

# SUBMISSION BY AUSTRALIAN CHURCH AGENCIES NETWORK TO THE SENATE INQUIRY INTO AUSTRALIA'S OVERSEAS AID AND DEVELOPMENT ASSISTANCE PROGRAM

## 1. Summary of Recommendations

### *Recommendations from the Church Agencies Network*

The Australian Church Agencies Network of international relief and development organisations affirms the statement of the Minister of Foreign Affairs, the Hon. Julie Bishop MP, that, “The Government will continue to support a strong aid program that can help alleviate poverty and lift the living standards of vulnerable people overseas.”

We welcome the opportunity to make a submission to this Senate Inquiry.

In the view of the Church Agencies Network, any proposed changes to the Australian aid program must prioritise government partnerships with communities here in Australia and in recipient countries. It must prioritise the building of long term relationships. It must recognise the complexity of the environment in which aid is delivered. It must be sustainable and it must focus on reducing inequalities that lead to extreme poverty and marginalisation.

As church agencies we emphasise that aid is about people’s lives, and the Australian government should therefore ensure it has an aid program that is well thought through and properly monitored. People must be seen as having rights and a voice to express themselves. We must work towards greater equity of the distribution of the world’s resources. As churches we are a significant part of ensuring that the voices of the marginalised are heard, and of working to ensure that positive and sustainable changes are made to achieve greater equality in the world. This is also very much in Australia’s national interest, and something to which many Australians have demonstrated their commitment.

The Church Agencies Network recommends the following, based on our learning over the decades that we have been working in the aid sector:

- a) **Inclusive economic development:** Strengthen the focus of aid program on reducing poverty to ensure economic development is spread fairly, building on significant results attained to date. Economic development is more sustainable when the poorest are given opportunities to participate, through improved access to basic health, education and related services. It is in addressing poverty reduction that aid can make a key difference and provide a fair go for all.
- b) **Evidence-based investments:** Aid needs to be targeted, and built on evidence and learning. Thus it is important to ensure that proven indicators of sustainable change are used to measure the effectiveness of aid.

- c) **Australia's national interest and affordability:** Aid serves our national interest as a mechanism by which Australia realises our ambition to be a just, empathetic, and generous international citizen that sees poverty alleviation as a worthy goal in and of itself. Further, as the wealthiest nation on earth<sup>1</sup>, Australia is well placed not only to avoid cuts to its aid program, but rather to increase its aid investment.
- d) **Consultation:** Continue to involve civil society and community organisations in plans and discussions about the future directions of the aid program. Over the last few years there has been an increased level of consultation with civil society organisations by the Australian government on aid issues, and this has contributed greatly to improvements in the quality of the program.
- e) **Predictable partnerships:** Significant and sustainable results require long-term commitments, particularly in overturning the fundamental obstacles to social and economic development. We recommend the government continue to build multi-layered partnerships with those civil society organisations with a proven track record in the delivery of tangible results in reducing poverty and promoting peace and prosperity. Respectful relationships which express an understanding of context are critical. These need investment of time and funds. As church agencies we particularly recommend increasing funding for Church Partnership Programs in areas where churches have a clear comparative advantage in delivering human services and community development, such as in the Pacific, parts of Africa and South Asia.
- f) **Africa:** There are needs in Africa that require further support from Australia. While there is a case for geographical focus – it is imperative to be engaged with the most poor and vulnerable and these people are mostly living in Africa, particularly those countries ranked in lower quartile of the UN HDI. *“In 1990, only one sixth of the world's poor lived in Africa. In 2012, the figure [was] over 50%, and is expected to reach 5/6 by 2025.”*<sup>2</sup> We recognise the value of focusing our investments, but are concerned that we will be irrelevant as a leader on the global stage if we do not consider these critical trends. Given the tremendous rise in Australian mining investments in Africa, Australia has a responsibility and an opportunity to ensure that returns on these investments catalyse safe, prosperous and stable environments. Furthermore, aid to Africa has strong public support in Australia, with approximately one third of all public donations to ACFID member NGOs' going to programs in Africa.
- g) **Specialisation:** Ensure that the specialist skills required to manage an effective aid program are recognised and built into DFAT's Aid Program staffing structure at all levels.

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<sup>1</sup> Giles Keating, Michael O'Sullivan, Anthony Shorrocks, James B. Davies, Rodrigo Lluberas and Antonios Koutsoukis, *Global Wealth Report 2013*, Credit Suisse AG.

<sup>2</sup> H Karas and A Rogerson, 2012, *Creative Destruction in the Aid Industry*, Overseas Development Institute, UK pp 9, 32

## 2. Who We Are

The **Church Agencies Network** is comprised of those agencies which are both:

- development agencies of Christian Church denominations in Australia (or the ecumenical body representing Christian denominations)
- members of the Australian Council for International Development (ACFID)<sup>3</sup>

The agencies represented by this Submission are:

***Act for Peace***

***Adventist Development and Relief Agency, Australia***

***Anglican Board of Mission, Australia***

***Anglican Overseas Aid***

***Australian Lutheran World Service***

***Caritas Australia***

***Global Mission Partners***

***Quaker Service Australia***

***The Salvation Army***

***Transform Aid International (Baptist World Aid Australia)***

***UnitingWorld***

The Table below demonstrates the large programmatic reach and scale of the CAN group. This a financial summary of the Australian NGO CAN Development & Humanitarian program by Region in FY 11/12:

	TOTAL	PUBLIC	DFAT
<b>Summary Data</b>			
Humanitarian	\$ 19,613,428	\$ 15,442,595	\$ 4,170,833
Development	\$ 53,854,146	\$ 25,553,462	\$ 28,300,683
<b>Development breakdown by \$ + Region</b>			
South East Asia	\$ 15,866,421	\$ 8,002,988	\$ 7,863,433
Pacific	\$ 14,556,430	\$ 3,613,968	\$ 10,942,463
Africa	\$ 12,733,325	\$ 7,712,452	\$ 5,020,873
South Asia	\$ 6,882,994	\$ 3,512,240	\$ 3,370,754
Australia	\$ 1,263,540	\$ 1,229,239	\$ 34,301
South America	\$ 676,992	\$ 195,120	\$ 481,872
Global	\$ 630,361	\$ 508,351	\$ 122,010
North Asia	\$ 813,236	\$ 579,927	\$ 233,310
Middle East	\$ 430,846	\$ 199,178	\$ 231,668

As Church-based international relief and development agencies we share a common set of values and principles. Our values come from Christian teaching, whether that teaching be found in the Bible or in the traditions of our churches.

<sup>3</sup> The Australian Council for International Development comprises 130 members representing great diversity both in their size and in the focus of their international aid programs.

We are all motivated in our work in aid and development to follow the example of Jesus Christ as described in the Bible; embodying the values of justice, wholeness of life, particular care and concern for the most vulnerable and the inherent worth and dignity of all people as children of God, created in God's image.

As church agencies we ensure our help is given irrespective of creed or culture. In recent time our agencies have been active in support to Somalia and Syria - where we've seen tremendous generosity from our Australian constituencies. We ensure that aid goes where it is needed most - regardless of any religion, ethnicity, gender or political persuasion.

As Australian Council for International Development (ACFID) Code of Conduct signatories we commit to and are bound by the principles of conduct prescribed in that Code.

As denominational or ecumenical agencies we are accountable to and draw a large part of our support from Australian church members of our particular denominations.

We collectively work with local communities delivering aid and humanitarian assistance in 49 developing countries around the world, as well as with Aboriginal and Torres Strait Islander communities in Australia. As the attached Charts and Tables (see Annexes 1-5) show, our total aid expenditure in 2011-12 was more than \$53 million<sup>4</sup>, of which almost half was raised from the Australian public.

We have many decades of experience as international aid agencies, working on our own programs and also collectively. Many of us are also members of international church-based aid and relief alliances, including Caritas Internationalis, Lutheran World Federation, Adventist Development and Relief Agency, Anglican Alliance, Action by Churches Together (ACT) Alliance<sup>5</sup> and Integral Alliance. Through our membership of these international organisations, we are able to add great value to the impact of our international aid and relief work by information sharing, joint responses and adhering to international codes and best practices.

Furthermore there are many examples where the Australian NGO CAN agencies work together to ensure the best outcomes and improve efficiencies. There is broad agreement between Australian Lutheran World Service and Anglican Board of Mission on cooperating in disaster risk reduction and response. And, the Australian Lutheran World Service sent funds through Caritas as part of the response to the Samoa tsunami. We have seen Global Mission Partners and UnitingWorld have supported Australian Lutheran World Service in the East Africa Drought response and Philippines Typhoon response.

We welcome this opportunity to contribute to these important discussions on the way forward for Australia's aid program.

We are keen to work actively with the government and ACFID to ensure the implementation of the most effective and sustainable aid program with the greatest impact on poverty. This may mean engaging on benchmarking and other policy issues as appropriate. We are committed to improved effectiveness, efficiency and accountability in the aid sector. We believe that the most vulnerable people we serve around the globe, as well as our Australian supporters, should have a say in judging the success of our programs.

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<sup>4</sup> Figures aggregated from the 2013 Annual Statistical Survey of the Australian Council for International Development (ACFID)

<sup>5</sup> For example, ACT Alliance alone is made up of more than 130 Christian faith-based organisations and works in 140 countries and mobilises \$1.6 billion annually in its work.

## Addressing the Terms of Reference

This part of our submission addresses:

- a. **Australia's ability to deliver aid against stated policy objectives and international commitments, AND**
- b. **Australia's ability to maintain its international development priorities, including sectoral, regional, bilateral and multilateral international relationships.**
- c. **Unintended consequences of the changes in the above, a. and b.**

### *Comments on the overall picture*

International Development assistance is, by its very nature, delivered in complex environments. Countries are aid recipients precisely because they lack the strong institutions, infrastructure and human capital that have enabled economic and social development in more developed countries. However, aid which is strategically targeted and addresses root causes of poverty or obstacles to development, can contribute to social and economic development, as we have seen in recent decades with our Asian neighbours such as South Korea, China and Malaysia.

Successful aid delivery requires long term relationships with people at the local level as well as a deep contextual understanding of what drives change in a particular environment. Evidence from the OECD's Development Assistance Committee (DAC) peer reviews of aid programs over the last 20 years confirms that in order to deliver aid successfully, it can take years of working with communities, local governments and policy makers in a developing country to fully understand the context, design a program, implement the program, monitor it and finally evaluate whether the program effectively met its objectives. "Support that is contextualised to the local experience is likely to be far more successful<sup>6</sup>."

For this reason, it is important to avoid frequent shifts in policy, as these can undermine the ability to act with the longer term view essential to successful development programs. Additionally, and just as importantly, frequent policy shifts which are not supported by a strong evidence base and broad consultation, will risk undermining relationships with key players, and may have unintended adverse consequences, both for aid recipients and for Australia's reputation and ability to deliver on our aid objectives. There is a clear need for effective and broadly-based approaches to monitoring success and learning about the challenges of delivering aid. Benchmarking is one way that this can be achieved, but benchmarks must be transparent and be evidence-based. Benchmarks should take into account the complexities of the environment into which aid is delivered, and should be able to be continually critiqued and open to challenge. People on the receiving end of aid should be involved in the setting of benchmarks where possible to ensure effective and equitable outcomes.

Australia has a strong record in the international development arena, which the new government should build on. Australia has gone through two major aid policy development processes in the last decade – first with the *Australian aid: promoting growth and stability* white paper in 2006, then the independent review of aid effectiveness and subsequent policy – *Making a real difference, delivering real results* – in 2010-11. Each represented a significant policy shift and set a new direction, which AusAID (as the agency responsible) responded to. Overall, these changes saw the Australian aid program emerge as one that was increasingly strategic and focused around some key themes: improving governance, addressing extreme poverty, increasing opportunities for all people,

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<sup>6</sup> AusAID, 2011, AusAID NGO Cooperation Program (ANCP) 2011 Thematic Review, available at <http://aid.dfat.gov.au/publications/pages/ancp-2011-thematic-review.aspx>

including women, people with disabilities, and those on the margins of society, addressing primary health care and education needs, and responding to humanitarian crises and the effects of climate change and environmental degradation.

These policy directions represented the fruits of decades of experience and research and significant investments of taxpayer funds. The Australian government has, rightfully, been praised for its global leadership in the area of disability as well as for the coherence of its accountability framework. It is important that these policy achievements continue to be built upon so that we do not risk undermining both current and future aid investments. These important investments include good relationships with many developing countries, clarity about Australia's priorities and comparative advantages, and increased effective aid overall. As noted in a recent OECD report, aid needs to be predictable. If aid is not predictable, this can reduce its value by up to 20%.<sup>7</sup> The recent \$656 million cuts to the aid program, made midway through the year, only serve to undermine the predictability of the aid program.

### ***Comments on Aid and the National Interest***

Foreign policy is conducted on the basis that governments are responsible to act in the "national interest". Australia's aid policy is conducted in this light, and the integration of AusAID and DFAT reflects a desire to see greater alignment between aid, foreign policy and trade objectives.

In view of this, the Church Agencies Network recognises that the national interest can be constructed in broad or narrow terms. Viewed in narrow terms, the national interest is understood in terms of direct, tangible returns to Australia such as improved trade opportunities, decreased demand on our military, or reduced likelihood of pandemics. Aid becomes an investment in which the overriding driver is tangible returns to Australia, and only secondarily benefits to the recipients.

The national interest can also be constructed in broad terms. Here the focus is on the type of nation Australia wants to be – a just, empathetic, and generous international citizen that sees poverty alleviation as a worthy goal in and of itself. Aid serves our national interest as a mechanism by which we realise this ambition.

The Church Agencies Network affirms this broader frame. A narrow frame runs the danger of our aid bypassing the world's poorest, among whom the greatest economic gains to Australia are unlikely to be found. A broad construction of the national interest however, both lifts Australian's perceptions of themselves and allows aid spending to focus on the greatest gains for people living in poverty. To this end we would like to see a clear aid policy statement from the government to provide clarity on priority areas and guide investment decisions. Such a policy would ideally be the outcome of a broad consultative process.

### ***Comments on Aid and Economic Development***

International aid programs can focus on social outcomes, such as access to decent healthcare, clean water, education, etc, or on economic outcomes, such as access to markets, economic infrastructure, and growth in GDP. History suggests both are critical to sustainable poverty reduction.

The Church Agencies Network notes however, that while the linkages between aid and economic growth are difficult to demonstrate and the subject of substantial debate, the linkages between aid

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<sup>7</sup> OECD, 2013, Aid Predictability, available at <http://www.oecd.org/dac/aid-architecture>

and social outcomes are much more easily demonstrated. Given Australia's desire to direct its aid in ways that have the greatest demonstrable returns, we believe aid should be heavily weighted toward social outcomes.

This will yield two positive results. First, there will be knock-on effects that contribute to economic growth. Healthy, educated people are able to harness their skills to contribute to a growing economy. Roads designed to give remote villagers access to hospitals also give them access to markets.

Second, a focus on social outcomes ensures aid is directed toward those who are the most vulnerable and poor. Many of the communities we work with are isolated from both their national economy and the international economy. A focus on social outcomes, including local livelihood opportunities, will ensure Australian aid continues to reach them, building their capacity to engage economically.

Moreover, we note the warning of development economist Paul Collier<sup>8</sup> that, due to the abundance of low priced labour, the massive gains in poverty reduction that came with the rise of manufacturing in Asia are unlikely to be repeated soon in other countries. Until then, economic growth in the poorest regions will focus on commodities, which tend to be controlled by the powerful, as opposed to manufacturing, which being labour intensive, sees a more equitable distribution of wealth.

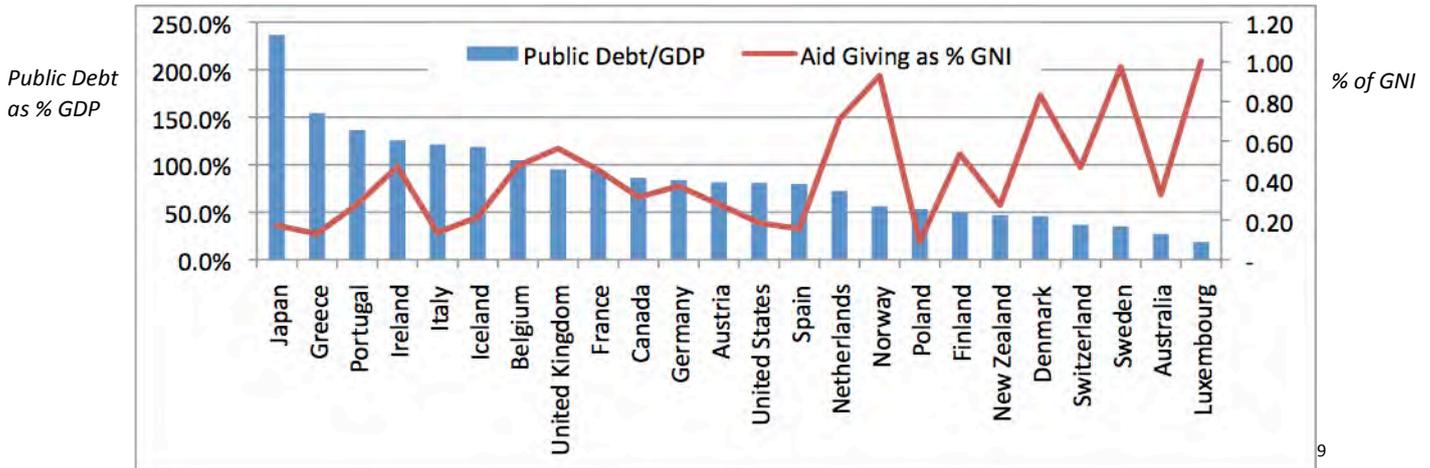
### ***Comments on Aid and Affordability***

The debate around the affordability of Australia's aid program has intensified in recent months, with both the Treasurer and Foreign Affairs Minister citing Australia's high level of debt to justify the \$4.5 billion cut to planned expenditure in aid over the next four years. When announcing this year's cuts Ms Bishop argued, "We must ensure Australia's aid program has a funding base that is responsible and affordable."

The graph below shows that Australia has the second lowest debt level amongst all aid giving nations (only beaten by Luxembourg), yet our aid giving as a percentage of income is significantly below average. Amongst the high income aid giving nations (which excludes the most recent entrants to the aid giving community, South Korea, Slovakia and the Czech Republic) with debt levels of 50% of GDP or less, average aid giving is 0.63% GNI – almost twice that of Australia's forecast aid giving for this year, 0.33%.

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<sup>8</sup> Paul Collier, Paul, 2007, *The Bottom Billion, Why the Poor Countries are Failing and What Can Be Done About It*, Oxford University Press



Given that forecasts for Australia’s debt position has it peaking at less than a third of GDP, the Church Agencies Network believes that it is misleading to use Australia’s debt level to justify aid cuts.

Australia’s ability to afford aid is strengthened further by our privileged position as the wealthiest nation on earth<sup>10</sup>.

Finally, amongst all the aid giving nations, only Australia has had 22 years of continuous economic growth. The Church Agencies Network believes that in terms of affordability, Australia is arguably the best placed nation to not only avoid cuts to its aid program, but to increase aid to the previously bipartisan target of 0.5% GNI.

**Comments on role of church agencies in the aid program**

Civil society and committed partnerships are key to building a safe, secure, enabling environment where poverty (and inequity) can be addressed. The churches, as part of civil society, play a key role in this. It is for this reason that we are arguing for a broad-based partnership approach with consultation processes that support this enabling environment. Additionally, churches have deep and long-lasting links with the Australian public, and therefore we are well-placed to provide the accountability and transparency that the public requires.

As Church-based agencies, with our Christian affiliations and mandate to address the needs of the poor and marginalised, we are committed to an Australian aid program which results in the alleviation of poverty and which enables citizens to play an active role in shaping their own development plans. The experience of countries which have graduated from developing country status over the last 30 years is that broader citizen participation has contributed to sustainable economic growth.

The recent World Economic Forum in November 2013 ranked widening income gaps as the second greatest worldwide risk.<sup>11</sup> Australia’s Foreign Minister, the Hon. Julie Bishop, in her speech to ACFID on 30 October 2013 echoed this point when she said “...we must ...work towards broader economic reform which will help make growth and poverty reduction permanent in our partner

<sup>9</sup> The Economist, *Global Debt Clock*, Data retrieved 20/01/2014. Development Assistance Committee, *DAC Members Net Official Development Assistance 2012*. Liberal Party of Australia, *Final Update on Federal Coalition Election Policy Commitments Costing Table*, 2013.

<sup>10</sup> Giles Keating, Michael O’Sullivan, Anthony Shorrocks, James B. Davies, Rodrigo Lluberas and Antonios Koutsoukis, *Global Wealth Report 2013*, Credit Suisse AG.

<sup>11</sup> World Economic Forum, 2014, *Outlook for the Global Agenda*.

countries”...and... “we will be pursuing a shared goal of greater equality between societies and that goal must be achieved through rising living standards in developing countries.”

The Church Agencies Network believes there is synergy between our Christian values and the need to work for both income equality and equality of access to basic services and basic human rights. We believe the voices of the poor cry out to be heard. As churches we are involved in many civil society initiatives that lead to economic empowerment and assist the poor to speak out for their rights. A recent evaluation of a Caritas Bangladesh’s integrated natural resource management program showed that from 2005-2012 over 1 million people in 519 villages in Bangladesh increased their family incomes by 45-70%, while the percentage of families that can afford three meals a day rose from 36% to 100%. Through increased awareness of the law, and their rights to traditional land, isolated ethnic tribes have regained land lost to illegal development. Almost 10 hectares have been recovered since 2007 and are now used by the communities for livelihood activities.

Church-based aid agencies have always played an important role in delivering aid as part of the Australian aid program, especially in the poorest and most marginalised sectors of society. Having built long term relationships (some go back hundreds of years) and being committed to continuing these relationships indefinitely into the future, church-based agencies have demonstrated high levels of transparency and accountability in their programs, including those which are supported by Australian aid funding. This long term approach by church agencies, and the concomitant understanding of local contexts, means that the projects they implement are consistently sustainable and their longer term effectiveness is able to be measured.

Churches have longstanding presence and have developed a deep knowledge of the countries in which they work. With relatively small amounts of funding, and with their focus on the most marginalised groups of people – those with disabilities, people living in remote areas, those who suffer social exclusion due to ethnicity, for example— church-based agencies have been able to create real differences in people’s lives.

Countries plagued by conflict are particularly disadvantaged in attaining economic health, achieving basic education and health indicators, and eradicating poverty. Churches, often supported by church-based agency partners, play a major role in building peace and reconciliation in conflict zones. Although support is required from all actors to achieve a state of peace which allows for poverty reform, churches are well positioned in many countries to respond to outbreaks of violence which threaten local level security. As trusted actors, church leaders are often involved in the brokering of peace processes, in providing refuge, and in influencing civil society approaches to peace. Given the strong links between poverty and violence, recognition of the strength of the church community is vital.

Church-based agencies can quickly mobilise resources and reduce red tape during humanitarian emergencies, leading to improved coordination and greater effectiveness. This is because churches are already located deeply within local communities in many countries, especially in the Pacific and much of Sub-Saharan Africa. In 2011-12 the Church Agencies Network spent almost \$20,000,000 on humanitarian assistance, 75% of which was funded by church supporters in Australia (and 25% by the Australian government).

Churches, through their international community development and humanitarian response work, have also built understanding and goodwill towards Australia. Churches have strong people to people links (between Australia and the countries receiving aid). Such links build support in the Australian community for the Australian aid program. Church-initiated programs both reinforce well-established and locally trusted links and networks and build new links as the diverse Australian

Church community is encouraged to connect with people in need with whom they may or may not share an existing link.

It is our experience that Australians want to help people overseas who are living in poverty. This view is backed up by the millions of dollars donated each year by the Australian public to Australian humanitarian and international development NGOs, including over \$40 million during 2011-12 to our 11 agencies alone. A Lowy Institute poll showed that “Australians, on average, say 12% of the Federal budget should be spent on foreign aid”<sup>12</sup>. Additionally, “Two million Australian households regularly contribute to Australian NGOs....[and]... the sector received \$895 million from public giving in the 2011-12 period”<sup>13</sup>.

Delivering aid through organisations with deep community reach, like churches, helps to avoid welfare dependency. It creates a strong civil society and helps build trust and social capital, which are the basis for stronger economies, stronger governance and stronger communities.

Australian church-based agencies have worked side by side in partnership with their counterpart churches in poor countries to build capacity to deliver services and community development and humanitarian response programs. Many of our programs have focussed on improved governance by ensuring communities become involved in strengthening the capacity of communities to hold their own governments accountable for the quality and quantity of services provided by those governments.

In having had long-term engagement with civil society partners, CAN agencies have built both the trust and expertise to work on reducing poverty and increasing safety in the countries where we work through a range of interventions. In both humanitarian and development settings, CAN agencies are engaged in prevention and response, in organisational and programmatic capacity building, in policy development and advocacy. In addition, we recognise that targeting root causes as well as providing capacity for growth is essential for sustainable results. CAN agencies are therefore involved in programs addressing governance, livelihoods reform, peace and security reform, human rights, education, health care, etc. Examples of some of these interventions are provided in the section below.

The development and humanitarian work of churches and other NGOs in the Pacific can also influence regional stability. The two Church Partnership Programs, development and capacity-building programs supported by DFAT and operated by Church-based agencies in Australia in partnership with churches in Papua New Guinea and Vanuatu, are strong examples of this. During a recent meeting of this partnership in PNG, Hon. Charles Abel, MP, Minister for National Planning and Development, noted that churches were the PNG government’s most important development partners. This sentiment was echoed at that same meeting by Mr Stuart Schaeffer, Head of Aid at the Australian High Commission in Port Moresby, who said that he has always been struck by the “important and unique role that Churches play in PNG”<sup>14</sup>.

We believe it is necessary for an aid program to have both high impact, large scale projects as well as the smaller scale community development work. Although studies have shown that aid *per se* is not a key stimulus for economic growth, it plays a vital role in making sure people at the margins can participate in their communities and share the benefits of economic growth. In fact, long term approaches at community level, such as women’s empowerment programs, provide enabling

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<sup>12</sup> Lowy Institute, 2011, Lowy Poll <http://www.lowyinstitute.org/publications/2011-lowy-institute-poll>

<sup>13</sup> Marc Purcell, ACFID CEO, in a letter to Hon. Julie Bishop, 11 October 2013

<sup>14</sup> Website of the Australian High Commission, Port Moresby: <http://www.png.embassy.gov.au/pmsb/142.html>

environments for economic empowerment to happen. However, without such community programs, economic growth does not necessarily “trickle down” to ordinary people, as can be seen in Papua New Guinea, where the areas covered by the current Liquefied Natural Gas project remain among the poorest in the country.

### Integration of DFAT and AusAID

Delivering aid in challenging contexts is a specialist skill set (as noted in the 2009 Australian National Audit Office (ANAO) report into AusAID’s management of the then-expanding aid program<sup>15</sup>), one that may not be well represented within DFAT. In recent years AusAID had made some progress towards recognising the expertise required, by establishing specialist streams within the agency. It is vital that this be recognised and carried forward in the new arrangements.

Further, the relationships that AusAID had developed over the years with NGOs had moved in a positive direction, from one of mere contracting to deliver services to one of being genuine partners in the delivery of the aid program. If the special character of AusAID is erased in the broader integration with DFAT, this partnership relationship with NGOs may be lost.

Turnover of staff has been identified by many reviews as a critical issue (see the ANAO report noted above, and a recent stakeholder survey<sup>16</sup>) – one which impacts on all of Australia’s partners from overseas governments to Australian and International NGOs. While this was already an issue with AusAID, any changes that result in the loss of experienced staff risk exacerbating frustration among aid program stakeholders, and alienating important government partners.

While the integration of AusAID into DFAT provides great potential for close cooperation between Australia’s efforts to enhance its foreign trade opportunities and to further its international development program, it is critical that neither goal is diminished by this integration. Development and civil society often perform the role of providing the non-material resources that make societies function well and also of ensuring that material resources are distributed equitably. Both of these roles are essential to good international relationships, stable and healthy communities for our global neighbours and can enhance standards of living for both Australia and its international partners.

As a 2011 government review of some of the development work of Australian NGOs stated, “Understanding poverty is a multifaceted phenomenon through which people may travel many different trajectories and one in which large scale economically focused national policies often further marginalise the already chronically poor suggests that a more integrated and multifaceted solution is required.”<sup>17</sup>

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<sup>15</sup> Australian National Audit Office, 2009, *The Auditor-General Audit Report No.15 2009–10 Performance Audit AusAID’s Management of the Expanding Australian Aid Program*, Commonwealth of Australia.

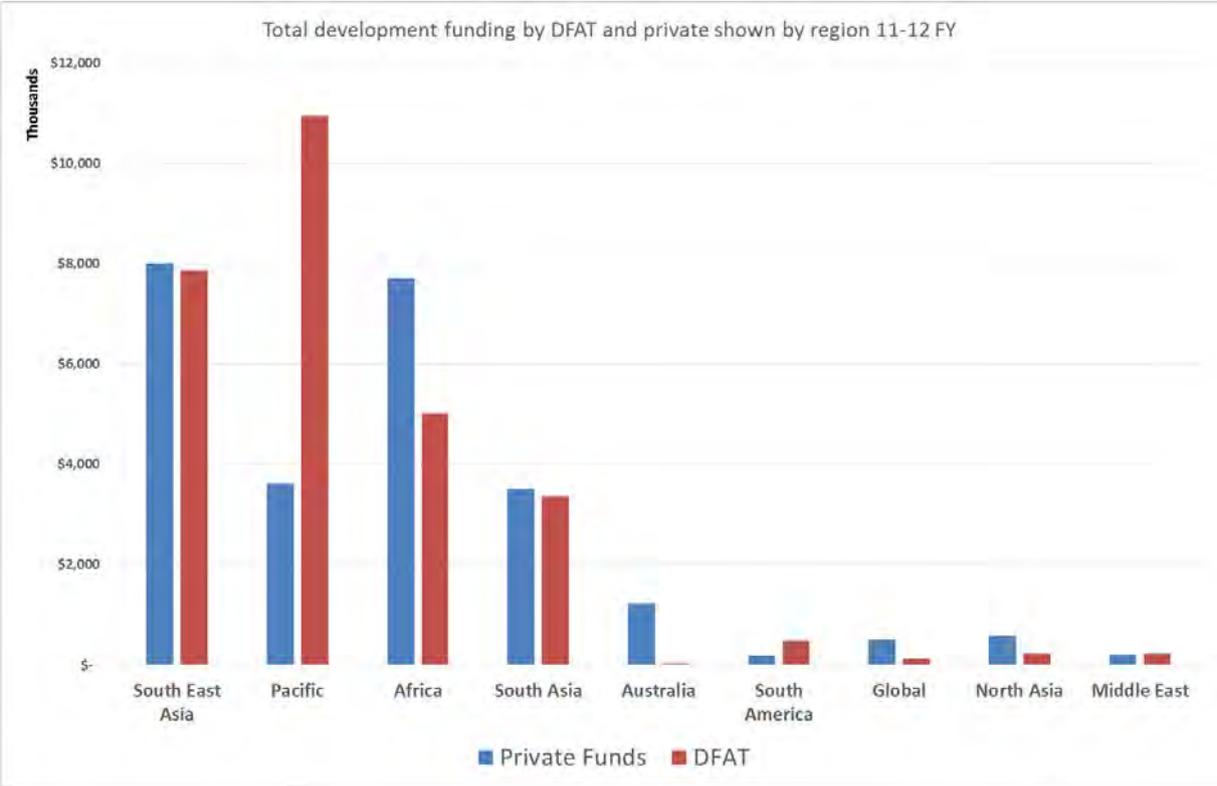
<sup>16</sup> Stephen Howes & Jonathan Pryke, *Benchmarking Australian Aid: Results from the 2013 Australian Aid Stakeholder Survey*, Development Policy Centre Crawford School Of Public Policy The Australian National University, December 2013

<sup>17</sup> AusAID, 2011, *AusAID NGO Cooperation Program (ANCP) 2011 Thematic Review*, available at <http://aid.dfat.gov.au/publications/pages/ancp-2011-thematic-review.aspx>

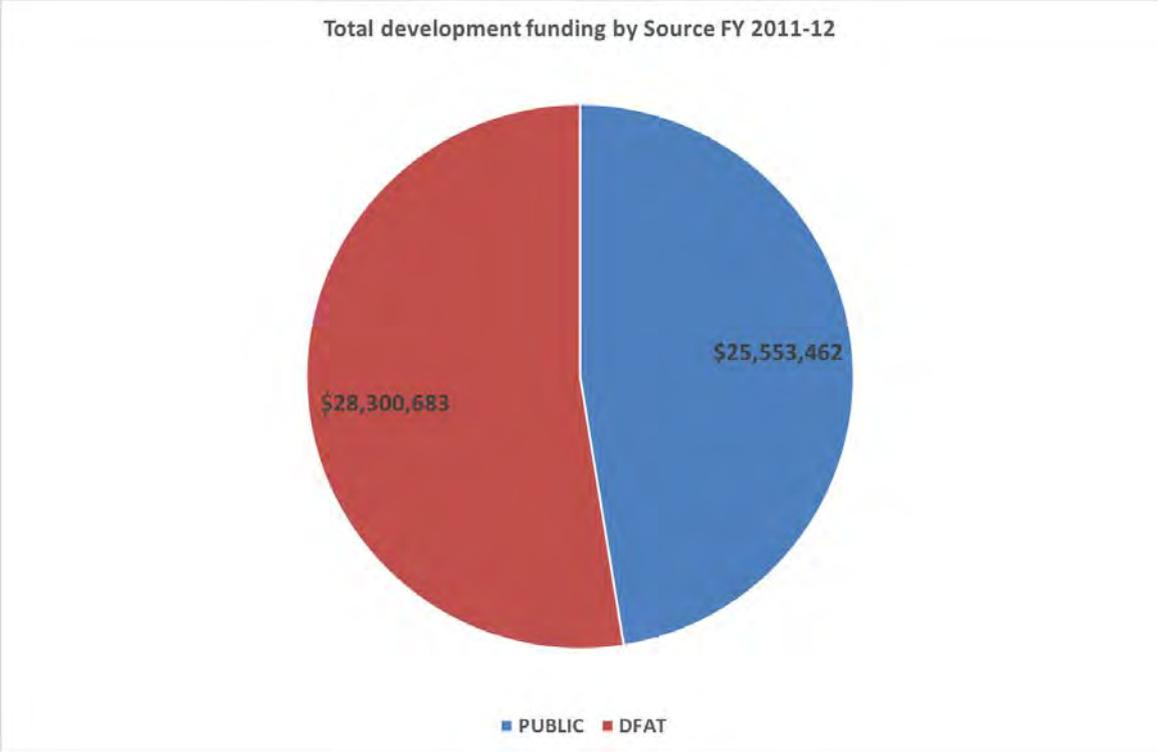
## ANNEX 1: Total Financial Value of Projects supported by Australian NGO CAN FY 11/12

ACFID Statistical Survey 2013 (1 July 2011 - 30th June 2012)				
Part B: Projects supported by Australian CAN NGOs in 1 July 2011- 30 June 2012 (or amended reporting period)				
11 Church Agency Network AGENCIES				
	Country / Region	TOTAL	PUBLIC	DFAT
Humanitarian	All	\$ 19,613,428	\$ 15,442,595	\$ 4,170,833
Development				
	Burma/Myanmar	\$ 933,671	\$ 933,671	\$ -
	Cambodia	\$ 3,257,144	\$ 1,428,335	\$ 1,828,809
	Asia	\$ 20,000	\$ 20,000	\$ -
	Philippines	\$ 2,209,346	\$ 1,577,531	\$ 631,814
	Vietnam	\$ 934,125	\$ 503,886	\$ 430,239
	Indonesia	\$ 2,091,684	\$ 1,317,588	\$ 774,097
	Laos	\$ 376,344	\$ 163,526	\$ 212,818
	SE Asia	\$ 69,776	\$ 25,000	\$ 44,776
	Thailand	\$ 3,913,434	\$ 880,161	\$ 3,033,273
	Timor-Leste	\$ 2,060,897	\$ 1,153,290	\$ 907,607
South East Asia		29.5% \$ 15,866,421	\$ 8,002,988	\$ 7,863,433
	Nepal	\$ 2,200,971	\$ 705,896	\$ 1,495,075
	Bangladesh	\$ 2,338,225	\$ 1,369,401	\$ 968,824
	Afghanistan	\$ 150,000	\$ 150,000	\$ -
	India	\$ 1,482,300	\$ 773,453	\$ 708,846
	Sri Lanka	\$ 586,498	\$ 388,489	\$ 198,009
	Pakistan	\$ 125,000	\$ 125,000	\$ -
South Asia		12.8% \$ 6,882,994	\$ 3,512,240	\$ 3,370,754
	China	\$ 203,817	\$ 126,370	\$ 77,447
	Japan	\$ 207,038	\$ 207,038	\$ -
	North Korea	\$ 10,000	\$ 10,000	\$ -
	Mongolia	\$ 392,382	\$ 236,519	\$ 155,863
North Asia		1.5% \$ 813,236	\$ 579,927	\$ 233,310
	Palestine	\$ 355,079	\$ 123,411	\$ 231,668
	Iraq	\$ 48,289	\$ 48,289	\$ -
	Israel	\$ 27,478	\$ 27,478	\$ -
Middle East		0.8% \$ 430,846	\$ 199,178	\$ 231,668
	Bolivia	\$ 356,114	\$ 82,543	\$ 273,571
	Peru	\$ 140,514	\$ 43,198	\$ 97,316
	Brazil	\$ 49,247	\$ 49,247	\$ -
	El Salvador	\$ 120,793	\$ 20,132	\$ 100,661
	Latin America Regional	\$ 10,325	\$ -	\$ 10,325
South America		1.3% \$ 676,992	\$ 195,120	\$ 481,872
	Ethiopia	\$ 693,895	\$ 220,141	\$ 473,754
	Malawi	\$ 1,079,923	\$ 602,697	\$ 477,226
	Kenya	\$ 2,598,447	\$ 1,714,687	\$ 883,759
	Tanzania	\$ 439,674	\$ 291,497	\$ 148,177
	South Africa	\$ 282,063	\$ 112,543	\$ 169,520
	Ghana	\$ 39,380	\$ 39,380	\$ -
	Zambia	\$ 936,771	\$ 861,476	\$ 75,295
	Zimbabwe	\$ 1,473,182	\$ 725,603	\$ 747,579
	Lesotho	\$ 70,121	\$ 11,687	\$ 58,434
	Sudan	\$ 1,003,051	\$ 1,003,051	\$ -
	Uganda	\$ 1,679,187	\$ 1,204,085	\$ 475,102
	South Sudan	\$ 141,395	\$ 141,395	\$ -
	Democratic Republic of Congo	\$ 277,630	\$ 163,373	\$ 114,257
	Mozambique	\$ 539,384	\$ 157,948	\$ 381,436
	Burundi	\$ 371,000	\$ 266,000	\$ 105,000
	Africa	\$ 1,108,222	\$ 196,890	\$ 911,332
Africa		23.6% \$ 12,733,325	\$ 7,712,452	\$ 5,020,873
	Vanuatu	\$ 1,625,995	\$ 628,482	\$ 997,514
	Samoa	\$ 93,312	\$ 93,312	\$ -
	Solomon Islands	\$ 1,850,902	\$ 874,007	\$ 976,895
	Fiji	\$ 740,812	\$ 394,119	\$ 346,693
	PNG	\$ 9,463,641	\$ 1,290,974	\$ 8,172,667
	Pacific	\$ 747,252	\$ 298,559	\$ 448,694
	Tonga	\$ 34,516	\$ 34,516	\$ -
Pacific		27.0% \$ 14,556,430	\$ 3,613,968	\$ 10,942,463
	Australia	\$ 1,263,540	\$ 1,229,239	\$ 34,301
Australia		2.3% \$ 1,263,540	\$ 1,229,239	\$ 34,301
	Global	\$ 630,361	\$ 508,351	\$ 122,010
Global		1.2% \$ 630,361	\$ 508,351	\$ 122,010
	<b>Total</b>	<b>\$ 53,854,146</b>	<b>\$ 25,553,462</b>	<b>\$ 28,300,683</b>

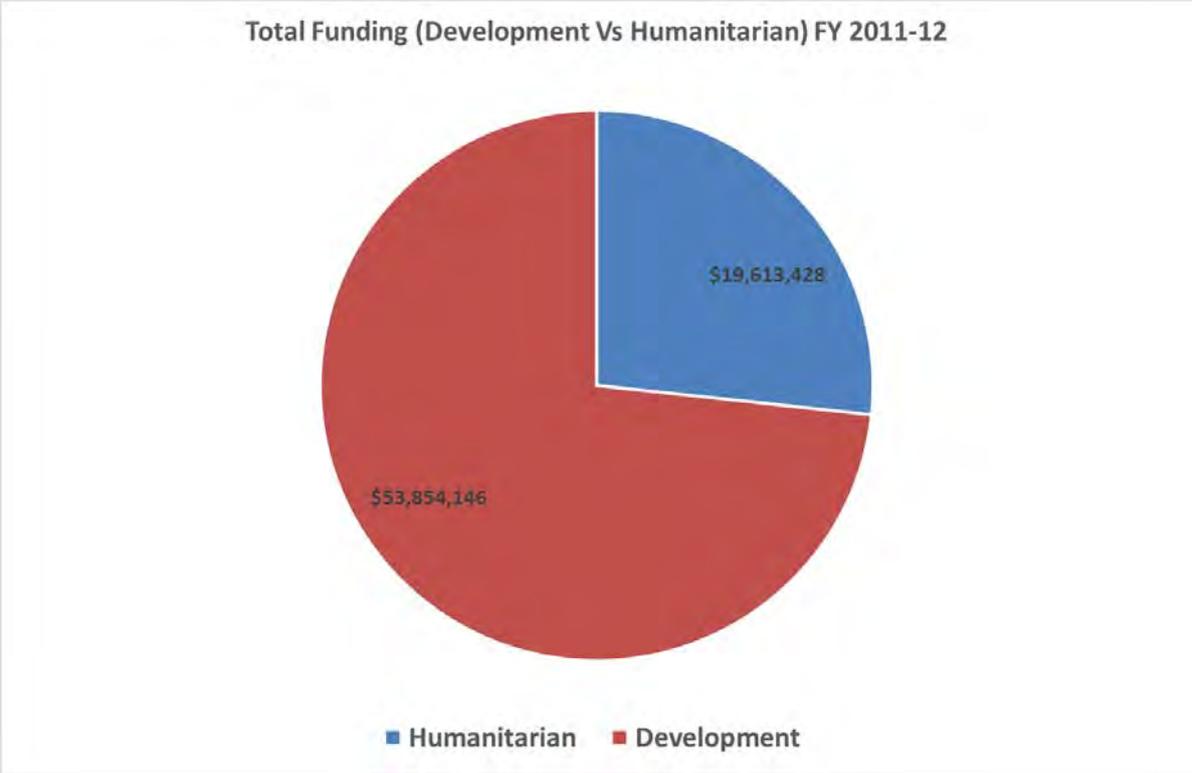
**ANNEX 2: Total Australian NGO CAN Development funding by DFAT & Private by region FY 11/12**



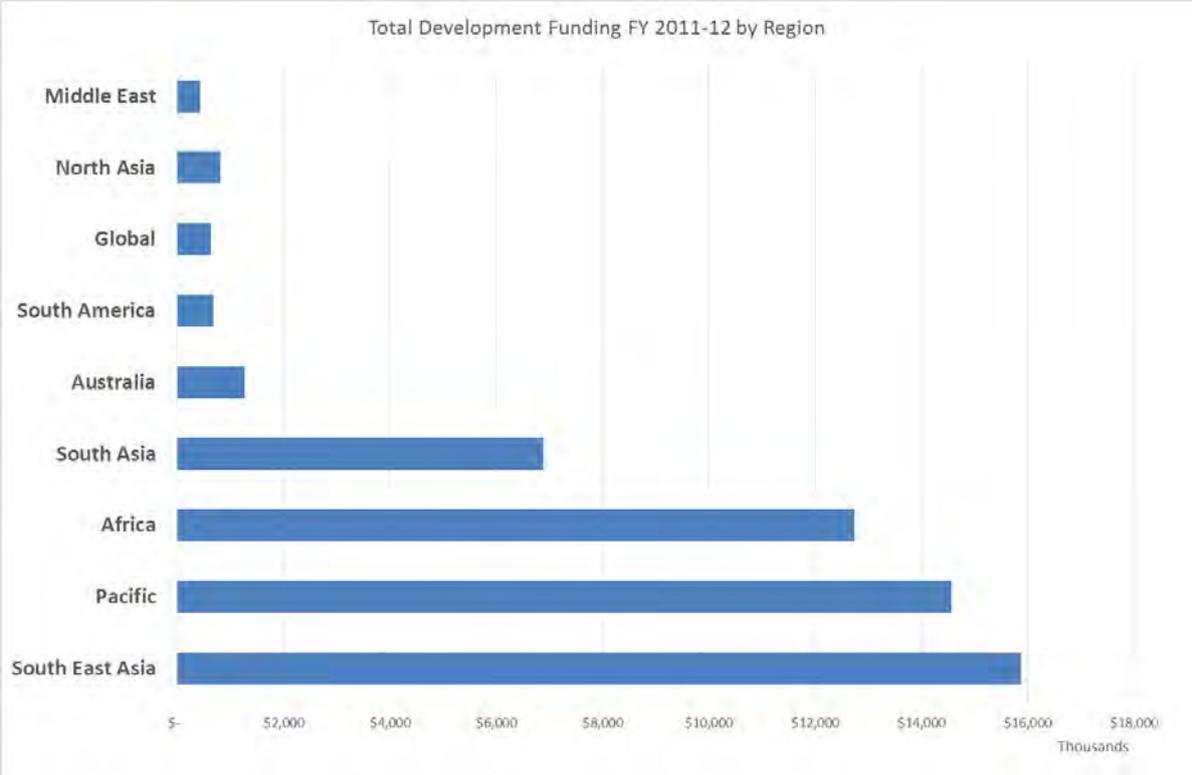
**ANNEX 3: Total Australian NGO CAN Development Funding by Source FY 11/12**



**ANNEX 4: Total Australian NGO CAN funding FY 11/12 with breakdown by Development and Humanitarian**



**ANNEX 5: Total Australian NGO CAN Development funding by Region FY 11/12**



## ANNEX 6: Examples of Church Agencies Network Achievements

Below are some specific examples of the achievements of the Australian Church agencies in delivering effective aid:

### Example 1: Building Strong Governance and improving service delivery in the Pacific

The Australian Government funded Church Partnership Program (CPP) has existed in Papua New Guinea (PNG) since 2004 and is currently implementing Phase II of its program design.

The mission of CPP is to empower individual and collective Church networks to contribute to the improvement of wellbeing among men, women, girls and boys in PNG and especially those in the marginalised rural sectors to help build a more robust and vibrant civil society in PNG.

Churches in PNG are recognised by the PNG Government as critical actors in influencing, building and sustaining civil society and essential services. The Churches currently deliver a substantial portion of national health and education services in PNG, as well as acting in a wide variety of ways to promote local participation in development.

The CPP has demonstrated that change in service effectiveness and development capacity is achievable when it is delivered in the appropriate holistic context and timetable. By partnering together the Churches deliver services with more tangible impact on the communities than individually.

PNG Churches and their Australian partner agencies work within a spirit of collaboration based on shared principles and values. By working together, individual Churches are more effective. They seek greater sharing in their approach to development and adapt their own programs based on shared learning and reflection. Results of the program occur in the three outcome areas of institutional strengthening, improved service delivery and improving governance.

An example of this is that in 2012-13 the contribution made to this program by **Caritas** alone resulted in 60,000 people accessing HIV and STI testing in remote areas. These results come from activities implemented individually and jointly. The overall impact of the program is seen in the contribution made by the churches to the wellbeing of men, women, boys and girls particularly in rural and remote areas of PNG through such programs as women's empowerment, disability inclusion, peacebuilding, micro-finance, financial literacy for women, health and education.

In 2013, CPP initiated a program in the Hela region, creating an advocacy group through the Hela Council of Churches, to ensure people in the region, particularly landowners, benefit from the Liquefied Natural Gas project set to bring in billions of Kina in revenue in the next 20 years and hold duty bearers and stakeholders to account in the provision of basic services in one of the poorest and most violent regions of PNG. All of these programs and services are understood in terms of reducing poverty and promoting 'integral human development' as stated in the Constitution of PNG.



### Example 2: Building Strong Civil Society in China

**Anglican Board of Mission** has been using public donor and Australian aid funds to work in China with Amity Foundation, a large Christian ecumenical social service organisation, on small-scale community-level health projects.

A key feature of these projects is that they involve partnerships with local government, and are aimed at particularly marginalised groups such as women from ethnic minorities and people living with HIV and AIDS. Here Australian aid, in



Photo: Anglican Board of Mission

making a small contribution to a large and effective Chinese civil society organisation, has provided an entry point to supporting more participatory governance at community level. Furthermore, the value of people to people links between Australia and an important trading partner cannot be over-emphasised.

### Example 3: Building back better after natural disasters strike

Church communities have a long history of rapidly mobilising broad based support in Australia for crises around the globe. As Church agency networks are on the ground before, during and after emergencies, they do not have to parachute in to respond. Rather they enable communities to build resilience to crises and to move as quickly as possible into recovery and rehabilitation phases, building back better and more independently than before.

Typhoon Haiyan in the Philippines is a timely example of the power of the universal network of churches. For example, six Australian CAN members (**Caritas, Australian Lutheran World Service, Adventist Development & Relief Agency, Anglican Board of Mission, UnitingWorld, and Transform Aid International**) have mobilised Over \$A8.5 million since the disaster struck in November, enabling over 1.5 million people in the most affected areas to begin to get back on their feet again.



Photo: ADRA Australia

In 2011, Australian Church agencies were heavily involved in the unfolding crisis in the Horn of Africa. Millions of dollars had already been raised from the public before the AusAID 'Dollar-for-Dollar' initiative was implemented in October 2011. During this six-week matching period alone, an approximately \$A4.6 million was generated by nine Church agencies through supporters in Australia (including schools, parishes, community groups) and most of this was matched dollar for dollar by the Australian Government. These funds allowed both the immediate needs and early recovery activities for an additional one million people to be met.

Contributions from the Government of Australia, combined with donations from Australian supporters, leverage a much greater impact through the existing presence and capacity of the local Church. A total of more than 1.13 million people were reached by CAN members during this emergency.

#### **Example 4: Supporting community-based strengths and sustainability in Mozambique**

Anglican Overseas Aid's work in Mozambique with the Diocese of Niassa is helping create community peer education groups called '*Equipas de Vida*' ('Teams of Life').

Although the *Equipa* teams started work on HIV awareness and prevention to save lives, a wonderful part of the program is that it has expanded to help the whole community.



Photo: Anglican Overseas Aid

Alegria, one of the peer educators, explains: "We started to see that older people had lost their strength to do activities and the *equipa de vidas* can do something significant for these people. If we visited the house of an old person and saw that it was dirty we would clean it. If their toilet or bathroom was falling down, we would build a new one. Sometimes we would carry water if this was a long way from their home."

'*Adeptos*' (health extension workers at the Diocese) now also not only train *equipa de vidas* in HIV prevention but also in nutrition and agriculture as there are food shortages and poor nutrition is very common. Alegria says she has seen big changes in peoples' attitudes which is very encouraging.

"The program works so well because we live in the community itself. Many times the chief of the community is a member of the *Equipa* team. That strengthens the team and gives a lot of incentive to the community," says Alegria.

#### **Example 5: Bringing light to their business skills and strengthening community**

Anglican Overseas Aid has also helped Mothers' Union members in the Solomon Islands to learn business skills which they have put into practice through selling lights, as well as learning maintenance and installation skills to help their customers.

The profit generated from the business has enabled the work of the Mothers' Union in helping women throughout the province. And for the customers, as Edna Sitai, leader of the group has observed, solar is making life easier for rural families. Solar lighting means savings can be spent on things the family needs. The lights are much brighter; children are able to do their school work during the night and there is light to prepare the family meal. Another customer tells how she only took two weeks to save for a larger system, raising the money through marketing food.

"If you are really committed and if you really need it, it can happen. It only took me two weeks to do marketing and pay off the solar". This is important in "cutting down the hand-out [welfare] mentality", "and teaching families about being self-reliant".

The profits from group sales pay for repairs such as the roof of the Mothers' Union Hall which also houses the project and where meetings are held. This is important for the multiple village based groups throughout Makira, to provide a space for women to meet and support each other. And

through selling and fixing new solar technologies themselves, these women are challenging gender roles in Makira.

### Example 6: Developing the local economy to eradicate poverty in Nepal

This project, managed by **ADRA**, improves the economic status of families in the project implementation districts of Kapilvastu, Palpa and Rupandehi - where over 300,000 people live in poverty - by addressing the needs of women's groups and provide them with sufficient vocational and marketing knowledge to create a sustainable livelihood through value-chain based income generation activities.



Local Women's Groups are enhanced through:

- Entrepreneurship education (EE) classes for savings group participants to increase knowledge in existing vocational trades, marketing principles and methods, basic production processes, value chain processes, etc.
- Micro-enterprise training provided to selected EE participants
- Vocational training on agro-based activities such as; vegetable farming, turmeric farming, ginger farming, goat keeping, food processing and poultry farming

In the first year of operation, the project directly impacted 2,109 women and indirectly impacted over 40,000 people. Entrepreneurship education classes were provided to over 1,800 women who went on to implement sixty mini-projects in their respective communities including vegetable and poultry farms which are now earning additional income for their families.

Women have been trained in agro-livestock based vocations including goat keeping, vegetable farming and food processing. Participants have developed new skills like making mineral blocks and making milk from soya-beans. Some have also started selling their products for additional income.

### Example 7: Protection: assisting communities to build lawful approaches to personal safety and security

In 2009, with the support of an (then) AusAID grant through **Caritas Australia**, CAN agencies worked together to prepare a 'protection toolkit', to then provide training to staff and to some partner agencies.

One goal of this project was to strengthen our ability to adopt a 'protection lens' in our work – to support our partners to realise their own rights and responsibilities as afforded by human rights law, international humanitarian law and refugee law, and to take action accordingly.

Under the protection mandate, CAN agencies understand that the achievement of physical, economic, social and psychological security is essential in poverty reduction, and that voice of civil society actors in achieving this reform is essential if it is going to be respectful, appropriate and sustainable.

Since this program was completed, several CAN agencies have conducted protection training for partners in the field, and engaged in specific protection project work. **Act for Peace** is delivering an ongoing series of protection training for partners, in the last few years covering partnerships in Sri

Lanka, India, Fiji, Tonga, the Solomon Islands, Vanuatu, Zimbabwe, in Nairobi (joint training for partners in the Horn of Africa region), and in Bangkok for partners in the South East Asia Region.

**Act for Peace** mainstreams protection in all programs. We also engage in specific protection focused programs, for example, for the last five years **Act for Peace** has had a program with partner the Myanmar Council of Churches, educating civil society actors in their understanding of international human rights mechanisms to which the Government of Myanmar is a signatory, as well as domestic legislation, and supporting those actors to address human rights abuses raised to their attention.



The program has reported ongoing success in supporting individual citizens to reclaim land confiscated by government or private sector players, advocating for the successful release of child soldiers, assisting in the release of children involved in hazardous child labour and for women and girls involved in trafficking. In picture above you can see a participant community organiser from Myanmar with members of her community.

The program has reported ongoing success in supporting individual citizens reclaim land stolen by government or private sector players, achieve redress when prices offered for local produce are reduced by purchasing agencies, advocated for the successful release of child soldiers, for the release of minors involved in slave labour and for women and girls involved in trafficking.

### **Example 8: Disaster Risk Resilience: assisting communities to prepare for disaster – to save lives**

Since 2007 **Act for Peace** has been working with other CAN members and local church partners to support Pacific Island communities in Tonga, Fiji, Vanuatu and the Solomon Islands to prepare for natural disasters.

Our programs (funded by DFAT and USAID) have assisted over 500 communities establish Village Emergency Committees (VECs) and Village Emergency Plans, and are now providing small grants to vulnerable communities to address gaps in their preparedness for disaster through establishment of village water supply, retrofitting of evacuation centres, small reforestation projects and the like.



Not only have these programs contributed to the saving of lives in recent disasters (in response to TC Ian which hit Tonga in early January, VECs mobilised communities to prepare for the cyclone to hit by cutting down trees and gathering in the evacuation centres; the VECs then assisted emergency services with rapid assessments), the programs have also contributed to local understanding of the impact of natural disaster on livelihoods and health.

**Alistair Gee**, Executive Director  
Act For Peace



**John Gilmore**, Executive Director  
Global Mission Partners



**Mark Webster**, Chief Executive Officer  
Adventist Development and Relief Agency Australia



**Jackie Perkins**, Executive Administrator  
Quaker Service Australia



**Rev John Deane**, Executive Director  
Anglican Board of Mission - Australia



**Colonel Richard Munn**, Chief Secretary  
The Salvation Army Australia Eastern Territory



**Rev Bob Mitchell**, Chief Executive Officer  
Anglican Overseas Aid



**John Hickey**, Chief Executive Officer  
Transform Aid International



**Transform Aid**  
INTERNATIONAL  
For a world without poverty

**Chey Mattner**, Executive Director  
Australian Lutheran World Service



**Rev Dr Kerry Enright**, National Director  
UnitingWorld



**Paul O'Callaghan**, Chief Executive Officer  
Caritas Australia

