

ActionAid Australia Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into strengthening Australia's relationships with countries in the Pacific Region

June 2020

Introduction

ActionAid Australia welcomes the opportunity to make a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into strengthening Australia's relationships with countries in the Pacific Region. ActionAid Australia supports women living in poverty to stand up and claim their human rights by collectively confronting the injustices they face. In more than 45 countries, ActionAid supports women to understand their rights, reflect on the people and systems that affect them, and harness their power to act with others to change their lives and positions in society. This includes programs supported by DFAT that promote diverse Pacific women's leadership in preparing for and responding to climate change and humanitarian disasters, and influencing government policies to ensure the protection of women's rights in times of crisis.

The emergence of the coronavirus pandemic has had significant economic consequences across the Pacific region, with women and girls experiencing disproportionate impacts. To date, Pacific Island countries have been successful in preventing an outbreak of the virus, with early border closures and social distancing measures playing an important role in this success. However, the economic impacts of the lockdown measures are exacerbating existing economic instability across the region and worsening poverty and food insecurity. The heavy reliance on tourism and commodity exports has meant that Pacific economies have been hit by border closures and the drop in commodity prices. The virus has also exposed the fragility of healthcare systems across the region, which are under-resourced and ill-equipped to respond to the virus if an outbreak does occur. The coronavirus is only one of the challenges facing communities across the region, which is amongst the most vulnerable to climate change and disasters. Solomon Islands, Vanuatu, Fiji and Tonga have also faced the devastating impacts of Cyclone Harold, which hit the region at the beginning of April and led to 30 deaths and widespread destruction.

The emergence of the pandemic has reiterated the importance of Australia's relationship with Pacific Island countries and Australia has taken immediate action to support our neighbours across the Pacific to respond to the virus, including through the diversion of aid towards response efforts and the provision of medical aid including personal protective equipment. This immediate support is welcome, but without a substantial increase to Australia's aid budget this support comes at the expense of other development projects. The pandemic has also exposed the weaknesses in the global economy and raises questions about how Australia can adapt its Pacific Step-Up initiatives to ensure they reflect the priorities and needs of governments and communities across the Pacific, particularly women and girls.

SUMMARY OF RECOMMENDATIONS

Consultation with Pacific governments and civil society	Recommendation 1: The Government should ensure that Pacific governments and civil society, including women's organisations, are consulted during the design, implementation, and evaluation of all Step-Up initiatives for greatest impact
Gender Equality & Women's Rights	<p>Recommendation 2: Gender equality should remain a core goal of the Pacific Step-Up and detailed gender, human rights and environmental impact assessments should be mandatory for all Pacific Step-Up initiatives to ensure they do not have negative impacts on women and girls and that they are compatible with Australia's international obligations.</p> <p>Recommendation 3: ODA should remain central to the Government's engagement with the Pacific with 85% of ODA having gender equality as its primary or secondary objective within the next three years.</p> <p>Recommendation 4: The Government should invest in the strengthening of civil society in the Pacific to respond to emerging threats with targeted and direct core support to national civil society organisations (CSOs), including women's rights organisations, through both its development and humanitarian programming.</p>
Climate Action	<p>Recommendation 5: The Government must commit to meet its obligations under the Paris Agreement without using carryover credits. Emissions reduction targets should be increased to 45% by 2030 and zero by 2050.</p> <p>Recommendation 6: Australia should contribute its fair share of international climate finance by re-committing funding to the Green Climate Fund. ActionAid research has calculated Australia's fair contribution to be \$2.5 billion annually for 2020 (or 0.11% of GDP), rising to 6.49 billion annually (or 0.26% of GDP) in 2025.¹ Australia's climate finance contributions should be separate to ODA.</p>
Australian Infrastructure Financing Facility for the Pacific	<p>Recommendation 7: In light of the increasing risk of debt distress amongst Pacific Island nations resulting from the coronavirus pandemic and the accompanying global economic recession, the Government should reconsider the use of loans (commercial or concessional) through the Australian Infrastructure Financing Facility for the Pacific, which has the potential to compound economic insecurity in the region.</p> <p>Recommendation 8: The Government should implement a specific gender and women's empowerment strategy for infrastructure investments in the Pacific and Timor Leste including requirements for:</p>

¹ ActionAid (2015) *Mind the Adaptation Gap: Why rich countries must deliver their fair shares of adaptation finance in the new global climate deal*, https://actionaid.org/sites/default/files/mind_the_adaptation_gap_final_v2.pdf

	<ul style="list-style-type: none"> i. Gender impact assessment of all investments, including consideration of intersecting forms of discrimination such as disability, age and ethnicity and ongoing disaggregated data monitoring; ii. participation and leadership of Pacific and Timor Leste women and their organisations in design, implementation and evaluation of all investments; and iii. for all investments to be accompanied by significant investment in education, health, social services and livelihoods programs that reduce women's unpaid burden of care. <p>Recommendation 9: The Government should focus on targeted infrastructure investments that drive gender transformative change including, but not limited to: climate resilient and gender responsive transport systems; gender responsive public services such as schools, health centres; and gender responsive urban infrastructure to make cities safer for women.</p> <p>Recommendation 10: The Government should <u>exclude</u> all investments in fossil fuels and related infrastructure in the Pacific and Timor Leste due to the disproportional environmental and social impact on women.</p> <p>Recommendation 11: At a minimum, the Government should ensure <u>all</u> infrastructure investments are designed to respond to the projected impacts of climate change and meet DFAT's Environmental and Social Safeguards Policy for the Aid Program (2019).</p>
Pacific Agreement on Closer Economic Relations (PACER) Plus	<p>Recommendation 12: The Government should not proceed with implementation of PACER Plus and seek to renegotiate trading partnerships in the region that promote gender equality and positive environmental and development outcomes, alongside trade and investment objectives.</p> <p>Recommendation 13: The Government should resource a full gender impact assessment in each of the Pacific Island countries that is party to an agreement, including formal consultation with national women's organisations to ensure trading arrangements equitably benefit women and manage potential barriers and impediments facing women. This assessment should be supported by the trade budget and not the existing official development assistance budget.</p>
Pacific Extractive Industries Transparency and Governance	<p>Recommendation 14: The Government should continue to support the EITI and invest in other EI governance activities to help Pacific Island development partners achieve the SDGs. The Government should also support initiatives that enable gender equality to be strengthened into EITI processes and extractive governance frameworks.</p>

1. Pacific Step-Up initiatives must reflect the priority of the governments and people of Pacific island countries.

1.1. Increase consultations with Pacific governments and communities

The Pacific Step-Up has provided an opportunity for Australia to strengthen its relationship with our neighbours in the Pacific and to work in partnership with Pacific governments and communities to achieve the Sustainable Development Goals (SDGs). However, for this potential to be fully realised the existing Pacific Step-Up initiatives must reflect the priorities and development needs of Pacific Governments and communities, particularly women and girls.

Recent research by the Whitlam Institute in Fiji, Solomon Islands and Vanuatu found that Pacific communities see the Pacific Step-Up as a unilateral initiative rather than a partnership, and reinforced the need for Australia to increase consultation with diverse stakeholders to ensure that Step-Up initiatives reflect the priorities and needs of communities.² To do this the Government must listen to Pacific voices and take on board Pacific perspectives and priorities. Consultation with Pacific Governments and civil society, including women's organisations, is essential to ensure the Step-up meets community needs and is underpinned by local knowledge and expertise. The Government is also encouraged to acknowledge that urgent climate action is central to strengthening Australia's relationship with Pacific Island countries and that any genuine partnership requires Australia to increase its domestic action to reduce greenhouse emissions and regional support for climate change adaptation.

Recommendation 1: The Government should ensure that Pacific governments and civil society, including women's organisations, are consulted during the design, implementation, and evaluation of all Step-Up initiatives for greatest impact

1.2. Prioritise women's rights and gender equality

Australia has a strong record of supporting gender equality across the Pacific region, particularly in relation to the Aid Program. DFAT's *Gender Equality and Women's Empowerment Strategy* has committed to advancing equality and economic empowerment for women across all aspects of Australia's foreign policy, including its trade and aid programs.³ Supporting the empowerment of women and girls is a cornerstone of Australia's engagement in our region, and DFAT, under the previous Aid Performance Framework, had committed to a target of 80 percent of all investments to "effectively address gender issues in their implementation."⁴ Australia is also a signatory to several international agreements that promote women's rights and gender equality, including the UN Convention on the Elimination of All Forms of Discrimination against Women (1979) and the Sustainable Development Goals (2015).

Australia's focus on gender equality and women's empowerment within the Pacific is welcome. The region has some of the highest per capita rates of gender inequality in the world, including high rates of violence against women, continuing barriers to economic participation and empowerment⁵ and women's exclusion and marginalisation in political leadership and decision-making processes.⁶ Pacific women are also on the frontline of the climate crisis, with rising temperatures increasing the

² The Whitlam Institute (2020) *Pacific Perspectives on the World: Listening to Australia's island neighbours in order to build strong, respectful and sustainable relationships*, <https://www.whitlam.org/publications/2020/2/13/pacific-perspectives-on-the-world>

³ DFAT (2016), *Gender Equality and Women's Empowerment Strategy*, <http://dfat.gov.au/about-us/publications/documents/gender-equality-and-womens-empowerment-strategy.pdf>

⁴ Ibid

⁵ Asian Development Bank (2016) *Gender Statistics: The Pacific and Timor Leste*, <https://www.adb.org/sites/default/files/publication/181270/gender-statistics-pacific-tim.pdf>

⁶ Inter-Parliamentary Union (2020) *Percentage of women in national parliaments*, <https://data.ipu.org/women-ranking?month=5&year=2020>

number and severity of disasters, worsening food insecurity and compounding existing gender inequalities. The emergence of the coronavirus means that Pacific women and girls are now facing the triple threat of the health and economic impacts of the pandemic and the worsening impacts of climate change, which is deepening gender inequality.

In light of this, ActionAid is calling on the Government to increase its consideration of the gender impacts of all Pacific Step-Up initiatives, including their potential undermine women's rights. There is a strong need for policy coherence to ensure that gains made in gender equality through targeted aid investments are not undermined by trade and infrastructure initiatives that prioritise economic imperatives and national interest at the expense of women's rights;⁷ and that have the potential to worsen climate change with devastating consequences for women and girls across the region.

Recommendation 2: *Gender equality should remain a core goal of the Pacific Step-Up and detailed gender, human rights and environmental impact assessments should be mandatory for all Pacific Step-Up initiatives to ensure they do not have negative impacts on women and girls and that they are compatible with Australia's international obligations.*

Recommendation 3: *ODA should remain central to the Government's engagement with the Pacific with 85% of ODA having gender equality as its primary or secondary objective within the next three years.*

Recommendation 4: *The Government should invest in the strengthening of civil society in the Pacific to respond to emerging threats with targeted and direct core support to national civil society organisations (CSOs), including women's rights organisations, through both its development and humanitarian programming.*

The Coronavirus and Women's Rights

The emergence of the coronavirus means that Pacific women and girls are now facing the triple threat of the health and economic impacts of the pandemic, the worsening impacts of climate change, which is deepening poverty and gender inequality. Women and girls are disproportionately impacted by the pandemic, which is exacerbating existing inequalities and undermining their human rights:

- **Women and girls face an increased risk of infection** - women make up 70% of workers in the health and social sectors globally and are on the frontline of the response to the COVID-19 crisis, which increases their risk of infection. According to World Health Organisation (WHO) estimates, at least 90,000 healthcare workers have already been infected with COVID-19 across the world.⁸ Global shortages in testing kits and personal protective equipment (PPE) is increasing the risk for women workers in developing countries.

Gender roles also see women caring for sick family members, particularly in countries with inadequate public services. This increases women's exposure to the virus, which is compounded in communities without access to running water or basic hygiene and sanitation where they are unable to take prevention measures such as regular hand washing.

⁷ See analysis from the Pacific Network on Globalisation on the PACER-Plus agreement - Defending Pacific Ways of Life: A Peoples Social Impact Assessment of PACER-Plus, <http://www.pang.org.fj/media/PANG%20Trade%20Documents/For%20Upload/8>; See also Kate Lappin and Michelle Higelin, Regional Comprehensive Economic Partnership spells danger for 1.1 billion women, <https://johnmenadue.com/kate-lappin-and-michelle-higelin-regional-comprehensive-economic-partnership-spells-danger-for-1-1-billion-women/>

⁸ Mantovani, C (2020) *Over 90,000 health workers infected with COVID-19 worldwide: nurses group*, Reuters, 6 May, <https://www.reuters.com/article/us-health-coronavirus-nurses/over-90000-health-workers-infected-with-covid-19-worldwide-nurses-group-idUSKBN2211XH>

- **Women and girls lack access to gender-responsive healthcare** – gender discrimination means that women have less access to healthcare than men, with the lack of availability of gender-responsive health services worsening the situation for women.⁹ COVID-19 is increasing pressure on already under-resourced healthcare systems, with women from vulnerable and marginalised communities least able to afford medical treatment. The diversion of funding towards the coronavirus response also means that women miss out on healthcare for other vital health needs, including maternal and reproductive healthcare services.
- **Increase in women's unpaid work** - Pacific women perform 80% of unpaid care work¹⁰ and this work is increasing due to the closure of education and child-care facilities. Women's domestic responsibilities are also increasing due to increased food insecurity and sanitation needs and women are spending more time sourcing food and collecting water.
- **Worsening violence against women**- the Pacific already has some of the highest rates of violence against women and girls in the world and there is emerging evidence that violence has increased since social distancing measures have been implemented.¹¹ The closure of social support services in some countries has also meant that women and girls facing violence are less able to access vital justice and support services.
- **Increase in women's economic insecurity and poverty** - Women and girls are amongst the most impacted by the economic impacts of lockdowns across the Pacific due to their concentration in low-wage and insecure work, particularly in the agriculture sector and tourism industry, and their exclusion from government response programs. Women who work as carers, vendors, farmers, fishers and daily wage earners are facing income losses and without access to paid leave or government social protection programs their livelihoods are under threat and they are experiencing increased food and income insecurity.

1.3. Prioritise climate action

The Pacific region has been identified as one of the most vulnerable to the impacts of climate change, with rising temperatures impacting food security, alongside the devastation caused by more frequent and severe disasters, and the existential threat of rising sea levels. Pacific governments and communities have consistently identified climate change as the biggest security threat to the regio.¹²

The Pacific Step-Up's focus on climate resilience is welcome, as is the Department of Foreign Affairs and Trade's Climate Change Action Strategy, which commits to "provide specific and targeted climate change programs that support transition to lower-emissions, more climate resilient communities with better sustainable development outcomes"¹³ and to "integrate climate change action across Australia's development assistance program."¹⁴ However, the Government's decision to stop contributing to the Green Climate Fund has meant that developing countries are left with fewer resources to reduce emissions and undertake vital adaptation and mitigation measures. The

⁹ ActionAid, 2020, Who Cares For the Future: Finance Gender Responsive Public Services!, pp 17-20, <https://actionaid.org/sites/default/files/publications/final%20who%20cares%20report.pdf>

¹⁰ International Labour Office (2018) *Care work and care jobs for the future of decent work*, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf

¹¹ Radio National New Zealand (2020) *Fiji records increase in domestic violence cases during Covid-19 lockdowns*, 5 May, <https://www.rnz.co.nz/international/pacific-news/415881/fiji-records-increase-in-domestic-violence-cases-during-covid-19-lockdowns>

¹² Pacific Islands Forum (2018) Boe Declaration on Regional Security, <https://www.forumsec.org/boe-declaration-on-regional-security/>

¹³ Government of Australia (2019) Department of Foreign Affairs and Trade - Climate Change Action Strategy, <https://www.dfat.gov.au/sites/default/files/climate-change-action-strategy.pdf>

¹⁴ Ibid

Fund has been an important source of funding for Pacific Island Countries, meaning that the Government's decision has compromised our standing in the region and has potential security implications as countries are less prepared and resilient to respond to worsening climate change. Climate finance should be recognised as a core component of Australia's Step-Up initiatives and Australia should re-commit its fair share of funding to the Green Climate Fund. This should include greater investment and commitment to resourcing women's organisations to participate in climate change planning, including development of national climate change adaptation plans, bringing their localised knowledge and ensuring more gender-inclusive and responsive approaches.

The integration of climate change action into Australia's aid initiatives must also be matched by domestic climate action in line with Australia's obligations under the Paris Agreement. Australia is the biggest emitter of greenhouse gases in the region and has faced criticism from Pacific Island countries for lagging behind on climate action. Australia contributes 1.4 percent of the world's greenhouse gas emissions. However, this rises to 5 percent when fossil fuels exports are also accounted for.¹⁵ It also significantly increases when the operations of Australian owned companies in developing countries are taken into consideration; research by ActionAid Australia found that these operational fossil fuel projects in 2017 have reserves equivalent to 2.4 billion tonnes of carbon emissions. This is close to 5 times Australia's current annual greenhouse gas emissions.¹⁶ By 2018, this had increased by 13%, with operational fossil fuel projects of ASX listed companies overseas having the potential to cause almost 2.8 billion tonnes of carbon emissions.¹⁷ ActionAid research also found that these projects have negative outcomes for women's rights. Bougainvillean academic, Dr. Ruth Saovana Spriggs detailed these impacts in July 2018, stating that:

"The Australian Government finances large-scale Extractive Industry Projects in PNG, which systematically exclude women and entrench male monopoly over decision-making and benefit flows. Women lose access to economic resources and status, increasing their vulnerability to violence."¹⁸

Australia is not on target to meet its obligations under the Paris Agreement¹⁹, and its commitment to using carry-over credits to achieve already inadequate emission reduction targets has been met with criticism from our Pacific neighbours²⁰ and globally.²¹ The Government has now flagged its interest in a "gas-fired recovery" to the coronavirus, which would further undermine Australia's ability to achieve our climate targets.²² A fossil-fuel led recovery would also represent a missed opportunity to

¹⁵ Climate Analytics (2019), Evaluating the significance of Australia's global fossil fuel carbon footprint, Available at: https://d3n8a8pro7vhnmx.cloudfront.net/auscon/pages/16166/attachments/original/1562469729/FINAL_Carbon_footprint_report_Formatted.pdf?1562469729

¹⁶ ActionAid Australia (2018), Undermining Women's Rights: Australia's Global Fossil Fuel Footprint, Available at: <https://actionaid.org.au/wp-content/uploads/2018/08/Undermining-Womens-Rights-Australias-global-fossil-fuel-footprint.pdf>

¹⁷ ActionAid Australia (2019), Undermining Women's Rights: Digging Deeper- Australia's Expanding Global Fossil Fuel Footprint, Available at: <https://actionaid.org.au/wp-content/uploads/2019/12/UNDERMINING-WOMENS-RIGHTS-DIGGING-DEEPER-FINAL-EMAIL4.pdf>

¹⁸ ActionAid Australia (2018), Undermining Women's Rights: Australia's Global Fossil Fuel Footprint, Available at: <https://actionaid.org.au/wp-content/uploads/2018/08/Undermining-Womens-Rights-Australias-global-fossil-fuel-footprint.pdf>

¹⁹ Climate Action Tracker (2019) Australia: Country Summary, <https://climateactiontracker.org/countries/australia/current-policy-projections/>

²⁰ Morton, A (2019) *Pacific leaders plead with Australia to drop plans to carry over emissions credits*, The Guardian, 31 July, <https://www.theguardian.com/environment/2019/jul/31/pacific-leaders-plead-with-australia-to-drop-plans-to-carry-over-emissions-credits>

²¹ Morton, A (2019) *UN climate talks: Australia accused of 'cheating' and thwarting global deal*, The Guardian, 16 December, <https://www.theguardian.com/environment/2019/dec/16/un-climate-talks-australia-accused-of-cheating-and-thwarting-global-deal>

²² Morton, A (2020) *Trouble with gas: the Coalition is betting on the fossil fuel for recovery – but the sums don't add up*, The Guardian, 3 May, <https://www.theguardian.com/australia-news/2020/may/03/trouble-with-gas-the-coalition-is-betting-on-the-fossil-fuel-for-recovery-but-the-sums-dont-add-up>

use this crisis to kick-start Australia's green transition and to invest in renewable energy infrastructure and green jobs.²³ It also has implications for Australia's relationships across the Pacific, with domestic climate action recognised as a critical element of Australia's engagement in the region.

Recommendation 5: *The Government must commit to meet its obligations under the Paris Agreement without using carryover credits. Emissions reduction targets should be increased to 45% by 2030 and zero by 2050.*

Recommendation 6: *Australia should contribute its fair share of international climate finance by re-committing funding to the Green Climate Fund. ActionAid research has calculated Australia's fair contribution to be \$2.5 billion annually for 2020 (or 0.11% of GDP), rising to 6.49 billion annually (or 0.26% of GDP) in 2025.²⁴ Australia's climate finance contributions should be separate to ODA.*

2. Development objectives must underpin all Pacific Step-Up initiatives

2.1. Australian Infrastructure Financing Facility for the Pacific (AIFFP)

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) was launch in 2019, signalling the Government's intention to make infrastructure investment a key pillar of the Pacific Step-Up, through the allocation of concessional and commercial loans to governments in the Pacific. The coronavirus has exposed the significant need for investment in social infrastructure across the Pacific, including in health services, as well as for social protection. However, the crippling economic impacts of the pandemic are also worsening the economic situation for some of the world's poorest countries, leaving them with fewer resources for critical public services and social protection and more exposed to debt distress.

Six of the 15 countries eligible for AIFFP financing were already considered to be at a high level of debt distress before the emergence of the coronavirus (Kiribati, Marshall Islands, Micronesia, Samoa, Tonga, and Tuvalu), with a further three countries at a moderate level of debt distress (Papua New Guinea, Solomon Islands & Vanuatu).²⁵ Levels of debt distress are likely to worsen as economies across the Pacific continue to contract due to lockdown restrictions and the global economic recession. The need for additional resources to respond to the crisis is also leading some Pacific Island nations to request additional loans from the IMF and other sources, increasing the unsustainability of debt levels across the region.²⁶ There is a danger that the AIFFP will further heighten this debt distress, with flow-on impacts for gender equality and women's rights.

Too often the response of government to rising debt levels is to increase the privatisation of public services (including public infrastructure) or cut public spending to vital services such as health and education. This is particularly concerning at a time when additional resourcing is needed to strengthen health services and fund social protection measures. Women and girls are most severely affected when public services are diminished or out-of-reach. This can reduce their access to education, healthcare and other vital support services, with gender-responsive services including reproductive health services particularly at risk. The reduced availability and accessibility of public services also increases women's unpaid care and domestic work as they pick up the burden where

²³ Morton, A (2020) *Business, unions and green groups call for sustainable Covid-19 recovery with clean energy transition*, The Guardian, 22 May, <https://www.theguardian.com/australia-news/2020/may/22/australian-government-urged-to-back-sustainable-covid-19-recovery-with-clean-energy-transition>

²⁴ ActionAid (2015) *Mind the Adaptation Gap: Why rich countries must deliver their fair shares of adaptation finance in the new global climate deal*, https://actionaid.org/sites/default/files/mind_the_adaptation_gap_final_v2.pdf

²⁵ IMF (2020) *List of LIC DSAs for PRGT-Eligible Countries*, <https://www.imf.org/external/Pubs/ft/dsa/DSAlist.pdf>

²⁶ Dayant, A and Rajah, R (2020) *How much is too much? Covid loans for the Pacific*, The Interpreter, 16 April, <https://www.lowyinstitute.org/the-interpreter/how-much-too-much-covid-loans-pacific>

services are no longer available or unaffordable.²⁷

Recommendation 7: *In light of the increasing risk of debt distress amongst Pacific Island nations resulting from the coronavirus pandemic and the accompanying global economic recession, the Government should reconsider the use of loans (commercial or concessional) through the Australian Infrastructure Financing Facility for the Pacific, which has the potential to compound economic insecurity in the region.*

AIFFP should prioritise gender responsive infrastructure

DFAT has committed to ensuring that at least 80 per cent of investments, regardless of their objectives, should effectively address gender equality issues in their implementation under its Women's Empowerment and Gender Equality Strategy (2016). It is critical that the AIFFP considers how the proposed infrastructure investments can impact on and transform women's lives, beyond simple metrics of women's consultation and participation. Gender responsive infrastructure investment that reflects that priorities and needs of women and communities across the Pacific should also be prioritised.²⁸ Such investments can support women to:

- Reduce the unpaid care burden they experience. Women spend a disproportionately higher amount of time on unpaid care work than men. Infrastructure investments that support women to reduce this burden, including improving access to clean water sources, can address time poverty and allow women to engage in increased paid employment.
- Improve their health, and the health of their families. Supporting women to access alternative energy sources such as improved fuel sources for cooking and renewable energy can reduce air pollution and bring wider health benefits to households and communities.
- Access to markets via safe and reliable transport systems. Women's economic empowerment is often reliant on market access, which can be a challenge in the Pacific context. A reliable transport system that considers women's safety and dignity in its design can support women to overcome this barrier.

In order for infrastructure investments to have maximum impact for women, they must also be accompanied by sufficient investment in shifting gender norms and supporting the achievement of women's rights and empowerment.²⁹

Recommendation 8: *The Government should implement a specific gender and women's empowerment strategy for infrastructure investments in the Pacific and Timor Leste including requirements for:*

- iv. *Gender impact assessment of all investments, including consideration of intersecting forms of discrimination such as disability, age and ethnicity and ongoing disaggregated data monitoring;*
- v. *participation and leadership of Pacific and Timor Leste women and their organisations in design, implementation and evaluation of all investments; and*
- vi. *for all investments to be accompanied by significant investment in education, health, social services and livelihoods programs that reduce women's unpaid burden of care.*

²⁷ ActionAid, 2018, ActionAid's response to the consultation Working Group's Open Call for Input regarding the Working Group's Report on the Gender Lens to the UN Guiding Principles on Business and Human Rights, <https://www.ohchr.org/Documents/Issues/Business/Gender/ActionAid.pdf>

²⁸ ActionAid, 2019, The Power Project. Women's Economic Empowerment: An Integrated Approach <http://powerproject.actionaid.org/wp-content/uploads/2017/07/Power-flyer-internal-printing.pdf>

²⁹ Mohun and Biswas, 2016, *Infrastructure: A Game Changer for Women's Economic Empowerment: Background Paper for the UN Secretary General's High Level Panel on Women's Economic Empowerment*, <http://www.sddirect.org.uk/media/1332/icedinfrastructurefull-paper-20161130173941.pdf>

Recommendation 9: *The Government should focus on targeted infrastructure investments that drive gender transformative change including, but not limited to: climate resilient and gender responsive transport systems; gender responsive public services such as schools, health centres; and gender responsive urban infrastructure to make cities safer for women.*

AIFFP should prioritise climate resilient infrastructure and include Environmental Safeguards

DFAT's climate change Action Strategy states that "Climate change will be a key consideration for the new Facility [the AIFFP]."³⁰ Yet, ActionAid notes the proposed role of AIFFP in potentially financing Australian fossil fuel companies to expand into new fossil fuel reserves. Financing of fossil fuel projects risks further undermining emission reduction targets and goes against the spirit of the Paris Agreement. It also exposes a disconnect between the demands of Pacific Island countries and Australia's Step-Up initiatives.

Given the Pacific's strong focus on climate change and recent affirmation of the 'Blue Pacific'³¹ narrative, all infrastructure investments should be required to pass a rigorous design process that considers the projected impacts of climate change and safeguarding of the environment. This assessment should stretch beyond the technical aspects of climate resilient infrastructure to also incorporate the traditional and gender-specific aspects of the environment and how this infrastructure may have direct and indirect impacts on the way communities interact with their environment.

Recommendation 10: *The Government should exclude all investments in fossil fuels and related infrastructure in the Pacific and Timor Leste due to the disproportional environmental and social impact on women.*

Recommendation 11: *At a minimum, the Government should ensure all infrastructure investments are designed to respond to the projected impacts of climate change and meet DFAT's Environmental and Social Safeguards Policy for the Aid Program (2019).*

2.2 Pacific Agreement on Closer Economic Relations (PACER) Plus

ActionAid is concerned about the lack of policy coherence across aid and trade policy, particularly in relation to the renewed push for the ratification of the PACER Plus trade agreement, which has the potential to undermine gender equality and development gains across the region. Only 9 out of 14 Pacific Island countries are signatories to the agreement. Fiji and Papua New Guinea, which produce over 80% of Pacific Island output, did not sign-on, arguing that it did not meet their development needs. To date, Australia, New Zealand, Samoa and Kiribati are the only countries that have ratified the agreement, with an additional four countries required to ratify before it comes into effect.

The PACER Plus could negatively impact on women's rights and gender equality across a range of spheres. The reduction in trade tariffs, which are a significant source of revenue for Pacific Island countries, could reduce available resources for public services that support gender equality, such as healthcare, education, transport, and justice services. A 2007 report found that eliminating tariffs could reduce total revenue for the Cook Islands, Kiribati, Samoa, Tonga, and Vanuatu by more than 10%.³² Trade in services provisions could also facilitate the privatisation of public services, which could reduce the accessibility and affordability of services, leading to increases in women's unpaid work.³³ The agreement also has the potential to negatively impact women's livelihoods by increasing

³⁰ Government of Australia (2019) Department of Foreign Affairs and Trade - Climate Change Action Strategy, <https://www.dfat.gov.au/sites/default/files/climate-change-action-strategy.pdf>

³¹ Taylor, Dame Meg, 2019, Key note Address by Dame Meg Taylor, Secretary General "The China Alternative: Changing Regional Order in the Pacific Islands", Pacific Islands Forum Secretariat, <https://www.forumsec.org/keynote-address-by-dame-meg-taylor-secretary-general-the-china-alternative-changing-regional-order-in-the-pacific-islands/>

³² Pacific Network on Globalisation (2016), *Defending Pacific Ways of Life: A Peoples Social Impact Assessment of PACER-Plus*, http://dawnnet.org/wp-content/uploads/2017/11/defending_pacific_ways_of_life_full_report_final_2.pdf

³³ *ibid*

competition in sectors with the highest rate of women's participation, such as small holder farming and industries in their infancy such as garment manufacturing and food processing. The 2018 Joint Standing Committee on Treaties Report on the PACER Plus agreement acknowledged these concerns, noting the potential negative impacts on small and vulnerable Pacific Island economies and questioned the benefits of development assistance included within the agreement.³⁴

Recommendation 12: *The Government should not proceed with implementation of PACER Plus and seek to renegotiate trading partnerships in the region that promote gender equality and positive environmental and development outcomes, alongside trade and investment objectives.*

Recommendation 13: *The Government should resource a full gender impact assessment in each of the Pacific Island countries that is party to an agreement, including formal consultation with national women's organisations to ensure trading arrangements equitably benefit women and manage potential barriers and impediments facing women. This assessment should be supported by the trade budget and not the existing official development assistance budget.*

2.3 Pacific Extractive Industries Transparency and Governance

Despite concerns over the harmful environmental impacts of fossil fuel extraction, natural resources and extractive industries (EI) have been an importance source for economic development in Pacific Island Nations including Timor-Leste. For example, in Timor-Leste extractive revenue contributes 91% of government revenue and 36% of GDP.³⁵ In PNG, the EI contributed over 24% of GDP and around 84% of the nation's export revenue.³⁶ In these countries, which also receive large amounts of Australian Aid, EI represent a significant portion of GDP, potential and actual government revenue and comprises a large share of exports. The extraction of non-renewable resources provides these countries an important but finite source of economic development and government revenues to fund essential public services, such as schools, hospitals and clean water, which are vital to protect against COVID-19 and essential for poverty reduction. In the case of some fossil fuel projects, these governments will be faced with stranded assets in the coming years, so ensuring that benefits flow to those most in need is paramount.

Australian extractive companies have a significant presence across the Pacific. This includes 19 ASX listed companies operating projects or in exploration in PNG and Bougainville and several companies present in Timor-Leste and the Solomon Islands. Unfortunately, these resource rich countries also have large numbers of women and men living in poverty, high rates of gender and economic inequality and corruption perception rankings. Women often experience the negative impacts of mining more than men, and rarely receive the benefits that men do.³⁷ Extractive industries have also caused increased rates of conflict and gender-based violence in some instances. The gendered impacts of extractive industries are experienced differently depending on other factors, such as an individual's ethnicity, marital status, socio-economic class, religion or cultural background.

Australia has had a strong commitment to and investment in supporting natural resource governance in the Pacific. This includes supporting good governance and anti-corruption efforts through PNG's Extractive Industries Transparency Initiative³⁸ and fiscal, technical assistance and macroeconomic management of natural resources in resource rich countries Solomon Islands, PNG

³⁴ Parliament of Australia, (2018) *PACER Plus Agreement*, Joint Standing Committee on Treaties Report 179, https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/PACERPlus-Agreement/Report_179

³⁵ <https://eiti.org/timorleste>

³⁶ Government of Papua New Guinea, Gross Domestic Products - National Account 2009 – 2016, <https://www.nso.gov.pg/index.php/economics/36-gross-domestic-products>

³⁷ World Bank (2015) The gas and mining industries take on gender-based violence in Papua New Guinea, <http://blogs.worldbank.org/eastasiapacific/gas-and-mining-industries-take-gender-based-violence-papua-new-guinea>

³⁸ DFAT, Extractives sector development assistance, <https://www.dfat.gov.au/aid/topics/investment-priorities/infrastructure-trade-facilitation-international-competitiveness/extractives-sector-development-assistance/Pages/extractives-sector-development-assistance>

and Timor-Leste.³⁹ Australia's support to good governance and transparency measures across the Indo-Pacific have delivered strong results, systemic change and value for money.

In Timor-Leste, the EITI process has helped track how much of the revenue is transferred annually to Timor-Leste's budget and supports citizens to ensure accountability. The EITI is also an important tool in driving national level policy and practice change and helps citizens and civil society, including women's organisations, keep governments and companies accountable. recommends the Government continues to support the EITI and invests in other EI governance activities to help development partners achieve the SDGs.

Recommendation 14: *The Government should continue to support the EITI and invest in other EI governance activities to help Pacific Island development partners achieve the SDGs. The Government should also support initiatives that enable gender equality to be strengthened into EITI processes and extractive governance frameworks.*

ActionAid welcomes the opportunity to contribute to this inquiry. In strengthening Australia's relationships with the Pacific region, we believe there are significant opportunities to contribute to positive gender equality and development outcomes, as well as take strong climate action in response to the greatest security threat facing the region. Australia is also encouraged to ensure a greater coherence across its aid and trade policy and ensure that our national interest is balanced with the needs of the region to economically recover from the significant impacts of COVID-19. There are opportunities for Australia to improve its infrastructure investment approach, trading partnerships and contribution to improved governance and transparency in the region.

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³⁹ DFAT, Extractives sector development assistance initiatives, <https://www.dfat.gov.au/aid/topics/investment-priorities/infrastructure-trade-facilitation-international-competitiveness/extractives-sector-development-assistance/Pages/extractives-sector-development-assistance-initiatives>