



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

**Inquiry into the role of development partnerships in agriculture and agribusiness in promoting prosperity, reducing poverty and enhancing stability in the Indo-Pacific region**

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## EXECUTIVE SUMMARY

Caritas Australia welcomes the interest of the Joint Standing Committee in the role of partnerships in agriculture and their place in international development efforts to promote long-term sustainability.

The experience of Caritas Australia and its many partners in the Indo-Pacific region, highlights the central and vital place of agriculture in the lives of many of the world's poorest people and the contribution of agriculture to a wide range social and economic outcomes.

Our submission provides four case studies which demonstrate the types of agricultural partnerships and innovations which effectively promote prosperity, reduce poverty and enhance stability. Based upon these case studies and our many other programs, we submit the following recommendations:

**Recommendation 1:** Ensure any emphasis on the value of the private sector in agricultural development, incubates and empowers community based economic enterprises which promote food security and market participation of the poorest people.

**Recommendation 2:** Ensure the Australian government's investments in agriculture and agribusiness are designed from the outset to measure impact on the poor including, where possible, up-front value chain analysis as part of program cycles.

**Recommendation 3:** Ensure Australian Aid continues to invest in agricultural development, without decreasing funding to other vital and interdependent development priorities, such as women's empowerment, climate change adaptation, education, health or humanitarian response.

**Recommendation 4:** Recognise the importance of Australian Aid to our international standing, including its global reputation as a leading player on the application of innovative agriculture science as a means to reduce rural poverty; not proceed with the planned cuts to Australian Aid in the 2016/17 budget and re-establish timelines to reach the bipartisan target of 0.5% and the OECD target of 0.7% of GNI.

**Recommendation 5:** Ensure Australian Aid continues to prioritise vulnerable and marginalised people, including women and girls, people with disabilities, ethnic minorities and indigenous peoples, by increasing the proportion of the Australian Aid budget available through NGO cooperation programs.

## ABOUT CARITAS AUSTRALIA

Caritas Australia is the international aid and development agency of the Catholic Church in Australia. We are a member of Caritas Internationalis – the world's second largest humanitarian network with over 160 member agencies operating in over 200 states and territories and an annual turnover of AUD \$3 billion. We are also a member of the Australian Council for International Development (ACFID) and the Church Agencies Network (CAN).

Caritas Australia works to uphold human dignity in communities across Africa, Asia, Latin America and the Pacific and in First Australian communities. We work with the children, women and men most vulnerable to poverty and injustice regardless of their ethnicity, political beliefs or religion.

In 2014–15, Caritas Australia supported 152 long-term programs and 113 partnerships in 31 countries, including 13 programs in Australia working with First Australians. We also supported 42 emergency response programs in 22 countries, through 22 partnerships. Through the generosity of our supporters, Caritas Australia reached over 2.48 million people directly through our emergency and development programs.

As a member of Caritas Internationalis, Caritas Australia (CA) has huge reach and opportunity to facilitate economic empowerment for the most vulnerable and marginalised people, including in the Indo-Pacific region. CA has a community-based, holistic understanding of economic empowerment which emphasises overcoming inequality by targeting the most vulnerable and marginalised people, particularly those recovering from conflict and violence. Program activities are driven and implemented by community partners with support from CA. All programs involve stakeholder analysis that identifies potential linkages with business and government partners. The following case studies demonstrate how this approach is essential to enable sustainable economic growth, improve livelihoods and strengthen nutrition security.

## **1. AUSTRALIA'S CONTRIBUTION AND ACHIEVEMENTS TO DATE IN CATALYSING SUSTAINABLE ECONOMIC GROWTH, IMPROVING LIVELIHOODS AND STRENGTHENING FOOD AND NUTRITION SECURITY THROUGH PARTNERSHIPS IN THE AGRICULTURE AND FOOD SECTOR IN DEVELOPING COUNTRIES IN THE REGION.**

### **CASE STUDY 1: INTEGRATED RURAL DEVELOPMENT PROGRAM, INDONESIA**

Due to increasing population pressure in the Belu District and soil degradation from slash and burn practice, alternative sustainable farming methods were essential for food security and income generation. This program began with one village in 2006 and has grown to include 13 villages with 10 650 people directly participating in the program (and approximately 50,000 indirectly benefiting). In a DFAT funded project, CA and its partner Yayasan Mitra Tani Mandiri (YMTM) identified and promoted the diversification of products and the shift to sedentary farming. Key approaches included: terracing, planting of perennial crops (for long term income), agro-forestry, vegetables for consumption and sale, collective marketing and cattle rearing.

Using funding from DFAT's Humanitarian Partnership Agreement (HPA), CA also supported a climate study carried out by Indonesia's Institute Technology of Bandung (ITB). The findings of this research assisted farmers in adjusting their crop selection, agricultural techniques and planting seasons to respond to changes in climate.

During the 2014/15 period, 216 farmers including 141 women increased their knowledge and skills in marketing through a collective marketing initiative. A total of 155 tons of agricultural commodities such as cashews, pecans, tamarinds, copra, groundnuts and sweet corn was sold with a total profit of IDR 385,894,400 (~AUD \$39,368). Through the collective marketing, the commodities were priced

20% higher compared to those marketed individually, with fair prices received by all farmers regardless of how small their own yield may have been.

During the 2014/15 period, 209 farmers including 136 women increased their skills and knowledge in vegetable cultivation. 22 hectares of permanent gardens including vegetable gardens were established by 412 farmers, including 197 women. A 5% increase on the sale of crop production was recorded due to the application of new farming techniques including crop diversification and compost usage.

Training in group dynamics, co-operative management, entrepreneurship, and micro businesses and the establishment of village loans and savings schemes have been key strategies in increasing market sales. Since the program began, a total of 13 Savings and Loans groups have been established with a total of 959 members, including 574 women, and have saved IDR 1,586 million (~AUD \$162,300) to start small businesses. This has enabled the groups to start to improve their non-agricultural income generating projects which include kiosks, furniture and transportation businesses. Some are also using the loans to pay for services such as health and education.

The promotion and adoption of the program's financial institution model was taken up by the Belu District local government as a best practice example. This resulted in selected communities hosting study tours of local government officials to showcase their village based financial mechanisms.

#### **CASE STUDY 2: THE AUSTRALIA AFRICA COMMUNITY ENGAGEMENT SCHEME (AACES), MALAWI AND TANZANIA**

In addition to increasing resilience and economic wellbeing CA works with partners and communities to leverage further positive change by engaging with government and business stakeholders. For example in Malawi, AACES program participants successfully lobbied local authorities to fulfil their duty to farmers by providing training and government agricultural extension services. The benefit of this reengagement with local government services is extended not only to AACES stakeholders but other communities within the region as they learn from the AACES program.

The CA AACES program in Malawi and Tanzania has built on our ten years' experience of integrated community development programs in Africa. The program was expected to directly reach 24,000 people over five years, but will massively exceed this number. The program's strengths-based approach (SBA) has shown positive impact particularly in community empowerment. Two main innovations are noteworthy: the greater involvement by Government as both a development and sustainability strategy; and the engagement with the private sector, initially as tendering suppliers of program inputs but also as marketers of participants' agricultural produce.

In Dowa district, Malawi, our local partner CADECOM has reported an increase in yields of 1000 farmers due to training and subsequent adoption of modern agriculture practices. As a result 129 household incomes have increased (from almost zero) for these farmers with an accumulated USD \$15,300 (~ AUD \$21,273) earned in six months from the sale of green maize, fresh vegetables, beans and tomatoes. Measured by project baseline data, the AACES program directly contributes to participating communities being declared food secure, even during periods when most of Malawi was receiving food support. Families are now eating three meals a day compared to only two at the inception of the project.

Another strategy to facilitate economic empowerment includes the support of Village Savings and Loans (VSL) schemes. At the end of 2013, 362 groups were established with an average membership of 20 people per group (of which 85% are women). Approximately 7240 people received an equal portion of savings that totalled USD \$153,669 (~ AUD \$213,667). Savings have been used to establish cooperatives that add value to agricultural produce: bakeries; bee keeping; processing of soya beans; and making of jams and other relishes. Families use this increased income to educate children, pay for health services and improve their houses. All of this activity further stimulates the local economy, extending the benefits beyond direct beneficiaries. This income empowers families to make genuine choices which lead to the realisation of their visions for the future.

## **2. INNOVATIVE MODALITIES AND PRACTICES THAT WOULD ENHANCE THE CONTRIBUTION OF ALL RELEVANT STAKEHOLDERS IN SUPPORTING AGRICULTURAL DEVELOPMENT, BETTER NUTRITION AND INCLUSIVE ECONOMIC GROWTH IN THE INDO-PACIFIC REGION.**

The following case studies show the importance of targeting and specifically addressing the barriers that often exclude the most marginalised and vulnerable people from economic development. The case studies reveal how CA works with partners and communities to leverage further positive change by engaging with government and business stakeholders addresses the structural disadvantages that many people living in poverty face. This is needed to ensure all people have the opportunities to realise dignified livelihoods, establish successful enterprises and participate equally in the formal workforce and that their current exclusion is not reinforced.

### **CASE STUDY 3: INTEGRATED RURAL COMMUNITY DEVELOPMENT PROJECTS, BANGLADESH**

In Bangladesh, Adivasi people face disproportionate development challenges compared to non-Indigenous people. The denial of their rights, cultural identity, self-determination, land and natural resources inhibit their development, including sustainable livelihoods.

This ANCP funded program aims to increase the dignity of Adivasi people (ethnic minorities) by improving their socio-economic status. The program began working with two regions in 1998 and has grown to work with 1,038,000 people in 519 villages in 2012. Prior to the program Adivasi communities were dependent on irregular and exploitative daily waged labouring work. Only 35% of Adivasi people could afford three meals a day on labouring work alone. In an attempt to facilitate diversification options for Adivasi people key objectives of the program have been to train participants in alternative income generating activities and savings and loans schemes.

In 2012 over 50% of direct participants were engaging in a secondary and alternative small business such as: grocery shops; rickshaw transport; poultry; hairdressing; and midwifery support. The savings and loans schemes and training have contributed to a 55% average income increase and 100% of project participant families (approximately 100,000 people) were consuming three daily meals. The increased income in one village has seen the school enrolment rise from 20 to 100%.

Using the skills gained through the program a key significant achievement has been the successful advocacy of the Adivasi people to reclaim their land, removed unlawfully.

### **CASE STUDY 4: COOPERATIVE STRENGTHENING AND ENTERPRISE PROMOTION, NEPAL**

With the support of Caritas Australia and ANCP funding, Caritas Nepal is working with the poorest and most marginalized people in Nepal. The main livelihood of most of these people is as subsistence farmers and agricultural labour. Most of the people participating in the program have low land holding of less than half a hectare of land.

This program aims to provide cooperative opportunities for groups of marginalised 'dalit' and ethnic peoples in rural Nepal. The program provides training in enterprise and business skills and facilitates revolving funds for 69 cooperative and group enterprises. A total of 14,545 participants have received training including 9,623 women, 1,314 men, 1,804 girls and 1,804 boys. Women and girls make up 78.6% of the direct beneficiaries. The impact of the training is becoming evident as cooperatives begin to develop new businesses such as fisheries and pig-raising. Although the program aimed to increase the annual income of members by NPR 4000 (~AUD \$51), most cooperative members are each receiving an increase somewhere between NPR 7000 and NPR 10000 (~AUD \$90 - 128). In the case of one new fishery business members each received annual increase of NPR 20338 (~ AUD \$261).

Importantly the increase in annual income is contributing to children's education, social events and health costs. Additionally the increase in income is alleviating pressure within families and contributing to family wellbeing and harmony.

#### **CASE STUDY 5: YOUNG FARMERS PROJECT, FIJI**

A recent innovation to the agricultural techniques is the soil cleansing and companion planting methodology used by the Tutu Rural Training Centre (TRTC) in the ANCP funded Young Farmers project in Fiji. This technology has reduced chemical usage by 80% and improved rehabilitation of the soil fertility and crop yields. By rotating the training sites between the training centre and remote communities, this project has led to faster uptake of new skills.

The "Tutu model" for non-formal adult education in agriculture is recognised as a successful model for rural development in the Pacific. The program has been successful in equipping rural young people to be successful farmers on their own land and develop sustainable livelihoods. Tutu has built private sector partnerships through projects such as the Bula Agro and the Waiyinku Coconut Oil project to enable rural farmers to access local markets. This has increased the average income and access to basic needs by rural farmers and their families. An independent evaluation in 2011 confirmed the impacts of the project in empowering local young farmers economically. "The estimated total annual income earned by the Young Farmers who graduated in 2007 and 2011 is FJD\$1.27 million (~AUD \$826,596). Had it not been for Tutu, many of these young people would have been underemployed in the village or would have migrated to the urban areas with limited employment prospects."

#### **CONCLUSION**

Agricultural programs which empower the most vulnerable and marginalised people must remain an essential element of the Australian aid program.

Caritas Australia's work demonstrates the value of Australian Aid being invested in agriculture through DFAT's ANCP, AACES and HPA programs, specifically by promoting inclusive, sustainable, community-driven development with immediate economic and social benefits to program participants and numerous flow-on effects for local economies. As Australia re-affirms our commitment to the Sustainable Development Goals, such programs must remain a crucial part of DFAT's efforts.

Caritas Australia's Integral Human Development framework emphasises the interrelated and interdependent nature of food security, economic empowerment, education, health and other development priorities. Sound investments in local agricultural schemes can therefore have benefits beyond a simple increase in agricultural yield. Concordantly, for Australian Aid investments to be most effective they must take into account the complex interplay of the various social, geographic, economic, cultural and historical factors. This is most possible through the use of NGO partnerships which reach deeply into grassroots communities and facilitate growth and development which includes all people.

Investments in agricultural development are an essential part of Australian Aid fulfilling our nation's role as a global citizen, assisting the economic and social development of our nearest neighbours and improving the lives of the world's poorest people. Partnerships with universities, governments and local enterprises are a crucial part of Caritas Australia's work as demonstrated through the included case studies.

Each example demonstrates innovative approaches to partnership which catalyse sustainable livelihoods, food and nutrition security and women's economic empowerment, while ensuring local enterprises benefit from the partnership rather than compete with it.

Recent commitments from the government to increase the funding to climate change adaptation efforts and the recent recommendations from this Committee to increase Official Development Assistance focused on women and girls<sup>1</sup> have been welcomed by Caritas Australia. While such priorities are interconnected, it is becoming increasingly apparent that Australia's historically low ODA budget is insufficient to achieve all that Australia recognises as the development needs of our neighbours. For this reason, we encourage the Committee to repeat its recommendation from previous papers to increase the overall level of Official Development Assistance.

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<sup>1</sup> Recommendations 27, 29, 30 and 31 from Parliamentary Paper 459/2015: "Empowering women and girls", 3 Dec 2015,

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