

ActionAid Australia Pre-Budget Submission 2021-2022

Resourcing women's leadership through Australian development assistance

January 2021

1. Introduction

ActionAid Australia welcomes the opportunity to make a submission to Treasury on the 2021-2022 Federal Budget. ActionAid 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 collective power to change their lives and positions in society. More than 70,000 Australians support our efforts to advance economic and climate justice for women and their rights in emergencies. ActionAid has reached more than 10 million people through its efforts to respond to COVID-19 in over 40 countries, including working with women's organisations in the Pacific with the support of the Australian Aid Program.

ActionAid welcomes the Government's recent announcements of additional financial support for developing countries in the Pacific and South East Asia to respond to the health and economic impacts of COVID-19. Infection rates are continuing to surge across the world, and developing countries are being impacted the most as the pandemic drives what the United Nations terms 'three waves of crisis' with a public health pandemic, economic shock and widespread starvation converging. Australia's Vaccine Access in the Pacific and South East Asia package and COVID-19 Response Packages for the Pacific and Timor Leste and South East Asia are critical in enabling the roll-out of the COVID-19 vaccine across the Pacific and South East Asia and represent an important first step in addressing the ongoing economic fallout from this crisis.

It is critical that Australia continues to step up its support for developing countries in the 2021-22 budget. The health, social and economic impacts of the pandemic are becoming more entrenched as the crisis continues, with the World Bank now predicting that an additional 143 - 163 million people will be pushed into extreme poverty by 2021.¹ Women and girls are amongst the most impacted. Women have been disproportionately impacted by job losses due to their concentration in precarious employment. They also make up the majority of frontline health workers responding to the pandemic, and their unpaid work has magnified due to school and childcare closures and the need to care for sick family and community members. ActionAid research has also shown an alarming spike in violence against women in all regions due to lockdown measures.²

Australia should take this opportunity to build on recent COVID-19 assistance packages by committing to a 15 percent increase in Official Development Assistance (ODA) in the 2021-22 budget, with a particular focus on Least Developed Countries (LDCs) and fragile and conflict affected states that are most vulnerable to this crisis. An increase in the Australian Aid Program would enable developing country partners to respond to the immediate impacts of the pandemic, whilst also continuing to drive long-term development objectives and economic recovery. Australia should also respond to the disproportionate impacts of COVID-19 on women and girls, through targeted policies and scaled-up investment in women-led development and humanitarian responses.

¹ World Bank (2021) *Updated estimates of the impact of COVID-19 on global poverty: Looking back at 2020 and the outlook for 2021*, 11 January, <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-looking-back-2020-and-outlook-2021>

² ActionAid (2020) *Surviving Covid-19: A Women Led-response*, <https://actionaid.org.au/resources/surviving-covid-19-a-women-led-response/>

<u>Recommendations</u>	
<u>Increase Australian ODA</u>	<p>Recommendation 1: <i>The Government should commit to a 15 percent increase in ODA, bringing the 2021-22 ODA budget to approximately \$5 billion. In addition, the Government should establish a clear timetable to increase ODA to at least 0.7 percent of GNI over the next 5 years to meet its global obligations under the SDGs and ensure adequate resources are available to enable developing countries to reduce poverty and facilitate sustainable development.</i></p> <p style="padding-left: 40px;">1. <i>The Government should target its ODA investments where there is greatest need by allocating half of ODA investments to LDCs, including re-instating and increasing the portion of ODA to Africa, where 90 percent of people living in extreme poverty are expected to reside by 2030.</i></p>
	<p>Recommendation 2: <i>In light of rising debt distress in developing countries resulting from COVID-19 and the accompanying global economic recession, the Government should cease the use of loans (commercial or concessional) in its development assistance, including through the Australian Infrastructure Financing Facility for the Pacific.</i></p>
<u>Commit resources for gender equality initiatives and women’s rights organisations</u>	<p>Recommendation 3: <i>In order to identify the gendered impacts of budget investments and track funding for gender equality initiatives, the Government should return to publishing a gender responsive budget across all portfolios for the 2021-22 Budget.</i></p>
	<p>Recommendation 4: <i>Gender equality investments should remain central to Australia’s ODA, with 30 percent of all new investments having gender equality as their primary objective and 85 percent having gender equality as their primary or secondary objective.</i></p>
	<p>Recommendation 5: <i>The Government should commit to directing 5 percent of all ODA, including COVID-19 investments, to frontline women’s rights organisations in order to address the gendered impacts of the pandemic and ensure that aid investments are gender responsive.</i></p>
	<p>Recommendation 6: <i>The Government should respond to the alarming rise in gender-based violence globally by committing \$100m in ODA funding towards locally led violence against women services.</i></p>
	<p>Recommendation 7: <i>The Government should commit a minimum of \$304m over 8 years for Pacific Women Lead in order to build on the momentum established by Pacific Women and ensure that gender responsive COVID-19 response and recovery can continue into the future.</i></p> <p style="padding-left: 40px;">1. <i>The Government should allocate 20 percent of funding from Pacific Women Lead to local and national feminist organisations, movement strengthening and research.</i></p>
	<p>Recommendation 8: <i>Under the Partnerships for Recovery strategy, Australia should fund targeted initiatives that drive catalytic employment and livelihood initiatives for women working in industries most impacted by COVID-19.</i></p>

<p><u>Prioritise funding for fragile and conflict affected states</u></p>	<p>Recommendation 9: Australia should prioritise resourcing for the Women, Peace and Security Agenda by committing adequate funding towards the release and implementation of the Second National Action Plan on Women Peace and Security including targeted funding for bilateral partners and civil society.</p>
	<p>Recommendation 10: Australia should prioritise support for fragile and conflict affected States, including by reinstating funding cuts to Afghanistan and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).</p>
<p><u>Strengthen Australia’s response to climate change and expand Climate Finance Commitments</u></p>	<p>Recommendation 11: The Government must provide adequate resourcing in the 2021-22 budget to enable the realisation of ambitious carbon emission reduction targets of 45 percent by 2030 and zero by 2050.</p>
	<p>Recommendation 12: Australia should contribute its fair share of international climate finance and re-commit funding to the Green Climate Fund.</p>
	<p>Recommendation 13: The Government should commit to resourcing women’s organisations to participate in climate change policy and decision making, including the development of national climate change adaptation plans, bringing their localised knowledge and ensuring more gender-inclusive and responsive approaches.</p>

2. Develop a clear pathway to increase Australian ODA to 0.7 percent of GNI over five years

ActionAid applauds the approximately \$1.1 billion over four years in COVID-19 funding that was announced in addition to the 2020-21 aid budget. This resourcing has been a crucial first step in Australia's international response to the pandemic, bringing the total 2020-21 aid budget to approximately \$4.4 billion – a 9 percent increase from 2019-20. This additional aid funding has been critical in supporting developing countries to respond to this crisis, including by supporting vaccine access and critical economic recovery initiatives. However, with the health and economic impacts of this crisis protracting, many governments continue to lack adequate resources to fund healthcare, social protection and other critical public services. In this context, ActionAid urges the Government to take this opportunity to build on its recent COVID-19 response packages by committing to an additional 15 percent increase in ODA, bringing the 2021-22 ODA budget to approximately \$5 billion.

The Government should also establish a clear pathway to increase ODA to at least 0.7 percent of GNI over the next five years, with half of this aid allocated to the poorest LDCs.³ ActionAid is extremely concerned by the significant funding cuts to Afghanistan (35 percent reduction), the Middle East and North Africa (a 61 percent reduction) and Sub-Saharan Africa (a 48 percent reduction) in the 2020-21 aid budget. As of 2020, 46 countries were classified as LDCs by the UN ECOSOC's Committee for Development – 33 of these are in the African region, with 8 in Asia and 4 in the Pacific. The 2019 SDG Progress Report has also identified that by 2030, 90 percent of all people living in extreme poverty would be living in sub-Saharan Africa. The Government's focus on the Pacific and Southeast Asia is justified as our nearest neighbours. However, given the significant risks to LDCs as a result of intersecting health, economic and climate crises, including across the African continent, Australia also has a responsibility to ensure that countries most in need are not left behind.

In the absence of adequate levels of ODA, developing countries have been forced to take on additional loans in order to access the resources needed to respond to the pandemic. This is fuelling an already growing debt crisis, as debt service payments expand and governments are forced to divert more resources away from COVID-19 responses.⁴ In recent years, Australia has administered two loans to Papua New Guinea (in 2019 and 2020) and one to Indonesia (in 2020), as well as launching the Australian Infrastructure Financing Facility for the Pacific (in July 2019).⁵ Australia's use of loans risks heightening debt distress at a time when developing countries are already grappling with the concurrent crises of COVID-19, the economic recession, and climate change. In this context, ActionAid also encourages the Government to cease its use of bilateral loans. As a wealthy nation that ranks eighth in UNDP's Human Development Index,⁶ Australia has both the capacity and the moral obligation to respond to developing countries' growing need for resources by stepping up its ODA contributions rather than relying on loans.

Recommendation 1: *The Government should commit to a 15 percent increase in ODA, bringing the 2021-22 ODA budget to approximately \$5 billion. In addition, the Government should establish a clear timetable to increase ODA to at least 0.7 percent of GNI over the next 5 years to meet its global obligations under the SDGs and ensure adequate resources are available to enable developing countries to reduce poverty and facilitate sustainable development.*

- I. The Government should target its ODA investments where there is greatest need by allocating half of ODA investments to LDCs, including re-instating and increasing the portion*

³ SDG Target 17.2, <https://unstats.un.org/sdgs/metadata/?Text=&Goal=17&Target=17.2>

⁴ ActionAid (2020) *Who Cares for the Future: Financing Gender-Responsive Public Services*. Available at <https://actionaid.org/publications/2020/who-cares-future-finance-gender-responsive-public-services>

⁵ The Australian Government has administered two loans to Papua New Guinea (US\$ 300m in 2019 and US\$ 100m in 2020) and one loan to Indonesia of AU\$ 1.5b. The Government is also continuing to administer loans through the *Australian Infrastructure Financing Facility for the Pacific*.

⁶ UNDP (2020) *2020 Human Development Index*, <http://hdr.undp.org/en/countries/profiles/AUS>

of ODA to Africa, where 90 percent of people living in extreme poverty are expected to reside by 2030.

Recommendation 2: *In light of rising debt distress in developing countries resulting from COVID-19 and the accompanying global economic recession, the Government should cease the use of loans (commercial or concessional) in its development assistance, including through the Australian Infrastructure Financing Facility for the Pacific.*

3. Prioritise gender equality in ODA, including COVID-19 investments

Australia has a strong record of advancing gender equality internationally and has historically been a global leader in gender responsive budgeting. The Department of Foreign Affairs and Trade's (DFAT) *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. Supporting the empowerment of women and girls is a cornerstone of Australia's engagement in our region, and DFAT has up until recently been committed to a target of ensuring 80 percent of all investment in the aid program "effectively address gender issues in their implementation."⁷ However, this target has effectively been removed under the *Partnerships for Recovery* strategy.⁸

Given the disproportionate impacts that COVID-19 is having on women and girls, in addition to persistent gender inequality, it is crucial that the Government not only maintains its focus on gender equality but takes steps to build on recent progress in mainstreaming gender equality into aid investments. Gender responsive budget targets are critical in this process, and to be most effective the Government should adopt a twin-track approach that invests in stand-alone programming that has gender equality as its central objective, as well as mainstreaming gender equality outcomes across all other investments.

ActionAid urges the Government to ensure that 30 percent of all new ODA investments have gender equality as their primary objective and 85 percent have gender equality as their primary or secondary objectives. It is crucial that gender is not assumed under a broad category of social inclusion. Targeted efforts to address harmful gender norms and discrimination are essential for progress in poverty eradication and sustainable development as well as responding to the gendered impacts of COVID-19 and intersecting crises.

Recommendation 3: *In order to identify the gendered impacts of budget investments and track funding for gender equality initiatives, the Government should return to publishing a gender responsive budget across all portfolios for the 2021-22 Budget.*

Recommendation 4: *Gender equality investments should remain central to Australia's ODA, with 30 percent of all new investments having gender equality as their primary objective and 85 percent having gender equality as their primary or secondary objective.*

3.1. Commit 5 percent of ODA to local women's rights organisations

Women's rights organisations are critical for the development of gender-responsive, inclusive and effective development initiatives and humanitarian responses. These organisations have strong community networks that have a detailed understanding of the local context, including of power dynamics within local communities, which is vital in the delivery of successful development initiatives. For example, it is widely recognised that the sustained advocacy of feminist organisations has been the most important contributor to new laws, policies and programs to tackle violence

⁷ DFAT (2016), *Gender Equality and Women's Empowerment Strategy*, <http://dfat.gov.au/about-us/publications/documents/gender-equality-and-womens-empowerment-strategy.pdf>

⁸ Commonwealth of Australia (2020) *Proof Committee: Senate Estimates - Foreign Affairs, Defence and Trade Legislation Committee, Estimates (Public) 29 October*, p. 60-61. Available at https://www.aph.gov.au/Parliamentary_Business/Hansard/Estimates_Transcript_Schedule

against women globally. Despite this, women’s rights organisations receive just 36 cents for every \$100 of ODA worldwide.⁹ In the Pacific, less than 1 percent of grant funding is directed to Pacific Women’s Organisations.¹⁰

It is crucial that the Australia continues to commit funding to women’s rights organisations, to ensure that aid investments address the specific needs of women in partner countries. Australia is performing above the OECD average in this area – coming in at 11th for its funding to women’s equality institutions and organisations.¹¹ However, this represents just 0.95 percent of ODA for 2017-18 – a reduction from 1.24 percent in 2016-17.¹² The Government has a significant opportunity to match its policy leadership on gender equality with financial leadership by increasing Australia’s contribution to 5 percent of ODA, including for any additional COVID-19 investments.

Recommendation 5: *The Government should commit to directing 5 percent of all ODA, including COVID-19 investments, to frontline women’s rights organisations in order to address the gendered impacts of the pandemic and ensure that aid investments are gender responsive.*

3.2. Provide \$100m in funding for violence against women services

There has been an alarming increase in violence against women in the wake of the pandemic, with all countries experiencing lockdown measures reporting increases in gender-based violence. ActionAid research in six countries across all regions found that gender-based violence increased in all countries, including by 59 percent in Italy, 700 percent in the Gaza Strip and 983 percent in Bangladesh.¹³ Many women have been unable to access the support they need because services are underfunded and overwhelmed, lockdown rules have made accessing support services more difficult, or simply because these services do not exist. For example, in Uganda, support services for women experiencing violence have been forced to close due to lockdown rules, despite caseloads doubling in March and April.¹⁴ Resources are urgently needed to respond to the rise in gender-based violence, so that support services can expand to meet increasing need and new services can be developed to reach those impacted by physical distancing rules.

Recommendation 6: *The Government should respond to the alarming rise in gender-based violence globally by committing \$100m in ODA funding towards locally led violence against women services.*

3.3. Commit a minimum of \$304m in funding for Pacific Women Lead

Australia has played a strong role in fostering women’s leadership in the Pacific region, including through its flagship program *Pacific Women Shaping Pacific Development* (\$320m over the 10 years from 2012-2021). As *Pacific Women* comes to a close, ActionAid welcomes DFAT’s confirmation at Senate Estimates in October 2020 that it intended to develop a new initiative (working title: *Pacific Women Lead*) that would build on the successes of *Pacific Women*, with a commensurate funding

⁹ ActionAid Australia et al (2020) *A Feminist Foreign Policy for Australia: Joint submission to the 2020 Review of Australia’s International Development Cooperation Policy*, <https://acfid.asn.au/sites/site.acfid/files/20200214%20joint%20submission%20feminist%20foreign%20principles%20to%20aid%20development%20policy%20review.pdf>

¹⁰ Fiji Women’s Fund and the Urgent Action Fund, Asia and Pacific (2020) *Where is the money for women and girls in the Pacific: Mapping funding gaps, opportunities and trends*, <https://fijiwomensfund.org/wp-content/uploads/2020/02/Full-report-UAF-FWF-14Feb2020.pdf>

¹¹ ActionAid calculation of funding to women’s equality institutions and organisations as a percentage of total ODA. Data taken from OECD (2020) *Aid in Support of Gender Equality and Women’s Empowerment: Donor Charts*. Available at: <http://www.oecd.org/development/financing-sustainable-development/development-finance-topics/Aid-to-gender-equality-donor-charts-2020.pdf>

¹² Ibid

¹³ ActionAid (2020) *Surviving Covid-19: A Women Led-response*, <https://actionaid.org.au/resources/surviving-covid-19-a-women-led-response/>

¹⁴ Ibid

allocation.¹⁵ DFAT has tasked a design team to develop a high-level framework design, with the intention that there will be a design and transition period throughout 2021 and *Pacific Women Lead* will commence in 2022. The program has an initial timeframe of 5 years, with the possibility of extension to 8 years.¹⁶

To fulfil this commitment the Government should commit a minimum of \$304m over 8 years to *Pacific Women Lead*. This figure has been calculated based on the average annual expenditure for *Pacific Women*, plus an annual CPI increase of 1.5 percent. In addition, it includes a 10 percent loading to address the short and medium-term impacts of COVID-19 and to support women's leadership in COVID-19 response and recovery initiatives. The Government should also ensure that 20 percent of funding for *Pacific Women Lead* is allocated to feminist movement strengthening and research. The Pacific region continues to have the lowest rates of women's representation in leadership and some of the highest rates of violence against women in the world, it is critical that Australia continues to foster women's leadership and support women's rights organisations across the region.

Recommendation 7: *The Government should commit a minimum of \$304m over 8 years for Pacific Women Lead in order to build on the momentum established by Pacific Women and ensure that gender responsive COVID-19 response and recovery can continue into the future.*

- I. *The Government should allocate 20 percent of funding from Pacific Women Lead to local and national feminist organisations, movement strengthening and research.*

3.4. Commit resources for employment and livelihood recovery for women

Women and girls are bearing the brunt of the devastating economic impacts of the pandemic due to their overrepresentation in insecure and precarious employment and the rise in their unpaid care responsibilities. An estimated one billion women workers in low paid and precarious employment have been left jobless in this crisis.¹⁷ Women who sell products at markets or as street vendors have lost their daily wage due to lockdown and physical distancing restrictions. Women garment workers have also been hit by the economic downturn, with major international brands cancelling and delaying orders, and supply chain disruptions limiting access to raw materials. A new report by the Clean Clothes Campaign has found that between March and May 2020 South and Southeast Asian garment workers¹⁸ received an average of 38 percent less than their regular income, with lost wages estimated to be between US\$3.19 and US\$ 5.79 billion.¹⁹ This has been coupled with a significant increase in unpaid care, due to the closure of childcare and schools and the increased need to care for sick family and community members.²⁰ Without access to social protection, women workers who face a loss of, or reduction in, income are being pushed further into poverty, hunger and insecurity. With the economic impacts of this pandemic likely to continue in the medium term, it is critical that

¹⁵ Commonwealth of Australia (2020) *Proof Committee Hansard: Senate Foreign Affairs, Defence and Trade Legislation Committee, Estimates (Public) Thursday 29 October 2020*. Available at: https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/1e5f28eb-99da-4e69-806e-a3065d3c8634/toc_pdf/Foreign%20Affairs,%20Defence%20and%20Trade%20Legislation%20Committee_2020_10_29_8268.pdf;fileType=application%2Fpdf#search=%22committees/estimate/1e5f28eb-99da-4e69-806e-a3065d3c8634/0000%22

¹⁶ DFAT (2020) *Pacific Women Lead Design – FAQs*, 22 December 2020. <https://pacificwomen.org/news/pacific-women-lead-design-faqs/>

¹⁷ ILO estimate: 1.6bn informal workers face destitution by year end and another 300 million formal jobs will be lost by the end of the year. Women comprise 60% of the informal sector globally so we can estimate that almost a billion low-paid women workers face destitution.

¹⁸ Excluding China

¹⁹ Clean Clothes Campaign (2020) *Un(der)paid in the pandemic: An estimate of what the garment industry owes its workers*, <https://cleanclothes.org/news/2020/garment-workers-on-poverty-pay-are-left-without-billions-of-their-wages-during-pandemic>

²⁰ ILO (2020) *The supply chain ripple effect: How COVID-19 is affecting garment workers and factories in Asia and the Pacific*, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms_758626.pdf

wealthy Governments like Australia target resources towards employment and livelihood recovery initiatives for women workers.

Recommendation 8: *Under the Partnerships for Recovery strategy, Australia should fund targeted initiatives that drive catalytic employment and livelihood initiatives for women working in industries most impacted by COVID-19.*

4. Expand support for fragile and conflict affected States, including by resourcing the Women, Peace and Security agenda

The 2020-21 Budget included a \$3.5 billion increase to the defence budget. This followed the release of the Government's 2020 Defence Strategic Update,²¹ which committed \$575 billion in defence funding over the next decade in response to a "post-COVID world that is poorer, more dangerous and more disorderly."²² In contrast to record spending on defence, the Government did not signal any investment in Women, Peace and Security (WPS) at a time when the threat of conflict and insecurity to the achievement of gender equality and sustainable development is growing. This oversight was compounded by cuts in the aid budget to Afghanistan (35 percent reduction), the Middle East and North Africa (61 percent reduction) and Sub-Saharan Africa (48 percent reduction) which are all facing severe insecurity and conflict, and where women's rights are under threat.²³ There was also a 50 percent reduction in funding for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

4.1. Commit resources for a robust 2nd National Action Plan on Women, Peace and Security

ActionAid is concerned about the Government's decision to cut aid funding to fragile and conflict affected states, given their increased vulnerability to COVID-19 and the risk that the health and economic fallout from the pandemic could worsen insecurity and conflict and derail fragile peace processes.²⁴ Use of force in conflict resolution has also been found to create and perpetuate cycles of violence, meaning that any escalation in violence poses significant risks to women and girls.²⁵ In this context, it is particularly concerning that the Government has also stalled progress on the 2nd National Action Plan on Women, Peace and Security, which was scheduled for release in 2019. Two decades since the WPS agenda first begun and with growing global insecurity, now is the time for the Government to be showing international leadership on the WPS agenda, by resourcing a robust 2nd National Action Plan on Women, Peace and Security. This should include targeted funding for bilateral partners and civil society to advance WPS commitments, alongside domestic initiatives.

Recommendation 9: *Australia should prioritise resourcing for the Women, Peace and Security Agenda by committing adequate funding towards the release and implementation of the Second National Action Plan on Women Peace and Security including targeted funding for bilateral partners and civil society.*

²¹ Department of Defence (2020) 2020 Defence Strategic Update, https://www.defence.gov.au/StrategicUpdate-2020/docs/2020_Defence_Strategic_Update.pdf

²² Macmillan, J and Greene, A (2020) Australia to spend \$270b building larger military to prepare for 'poorer, more dangerous' world and rise of China, ABC News, 30 June, <https://www.abc.net.au/news/2020-06-30/australia-unveils-10-year-defence-strategy/12408232>

²³ UNDP (2019) Human Development Report 2019, pp, 312-319, <http://hdr.undp.org/en/composite/GII>

²⁴ United Nations Security Council (2020) Press release: Weakest, Most Fragile States Will Be Those Worst Affected by COVID-19 in Medium, Long Term, Humanitarian Chief Tells Security Council, SC/14296, 9 September, <https://www.un.org/press/en/2020/sc14296.doc.htm>

²⁵ UN Women (2015) Global Study on the Implementation of United Nations Security Council resolution 1325, https://wps.unwomen.org/pdf/en/GlobalStudy_EN_Web.pdf

4.2. Reinstate the funding cuts to Afghanistan and UNRWA

ActionAid also calls on the Government to reinstate the funding cuts to Afghanistan and UNRWA in the 2021-22 Budget. Afghanistan is currently facing intersecting humanitarian crises as it deals with the COVID-19 pandemic, which is estimated to have infected 10 million people on top of decades of conflict and high levels of poverty and insecurity.²⁶ With the economy contracting in 2020, economic and rural development gains are at risk, as hunger and poverty rise. The World Bank has estimated that poverty across Afghanistan could increase from a baseline of 54.5 percent to up to 72 percent.²⁷ The World Food Programme has estimated that an additional 5 million people could be pushed into severe food insecurity as a result of the pandemic, bringing the total number of people across the country experiencing food shortages to 17 million.²⁸ In this context, the Government's decision to reduce aid funding to Afghanistan from \$82.1m to \$53.6m in the 2020-21 Budget is extremely concerning.

The pandemic also comes at a critical juncture in the Afghan peace process and COVID-19 restrictions pose new challenges to women's participation in this process and to the progression of the Women, Peace and Security Agenda across the country.²⁹ Research by UN Women has demonstrated that women's participation in peace processes results in more successful peace agreements that include better outcomes for women:

*"When women are at the negotiating table, peace agreements are more likely to last 15 years or longer. And yet, as of 2019, peace agreements with gender equality provisions increased from 14 per cent in 1995 to only 22 per cent. On average, women were 13 per cent of negotiators, 6 per cent of mediators, and 6 per cent of signatories in major peace processes between 1992 and 2019."*³⁰

Given the critical role that women play in fostering successful peace agreements, the need to support and progress the Women, Peace and Security agenda and ensure women's participation in ongoing peace processes in Afghanistan is particularly critical. In this context, ActionAid urges the Government to reinstate aid funding to Afghanistan that was cut in the 2020-2021 Budget, and to commit support to the Women, Peace and Security agenda in the country.

In Palestine, COVID-19 is devastating communities that are already experiencing, poverty, food and water insecurity and the daily trauma of conflict, resulting from the Israeli occupation. As of 21 January 2021, there have been over 173,000 cases of COVID-19 in Gaza and the West Bank, with 54 percent of active cases in the Gaza strip, overwhelming an already under-resourced Palestinian health care system. Prior to the emergence of the pandemic, Gaza was already facing "deteriorating basic hygiene, a lack of clean water, electricity shortages, debilitated sewage treatment facilities and a distinctively unprepared health-care system."³¹ Restrictions on movement in response to surging COVID-19 case numbers have also worsened unemployment, food insecurity and poverty and UNCTAD have estimated that the pandemic could result in a 7 - 35 percent decline in GDP.³² In addition, lockdown measures have had particular gendered impacts for Palestinian women and girls,

²⁶ Quilty, A (2020) *Afghanistan's unseen Covid crisis*, The Interpreter, 12 August, <https://www.lowyinstitute.org/the-interpreter/afghanistan-s-unseen-covid-crisis>

²⁷ Cancho, C and Pradhan, T (2020) *Mitigating the poverty implications of COVID-19 in Afghanistan*, World Bank Blogs, 16 August, <https://blogs.worldbank.org/endpovertyinsouthasia/mitigating-poverty-implications-covid-19-afghanistan>

²⁸ Famer, B and Makoi, A (2020) *Food shortages in Afghanistan as coronavirus worsens country's humanitarian crisis*, The Telegraph, 13 October, <https://www.telegraph.co.uk/global-health/science-and-disease/food-shortages-afghanistan-coronavirus-worsens-countrys-humanitarian/>

²⁹ Ibid

³⁰ UN Women (2020) *In Focus: Women, Peace, Power*, <https://www.unwomen.org/en/news/in-focus/women-peace-security>

³¹ UNCTAD (2020) *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the Occupied Palestinian Territory*, TD/B/67/5, 5 August, https://unctad.org/system/files/official-document/tdb67_d5_en.pdf

³² Ibid

who have experienced an increase in violence. One of ActionAid's partner organisations reported supporting 700 percent more survivors of gender-based violence through its counselling services between April-May 2020 than in the equivalent period in 2019.³³

Recent reports that Israel is not providing Palestinians in Gaza and the West Bank with access to COVID-19 vaccines as a part of its vaccine program, despite its legal obligation to provide health services in occupied territories, are extremely concerning.³⁴ Additionally, given the declining humanitarian situation across the Occupied Palestinian Territories and with donor funding falling from 32 percent of GDP in 2008 to 3.5 percent of GDP in 2019,³⁵ it is also critical that Australia increase its financial support for Palestine. ActionAid understands that Australia committed \$1 million in funding for COVID-19 response initiatives on 21 January 2021.³⁶ This funding is welcome. However, in order to uphold its commitment to Palestinian refugees, particularly women and girls, and the ongoing peace processes the Government must reinstate funding cuts to UNWRA as well as increase its support for critical women's rights organisations to drive the peace and security agenda.

Recommendation 10: *Australia should prioritise support for fragile and conflict affected states, including by reinstating funding cuts to Afghanistan and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).*

5. Increase resources for domestic and international responses to climate change

Climate change poses catastrophic risks for people living in poverty around the world, with rising temperatures, more frequent and severe disasters, and worsening food insecurity likely to hit developing countries that are already experiencing high rates of poverty and inequality the hardest. Without significant international action to reduce emissions and finance mitigation and adaptation initiatives, climate change risks eroding hard-won gains in poverty reduction. In the Pacific, where many countries are among the most vulnerable to climate-related disaster risk, Governments and communities have consistently identified climate change as the biggest security threat to the region.³⁷

In this context, it is critical that Australia provide adequate resourcing in the 2021-22 Budget to enable the realisation of ambitious carbon emission reduction targets of 45 percent by 2030 and zero by 2050. In addition to investing in robust domestic action to reduce emissions the Government must also commit its fair share in international climate finance to ensure developing countries can access necessary resources to respond to climate change. ActionAid welcomes the Prime Minister's commitment in December 2020 of \$1.5 billion in international climate finance between 2020-2025. However, it is critical that this funding is allocated in line with the priorities of Governments and communities in partner countries, including women's rights organisation. There is considerable need for greater investment and commitment to resourcing women's organisations to participate in climate change policy and decision-making, including development of national climate change adaptation plans, bringing their localised knowledge and ensuring more gender-inclusive and responsive approaches.

The Government must also ensure Australia contributes its fair share of international climate finance. In doing so, the Government should recommence contributions to the Green Climate Fund, which is

³³ ActionAid (2020) *Surviving Covid-19: A Women Led-response*, <https://actionaid.org.au/resources/surviving-covid-19-a-women-led-response/>

³⁴ Human Rights Watch (2021) *Israel: Provide Vaccines to Occupied Palestinians*, 17 January, <https://www.hrw.org/news/2021/01/17/israel-provide-vaccines-occupied-palestinians>

³⁵ UNCTAD (2020) *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the Occupied Palestinian Territory*, TD/B/67/5, 5 August, p. 4, https://unctad.org/system/files/official-document/tdb67_d5_en.pdf

³⁶ Towers, P (2021) Australian government gives \$1m Covid aid to Palestinian Authority, 25 January, Plus61J Media, <https://plus61j.net.au/panel5/australian-government-donates-us1m-covid-aid-palestinian-authority/>

³⁷ Pacific Islands Forum (2018) *Boe Declaration on Regional Security*, <https://www.forumsec.org/boe-declaration-on-regional-security/>

critical in supporting developing countries to adapt to climate change and high-polluting countries to reduce their greenhouse gas emissions. The Fund has been a particularly important source of funding across the Pacific region and the Government's decision to withdraw financial support has compromised our standing in the region, and internationally, and has potential security implications as countries are less prepared and resilient to respond to worsening climate change.

Recommendation 11: *The Government must provide adequate resourcing in the 2021-22 Budget to enable the realisation of ambitious carbon emission reduction targets of 45 percent by 2030 and zero by 2050.*

Recommendation 12: *Australia should contribute its fair share of international climate finance and re-commit funding to the Green Climate Fund.*

Recommendation 13: *The Government should commit to resourcing women's organisations to participate in climate change policy and decision-making, including the development of national climate change adaptation plans, bringing their localised knowledge and ensuring more gender-inclusive and responsive approaches.*

6. Conclusion

COVID-19 is the world's largest humanitarian crisis, and it is having profound impacts on communities across the world, particularly women and girls in developing countries. ActionAid welcomes the significant increase in Australian aid in response to the pandemic. With the health, social and economic impacts of this crisis worsening for many countries across the world, Australia must continue to step up its funding for developing countries that are most vulnerable to this crisis. The Government must also ensure that development assistance is progressively increased and targeted at countries most in need, including LDCs and fragile and conflict affected states. To redress the disproportionate impact on women and girls, targeted support for women's rights organisation must be prioritised. Australia's 2021-21 aid budget was an important first step in our international response to COVID-19. The Government must now take the opportunity to build on this support by ensuring that the 2021-22 aid budget ensures no one is left behind in the global response to the pandemic and intersecting crises.

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