

WORLD VISION AUSTRALIA SUBMISSION

NEW INTERNATIONAL DEVELOPMENT POLICY

HOLDING THE UN ACCOUNTABLE

THE 'SPRAY AND PRAY' APPROACH TO AID DELIVERY MUST END

Almost \$1bn of Australian taxpayer aid to global multilaterals cannot be properly tracked

“Brand Australia” has nose-dived because funds directed to multilaterals like the UN are falling into a ‘black hole’

Almost half of Australia’s aid is currently directed to global multilaterals like the UN

Funds to UN agencies are ranked the lowest in effectiveness by DFAT themselves

The UN must be held to the same standards of budget accountability & management as NGOs

REFLECTING THE VALUES OF AUSTRALIANS

UNIQUELY AUSTRALIAN IN ORIGIN, CAPABILITY AND SPIRIT

This is NOT a sectarian debate, this is about the most basic facts of transparency

Australians want to see their aid program as impactful and effective- proudly badged with the Australian kangaroo

Australia can’t compete in a ‘bricks and mortar’ race with larger economies

Our unique value lies in supporting people – building the skills & capabilities that matter most to local people

CUSTOMER-FOCUSED AID

PUTTING THE CUSTOMER IN THE DRIVER’S SEAT

Beneficiaries must have a greater say in where aid dollars are spent

If we can rate Uber, Amazon and Netflix, why can’t the poor rate us (spoiler alert, they can)

Aid must NOT be oriented around the delivery mechanism

Funding should be delivered through the most effective partners and linked back to actual performance and feedback to incentivise success

AN AID POLICY FIT FOR THE TIMES

FRAGILE IS THE NEW POVERTY

50 states are fragile, 45 countries are on the brink of famine

We need to embrace solutions that last - climate-friendly pathways to prosperity that protect communities from the scourge of drought

Scaling-up proven restoration techniques to tackle climate change that are unashamedly Australian led and deliver results, like FMNR

Whilst working closely with our regional friends, globally, we must be more child-focused and leave nobody behind

1) Plugging the UN accountability ‘black hole’

We must address the ‘elephant in the room’. Australia delivers 43 per cent of its aid budget through the UN and multilateral agencies. Yet we have little or no transparency into how this money is spent. This is written in DFAT’s own 2022 Budget document. Only in the past year can we – at best – break down the spending into top-line country or sector spending. Even still, almost \$1 billion cannot be properly tracked. *That is \$1 billion of Australian taxpayers’ money.*

We must stop this ‘spray and pray’ approach. Funds going into the ‘black hole’ of UN agencies are rated the lowest of the three Partner Performance Assessment (PPA) ratings undertaken on NGOs, multilaterals like the UN, and contractors, yet Australia persists in giving them the largest share. To put this in perspective, while Australia gives around one tenth (11%) of our aid budget to NGOs, comparable countries like Canada and Switzerland give around one third (26% and 38% respectively).

This is a choice. In senior level consultations held between World Vision staff and senior DFAT officials, when asked why so much of the aid budget was allocated to the UN, the answer was simply: “It’s easier.” This should not be the standard to apply in the allocation of hundreds of millions of Australian taxpayer dollars. Rather, the UN must be held to the same standards of budget accountability and management as NGOs.

In addition, funds going through for-profit contractors and conglomerates have created a vast and lucrative industry that profits from the poor. Australia should never lose track of where its aid is delivered and the purpose for which it’s spent. The Australian government’s UN agencies and multilaterals focus makes transparency and measuring performance impossible, with almost half of our aid budget going to the UN. This removes the line of sight between Australia’s aid budget and its actual impact, and divorces Australian values from its development agenda.

2) Spending Australian taxpayers’ funds wisely and reflecting their values

World Vision Australia welcomes recent additional support for the Indo-Pacific. **But it is now critical the existing aid envelope is used effectively. Australians want their taxes to be spent wisely on defining projects!**

The aid budget has capacity to be the Russian nesting dolls of the global donor world. “Brand Australia” has previously benefited from humanitarian and development aid and labour mobility programs throughout the Pacific. And our impressive people-to-people links cultivated in the Indo-Pacific through our migration program and the education sector have positioned us well. Australia can deliver excellent bang for buck. And properly directed aid is now even more critical with grim national and global economic outlooks brewing.

At a time like this it is important to increase DFAT’s internal capacity and to sharpen its focus on defining projects that increase impact and accountability. This greater capacity could fuel the creation of competitive mechanisms and a new Performance Management Framework for aid delivery. This should include the use of partner performance ratings to shift aid delivery partnership funding to the most effective organisations.

Rebuilding DFAT’s internal capacity should include a rebuilt Office for Development Effectiveness (ODE) and Independent Evaluation Committee (IEC). In an environment of increasing global

instability and humanitarian need, DFAT should renew its Humanitarian Strategy and restore the Fragility and Conflict Prevention Section to ensure aid is invested safely and effectively in disasters and fragile contexts.

We must ensure that the generosity of the Australian people achieves an impact that our regional partners can clearly identify as uniquely Australian in origin, spirit and values. And all aid investments should aim to improve the lives of those in greatest need, especially women, children and people with disability. This needs-based approach reflects Australian values of fairness and equality. It is wise stewardship of Australians' money.

3) Customer-focused aid

Australia can't compete in a 'bricks and mortar' race with larger economies. **Our unique value lies in supporting people, building the skills and capabilities that local people seek, staying the course with partners and transforming the lives of children as we address their long-term needs.**

Our connections and our solid history of regional engagement is Australia's critical but often-underappreciated strength. And beyond the Indo Pacific region, Australia is globally influential, capable of influencing for positive change at multilateral forums such as the UN, the G20, Global Alliance for Food Security (in association with the G7) and the Green Climate Fund.

World Vision believes work on global "wicked problems" like climate change and fragility must begin at beneficiary level. Our own development approach centres on partnerships and empowerment of **people** at all stages – working with local people, hearing their needs and opportunities, building ownership over projects, providing skills and capacity training. These ensure leaders are well-equipped to keep up the momentum after World Vision has left.

However, a contemporary mechanism for beneficiaries to directly rate programs and provide feedback is needed now – in much the same way that Uber passengers rate their rides. Ultimately, this will tie aid delivery more tightly to actual performance and will raise our credibility as a reliable, values-based development partner. World Vision is piloting this approach right now in Columbia for Venezuelan refugees and in the Middle East.

World Vision's own model of focused development has had a tangible impact on poverty reduction in the many communities we partner with. In the past five years, 89 per cent of the severely malnourished children we treated made a full recovery and the lives of more than 200 million vulnerable children improved. Support for a customer-focused aid delivery approach must be entrenched in Australia's new aid and development policy.

4) An aid policy fit for the times

Australia needs to embrace solutions that last - climate-friendly pathways to prosperity that protect communities from the scourge of drought and stand the test of time. World Vision's particular climate-friendly pathway called Farmer Managed Natural Regeneration (FMNR) is a model that secures both strong long-term adaptation (food security, water retention and stable incomes) and mitigation (carbon reduction) gains.

The recurring crisis of widespread food insecurity presents for a country like Australia, both a challenge and an opportunity to be part of the solution. Countries facing constant famines and fragility need more than the cycle of humanitarian relief (imperative as that is), followed by another extreme weather event and another crisis. Humanitarian relief services are completely

overwhelmed. We need to break the cycle. More relief is urgently needed, but we can't keep addressing the impacts of climate change or endemic fragility in the same way.

Key to the FMNR model is that it draws on the inherent strengths and assets of local people and local ecosystems. The dual challenge of climate change and increasing fragility gives Australia a chance to reimagine its aid and development program in a new way – one that is fit for purpose, owned by beneficiaries and actually addresses perennial issues.

Addressing poverty through economic development can no longer come at the expense of climate and related environmental concerns. While Australia is rightly reasserting itself as a leader in addressing climate change and biodiversity loss, strong, climate-friendly foundations to our aid and development should also drive equitable economic participation, as well as a fundamental commitment to child well-being. Commitment to good international citizenship should underpin the strategy too, with a particular, but not exclusive, focus on the needs of our closest neighbours.

Australia's aid and development policy must also look beyond short-term political benefits – with a particular focus on children's needs – by supporting long-term programs that tackle causes of conflict, displacement and famine, fight climate change, and reduce humanitarian need over time.

Australia has responded increasingly to acute emergencies. World Vision urged Australia to advocate for and deliver humanitarian support in affected regions. Syria, Somalia, and Ukraine are key examples and, critically, fall outside the Indo-Pacific region which is the focus of our aid and development policy. Rapid emergencies such as Ukraine are often unforeseen but can evolve into protracted crises; crises in Afghanistan and Myanmar are increasingly protracted, while the famine in the Horn of Africa is recurring and needs to be addressed more holistically and systematically.

Recent events in Myanmar and Sri Lanka have shown that Australia's entire geographic aid footprint is at risk to rising global fragility and unpredictability. Accordingly, Australian aid funding mechanisms must be fit for purpose, with particular attention to conflict sensitivity and risk-informed design, enabling programmatic flexibility and early, anticipatory action.

5) Recommendations

a) Holding the UN accountable

- i. **The UN must be held to the same standards** of budget accountability and management as NGOs.
- ii. **Rebalance aid and development funding** in line with partner performance assessments, Australian strengths, and global donor norms by increasing the proportion of funding going to NGOs and decreasing the proportion going to the UN and contractors.

b) Reflecting the values of Australians

- i. **Ensure a greater focus on Australian taxpayers' funds being spent wisely by rebuilding internal DFAT aid and development capacity to measure effectiveness**, re-establishing the Office for Development Effectiveness (ODE) and Independent Evaluation Committee (IEC), Fragility and Conflict Prevention Section, and reviewing the Humanitarian Strategy.

c) Customer-focused aid

- i. **Australia needs a ‘customer-focused’ aid program.** Beneficiaries must have a greater say in where aid dollars are spent and judging whether they are effective.
- ii. **Beneficiaries should be able to rate performance** and a new mechanism created for them to provide direct feedback, which will incentivise improved performance.

d) An aid policy fit for the times

- i. **Australia’s aid and development policy should look beyond short-term deliverables**, and instead support long-term programs that tackle causes of conflict, displacement and famine, fight climate change, and reduce humanitarian need over time.
- ii. **Support the scaling of Australian-pioneered initiatives like Farmer Managed Natural Regeneration (FMNR)** as a defining farmer-led initiative to address climate change, land degradation, and food insecurity.
- iii. **Develop a children’s strategy** to support long-term child well-being.
- iv. **Develop an integrated food security strategy** to address the causes of hunger and pilot at least three multi-year, flexible programs in hunger hotspots, even if these fall outside the Asia Pacific region.
- v. **Australia should continue to use its influence in multilateral fora** to advocate for global initiatives that tackle issues such as climate change and gender equality.