

**2022-23 Pre-Budget Submission on
International Development
World Vision Australia
January 2022**

Background

World Vision is a Christian relief, development, and advocacy organisation dedicated to working with children, families, and communities to overcome poverty and injustice. We are a global community development organisation that provides short-term and long-term assistance to 100 million people worldwide (including 77 million children). We have more than 45,000 staff members working in 99 countries.

World Vision is committed to the poor because we are Christian. We are called to work with people of all cultures, faiths, and genders to achieve transformation and life in all its fullness. We do this through life-saving relief work, transformational community development, as well as policy and advocacy to influence positive change at the systemic level.

World Vision Australia is Australia's largest overseas aid and development organisation with a compelling track record in alleviating poverty and addressing its root causes. This could not be achieved without the generosity of our partners, supporters, and donors, including the Australian public and the Australian Government, who help to create a brighter future for children and their families across the world. Over the past 50 years, more than two million Australians have chosen to partner with us when giving to charity. We are currently actively engaged with over 700,000 members of the Australian public that have an interest in international development. Moreover, World Vision Australia has been part of the fabric of Australian altruism and care for decades.

World Vision Australia has a productive working relationship with the Australian Government in partnering to deliver the Australian Aid Program. Our partnerships span food security programs in East Africa, livelihoods and resilience programming in fragile contexts, gender-based violence programs in the Pacific, and programs piloting innovative approaches in Southeast Asia. The Australia NGO Cooperation Program (ANCP) partnership is at the core of this relationship and is orientated towards supporting community development globally.

World Vision Australia is a constructive and trusted partner who seeks to inform and influence policy makers through an evidence-based dialogue. World Vision Australia welcomes the opportunity to make a submission on International Development to the 2022-23 Australian Government Pre-Budget process.

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Executive Summary

Australian development assistance makes an essential contribution to the alleviation of poverty and suffering in our region and around the world. It achieves significant impacts, both overseas and for Australia. Among its many positive outcomes, Australian aid empowers people living in poverty, helps people live longer, healthier lives, provides lifesaving assistance during crises and improves regional security and stability. This is even more important in the wake of COVID-19.

Since COVID-19, poverty has increased for the first time in decades. The development landscape is being rewritten at a rapid pace, with decades of hard-won development gains at risk of being undone unless urgent action is taken. This COVID-era requires a more ambitious aid program commensurate with the scale of the challenge facing the world and our immediate region, the Indo-Pacific. World Vision works on the frontlines of the coronavirus crisis in the most vulnerable communities. We see the challenges first-hand and know the areas of greatest need – hunger, livelihoods and health.

This Pre-Budget Submission proposes seven new areas of investment over the forward estimates. We believe these priority areas are aligned with existing Australian Government policy and commitments and will strengthen Australia's contribution to the international effort to combat COVID-19 and its socio-economic aftershocks. The seven budget measures are outlined in the table below and detailed in the following New Policy Proposals:

Proposal	Description	Total funding	Page
Famine Prevention Package	Adopt a 'famine prevention package' to immediately address soaring hunger and child malnutrition in countries at risk of famine, including Afghanistan and Ethiopia. This funding should be new and additional to existing aid commitments.	\$150.0m	4
Regional COVID-19 Vaccine Awareness Program	Complement existing investments in COVID-19 vaccine distribution with targeted and tailored education programs and awareness campaigns, using trusted local leaders and NGOs to increase vaccine uptake among partner countries and communities.	\$50.0m	6
Children's Rights Unit	Establish a unit in DFAT to develop and implement a children's strategy for the aid program, ensuring children's needs are considered in the design and delivery of aid projects.	\$2.2m	8
Child Nutrition Initiative in the Pacific and Timor-Leste	Implement a flagship child nutrition initiative to curb rates of child stunting in the Pacific region, which suffers from some of the highest rates of child stunting in the world due to undernutrition.	\$100.0m	10
Fragility Pilot Programs	Fund three new, multi-year resilience programs in fragile states to help communities cope with recurrent shocks, mitigate extreme poverty and hunger, and prevent conflict. Countries may include Afghanistan, Bangladesh, DR Congo, Iraq, Lebanon, Mozambique, Somalia, South Sudan, Sudan, and Syria.	\$72.0m	12
Economic Inclusion Fund for Regional COVID-19 Recovery	Complement existing support for the region's economic recovery with an Economic Inclusion Fund that specifically supports the most marginalised, including the ultra-poor, women and youth. The Fund will help ensure that the region's economic recovery is inclusive, pro-poor and that it reduces inequality.	\$50.0m	14
Landscape and Forest Restoration Package	Join the UN Decade for Ecosystem Restoration as a Funding Partner and World Vision has identified two flagship projects that the Australian Government can support as part of a further commitment to address climate change through landscape and forest restoration.	\$60m	17

PROPOSAL I**Proposal title:** Famine Prevention Package**Affected agency:** Department of Foreign Affairs and Trade**Financial implications:**

	2022-23	2023-24	2024-25	2025-26	Total
Cost of proposal (\$m)	150	0	0	0	150
<i>Providing emergency food assistance</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>100</i>
<i>Investing in child nutrition</i>	<i>50</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>50</i>
Number of additional staff positions sought (ASL)	0	0	0	0	0

Outline of proposal:

The COVID-19 pandemic, combined with conflict and climate-related events, has triggered unprecedented levels of acute hunger in humanitarian crisis settings, primarily amongst women and children in the Middle East and Sub-Saharan Africa. Conflict remains the main driver of this severe hunger crisis, causing high levels of forced displacement, destruction of livelihoods and increased protection risks, and COVID-19 and higher food prices are making the situation worse, pushing millions to the brink of starvation

Currently, up to 283 million people are acutely food insecure or at high risk in 80 countries around the world. Of greatest concern are the 45 million people who are teetering on the very edge of famine (IPC 4/Emergency) in 43 countries, with significant risks that the slightest shock could push them into IPC 5.

2021 is the year Australia must resolve to step up again as a humanitarian leader, just as it did in response to the 2011-12 food crisis in East Africa.¹ World Vision calls on the Australian Government to immediately adopt a \$150 million famine prevention package to address soaring hunger and child malnutrition in countries experiencing severe levels of food insecurity, in particular Afghanistan and Ethiopia.

Strategic policy alignment:

In its aid policy, *Partnerships for Recovery*, Australia recognises that COVID-19 poses huge risks to communities living in fragile and conflict-affected states, including through rising levels of hunger. Food security is highlighted as a priority focus to ensure the stability of partner countries. Australia's aid policy also provides examples of Australian leadership in the areas of food security assessments, strengthening food supply chains and ensuring food availability, primarily in Pacific nations.

This leadership should be replicated in settings outside the Indo-Pacific, in response to spiralling hunger and the risk of famine in multiple conflict-affected countries. Australia has demonstrated leadership on preventing famine and addressing food insecurity before, including in response to the Horn of Africa hunger crisis in 2011-12. Now is the time to step up again as a humanitarian leader, in line with international commitments under the Grand

¹ <https://www.dfat.gov.au/about-us/publications/aid/evaluation-of-australias-response-to-horn-of-africa-crisis-2011/Pages/3-the-australian-response>

Bargain, Humanitarian Principles, Good Practice Humanitarian Donorship, and the Sustainable Development Goals.

Rationale:

Levels of acute food insecurity and malnutrition in humanitarian settings have drastically increased since the beginning of the COVID-19 pandemic. A strong famine prevention effort is entirely in Australia's national interest. A generation of children lost to hunger and malnutrition is certain to have long-term political, economic, and security implications for Australia. In other words, addressing the pandemic's starkest repercussions in countries like Afghanistan, Ethiopia, Syria and South Sudan is a prerequisite to ensuring stability in the Indo-Pacific. Growing marginalisation and hunger amongst conflict-affected children, including refugees and internally-displaced persons, may have a direct bearing on longer-term peace and security in our region.

Implementation:

World Vision recommends that Australia adopt a one-off 'famine prevention package' amounting to \$150m, new and in addition to existing aid commitments. Funding efforts should focus on emergency food, cash, and voucher assistance as well as efforts to expand nutrition services and social protection mechanisms for children in countries experiencing 'crisis,' 'emergency' or 'catastrophe' levels of acute food insecurity (IPC Phase 3 and above).

It is recommended that this funding package be channelled into appropriate humanitarian mechanisms including the United Nations Central Emergency Response Fund (CERF), World Food Programme, UNICEF, and the Australian Humanitarian Partnership to ensure swift action in response to emergency food and nutrition crises. Focus countries under consideration may include Afghanistan, Burkina Faso, DR Congo, Ethiopia, Lebanon, Mozambique, Nigeria, Somalia, South Sudan, Syria, and Yemen.

PROPOSAL 2**Proposal Title:** Regional COVID-19 Vaccine Awareness Program**Affected Agency:** Department of Foreign Affairs and Trade**Financial Implications:**

	2022-23	2023-24	2024-25	2025-26	Total
Cost of proposal (\$m)	30	20	10	0	50
Number of additional staff positions sought (ASL)	0	0	0	0	0

Outline of proposal:

The Australian Government is investing more than \$500 million to support the distribution of COVID-19 vaccines across the Pacific and South East Asia. To maximise the effectiveness of this investment, it should scale up programs that increase awareness, confidence, and trust in the vaccine among partner countries and communities. While the Government has funded some initiatives to increase demand for the vaccine, these types of approaches should be scaled up, commensurate with the scale of the vaccine rollout. The Australian Government can best support the region's fight against COVID-19 by funding both the supply and demand sides of the vaccine rollout.

Based on World Vision experiences thus far in implementing COVID-19 risk communication and community engagement activities across the region, we believe that in order to encourage vaccine acceptance, we should first start with the communities, by building relationships of trust and credibility. It is only when communities believe and trust the information provided to them, that they become receptive to changing their views. It may take a few hours or a few days or a few months to help change people's mindsets, but trust is a critical component and must be gained first. This means working with trusted partners – churches, faith leaders and established non-government organisations – to not only deliver the vaccine, but also to share information and build confidence to increase community uptake rates.

It is recommended that the Australian Government invest \$50 million in tailored and targeted education programs and awareness campaigns across the Pacific and South East Asia over the next two years, in line with the Government's phased vaccine rollout plans. Awareness activities should be tailored to the local context, using trusted local leaders to share accurate medical information in the local language across various media channels about COVID-19, vaccine safety and the rollout. This could include conducting barrier analyses to understand local drivers, facilitating training workshops for local leaders, sharing tailored messages on radio, television, newspapers, newsletters, and social media, and conducting home visits and community forums to gauge and change community attitudes.

Strategic Policy Alignment:

This proposal supports the pivot of Australia's development assistance to COVID-19 response and recovery, as outlined in DFAT's aid policy *Partnerships for Recovery*. It also supports the Government's stated commitment to ensuring early access to the COVID-19 vaccine for countries in our Pacific family, as well as regional partners in Southeast Asia.

Rationale:

The vaccine supply picture in the Pacific and Timor-Leste region looks promising, notwithstanding the significant challenges of last-mile delivery, particularly in the highlands of Papua New Guinea and remote islands of Solomon Islands and Vanuatu. The demand side is a different story. Vaccine acceptance and uptake is mixed across the Pacific and Timor-Leste region, with particularly high rates of misinformation and hesitancy in some of the region's most populous countries.

Without concerted action to create demand and reduce hesitancy, it could take years for some Pacific countries to achieve the vaccination coverage required to manage COVID-19 and safely reopen. The Lowy Institute has estimated future vaccination coverage based on several factors, including levels of vaccine acceptance. The adult population of Vanuatu is only forecast to be fully vaccinated by mid-2025 and the Solomon Islands by mid-2026. By August 2026, only 38% (or one in three) of the adult population in PNG will be vaccinated, reflecting deep community concerns and reservations on the demand side.

From experience, World Vision knows building community trust and ownership is key to the success of any community development initiative, and especially for immunisation programs. For example, World Vision worked as part of a coalition of organisations to bring an Ebola vaccine to West Africa during the 2014-16 outbreak. A key part of this was working with community leaders and health workers to share accurate medical information and promote acceptance of the new vaccine, so the right people would receive the right vaccine at the right time. This was critical to improving take-up rates and managing the devastating outbreak.

Implementation:

NGOs like World Vision have supported vaccination programmes for decades, partnering with communities to combat the spread and impact of diseases, including the Ebola outbreak in West Africa and now COVID-19. NGOs we well versed in working with community figures, health workers and faith leaders to build community confidence in vaccines and involve them in the vaccine rollout. It is recommended that the Australian Government leverage the extensive faith networks and deep community linkages of NGOs in the region to conduct tailored information and awareness campaigns to support uptake of COVID-19 vaccines.

Reasons for vaccine acceptance and hesitancy vary, so demand approaches need to be tailored to each local context. For example, phone surveys recently conducted for World Vision and Save the Children by the Burnet Institute in 10 provinces across PNG found that specific concerns about the COVID-19 vaccine varied from province to province. In all provinces, however, the preferred source of receiving information was one-on-one, from a trusted person (a healthcare worker, community leader or church leader). This finding is consistent with peer-reviewed barrier analyses World Vision conducted in Bangladesh, India, Myanmar, Kenya, Tanzania, and the DRC.² These studies found endorsement of the vaccine by health workers and religious and community leaders was a critical ingredient in community acceptance and uptake. Trust is better built by frontline partners who daily relate to and work with communities.

In practical terms, this would involve conducting barrier analyses to identify and understand people's reservations towards vaccine take-up, designing tailored communication and engagement strategies to overcome those barriers, and then sharing targeted messages through house visits, community forums, local media, and existing health and community services, including churches. In order to reach far-flung and difficult to access locations where it may take three days to travel from one destination to another, additional funds, time and resources needs to be invested into community engagement.

Value for money:

Donors such as Australia are pouring hundreds of millions into vaccine distribution across the Indo-Pacific region, but targets won't be achieved without closing gaps on the demand side first. In the context of the massive scale of the vaccine rollout, \$50 million is a modest investment (10% of what the Government has invested in the Regional Vaccine Access and Health Security Initiative³) to help ensure the millions of vaccines Australia is already distributing to the region are making it into people's arms. This proposal will help ensure value for money by supporting vaccine uptake.

² <https://assets.researchsquare.com/files/rs-444605/v3/649d4902-6a3f-4881-97db-7b4e2ad99151.pdf?c=1631881418>

³ <https://www.foreignminister.gov.au/minister/marise-payne/media-release/australian-support-covid-19-vaccine-access-pacific-and-southeast-asia>

PROPOSAL 3**Proposal Title:** Children's Rights Unit**Affected Agency:** Department of Foreign Affairs and Trade**Financial Implications:**

	2022-23	2023-24	2024-25	2026-27	Total
Cost of proposal (\$m)	0.38	0.61	0.61	0.6	2.22
Number of additional staff positions sought (ASL)	3	5	5	5	5

Outline of proposal:

Children and adolescents are key to breaking the intergenerational cycle of poverty and disadvantage. Australia's immediate region – the Pacific – is home to one of the world's youngest populations, so children and adolescents should be an intentional focus for Australia's aid investments. In fact, half the population of Pacific Island countries are children and young people under the age of 23 years. If Australia genuinely wants to step up in the Pacific, it needs to make child and adolescent wellbeing a policy priority.

COVID-19 is acting as a risk multiplier for children and adolescents, disrupting their education and amplifying risks of violence, child labour, child marriage and other forms of harm. This makes it even more important to adequately resource DFAT to ensure children are intentionally considered in the design and delivery of aid projects. At the moment, there is no children's strategy or unit in DFAT to ensure children are protected and empowered through the aid program.

World Vision Australia, therefore, calls on the Australian Government to intentionally consider children as a vulnerable group and to put children at the centre of development by establishing a Child Rights Unit within the Department of Foreign Affairs and Trade. The Unit would be accountable for children's rights and lead child rights mainstreaming across the Australian aid program including:

- Leading the development of a children's strategy for the aid program with child-specific metrics, targets, and benchmarks to track the extent to which development and humanitarian programs consider their impact on children,
- Development of a child marker to track investment in children across the program,
- Lead the collection of age disaggregated data across the program,
- Assess and track the overall wellbeing of children in Australia's priority countries and crisis settings,
- Develop guidance for best practice in child participation in development, and
- Strengthen synergies between development, humanitarian, and peacebuilding efforts for children and ensure greater coherence and collective impact in fragile contexts.

Strategic Policy Alignment:

The region at the centre of Australia's aid program – the Pacific – has one of the youngest populations in the world, yet Australia does not have a strategy for protecting and empowering children or adolescents through its aid program. The Australian aid policy refers to protecting vulnerable groups, such as women and girls, but does not recognise children and adolescents as a distinct vulnerable group. Analysis of 2018 ODA data shows the Government of Australia invested less than a quarter⁴ (23%) of aid on children in a context where half of people living in poverty are children.

⁴ https://www.worldvision.com.au/docs/default-source/publications/children/world-vision-nextgen-aid-report-card-2020.pdf?sfvrsn=2ab1b63c_2

Children who are healthy, happy and educated are more likely to grow up to be productive adults contributing to regional prosperity and stability. Investing in children is not only the right thing to do, it is the smart thing to do.⁵ Every dollar spent on children is an investment in the health and social outcomes today and in the human capital of tomorrow.

Rationale:

People under the age of 18 years (children) constitute half of the world's 1.3 billion people living in poverty⁶ and are half of the world's 26 million refugees⁷. Most of Australia's aid partners have growing young populations. Children and adolescents experience poverty and inequality in different ways to adults due to their different needs, opportunities, and experiences, unique to their stage in life as young dependents.

COVID-19 is a risk multiplier, exacerbating the vulnerabilities of children. Child marriage, child labour, violence against children, teenage pregnancies, school dropouts, and child malnutrition are all on the rise since COVID-19. It is estimated that pandemic-related malnutrition could result in 13.6 million more children suffering from wasting, 2.6 million more children suffering from stunting, and 283,000 more deaths for children under five, on top of pre-COVID levels. By restricting children to the home, lockdown measures increase their vulnerability to violence, abuse, and neglect while reducing access to information and already underfunded health, legal, and protection services. Schools – which serve as a source of education but also as a space of safety and visibility for children – are still closed for nearly 77 million students, more than 18 months into the pandemic.

Although children make up half of the world's poor, none of the strategic targets for the aid program directly focuses on them as key stakeholders. To break the cycle of poverty, address inequality, and boost productivity later in life, donor and partner governments must intentionally invest in children. Canada has already established markers for children and youth⁸ while the European Union recently established a Children's Rights Strategy⁹ and a Child Guarantee to better protect and provide for children by placing them at the heart of policy making. Aotearoa New Zealand has a child and youth friendly aid strategy. Australia should not be left behind and can lead the charge by establishing the proposed child rights unit.

Implementation:

A children's unit in DFAT would help mainstream children's rights across the aid program using the approach the Department used to integrate consideration of gender and disability. This budget should establish a child rights unit to develop and implement a children's strategy for Australia's aid program. The Unit could kickstart with three full time child rights experts in 2022/23 (including 1 x Director EL2; 1 x Assistant Director EL1; 1 x Senior Policy Officer APS 6). This resourcing should ramp up to 5 full time staff (1 EL2, 2 EL1, 2 AP6) by 2023/24 and be sustained thereafter. This will cost \$2.2 million over the forward estimates. Costings are based on salaries and superannuation as outlined in DFAT's Enterprise Agreement 2019.

Value for Money:

Investing in children brings a triple dividend of development benefits: it immediately improves the lives of vulnerable children, builds their health, capacity, and productivity for future life stages, and lays the foundations for strong development outcomes for the next generation. It represents an incredible return on investment. Every dollar invested in children yields dividends¹⁰ in education, tax earnings, welfare and crime savings. It represents an investment in today and the future.

5 <http://www.worldbank.org/en/programs/earlyyears>

6 <https://ophi.org.uk/multidimensional-poverty-index/global-mpi-2018/#t3>

7 <https://www.unhcr.org/en-au/figures-at-a-glance.html>

8 https://www.international.gc.ca/development-developpement/partners-partenaires/bt-0a/sectorcoding_policy-codageprojets_politiques.aspx?lang=eng

9 https://ec.europa.eu/info/policies/justice-and-fundamental-rights/rights-child/eu-strategy-rights-child-and-european-child-guarantee_en

10 <https://www.ojp.gov/pdffiles1/ojdp/181725.pdf>

PROPOSAL 4**Proposal Title:** Child Nutrition Initiative in the Pacific and Timor-Leste**Affected Agency:** Department of Foreign Affairs and Trade**Financial Implications:**

	2022-23	2023-24	2025-26	2025-26	Total
Cost of proposal (\$m)	30	25	25	20	100
Number of additional staff positions sought (ASL)	0	0	0	0	0

Outline of proposal:

In Australia's immediate region – the Pacific and Timor-Leste – children suffer from some of the worst child stunting rates in the world due to undernutrition. The highest rates of child stunting outside sub-Saharan Africa are found in Timor-Leste (50.2%) and Papua New Guinea (49.5%). As a member of the Pacific vuvale (family), Australia cannot ignore the significant challenge of child undernutrition which is having deep and long-lasting impacts on the region's health, productivity and prosperity.

As the leading donor in the Pacific, the Australian Government should develop a flagship child nutrition initiative to curb child stunting in the Pacific and Timor-Leste. World Vision recommends a signature investment of \$100 million over four years. Based on evidence from our program interventions to address under nutrition across the world, including the Better Food, Better Health program¹¹ in Timor-Leste, World Vision proposes that the regional initiative adopt a holistic and integrated approach, combining nutrition-sensitive agriculture and nutrition education initiatives to address both supply and demand issues and address the underlying drivers of child undernutrition in the region.

Stunting¹² is caused by poor nutrition in-utero and during early childhood particularly during the first 1000 days of life when brain development should be at its optimum. Lack of adequate nutrition during this period restricts brain development to the extent that the affected child may never develop their full cognitive potential, resulting in health and learning difficulties that have lifelong consequences. In addition to poor cognition and educational performance, stunting negatively impacts adult earnings and productivity. When accompanied by excessive weight gain later in childhood, it leads to additional nutrition-related health problems. Stunting cannot be reversed beyond the age of two years, but it can be prevented.

Strategic Policy Alignment:

The proposed initiative aligns with development partnership agreements Australia has with Papua New Guinea¹³ and Timor-Leste¹⁴ on health and social and human development. It also advances the Australian Government and the Government of PNG's commitments to the Scaling Up Nutrition¹⁵ initiative and to all countries' obligations to the Sustainable Development Goals' ambitions to end poverty. The Government of Australia acknowledges the complexity of undernutrition and the need for a multi-sectorial approach and is investing to curb stunting in Timor-Leste. The proposed budget line will highlight Australia's support to end stunting and undernutrition in the region and demonstrate its commitment to helping address, with its Pacific partners, the most significant development challenges in the region.

¹¹ <https://www.worldvision.com.au/global-issues/work-we-do/poverty/improving-nutrition-in-timor-leste>

¹² <https://www.who.int/publications-detail-redirect/9789240025257>

¹³ <https://www.dfat.gov.au/geo/papua-new-guinea/papua-new-guinea-australia-comprehensive-strategic-and-economic-partnership#pillar5>

¹⁴ <https://www.dfat.gov.au/sites/default/files/aus-timor-leste-partnership-for-dev-investment-design.pdf>

¹⁵ <https://scalingupnutrition.org/nutrition/nutrition-and-the-sustainable-development-goals/>

Establishing a dedicated stunting programme will be a more efficient approach to development. It will enable the development of a cohesive regional plan with regional determination, peer learning, support, and action. Funding would be allocated first to the most affected countries namely, Timor-Leste and Papua New Guinea.

Rationale:

Neuroscience has shown that the health and wellbeing of a person are rooted in the first 1,000 days of life. Stunting (low height for age) is an indicator of undernutrition and is often correlated with outcomes in health, education, women's empowerment, employment and the reduction of poverty and inequality. Good nutrition lays the foundation for peaceful, secure, and stable societies. Stunting results in low height for age and is a multidimensional nutritional problem that interferes with growth and prevents children from reaching their full potential. The topography, climate vulnerability, and poor infrastructure of the Pacific region has combined with COVID-19 to create challenges for agriculture, access to markets, and food security in the region.

Many families in the Pacific and Timor-Leste are struggling to put food on the table since the pandemic began. World Vision research found that only half of surveyed Pacific households could fully meet their food expenses, with one in four (24%) skipping meals or eating cheaper meals since COVID-19. Pregnant and nursing mothers have limited access to medical and basic social services due to lockdown restrictions. Childhood is when an individual's lifelong health, cognitive development and growth are shaped.

Implementation:

Stunting is highly prevalent in the Pacific and Timor-Leste and should be treated as a regional problem. Australia's investments to address stunting in Timor-Leste and Papua New Guinea should be consolidated and scaled up into a cohesive regional programme that makes a measurable difference in reducing stunting rates. This program should support nutrition sensitive agriculture, raises awareness about significance of good nutrition, recruits pregnant mothers and supports them to feed themselves, their children, and families. An integrated, multisectoral investment is needed to deliver healthy affordable diets, as well as water and sanitation services for the most vulnerable women and children in the Pacific. Based on evidence from World Vision's programs across the world and in the Pacific, we advise the government to commit to a 10-year vision, minimum, implemented in two, 5-year cycles that include annual assessments, mid-term and final evaluations. The effects of stunting on individuals, families and indeed nations warrant intentional, consistent, and sufficient funding for integrated programming¹⁶ tailored to suit specific country contexts.

Value for money:

In PNG alone, child malnutrition costs the national economy an estimated \$US508 million each year due to losses in productivity, income, and increased health care costs. Every dollar invested in reducing stunting generates an economic return equivalent to about US\$18 in high-burden countries. The cost of not prioritising children is too high. A Lancet study¹⁷ on advancing early childhood development found that a poor start to a child's life due to undernutrition can result in the loss of almost a quarter of their adult income.

There is a triple dividend of development benefits that come from investing in children. It improves the lives of vulnerable children; builds their health, capacity, and productivity for future life stages; and lays the foundation for strong developmental outcomes for the next generation.

¹⁶ <https://blogs.worldbank.org/developmenttalk/what-cost-childhood-stunting-and-what-returns-programs-combating-stunting>

¹⁷ https://www.who.int/docs/default-source/childhealth/advancing-early-childhood-development-from-science-to-scale-an-executive-summary-for-the-lancet-s-series.pdf?sfvrsn=de76f5d1_4

PROPOSAL 5**Proposal title:** Fragility Pilot Programs**Affected agency:** Department of Foreign Affairs and Trade**Financial implications:**

	2022-23	2023-24	2024-25	2025-26	Total
Cost of proposal (\$m)	18	18	18	18	72
<i>Investing in economic and environmental resilience</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>48</i>
<i>Investing in social resilience and conflict prevention</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>24</i>
Number of additional staff positions sought (ASL)	0	0	0	0	0

Outline of proposal:

The economic fallout resulting from COVID-19 has led to mass unemployment, loss of livelihoods and incomes, as well as soaring food insecurity in fragile states around the world. This is likely to have major social and political ramifications, including civil unrest, community violence, and conflict over resources, in addition to recurrent shocks resulting from climate change. The University of Denver forecasts the pandemic will ignite conflict in 13 more countries through 2022. Humanitarian needs were already at a historic high in 2021.

It is more important than ever for Australia to re-engage in fragile contexts, to anticipate crises and help build the resilience of communities against major shocks (economic, environmental, and social). World Vision recommends that the Australian Government fund, at minimum, three new packages of multi-year, community-focused, resilience assistance in fragile states, at a cost of \$72 million spread over four years. These packages should address the drivers of conflict, including through integrated interventions to strengthen food security, livelihoods, natural resource regeneration, social cohesion, and peace.

Strategic policy alignment:

Australia's aid policy, *Partnerships for Recovery*, acknowledges the importance of building longer-term resilience in both development and humanitarian contexts. Further, the 2017 Foreign Policy White Paper notes the Government will "encourage a more coordinated focus on conflict prevention, rather than waiting for crises to develop."¹⁸ The World Bank's *Pathways for Peace* report stresses that the best way to prevent communities' descent into crises is to "ensure that they are resilient through investment in inclusive and sustainable development."¹⁹ This requires a strong focus on multi-year, community-focused resilience programming.

At the international level, Australia has already committed to doing more to prevent humanitarian crises and address their root causes. In 2016, the UN Secretary General convened the World Humanitarian Summit to identify new approaches to better support people in crisis settings. The summit recognised the urgent need for a "shift from perpetual crisis management towards effectively managing prevention and early action."²⁰ The

¹⁸ <https://www.dfat.gov.au/sites/default/files/minisite/static/4ca0813c-585e-4fe1-86eb-de665e65001a/fpwhitepaper/foreign-policy-white-paper.html>

¹⁹ <https://www.worldbank.org/en/topic/fragilityconflictviolence/publication/pathways-for-peace-inclusive-approaches-to-preventing-violent-conflict>

²⁰ <https://reliefweb.int/sites/reliefweb.int/files/resources/Secretary-General%27s%20Report%20for%20VHS%202016%2028Advance%20Unedited%20Draft%29.pdf>

Grand Bargain was adopted at the summit's conclusion, with signatories including Australia committing to increase "collaborative humanitarian multi-year planning and funding."²¹ Australia also committed to improving "prevention and peaceful resolution capacities at the national, regional and international level," and "address root causes of conflict and work to reduce fragility by investing in the development of inclusive, peaceful societies."²²

Not least, OEC DAC members including Australia have committed to increased "support for prevention, mediation and peacebuilding and early recovery, with a view to decreasing the risk of violent conflict, disasters and crises that generate humanitarian needs and undermine development."²³

Rationale:

Communities in fragile states are exposed to recurring shocks and long-term stresses, including environmental (linked to climate change), economic, social, and political. These shocks often compound one another, eroding people's capacity to cope and resulting in humanitarian dependency. In 2021, 235 million people around the world required life-saving humanitarian assistance, a number that has grown steadily over the past decade primarily because of armed conflict and natural hazards.²⁴ Between 2002 and 2013, 86 percent of humanitarian funding needs occurred in situations of armed conflict and violence.²⁵

This underlines the urgent need to help communities better cope with shocks and prevent conflict from occurring in the first place. The key to breaking the cycle of crisis and short-term emergency response is longer-term investment in building community resilience. Such programs assist in building the foundations for sustainable development, bridging the nexus between humanitarian, development, and peacebuilding programs, and over time reducing dependence on international assistance.

Evidence from DFAT-funded resilience programming, including in extremely fragile contexts like Somalia, Afghanistan, and South Sudan, shows that community-level approaches such as livelihood diversification, environmental restoration, and savings groups are effective in enabling communities to withstand shocks and more swiftly recover from them.²⁶ World Vision has also seen strong peace dividends come from food security, livelihoods and natural resource regeneration programs that include a dedicated social resilience and conflict prevention component. Social resilience approaches may include efforts to mitigate disputes associated with resource strain and reduce tensions between communities.

Implementation:

World Vision recommends that Australia intentionally apply a multi-year, integrated resilience approach in fragile contexts. This should include long-term interventions to strengthen livelihoods, food security, natural resource regeneration, social cohesion, and peace, in line with current thinking on the Humanitarian-Development-Peace Nexus. World Vision recommends that social resilience and peacebuilding efforts give preference to harnessing the potential of faith leaders and young people in reducing community tensions. World Vision also recommends the use of flexible funding arrangements, linking risk analysis tools with rapid financing protocols to ensure that once early warning triggers are reached, action can be taken to protect people ahead of impacts. World Vision considers there are opportunities for integrated resilience programming in Afghanistan, DR Congo, Ethiopia, Iraq, Lebanon, Mozambique, Somalia, South Sudan, Sudan, and Syria.

²¹ http://agendaforhumanity.org/sites/default/files/Australia_commitments_final.pdf

²² http://agendaforhumanity.org/sites/default/files/Australia_commitments_final.pdf

²³ <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5019>

²⁴ https://reliefweb.int/sites/reliefweb.int/files/resources/GHO2021_EN.pdf

²⁵ <https://digitallibrary.un.org/record/771361?ln=en#record-files-collapse-header>

²⁶ https://www.worldvision.com.au/docs/default-source/publications/emergency-and-humanitarian-affairs/8825_multi_resilience_policy_final.pdf?sfvrsn=d606d93c_4

PROPOSAL 6**Proposal Title:** Economic Inclusion Fund for Regional COVID-19 Recovery**Affected Agency:** Department of Foreign Affairs and Trade**Financial Implications:**

	2022-23	2023-24	2024-25	2025-26	Total
Cost of proposal (\$m)	7	15	15	13	50
Number of additional staff positions sought (ASL)	0	0	0	0	0

Outline of proposal:

The economies of Asia and the Pacific have been particularly battered by the economic fallout of COVID-19. There has been significant disruption to food and market systems, with 'lock down' policies leading to major shifts in global demand and supply chains as well as changes in consumer behaviour. Micro, small and medium enterprises (MSMEs), who are by far the largest employers in low-income countries and were already facing a global credit gap before the pandemic - have been significantly impacted. These disruptions have led to losses in jobs and income, with the vulnerable populations the hardest hit, including those living in poverty and those working in the informal sector, especially women.

World Vision data shows that loss of livelihoods is the biggest concern of households in the region. In 2021 World Vision surveyed 6,400 households across nine countries in Asia and found that 63% of households had lost income in year two of the pandemic.^[1] In a separate World Vision survey of 752 households across four Pacific countries, 60% of respondents had either lost their job or lost income, and only half were able to fully meet their food expenses since COVID-19.^[2] Many households were forced to use the little savings they have, sell assets and/or reduce their food intake. The impacts of COVID-19 are not gender-neutral. The pandemic has exposed, and threatens to deepen, structural gender inequalities in economies and societies around the world. Women are often concentrated in the informal economy in less profitable sectors. Prior to the crisis, women spent three times the number of hours in care and domestic work than men²⁷, with the pandemic increasing this burden further.²⁸

The Australian Government has already made large investments to support the region's economic recovery from COVID-19, including allocating \$300 million for the Pacific and Timor-Leste Economic Recovery package and committing \$500 million to support Southeast Asia's recovery from COVID-19. It is recommended that an Economic Inclusion Fund be established to complement these investments and ensure the region's economic recovery is inclusive, pro-poor and that it reduces inequality rather than exacerbating it. This Fund will complement existing commitments which focus on economic stimulus, budget support and market systems development by funding specific programs focused on economically empowering the most marginalised, including the poor, ultra-poor, women and other vulnerable groups, who have been hit hardest by the socio-economic impacts of the pandemic.

[1] <https://www.wvi.org/sites/default/files/2021-10/Unmasking%20the%20%20Childhood%20Lost.pdf>

[2] https://www.worldvision.com.au/docs/default-source/publications/australia-and-the-pacific/pacific-aftershocks-report.pdf?sfvrsn=35bfa3c_2

²⁷ UN Women. 2020. *Gender Equality: Review of Women's Rights 25 years After Beijing*. New York, NY: UN Women.

<https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/gender-equality-womens-rights-in-review-en.pdf?la=en&vs=934>.

²⁸ CARE, "Global Rapid Gender Analysis for COVID-19," March 2020

Strategic Policy Alignment:

World Vision welcomes the focus on economic recovery in Australia's COVID-19 development policy, *Partnerships for Recovery*, including the focus on the Indo-Pacific region. We recommend that this economic recovery be built on inclusive, sustainable growth, including engaging with the informal sector, local businesses, and the most vulnerable households. Only by making markets more inclusive and resilient can the region's economy fully recover over the long-term. Inclusive growth broadens trade opportunities and empowers people to lift themselves out of poverty, as well as avoiding inequalities between groups in a recovery which could contribute to conflict and instability in the region.

This proposal for an Economic Inclusion Fund will contribute to the Government's Pacific Step Up by supporting inclusive economic growth in the Pacific region, especially growth that involves and benefits women and those living in poverty. This inclusive approach will help set Australia apart from other bilateral donors in the region and strengthen Pacific relations by building both people-to-people and economic linkages. It will seek to promote synergies with other related Australian investments in the region, including the undersea cable to improve internet connectivity in PNG and the Solomon Islands.

By breaking down barriers to women's economic participation, the program will also promote women's economic empowerment in line with DFAT's *Gender equality and women's empowerment strategy*. The proposal will directly contribute to Australia's Aid for Trade objectives by building the productive capacity of local communities to engage in and benefit from international, regional and national trade flows.

Rationale:

An Economic Inclusion Fund would differentiate Australia's approach to regional economic recovery demonstrate our commitment to inclusion in the Asia-Pacific. It would do this by establishing a targeted investment to 'build back better' a region that is more inclusive, sustainable, and resilient to diverse economic, social and environmental shocks. In the absence of a specific focus on economic inclusion, there is a risk that economic recovery programs that don't intentionally target poor and vulnerable groups will leave them behind, threatening the region's progress on poverty, and increasing the risk of conflict and instability. On the other hand, inclusive growth can support better functioning markets, broader participation of people across the economic ladder, which can promote peace and stability.

Our recommendation for an intentionally inclusive approach to the region's economic recovery is grounded in World Vision's experience in supporting inclusive market systems development (iMSD), value chain development, financial inclusion and women's economic empowerment across more than 38 countries. Our recommendations are also based on the two 2019 reviews of the Australian Government's economic development programming, including the MSD Synthesis Review^[4] and the ANCP Thematic Review; Agriculture and Food Security.^[3] Between the recommendations in those reviews and the DFAT management response there is a strong endorsement of more "focus on small holders...inclusion of the poorest, of women and people with a disability" and "to build stronger structures [for learning and collaboration]," while also investing in the awareness and capacity of stakeholders and implementing organisations to "target systemic change".

Affordable financial services, along with financial literacy, are key enablers for families, children and individuals to overcome hardships and thrive by facilitating the creation and expansion of micro, small and medium-sized enterprises. As outlined by DFAT's chief economist Jenny Gordon (2020), access to finance will be crucial for economic recovery from COVID-19 in the Pacific, and in the short-term it is critical to business continuity.²⁹ One way in which World Vision has responded to the economic impact of this crisis is to help savings groups

[4] <https://www.dfat.gov.au/sites/default/files/market-systems-development-synthesis-review-final.pdf>

[3] <https://www.dfat.gov.au/publications/people-people/ancp-thematic-review-agricultural-development-and-food-security>

²⁹ https://devpolicy.org/Events/2020/COVID-19_economic_costs_and_responses_in_the_Pacific_19_Aug/DFAT_slides_JG.pdf

adapt, for example by making savings available to members and extending the terms of loans made through the groups. World Vision operates some 3,335 savings groups around the world and is assisting them to meet in safe ways, in order to continue their activities and to provide a space for their members, especially women, to collaborate and share experiences and learnings during the pandemic.

Now is the time to place added emphasis on inclusive growth to help our neighbours in the Indo-Pacific recover from COVID-19 while reducing poverty. To promote gender equality, inclusive growth and child well-being, priority should be placed on targeted women's economic empowerment programs that respond to the different barriers and opportunities faced by women compared to men.

Implementation:

The Fund will support 'hybrid' inclusive programs to economic recovery that integrate a combination of market focused, 'pull' or systems level strategies (e.g., co-designing inclusive climate-smart business models with private-public actors, advocating for policy/regulation change) and household focused or 'push' strategies (e.g., inclusive business, savings groups and financial literacy training, information provision, social and gender norm change activities), based upon the level of market-readiness, vulnerabilities and key barriers of diverse groups living in poverty, including women. The fund will also promote access to finance and work with financial service providers to ensure recovery loans³⁰ where needed for MSMEs can adapt and recover over the longer-term. NGOs are uniquely placed to combine these approaches, with significant understanding of how engage work with and through market actors, while also knowing how to reach marginalised communities. This is a position further reinforced in the recommendations of the aforementioned DFAT reviews. Investing in organisations that can work on inclusive market systems development, financial inclusion, as well as leverage other sectoral expertise like gender equality and nutrition sensitive agriculture could hold the key to producing a scalable market engagement programming modality that actively targets inclusion, poverty reduction, gender equality, and child nutrition outcomes.

Value for Money:

The proposed Economic Inclusion Fund would help ensure value for money from the Government's much larger investments in the Indo-Pacific's economic recovery. The Government has already provided \$100 million in immediate crisis financing for the Pacific and Timor-Leste, \$300 million for the Pacific and Timor-Leste Economic Recovery package, and another \$500 million package to support Southeast Asia's recovery from COVID-19. The Economic Inclusion Fund would ensure effectiveness of the aid program to deliver on inclusion outcomes, including inclusive growth, private sector development, poverty reduction, gender equality. There is an opportunity to design the investment to align with and extend the impact of existing economic recovery interventions, implement new initiatives, and deliver on some of DFAT's own recommendations. By intentionally making the economic recovery inclusive, we can broaden markets and the consumer base, strengthen economies, and reduce poverty and inequality.

³⁰ [Disaster Resilient Microfinance: Learning from Communities Affected by Typhoon Haiyan \(adb.org\)](#)

PROPOSAL 7**Proposal Title:** Landscape and Forest Restoration Package**Affected Agency:** Department of Foreign Affairs and Trade**Financial Implications:**

	2022-23	2023-24	2024-25	2025-26	Total
Cost of proposal (\$m)	15	15	15	15	60
Number of additional staff positions sought (ASL)	0	0	0	0	0

Outline of Proposal:**\$60 million landscape and forest restoration package for East Africa and the Pacific**

WVA is seeking a significant scale up in the sphere of landscape and forest restoration. We see the restoration and regeneration of landscapes as fundamental to addressing the scourge of climate change, food insecurity and water scarcity and an essential part of Australia's commitment to the Glasgow Leaders Declaration on Forests and Land Use 2021 at COP26.

We believe the Australian Government should join the UN Decade for Ecosystem Restoration as a Funding Partner and principal supporter of the UN Decade's Multi Partner Trust Fund. Joining the UN Decade for Ecosystem Restoration will be a tangible means of expressing Australia's commitment to the Glasgow Leaders Declaration on Forests and Land Use, consistent with its stated objective of 'conserving forests' and 'accelerating their restoration'.

The Global Environment Facility estimates that 25% of the world's land area has been degraded. According to the World Resources Institute, some two billion hectares of this degraded land offer opportunities for restoration. World Vision has identified two initial flagship projects that the Australian Government can support as part of its commitment to address climate change through landscape and forest restoration. However, World Vision Australia is ready to collaborate with DFAT and ACIAR to pilot many more of these initiatives over the next five years as part of our plan for a huge scaling up of landscape and forest restoration across the globe.

Flagship Program 1: East Africa – Dry Dev Phase 3 (scaling up in three new East African countries)

World Vision's flagship landscape restoration model (FMNR) is a potential game changer in efforts to help the world adapt to and mitigate the scourge of climate change. Landscape restoration restores not just degraded land: it restores hope and transforms lives. Communities reliant on natural resources for their livelihoods are especially vulnerable to the effects of climate change, especially those in dryland areas. Transformational approaches are needed that restore natural environments, such as through FMNR, while also supporting communities to identify pathways to sustainably manage their resources and to benefit economically from the use of these resources.

Integrated approaches, such as those undertaken with co-funding by WVA in the Sahel and the Horn of Africa through the [Drylands Development Programme](#) (DryDev) and [Regreening Africa](#), link water-harvesting and FMNR-based regreening with climate-smart agriculture and economic empowerment. The just completed DryDev Phase-2 reached almost 60,000 farmers in Ethiopia, restoring 34,000 hectares of degraded land and contributing towards better linkage with financial services and markets. Hope is restored when degraded landscapes recover and communities can improve their terms of trade with markets and services.

The transformational role of trees in livelihoods and food security, as exemplified by [ACIAR research in East Africa](#), are best harnessed by firstly, protecting the recovering trees through community-led governance and

sustainable management; and secondly, by ensuring communities – especially women – benefit economically through linkage with financial services, markets and international carbon finance where possible.

As an integrated landscape initiative, DryDev would need AUD 10m per country per year to scale-up the approach. WVA is asking for Dry Dev Phase 3 to be scaled up in three new East African countries, reinforcing the Australian Government's commitment to a region hit hard by chronic food insecurity and water stress. This would help restore 300,000 hectares of degraded land and empower 180,000 smallholder and family farmers.

Flagship Program 2: Unlocking the Asia-Pacific Forests

While the scale of opportunities for applying FMNR on terrestrial ecosystems is limited compared to other countries with larger areas of land, there is still significant areas of degraded land (mostly due to deforestation), approximately 9.58 million hectares across Papua New Guinea, Solomon Islands, Timor-Leste, and Vanuatu. Areas of high aridity in the Solomon Islands, Vanuatu, and parts of Timor-Leste are well suited to FMNR as tree planting alternatives are more costly and less effective.

High levels of poverty particularly in PNG and areas of TL also mean that FMNR is accessible where other more costly restoration alternatives may not be. Key to amplifying the potential for FMNR in the Pacific will be adaptation of the programming approach for coastal ecosystems, specifically to support the regeneration of mangrove forests.

Strategic Policy Alignment:

DFAT's Climate Change Action Strategy includes a commitment to "increase targeted climate change investments to achieve outcomes at scale" and investing in nature-based climate solutions would do just that. It would help realise the objectives of the Action Strategy to support innovative climate solutions and help partner countries adapt to and mitigate climate change.'

In addition, the proposed greening program would support the goals of the Paris Climate Change Agreement, and achievement of the Sustainable Development Goals (especially SDG 13 on Climate Action and SDG 15 Life on Land).

Rationale:

Deforestation and land degradation are significant drivers of climate change owing to related losses in above and below ground woody biomass and organic matter which play a vital role in carbon sequestration and storage. Between 1990 and 2015, it is estimated that the world's forest area decreased from 31.6% to 30.6%, representing a net loss of 129 million hectares.²⁹ Unsustainable land and natural resource use practices also contribute to land degradation. In 2011, it was estimated that 25% of all land worldwide was highly degraded and 36% was slightly or moderately degraded.³⁰

The combined impacts of climate change, deforestation and land degradation on natural systems have contributed to a disruption of vital ecosystem functions and services globally. This disruption of essential ecosystems has produced numerous negative flow-on effects that significantly threaten human survival and prosperity.³¹ If not urgently addressed, global land degradation and associated decreases in land productivity are projected to contribute to a global food security crisis.

Restoring degraded landscapes to regain their ecological functionality has been identified as an "unparalleled opportunity" and "proven measure" for fighting the climate crisis and ensuring food security, water supply and biodiversity. The restoration of 350 million hectares of degraded land (as per the Bonn Challenge) is estimated to generate US\$9 trillion in ecosystem services and take an additional 13-26 gigatons of GHGs out of the atmosphere between now and 2030.³³ Nature-based solutions therefore offer significant untapped potential to regenerate degraded landscapes, restore ecosystems and biodiversity, and support climate change mitigation and adaptation by capitalising on the regenerative potential of the vast underground forests found globally.

Farmer Managed Natural Regeneration (FMNR) is an evidence-based, low-cost, and replicable community-led approach to restoring land through the systematic regrowth and management of trees and shrubs from felled stumps, sprouting root systems or seeds. The FMNR approach integrates nine core components which include a mix of technical and socio-political practices and approaches which are applied to varying degrees depending on the context. When applied to forest landscapes, the practice of FMNR's core components can be defined as community forest management, while the practice of FMNR's core components on agricultural landscapes can be defined as agroforestry. FMNR has been recognised by the UN as contributing to 12 of 17 Sustainable Development Goals³⁴.

Implementation:

Over the past two decades, World Vision has scaled-up FMNR across our field programming in over 27 countries across Africa, Asia and the Pacific. Despite the success of these programs, we recognise that if the climate crisis is to be averted within the critical window of opportunity remaining, a more innovative and catalytic approach to scaling FMNR globally is required. To accelerate action, World Vision will be launching an ambitious climate initiative in 2022 that will feature the scaling up of FMNR.

Value for Money:

The international community urgently needs low-cost, high impact initiatives to sequester carbon and tackle climate change. While the carbon sequestration potential of FMNR can vary depending on climactic factors (including temperature and rainfall), tree species, tree density, and soil type; it is estimated that FMNR applied on forest landscapes can sequester between 6 and 20 tCO₂e per hectare per year, while FMNR applied on agricultural landscapes can sequester between 1 and 2 tCO₂e per hectare per year. Supporting FMNR is also proven to support a wider range of social and economic community benefits.

This proposal offers the Australian Government the opportunity to invest in an innovative, replicable, and value-for-money approach to catalysing the global scale-up of FMNR, a low-cost and evidence-based nature-based solution to rapidly restoring degraded landscapes and ecosystems. Such an investment would place the Australian Government at the forefront of this global Movement and provides a tangible means of demonstrating the Australian Government's commitment to direct and practical climate action.