing choice for Australian consumers.

Recommendation 8: That the Australian Government influence other nations to open their markets to the world's developing economies through Australia's participation in the World Trade Organisation, the G20 and other international fora.

4.4.2 *Harness Australia's ODA and development policies to build trade capacity in developing countries*

Trade policy alone, however, is insufficient to facilitate trade with developing economies. Developing countries, particularly those in Australia's region, often lack the technical capacity and infrastructure to effectively trade with other countries.⁶⁴ Moreover, instability and poor governance hinder economic development and growth, and discourage private investment. Widespread poverty remains a significant challenge with more than 600 million people living in poverty in the Asia-Pacific region.⁶⁵

Australia's aid and development policies make a critical contribution to increasing trade capacity within developing countries and emerging markets. For example, Australia invests in economic development programs that reduce the social and economic barriers preventing people living in poverty from benefiting from economic activity. These investments increase the trade capacity of developing countries by increasing the size, productivity and resilience of local markets, local industry and the labour force.⁶⁶

Australia's aid for trade investments also build trade capacity by improving the regulatory environment and infrastructure of developing countries, and increasing the productive capacity of the private sector.⁶⁷ The third pillar of Australia's aid for trade policies, though sometimes overlooked, is critical. Addressing the barriers preventing small-holder farmers and producers and micro, small and medium enterprises (MSMEs) from accessing local, regional and international markets is crucial to increasing the trade capacity of developing countries. MSMEs are the engines of innovation, production and employment in developing countries.⁶⁸ World Vision Australia has directly seen the impact that programs providing finance to small businesspeople and

⁶² Department of Foreign Affairs and Trade, *Status of FTA negotiations*, available at: <http://dfat.gov.au/trade/agreements/Pages/status-of-fta-negotiations.aspx>

⁶³ World Bank Group and World Trade Organisation, *The role of trade in ending poverty*, 2015.

⁶⁴ World Trade Organisation, *Aid For Trade Factsheet*, available at: https://www.wto.org/english/tratop_e/devel_e/a4t_e/a4t_factsheet_e.htm

⁶⁵ United Nations Economic and Social Commission for Asia and the Pacific, *Statistical Yearbook for Asia and the Pacific*, 2015.

⁶⁶ E.g., see Department of Foreign Affairs and Trade, *Annual Report 2015-16*.

⁶⁷ For details of the three pillars of Australia's aid for trade strategy see: Department of Foreign Affairs and Trade, *Strategy guiding Australia's aid for trade investments*, 2015.

⁶⁸ E.g., 60 per cent of GDP and 90 per cent of employment in low income countries is generated by MSMEs. See: European Network on Debt and Development, Report to the European Parliament, *Financing for Development Post 2015: Improving the contribution of private finance*, 2014.

farmers and connecting them to local value chains can have on increasing their productivity and capacity to sell to local, national and international markets.⁶⁹

While Australia's trade policies and diplomatic relationships are critical, they must be complemented by development policies, programs and investments that build the trade capacity of our neighbours.

Recommendation 9: That the Australian Government enable emerging and developing economies to engage in beneficial trade through:

- Investments in programs which effectively link people living in poverty to markets, increase their productivity and their ability to contribute to local, national, international trade; and
- Increasing the proportion of Australia's aid for trade portfolio that is invested in programs that build the productive capacity of developing countries.

4.4.3 *Lead international reform to enable developing countries to increase their trade capacity*

Development investments are necessary but not sufficient to enable developing countries to access trade opportunities. Developing countries are prevented from harnessing resources such as remittance flows and domestic tax funds, in part due to the current state of international regulations and systems. International action is needed to unlock a broader set of resources for developing countries to promote growth and poverty reduction. As a leading middle power, Australia has a significant role to play in building international consensus and leading efforts to increase the trade capacity of developing countries. This further contributes to Australia's future prosperity by growing the pool of economies Australia can effectively and efficiently trade with.

(a) Reduce the cost of remittances

Worldwide remittances to developing countries increased from USD123 billion in 2000 to over USD350 billion in 2012.⁷⁰ According to the World Bank, remittances to developing countries will reach USD540 billion in 2016.⁷¹ Remittances are now the largest source of external finance for many developing countries and are a critical resource for economic development and poverty reduction.⁷² Countries in the Pacific are particularly reliant on remittances, with personal remittances representing 9.1 per cent of regional GDP.⁷³

However, the cost of sending remittances continues to be high – the global average cost of sending remittances is around 8 per cent of the value of the remitted amount.⁷⁴ Remittance costs are due to the policies and regulations of both the remitting and receiving country. As such, both developed and developing countries need to cooperate, with input from diaspora communities, to reform financial regulations to reduce the costs to send and receive remitted funds. In line with this, in 2011 the G20 endorsed the objective of reducing global average costs to 5 per cent by 2014.⁷⁵ Unfortunately, average costs continue to range above this mark. The cost of sending remittances to the Pacific from Australia remains significantly higher than global averages at 11.5 per cent.⁷⁶

⁶⁹ For further details see: World Vision Australia, Social Entrepreneurship and Economic Development (SEED) Unit, available at: <https://www.worldvision.com.au/get-involved/partner-with-us/seed>

⁷⁰ Organisation for Economic Co-operation and Development (OECD), Mobilising Resources for Sustainable Development, *What place for remittances in the post-2015 framework?*, 2014.

⁷¹ OECD, Mobilising Resources for Sustainable Development, *What place for remittances in the post-2015 framework?*, 2014.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ The World Bank, *The Cost of Sending Remittances Data December 2015*.

⁷⁵ OECD, Mobilising Resources for Sustainable Development, *What place for remittances in the post-2015 framework?*, 2014.

⁷⁶ Stephen Howes & Ashlee Betteridge, 'The persistently high cost of Pacific remittances,' *ANU DevPolicy Blog*, 17 November 2015, available at: <http://devpolicy.org/the-persistently-high-cost-of-pacific-remittances-20151117/>

Recommendation 10: That the Australian Government use its position in the G20 to accelerate international efforts to lower the costs of sending remittances, particularly to the Asia-Pacific region. Australia should ensure that the average cost of transferring remittances from Australia is at 5 per cent or lower in line with commitments made by the G20.

(b) Increase domestic resource mobilisation

For sustained economic growth, it is vital that developing countries are able to raise their own revenues through taxation, and reduce their dependence on foreign assistance.⁷⁷ Tax avoidance and evasion by international corporations significantly erode the tax base of developing countries.⁷⁸ Recent estimates suggest that corporate tax avoidance by multinational enterprises cost developing countries USD 100 billion per year in revenues.⁷⁹ Multinational enterprises have operations spanning the globe; action in one jurisdiction simply encourages funds to be shifted without impacting tax collected.

Collective action by the international community is needed to reform the international taxation system and reduce tax avoidance.

Recommendation 11: That the Australian Government use its influence in the G20, the OECD and other related international institutions to mandate greater transparency by multinational enterprises. In particular:

- Require the publication of country-by-country reporting from all multinational enterprises;
- Establish public registers of ultimate beneficial ownership of companies, trusts and foundations; and
- Ensure the comprehensive, automatic exchange of financial information between jurisdictions.

4.4.4 *Encourage the Australian private sector to support international development goals*

There is growing awareness that the private sector must be engaged in order to achieve international development and humanitarian objectives. The operation of the private sector has a substantial impact on the lives of people living in poverty and conflict in developing countries, including children and young people. As employers, private sector organisations are fundamental to protecting labour rights, child rights, broader human rights, and ensuring women's inclusion in the work force.⁸⁰ As the largest consumers of global natural resources, private sector operations have a substantial impact on the environment and sustainability.⁸¹

Australian private sector organisations have a positive role to play in supporting long-term sustainable development, particularly in the Asia-Pacific region. At a minimum, Australian firms must ensure they operate in accordance with international standards and agreements that protect labour rights, child rights, human rights and environmental standards. Businesses should also explore opportunities to invest in shared value projects that reduce poverty while delivering commercial outcomes. This engagement benefits Australia's broader commercial sector by contributing to a stable and prosperous region, with increased trade and investment opportunities.

Australia's leadership to support opening and emerging markets, ensuring aid investments can build trade capacity, leading international reform to assist in improving trade capacity, and supporting a robust engagement of the Australian private sector in international development outcomes is both good for the economies of our region, and for Australia's own future economic opportunities and prosperity.

⁷⁷ OECD, *Mobilising Resources for Sustainable Development, Tax revenues as a motor for sustainable development*, 2014.

⁷⁸ Ibid.

⁷⁹ United Nations Conference on Trade and Development, *World Investment Report 2015*.

⁸⁰ United Nations, *Addis Ababa Action Agenda Outcome Document*, 2015, available at: http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

⁸¹ Ibid.

Recommendation 12: That the Australian Government actively encourage the Australian private sector to:

- Implement the United Nations Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles within their operations; and
- Enforce relevant international standards and agreements including the United Nations Convention on the Rights of the Child and International Labour Standards.
- Proactively contribute to the achievement of the Sustainable Development Goals by 2030.

4.5 Confronting Challenges

Our geographic distance from the world's most prominent conflicts does not shield us from their effects. Australia can and should play a stronger role in championing global peace and security efforts, through strategic diplomatic engagement and ODA investment, to address insecurity beyond our borders, build greater stability and security in our region, and contribute to a more peaceful world.

4.5.1 *Australia can play an active role in sustaining peace*

Where Australia has engaged, Australia has positively and significantly contributed to global peace and security. Australia was actively involved in the establishment of the United Nations and presided over the UN General Assembly when the Universal Declaration of Human Rights was adopted.⁸² Australia's ability to play a leading role in conflict resolution and peace transitions was demonstrated in East Timor and the Solomon Islands. Australia has also shown leadership on brokering consensus on contentious issues, including negotiating the Arms Trade Treaty, negotiating humanitarian access in Syria during Australia's most recent term on the UNSC and working in concert with Angola to secure parallel resolutions in the UNSC and UNGA on reinvigorating the international peace and security architecture under the banner of "Sustaining Peace".⁸³

At this time of unstable global power dynamics and contestation over the liberal peace order, Australia's Foreign Policy White Paper should reaffirm Australia's commitment to deep and sustained engagement in international peace efforts. As already articulated in section 4.3, World Vision Australia supports Australia's bid for a seat on the UNSC in 2029-2030. Australia must ensure that the relationships and expertise in peace and security developed during its 2013-2014 term are maintained and enhanced during the coming decade. In light of repeated UNSC deadlock on critical peace threats such as the ongoing conflicts in Syria and Yemen, Australia should build consensus with UN Member States, for the abolishment of the permanent member veto power and for strengthening other mechanisms to overcome deadlock, such as the UNGA Uniting for Peace formula.⁸⁴

Australia cannot assume that our region is immune from conflict, as simmering tensions in Myanmar, Bougainville and West Papua indicate. Australia's continued diplomatic engagement in conflict resolution and peace transition efforts in other parts of the world will ensure our preparedness to engage and lead, should conflict re-emerge in Australia's region. Australia should also continue to actively engage in strengthening the UN's conflict prevention capabilities, as articulated in the 2016 Sustaining Peace resolutions. During the next decade, Australia should focus on improving coherence and coordination between the work of the UNSC, the Secretariat (the Department of Peacekeeping Operations and the Department of Political Affairs) and the Peacebuilding Commission, to expand peacebuilding as a UN system-wide responsibility that occurs before,

⁸² James Cotton and David Lee (eds.) *Australia and the United Nations*. Department of Foreign Affairs and Trade, 2012, Chapter 2.

⁸³ Security Council Resolution 2282 (2016) (on post-conflict peacebuilding), S/RES/2282; General Assembly Resolution 70/262 (2016) (on review of the United Nations peacebuilding architecture), A/RES/70/262.

⁸⁴ Australia's historical opposition to the veto during United Nations Charter negotiations.

during and after conflict, and places particular emphasis on conflict prevention to address or reduce future fragility.

Australia's ODA investment should align with its strategic diplomatic investment in sustaining peace and addressing fragility. With a declining aid budget, Australia has increasingly directed its aid investment to large UN agencies, rather than creating and administering aid programmes in response to specific conflicts.⁸⁵ While this may reduce administrative costs and DFAT's exposure to risk, it lessens Australia's ability to follow and influence the impact of its investment. The Australian Government's response to the Horn of Africa crises was credited for its strategic engagement through the UN emergency response system which both improved the response itself, and encouraged broader donor engagement.⁸⁶ This leadership and strategic engagement approach should become a hallmark of Australia's ODA in conflict settings.

Recommendation 13: That the Australian Government continue Australia's strong history of engagement for international peace and security, specifically by:

- Building consensus with other United Nations member states on ways to overcome the Security Council deadlock on critical threats to peace
- Actively engaging in strengthening the United Nations' conflict prevention capabilities and improving coherence and coordination on peacebuilding; and
- Aligning Australia's ODA investment with its strategic diplomatic engagement in sustaining peace and addressing fragility.

4.5.2 *Constructively engage in the Asia-Pacific region on displacement*

The last two decades of refugee and asylum seeker policy in Australia have neglected our international responsibilities, refused protection to those in need and actively caused harm to people escaping conflict and seeking Australia's protection.⁸⁷ It has also negatively impacted on Australia's foreign policy engagement with other states in the Asia-Pacific region.

The Foreign Policy White Paper is an opportunity to change course and affirm Australia's commitment to global collaboration and responsibility sharing in response to the global displacement crisis, starting with the Global Compact on Refugees. Australia should work with regional governments and international organisations (including UNHCR) to meaningfully address the challenges of displacement and its implications for the Asia-Pacific.⁸⁸ Australia's role as co-chair of the Bali process and participation in the Track II Dialogue on Forced Migration in the Asia-Pacific provide opportunities for constructive engagement on protection-focused solutions in the region.⁸⁹

Australia can engage bilaterally with regional governments, drawing upon Australia's positive experience with labour migration and multiculturalism, to help neighbour states to address the displacement-related issues that are of highest concern to them. Given the low rate of ratification of the Refugee Convention in the Asia-Pacific region, there is an opportunity for Australia to promote action for the protection of displaced children

⁸⁵ Australian Council for International Development, *Humanitarian Action for Results*, ACFID Policy Paper, 2014.

⁸⁶ Department of Foreign Affairs and Trade, Office of Development Effectiveness, *Evaluation of Australia's Response to the Horn of Africa Humanitarian Crisis, 2011*, 2014.

⁸⁷ Australian Human Rights Commission, *The Forgotten Children: National Inquiry into Children in Immigration Detention*, 2014.

⁸⁸ Australian Human Rights Commission, *Pathways to Protection: A human-rights based response to the flight of asylum seekers by sea*, 2016.

⁸⁹ See: Centre for Policy Development: <http://cpd.org.au/intergenerational-wellbeing/asia-dialogue-on-forced-migration/>

and their families through advocating for the implementation Convention on the Rights of the Child, which all states in the Asia-Pacific region have ratified.

Recommendation 14: That the Australian Government commit to responsibility sharing in the Global Compact on Refugees and promote constructive regional collaboration to improve protection of displaced people in the Asia-Pacific.

4.5.3 *Collaborate on the regional impacts of climate change*

For the Asia-Pacific region, responding to the impact of climate change will be one of the defining challenges of the next decade. Australia's foreign policy must commit to working collaboratively with regional organisations and governments to meaningfully address the regional challenges of climate change.

Australia must model its commitments under the Paris Agreement, working over the next decade towards its commitment to reducing its emissions to 26-28 per cent (on 2005 levels) by 2030. Australian foreign policy should look beyond climate change as a purely environmental problem and instead approach it as a challenge with significant development, humanitarian and security implications which must be addressed. In this regard, Australia's ODA support for resilience and risk reduction initiatives will be critical over the next decade, for assisting communities on the frontlines of climate change to withstand the predicted increased impact of natural hazards. This will help ensure continued peace and prosperity in the Asia-Pacific region.

Recommendation 15: That the Australian Government ensure that the particular threat of climate change to the Asia-Pacific region is in Australia's Foreign Policy White Paper, and commit to regional partnerships to support climate change mitigation and adaptation, particularly through increased resilience and risk reduction support to communities.

4.5.4 *Harness ODA for stability, peace and prosperity*

Poverty and inequality are understood to be powerful drivers of instability, conflict and radicalisation.⁹⁰ People living in poverty typically lack access to basic services and are unable to benefit from economic activity. The lack of economic and social opportunities can lead to disaffection, while competition for scarce resources can trigger conflict.⁹¹ Corruption and abuse of power is commonplace in developing countries and can exacerbate feelings of disempowerment.⁹² Moreover, the lack of effective democratic institutions in many developing countries means that citizens are prevented from engaging peacefully with their local and national governments. Protection systems often break down, leaving children and young people, and other minority groups particularly vulnerable.

Australia's ODA investments in health, education, economic development and other sectors make an important contribution to reducing poverty and inequality in developing countries. ODA helps underserved communities access essential services such as health and education. ODA, through aid programming in economic development, typically targets marginalised individuals and communities – particularly women – and ensures that they can engage in economic activities and increase their household income. Similarly, Australia's ODA investments in peace-building, governance and civil society are critical to strengthening democratic processes and institutions, and promoting stability. Through its work, World Vision Australia has seen the

⁹⁰ USAID, *Conflict, poverty, inequality and economic growth*, 2005; United Nations, General Assembly 86th Meeting, *Links between Extreme Poverty, Violent Extremism Can Be Broken by Creating Jobs, Reducing Inequalities*.

⁹¹ USAID, *Conflict, poverty, inequality and economic growth*, 2005.

⁹² See, e.g., Transparency International, *Corruption Perceptions Index 2015*.

impact ODA investments have made to creating avenues for local communities to engage with their elected officials and hold them to account.⁹³

Australia's foreign policy, and Australian ODA, when deployed to do so, can make a significant impact in protecting Australia's interests, through the creation of a more peaceful and prosperous world order, particularly at a time of heightened global instability.

World Vision Australia reiterates its Recommendation 2 above in Section 4.1, and reiterates the recommendations tabled in its 2017-18 Budget Submission.⁹⁴

4.6 Pursuing International Interests

Australia's development assets and capabilities have long made a crucial contribution to advancing Australia's economic and security interests by promoting peace, economic development and poverty reduction across the Asia-Pacific region. Australia's ODA, in particular, is a unique asset which has largely been overlooked as a key foreign policy tool.

4.6.1 Invest Australia's Official Development Assistance to build stability and prosperity

As discussed above in section 4.5.4, Australia's ODA investments make an important contribution to global and regional stability by addressing the root causes of conflict and extremism, strengthening institutions and creating democratic avenues for citizens to engage with their governments. ODA is also an important tool to reduce poverty and promote prosperity in our regional and global partners.

As a finite though essential form of public capital, ODA should predominantly be invested in areas of greatest need in terms of poverty and vulnerability to conflict. These places are largely unable to attract private finance and other resources and rely on ODA to maintain peace and basic standards of living. As public capital – unhindered by commercial motives – ODA can target marginalised and poverty stricken communities, who are underserved by the private sector and often out of reach for developing country governments. This makes ODA a critical asset to address the rising level of inequality in developing and emerging markets.

On recent estimates, the world's least developed countries – both fragile and non-fragile – remain highly dependent on ODA to fund basic public services such as healthcare and education.⁹⁵ ODA still represents over 70 per cent of all financial inflows to least developed countries and is equal to 46 per cent of the size of their domestic revenues.⁹⁶ Many countries in the Pacific remain among the least developed in the world and are heavily reliant on ODA.⁹⁷

ODA should also be prioritised to address stubborn pockets of poverty remaining in some middle income countries such as Papua New Guinea, Vietnam, India and Tonga.⁹⁸ Middle income countries remain home to the majority of people living in poverty, with unequal patterns of growth resulting in rising rates of inequality.⁹⁹

⁹³ World Vision International, *Citizen Voice and Action Program Model*, available at: <http://www.wvi.org/local-advocacy/publication/citizen-voice-and-action-project-model>

⁹⁴ Available on World Vision Australia's website: <https://www.worldvision.com.au/>

⁹⁵ OECD, *Mobilising Financing for Sustainable Development, Keeping ODA focused in a shifting world*, 2014.

⁹⁶ *Ibid.*

⁹⁷ The United Nations routinely publishes a list of 'least developed' countries through the United Nations General Assembly. Currently there are 48 countries on that list, available at: <https://www.un.org/development/desa/dpad/least-developed-country-category.html>

⁹⁸ OECD, *Mobilising Financing for Sustainable Development, Keeping ODA focused in a shifting world*, 2014.

⁹⁹ *Ibid.*

Recommendation 16: That the Australian Government prioritise its ODA investment flows to least developed countries, fragile contexts and states vulnerable to conflict, and to disadvantaged communities in middle income countries, particularly in the Asia-Pacific region.

4.6.2 *Leverage ODA to encourage private investment in development*

ODA is also a critical asset to incentivise private investment in initiatives that promote economic development and poverty reduction in developing countries. Though ODA is necessary, it is far from sufficient to address today's global development challenges. Financing needed for basic infrastructure in developing countries alone is estimated to be around USD1 trillion; while the cost of providing credit for SMEs in developing countries is estimated to be USD2.5 trillion – many magnitudes greater than current ODA contributions.¹⁰⁰ Private sources of development finance will be critical to address this financing gap.¹⁰¹

Australia should use its ODA to mobilise private investment in development by sharing and spreading risk for private investors. As private capital is driven by commercial interests, it has a lower appetite for risk than public capital. ODA can be used encourage private investment in development programs by accepting lower returns, and shouldering more risk if the venture fails. This shifts risk away from private investors, making them more likely to invest.

For example, ODA can act as 'impact first' capital – debt capital provided either interest-free or at low interest rates. Because impact first investors are willing to take lower returns on investment in exchange for development outcomes, this frees up returns for private investors seeking higher returns. World Vision Australia is currently piloting an impact investing model which leverages private investment by lowering the risk faced by private investors and delivering competitive returns. Other risk-mitigating instruments include government-backed guarantees and insurance.

Recommendation 17: That the Australian Government pilot new financial instruments which use ODA to lower risk and encourage private investment in development initiatives.

4.6.3 *Invest in the capabilities of the Department of Foreign Affairs and Trade*

To use Australia's aid and development assets effectively across the multiple functions of the Department of Foreign Affairs and Trade (DFAT), Australia must invest in the capabilities and capacity of DFAT. Australia should increase the staffing and resources of DFAT to match the challenges of an increasingly globalised world. Australia's diplomats and trade officials must understand development and its contribution to our economic and security interests.¹⁰² DFAT must also reinvest in humanitarian and development specialists who are equipped to respond to the world's increasingly complex development challenges.

Recommendation 18: That the Australian Government invest in building the development and humanitarian knowledge and capability of Australian diplomats and trade officials, and reinvest in specialised development and humanitarian expertise and capacity.

¹⁰⁰ ODA flows in 2015 were US\$131.6 billion (Organisation for Economic Co-operation and Development data, 2015). See also: United Nations, *Report of the Intergovernmental Committee of Experts on Sustainable Development Financing*, 2014.

¹⁰¹ United Nations, *Report of the Intergovernmental Committee of Experts on Sustainable Development Financing*, 2014.

¹⁰² The importance of development thinking for diplomatic analysis was noted by Richard Moore at the ACFID National Conference 2016. Richard Moore, 'A farewell to Alms: Rethinking development, aid and Australia's place in the world,' Speech given at ACFID National Conference, 26 October 2016, available at: <https://acfid.asn.au/sites/site.acfid/files/Richard%20Moore%20-%20Speech%20at%20ACFID%20Conference.pdf>

4.6.4 Strengthen cross-sector partnerships

To pursue its national interests and contribute to sustainable development internationally, Australia should broaden and strengthen its engagement with a range of other actors through its foreign policy. Australia should form close partnerships and draw on the experience and best practice of Australian INGOs developed through their close engagement with communities (including children, young people and marginalised groups) in development and humanitarian contexts worldwide.¹⁰³ This approach has the benefit of informing and strengthening foreign policy through Australia gaining insight into what development and humanitarian interventions and responses are effective in building peaceful, just and inclusive societies.¹⁰⁴ Additionally, the Australian Government should strengthen partnerships with Australian INGOs by investing in effective, evidence-based programs, projects and initiatives promoting and protecting children's rights.¹⁰⁵

In doing so, Australia will contribute to the capacity of local communities to pursue sustainable livelihoods and safe and cohesive families, and will engender an intergenerational return on investment. These partnerships afford the Australian Government with policy and advocacy thought leadership and field-based intelligence drawn from INGO's relationships with communities and those with lived experiences of the challenges faced by children world-wide, including children and young people themselves. This can support Australia's foreign policy to be relevant and have impact for children and their rights.

Two ways Australia can put this approach into practice in its foreign policy over the next decade:

- Bring together Australian INGOs and government officials in regular thematic and ad-hoc roundtables for progress stocktakes and to co-create solutions-based approaches to global challenges; and
- Partner with Australian INGOs to monitor and evaluate progress on achieving the SDGs and tackling global development and humanitarian challenges, for example through their involvement in SDG implementation and monitoring partnerships and platforms.¹⁰⁶

Australia should also grow its partnerships with civil society to pursue its national interests. This benefits Australian foreign policy by ensuring Australia is attuned in real-time to the challenges and experiences faced by vulnerable and marginalised people internationally, so its foreign policy remains agile and responsive. Given the growing population of children and young people around the world, children and young people are essential partners in the pursuit of sustainable development. This is due to their unique perspective on the global challenges discussed in this submission, their ability to frame solutions to these challenges informed by their perspective, and the extent to which they will be affected by approaches to tackling these challenges now and into the future.

Two specific ways that Australia can develop its foreign policy engagement with civil society:

¹⁰³ E.g. World Vision works with vulnerable children and their families and communities in 96 countries around the world, from development contexts in countries such as Papua New Guinea, Solomon Islands, Vanuatu and Timor-Leste in the Pacific and South-east Asia, to protracted conflict settings such as Syria and neighbouring countries affected by the Syrian crisis. See: <http://www.wvi.org/annualreviews> and <https://www.worldvision.com.au/about-us/annual-reports>

¹⁰⁴ E.g. World Vision's Channels of Hope programme in Pacific countries, funded by the Australian Government. Through Channels of Hope for Gender, we are seeing a shift in attitudes towards gender-based violence achieved through partnering with faith leaders and communities to eliminate community tolerance of violence against women and children.

¹⁰⁵ The Australian Government has demonstrated an intergenerational thinking approach in other areas such as the domestic context, as demonstrated in its *2015 Intergenerational Report: Australia in 2055, 2015*; an intergenerational approach to Australia's national interest in the foreign policy context would benefit children and young people in Australia and globally, now and in future.

¹⁰⁶ E.g. the Australian Branch of the Global Partnership to End Violence Against Children, convened by Australian child-focused INGOs including World Vision Australia, ChildFund, Plan and Save the Children.

- Maintain inclusive and open communication between DFAT posts, local civil society actors and communities, in order to include their insights on key development and humanitarian challenges in the context of local customs and cultures. This engagement can also monitor progress towards Agenda 2030 by drawing on firsthand experiences, especially from children and young people and marginalised groups (including indigenous populations, persons with disabilities), and in doing so promote their participation rights. Australia should facilitate meaningful consultation processes for children and young people to share their experiences to inform foreign policy and to co-create solutions to the problems affecting them and their communities; and
- Regularly engage with Australian and foreign academia to draw on new research to inform Australia's approach to global challenges, such as peacebuilding, sustainable development and children's rights; and utilise the expertise housed within universities to evaluate the effectiveness of Australian foreign policy, to continuously improve Australia's impact on global challenges.

Recommendation 19: That the Australian Government ensure Australia's foreign policy is informed by the experience of global vulnerable populations, including children and young people as partners for sustainable development, alongside partnerships with INGOs, universities and other civil society groups to capitalise on technical, research and policy-based expertise housed within these sectors.