

Budget 2020 – International Development

International Development Overview

The COVID-19 pandemic is wreaking havoc around the world, with human development and gender equality outcomes on track to decline for the first time in decades. The 2020 Federal Budget allocates some new funding for gender equality initiatives and a package to support COVID-19 response and recovery in the Pacific – the first increase to the international development budget since 2013. However cuts to other regions (including conflict and post-conflict contexts), a reduction in budget for disability inclusion, and a significant reduction in transparency are disappointing.

International Development

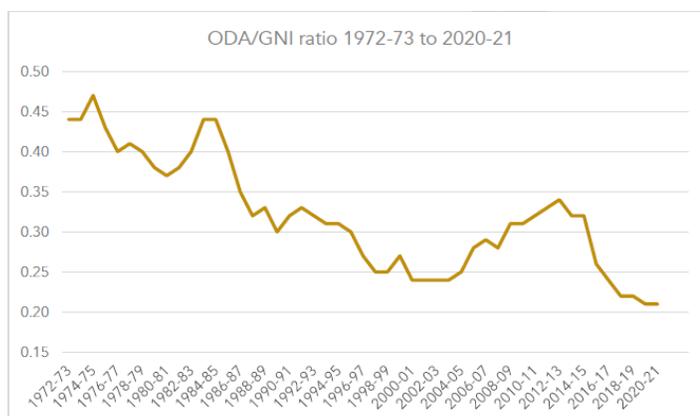
The Budget

Funding for international development has officially held steady at \$4 billion this year, with a separate package of \$304.7 million over two years for COVID-19 response and recovery support to the Pacific and Timor Leste. This package was announced as “supplementary” to the international development budget. It has been speculated that this decision was taken to ring-fence the new funding from the official budget to avoid backlash from a domestic audience (given the Government’s previous commitment to keep the international development steady at \$4 billion) and to position it as a one off, temporary measure ([Howes, 2020](#)).

This measure also comes on the back of significant reallocations within the international development budget since March 2020 to fund COVID-19 response in the region, including a reallocation of \$280m in FY2019-20. While much of this has been directed to the Pacific, it has included a \$60m package of measures to support ASEAN COVID-19 response and recovery, including research to inform how ASEAN’s COVID-19 recovery plans support the specific needs of women and girls, and to the Disability Rights in ASEAN initiative ([Government of Australia, 2020](#)).

The Government has also delayed the repayment on a \$440m loan to PNG until 2024 under the G20 Debt Service Suspension Initiative, and provided another loan in 2020-21 to PNG worth \$135m ([Commonwealth of Australia, 2020](#); [Hawke, 2020](#)).

Australia’s international development budget continues to stagnate against the global target that developed nations allocate 0.7 per cent of Gross National Invoice (GNI) to Official Development Assistance (ODA), now sitting at 0.21 per cent of GNI. International development spending as a proportion of all government spending has also decreased, from 0.7 to 0.6 per cent (or 60 cents in every \$100) due to the significant increase in domestic spending in this year’s budget.



Source: [ACFID](#)

2020

By contrast, 2020 sees the biggest ever Defence budget – now 10 times the international development budget. Funding for climate partnerships has also been reduced by \$5m in stark contrast to the Boe Declarations’ statement that “climate change remains the single greatest threat to the livelihoods, security and wellbeing of the peoples of the Pacific” ([Pacific Islands Forum](#), 2018).

Australian ODA allocations by country, regional and global programs

Expense (\$m)

| | 2019-20 Budget estimate | 2020-21 Budget estimate |
|---|-------------------------|-------------------------|
| Pacific | 1,381.4 | 1,440.6 |
| Southeast and East Asia | 1,005.8 | 1,009.9 |
| South and West Asia | 266.2 | 193.4 |
| The Middle East and Africa | 199.8 | 93.4 |
| Latin America and the Caribbean | 3.3 | 2.5 |
| Core contributions to multilaterals and other ODA not attributable to particular countries or regions | 1,187.4 | 1,260.6 |
| Total | 4,040.00 | 4,000.00 |

Source: [DFAT](#), 2020, Aid budget summary, Table 2

Allocations to the Pacific have increased – even before the supplementary funding is factored in – with the Pacific now receiving over 40 per cent of all aid funding, further cementing DFAT’s focus on the immediate region. However this increase comes at the expense of funding to other regions, particularly conflict and post conflict settings where women’s rights are under threat in South and West Asia, the Middle East and Africa, with aid to Afghanistan being cut by 35 per cent.

Additionally, there has been a significant reduction in transparency. Forward estimates for international development spending were not provided in this year’s budget papers, and the budget summary document provided by DFAT has been reduced from the 120 page “Orange Book” produced in previous years, to a 4-page summary. Additionally, performance reporting expected in March 2020 which includes critical data on gender equality indicators has still not been released.

Gender implications

Why is this an issue for women?

The UNDP Human Development Report has noted that for the first time in 30 years human development is on track to decline in 2020 ([UNDP, 2020a](#)). While Pacific countries have so far escaped severe health impacts from COVID-19, the economic effects of the crisis are already impacting on gender equality and women's rights. Women are also particularly vulnerable to the economic impacts of COVID-19, representing a high proportion of those in insecure and informal sectors ([UN Women Regional Office for Asia and the Pacific, 2020](#)). Across Asia and the Pacific, women perform four times more unpaid care work than men, and the closure of paid care-providing facilities and schools will only increase this workload, further impacting women's ability to engage in paid work ([IWDA, 2020](#)). The additional handwashing requirements and time spent at home is also increasing the burden for women who are responsible for collecting water and fuel ([Individual Deprivation Measure, 2020](#)).

In early 2020, UNFPA projected that a 6 months lockdown period could lead to 1 million additional cases of gender based violence globally ([UNFPA, 2020](#)). The Pacific already has extremely high rates of gender based violence, and reports indicate that this has increased since the start of the pandemic, consistent with findings from other countries ([UNDP, 2020b](#)). Women's rights organisations in Papua New Guinea [have reported alarming evidence](#) of increased violence against women, including sorcery accusations, alongside significant barriers to accessing services due to restrictions on movement ([Eastern Highlands Family Voice et al, 2020](#)).

What are the 2020 Budget impacts on women?

The allocation of \$304.7m in new grant-based funding to the Pacific and Timor Leste is a welcome counter to the trend of Australia increasingly offering development assistance in the form of loans. While it is positive that Australia has suspended debt repayments on its loan to PNG, it will be critical for this and future loans to take into account the potential for debt servicing to divert funding from essential services, a phenomenon which has been shown to disproportionately disadvantage women (Stewart, 2017; Women's Working Group on Financing for Development, 2015).

DFAT have indicated that the new funding to the Pacific and Timor Leste is currently being programmed, and that it will include a focus on gender equality. At the same time, the central fund for gender equality initiatives has received an increase of \$10m and now stands at \$65m. This is a welcome move and means new funding for gender equality initiatives. It will be critical for DFAT to consult with women's rights groups to ensure that this funding can be targeted towards the most transformative initiatives, and ensure that the new funding will be accessible to local women's rights organisations. It is important that allocations of this funding strike an appropriate balance between gender-mainstreamed activities and those that are gender-specific. Across OECD DAC donors, gender-mainstreamed funds have been growing for a decade but those for gender-specific activities have been stubbornly stuck at 4% ([OECD, 2020](#)).

However, funding for the central disability inclusion fund was cut by 25 per cent from \$12.9m to \$9.6m – this funding is not reported in budget tables but was confirmed in a DFAT Briefing to aid

sector stakeholders on budget night. Gender and disability inclusion are both critical in laying the foundational conditions for inclusive economic and social recovery. The failure to budget adequately for technical expertise on disability inclusion will undermine DFAT's ability to take an intersectional approach and ensure women with disabilities are able to benefit equally from international development efforts.

Cuts to conflict and post-conflict contexts in the Middle East and North Africa will negatively impact on women. Australia's increasing militarization is misguided, as the use of force in conflict resolution has been found to create and perpetuate cycles of violence, and risks worsening the situation for women who are already grappling with the intersecting threats of COVID-19, economic recession, climate change and deteriorating gender inequality ([UN Women](#), 2015). The failure to signal Australia's commitment to the Women, Peace and Security Agenda is disappointing, particularly as the world celebrates the 20th anniversary of this agenda in October 2020. The Government is yet to release the 2nd National Action Plan on Women, Peace and Security, which was due in 2019.

Also of concern is a trend within recent policy statements from DFAT, which characterize women and people with disabilities as "vulnerable" and in need of "protection." This deficient-based framing is a backwards step, even compared to existing gender equality and disability inclusive development programs, which take a rights-based approach to inclusion and aim to transform systems of inequality.

Recommendations

NFAW recommends that the Government:

1. Commit to ongoing and increased funding for the international development budget, including gender equality programming, to lay the foundation for COVID-19 response and recovery.
2. Continue to increase the amount of gender equality funds supporting gender-specific activities.
3. Consult with women's rights groups on the allocation of new funding for COVID-19 response and recovery.
4. Ensure that any new funding is accessible to local women's rights organisations.
5. Release the 2nd National Action Plan on Women Peace and Security.
6. Recommit to aid transparency, by returning the Orange Book and releasing the Performance of Australian Aid report for 2020.

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