

Chapter 6

Aid and achieving the sustainable development goals

Introduction

6.1 This chapter will examine Australia's aid funding to Africa, including an overview of Australian aid to Africa, Australia's 'aid for trade' policy, the work of the Australian Centre for International Agricultural Research (ACIAR), the Australia Awards program, and the potential for partnerships, particularly in the areas of mining and renewable energy technology. The chapter will also discuss the role of Australian trade and investment in helping to achieve the United Nations Sustainable Development Goals in Africa.

Aid overview

6.2 Historically, Australia has been party to a number of multilateral agreements that have informed our approach to aid funding in Africa. Agreements such as the 2005 Paris Declaration, and subsequent Accra Agenda in 2008, saw Australia undertake to co-ordinate its aid funding with other donor countries to increase the effectiveness of our contributions.¹

6.3 Australian aid contributions to African countries are currently concentrated in Sub-Saharan Africa, and total \$121.1 million for budget year 2018–19.²

6.4 On 29 May 2017, the Minister for Foreign Affairs, the Hon Julie Bishop MP announced that the government would provide an additional \$19.3 million to provide emergency food, healthcare, water and sanitation to people in South Sudan, Ethiopia, Nigeria and Kenya.³

6.5 The Minister indicated that the additional funding would bring the government's contribution towards the international response to conflict, drought and famine in Africa to \$68 million since July 2016. This additional funding:

...supplements Australia's regular funding to United Nations Central Emergency Response Fund and humanitarian organisations to respond to humanitarian crises globally, including in Africa.⁴

Amount of aid

6.6 World Vision Australia pointed out that the Australian Government has 'reduced its ODA [official development assistance] to the countries of Africa and the

1 Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Relationship with the Countries of Africa*, June 2011, pp. 41–42.

2 Department of Foreign Affairs and Trade, *Australian Aid Budget Summary 2018-19*, May 2018, pp. 70–75.

3 'Humanitarian assistance to Africa', *Media release*, 29 May 2017.

4 'Humanitarian assistance to Africa', *Media release*, 29 May 2017.

Middle East over the last five years as it refocuses aid on the Asia Pacific region and reduced the overall aid budget'.⁵ It highlighted that:

This decline in Australia's ODA [Official Development Assistance] to African countries may be problematic for Australian trade in the region as there is an emerging correlation between aid and trade.⁶

6.7 It also suggested that:

...if Australia intends to grow its trade and investment with the countries of Africa, then it should increase its foreign aid to the region. Instead of withdrawing from Africa, Australia should instead work with the emerging economies of Africa to assist their development and help integrate them into Australian and international markets.⁷

Aid for Trade

6.8 World Vision Australia noted that the World Trade Organization defines aid for trade as:

...helping developing countries, in particular least developed, to build the trade capacity and infrastructure they need to benefit from trade opening.

Aid for trade was borne out of the recognition that although international trade is an essential driver for economic growth and therefore poverty reduction, developing countries often lack the capacity to realise these benefits of trade.

Aid for trade now represents approximately 30 per cent of global ODA flows each year.⁸

6.9 Currently, Australian aid to Africa is largely structured around a policy of aid for trade. The Department of Foreign Affairs and Trade (DFAT) describes this as follows:

Through aid for trade, Australia assists African and other developing countries to integrate into the global trading system by creating a business-enabling environment for all players.

African countries should continue to be included in aid for trade engagement, particularly where there is opportunity to improve the regulatory environment and enhance trade facilitation across the continent.⁹

6.10 A number of submissions to the inquiry expressed their support for the current policy of aid for trade, noting that access to global markets for the purpose of trade

5 *Submission 28*, p. 6.

6 *Submission 28*, p. 7.

7 *Submission 28*, p. 7.

8 *Submission 28*, p. 3.

9 *Submission 30*, p. 40.

can be an effective method of achieving development outcomes.¹⁰ In its submission, the Export Council of Australia highlighted the benefits of this policy:

Aid for trade investments in support of policy and regulatory reform in developing countries can help close the gap in rules, administration and standards between developing countries and developed countries. In doing so, it encourages trade and investment across borders. Aid for trade provides the necessary hand-up for entrepreneurs and new businesses in developing countries to grow and create new jobs. Their success provides opportunities for Australian firms to form partnerships with them, including through the provision of support services and a link in global value chains.

Aid for trade can also be a useful tool in encouraging developing country partners to continue their engagement in multilateral forums, undertake reforms for economic growth and advocate the benefits of trade. Aid for trade investments could provide reformist governments in developing countries with clear evidence of the positive impacts of trade-related reforms and capacity building, especially if those investments are targeted at relevant groups, such as small businesses and women.¹¹

Focus of aid

6.11 The Export Council noted, however, that Australia has focussed the majority of its aid for trade in the Asia-Pacific region. It suggested that aid for trade needs to expand beyond Asia Pacific to 'include more strategic economic initiatives in Africa that can facilitate trade and investment'.¹² It continued:

Australia's development assistance through aid for trade needs to be better incorporated strategically in the pursuit of Australia's foreign and trade agendas. Assistance to developing countries to enable them to trade can have a positive impact on the poor, and their prosperity can benefit Australia in terms of improved security and trade relationship.¹³

6.12 World Vision Australia was also of the view that the regional allocation of aid for trade expenditure is in need of review to ensure that it is targeted towards countries with the greatest need:

Africa, despite arguably having the greatest need for trade capacity building, received the least funding. According to Global Finance Magazine, all ten of the poorest countries in the world are located in Africa, as measured by their gross domestic product and purchasing power parity per capita. World Vision Australia therefore recommends that the Australian Government review its regional allocation of aid for trade funding to ensure expenditure is targeted towards countries with the greatest need, while also keeping in mind the huge potential of future trade with Africa. Australia should not divert aid for trade funding from other

10 For example, see World Vision Australia, *Submission 28*.

11 *Submission 24*, p. 7.

12 *Submission 24*, p. 7.

13 *Submission 24*, p. 7.

regions of the world, but rather increase net aid for trade funding to Africa and, in doing so, increase the proportion of the aid for trade budget allocated to Africa.¹⁴

6.13 With expenditure distributed across three broad topic categories: trade policy and regulations; economic infrastructure; and building productive capacity, World Vision Australia noted:

In recent years, Australia's aid for trade expenditure has been weighted more heavily towards economic infrastructure. According to the Performance of Australian Aid 2015 report, Australia spent 61 per cent of aid for trade funding on infrastructure, 30 per cent on productive capacity building and 7 per cent on macro trade policy and regulations over the reporting period. Prior to 2013, Australia spent 50-60 per cent of aid for trade on productive capacity building.¹⁵

6.14 World Vision Australia suggested that 50–60 per cent of aid for trade funding should be allocated to productive capacity building to 'improve the capacity of African countries and peoples, especially small-holder farmers, producers and micro-entrepreneurs, to engage in local, national and international trade'.¹⁶

6.15 World Vision Australia stressed:

While the importance of providing economic infrastructure has been established, it is more effective when coupled with increases in labour force and supply-side capacity...Australia's aid for trade portfolio could be strengthened by increasing investment in the productivity and supply-side capacity of micro enterprises, SGBs, [Small and Growing Businesses] smallholder farmers and producers – particularly women and those operating in the informal sector. These interventions should be integrated as part of Australia's broader trade facilitation and reform efforts.¹⁷

6.16 Noting that investment by Australian companies operating in Africa exceeds aid funding, ActionAid was of the view that:

...further trade and investment in Africa should be matched with an investment of aid geared towards civil society strengthening. This is critical to not only protecting Australia's business interests but also ensuring that trade and investment relationships contribute to poverty reduction over the longer term.¹⁸

6.17 Acknowledging that Australia cannot match Chinese aid for example on a quantum basis, Mr Fessehaie Abraham noted that Australia should focus on areas of particular strength when allocating aid funding:

14 *Submission 28*, pp. 3–4.

15 *Submission 28*, p. 4.

16 *Submission 28*, p. 1.

17 *Submission 28*, p. 13.

18 *Submission 16*, p. 1.

Obviously Australia can't match the billions that the Chinese or any other big governments are going to do. I think the main thing is psychological, that wanting to do things. At the strategic level, if Australia decides it wants to fully engage with Africa economically then obviously things will follow. There could be some technical cooperation to facilitate economic development. There may well be some things similar to Aid for Trade or there could be a huge drive for capacity building and for governance. It's one thing for Africa to develop, but I think the other side is for that development to be used for the betterment of the people, to have the right governance and to have the right skills. I think the opportunities are quite huge in agriculture. The untilled land in Africa is huge. Certainly the government could create some incentives for some Australian companies to move to Africa. It's all about backing Australian companies or even trying to interest them. If there is a will, I'm sure there would be 100 ways that Australia can support. The current ODA allocation is very small. Clearly, if the government is going to move, that amount has to increase, not just for humanitarian but mainly for the economic empowerment of Africa.¹⁹

Australian Centre for International Agricultural Research

6.18 As noted in chapters 3 and 4, the Australian Centre for International Agricultural Research (ACIAR) is an Australian Government statutory authority within the Foreign Affairs portfolio. ACIAR specialises in leveraging Australian agricultural research to assist developing countries.²⁰

6.19 ACIAR operates in 11 African countries, primarily in eastern and southern Africa, and is funded from the Australian aid budget.²¹ ACIAR 'invests 15 percent of its annual administered appropriation of about \$96.8 million to projects in 11 countries in eastern and southern Africa'.²²

6.20 ACIAR states that, due to climatic and environmental similarities between certain regions of Australia and Sub-Saharan Africa, their development approach is to leverage Australian agricultural expertise in these challenging conditions:

On opposite sides of the Indian Ocean, the agricultural environments of Africa and Australia have much in common — the wet tropics of Rwanda with northern Queensland, the semi-arid tropics of eastern Africa with central Queensland, and the arid rangelands of Ethiopia and southern Africa with the Northern Territory. Accordingly, Australian agricultural science has expertise that is directly relevant in the African context and for more than three decades ACIAR projects have used this expertise in its research for development to deliver sustainable development outcomes in eastern and southern Africa. Although ACIAR does not work exclusively with Australian companies, ACIAR plays a role in taking Australian expertise and technological innovations to developing countries through their

19 *Committee Hansard*, 11 May 2018, p. 9.

20 ACIAR, *Submission 9*, p. 1.

21 Professor Andrew Campbell, ACIAR, *Committee Hansard*, 2 May 2018, p. 1.

22 ACIAR, *Submission 9*, p. 1.

application in ACIAR projects throughout eastern and southern Africa with great success.²³

6.21 ACIAR's involvement in Africa has resulted in improvements to supply chains through initiatives such as the Australia-Africa Plant Biosecurity Partnership (AAPBP). This partnership has not only improved food security in Africa, a major barrier to development, but improved market access for farmers in 10 countries in eastern and southern Africa:

To assist with overcoming these barriers and impediments to trade and food security, ACIAR developed the Australia–Africa Plant Biosecurity Partnership (AAPBP). Established in 2014, the first phase of the AAPBP was a three-year \$1.7 million investment. Harnessing Australia's world-class biosecurity expertise and led by the Plant Biosecurity Cooperative Research Centre, the AAPBP has directly enhanced plant biosecurity capacity in Africa by sharing Australian expertise with African colleagues through a program of capacity building activities and knowledge exchange. Longer-term benefits to Australia's plant biosecurity and market access interests should also accrue due to improvements in pest management and certification processes for plant products, such as cut flowers, exported from Africa to Australia.²⁴

6.22 ACIAR has also exported a number of other Australian innovations to African countries, including vaccines, resilient farming models, and agricultural equipment well-suited to African conditions.²⁵

6.23 Additionally, ACIAR fund their own scholarship program, providing support to partner country scientists and economists working on ACIAR projects. The John Allwright Fellowship and the John Dillon Fellowship allow recipients from partner countries to obtain postgraduate qualifications at Australian universities, or to participate in career development activities in Australia, respectively.²⁶

6.24 Professor Andrew Campbell, Chief Executive Officer, ACIAR, outlined the benefits of these fellowships to the committee:

There are many Australian awards recipients of Australian scholarships across Africa. Our ACIAR-funded John Allwright Fellowship and John Dillon Fellowship also have African participants. That's a very good long-term investment for Australia in building future leadership across the region. I think we could do a better job than we are now. We're trying to improve on staying in touch with those people after they go back, through an alumni program, so that we have a lifelong relationship with those people rather than just while they're receiving their scholarships.²⁷

23 *Submission 9*, p. 2.

24 ACIAR, *Submission 9*, pp. 1–2.

25 ACIAR, *Submission 9*, pp. 2–3.

26 ACIAR, *Capacity Building*, <http://aciarc.gov.au/page/jobs-and-awards> (accessed 12 June 2018).

27 *Committee Hansard*, 2 May 2018, p. 3.

Australia Awards Scholarships in Africa

6.25 The Australia Awards Scholarships provide funding to foreign students seeking to undertake short course and Masters-level study in Australia. These awards form an important part of Australia's bilateral relationship with many African countries, particularly in Sub-Saharan Africa.²⁸ DFAT provided the following information on the benefits of the Australia Awards program:

Australia's flagship aid investment to Africa is a substantial but targeted Australia Awards Scholarship program. Australia Awards bring many benefits for Australia and recipients' home countries including investment, job creation and wealth generation. Through Australia Awards, we contribute to African leadership and human capacity development in the areas of extractives, agricultural and public policy, where Australia has extensive experience and expertise. By contributing to African leadership and skills development in these fields, Australia Awards are also supporting Australia's national interest in the security, stability and prosperity of Sub-Saharan Africa. Australia Awards have been offered in Africa since the 1960s. Australia will fund up to 500 short and long term awards for African students in 2018.²⁹

6.26 The annual value of the Australia Awards—Africa program is \$31.9 million,³⁰ funded through Australia's aid budget.³¹ DFAT estimated that there are currently approximately 6000 alumni of the Australia Awards Program in Africa,³² and identified this group as an important mechanism in the development of strong people-to-people links between Australia and Africa.³³

6.27 Ms HK Yu, First Assistant Secretary of the Middle East and Africa Division at DFAT stated:

I think the Australia Awards are one of the most effective ways to build relationships with countries. Often, we find students through the Australia Awards going back to their country and taking on significant roles of decision-making and influence. Those relationships have actually really assisted in advancing Australia's interest in so many ways. So while we may not have a great deal that we are really allocating to Africa, with what

28 DFAT, *Submission 30*, p. 8. See also: Ms HK Yu, DFAT, *Committee Hansard*, 11 May 2018, pp. 53–54.

29 DFAT, *Development Assistance in Sub-Saharan Africa: Australia Awards in Sub-Saharan Africa*, <http://dfat.gov.au/geo/africa-middle-east/development-assistance-in-sub-saharan-africa/Pages/australia-awards-sub-saharan-africa.aspx> (accessed 12 June 2018).

30 Ms Gita Kamath, DFAT, *Committee Hansard*, 11 May 2018, p. 53.

31 DFAT, *Aid - Investment Priorities: Education and Health*, <http://dfat.gov.au/aid/topics/investment-priorities/education-health/Pages/education-and-health.aspx> (accessed 7 June 2018).

32 DFAT, *Submission 30*, p. 8.

33 Ms HK Yu, *Committee Hansard*, 11 May 2018, pp. 53–54.

we do have we believe that the Australia Awards program has actually served Australia very well.³⁴

6.28 Mr Andrew Dinning, a Director of the Australia-Africa Minerals and Energy Group (AAMEG), suggested that the program should be more strongly linked to capacity building in funding recipients' home countries:

I think anything that builds capacity there is good, but you need to look at what [scholarship recipients] go back to. If someone has a scholarship and then uses that to spring into Europe or Canada or wherever to work offshore, we haven't achieved anything...When we talk about capacity building, it's about people having those business skills and that business understanding, and it's about those people getting into the decision-making processes within the government. A lot of countries already have the processes there that you need; it's just that they're applied inconsistently or ignored.

So I think the education program is great, but there needs to be some hook to tie them to going home and doing something useful rather than using it as a springboard into either a high-paying job with an NGO or an offshore job. It should be about building capacity and it should be quite targeted, in my mind.³⁵

6.29 In order to strengthen connections with alumni of the Australia Awards program, DFAT have stated that they work with a number of alumni networks across Africa in order to deliver further training opportunities to former Australia Awards recipients:

The Australia Awards Alumni Ambassador initiative taps into the enormous potential of alumni by forming a cadre of volunteer champions across the continent committed to promoting and representing the Australia Awards program in Africa and further raising the profile of Australia in Africa. There are currently 24 alumni associations across Africa. We offered nine training opportunities to support 98 alumni in 2017, eight of which took place in Africa.³⁶

Partnerships

6.30 As mentioned briefly in chapter 4, witnesses also drew attention to the potential for partnerships between government and business for the delivery of development projects in Africa, particularly in sectors of Australian expertise. Witnesses that advocated for this aid partnership model drew attention to the mutual benefit for communities in developing areas, and the financial benefit for Australian companies who would receive support in accessing new markets.³⁷

34 *Committee Hansard*, 11 May 2018, pp. 53–54.

35 *Committee Hansard*, 2 May 2018, p. 27.

36 DFAT, Development Assistance in Sub-Saharan Africa: Australia Awards in Sub-Saharan Africa, <http://dfat.gov.au/geo/africa-middle-east/development-assistance-in-sub-saharan-africa/Pages/australia-awards-sub-saharan-africa.aspx> (accessed 12 June 2018).

37 Dr Michael Ottaviano, Carnegie Clean Energy, *Committee Hansard*, 2 May 2018, p. 15.

6.31 Mr Edwin Adjei, High Commissioner of the Republic of Ghana was supportive of this model:

Earlier on, the issue was raised of what else can be done in strengthening how companies operate. At the moment, we are looking at an Africa beyond aid. In Ghana, for example, we have embarked on a program called Ghana Beyond Aid. Africa is not only looking for aid; we are looking for strengthened partnerships in areas where we have a competitive advantage, where we can benefit from ideas from Australian companies that operate in Africa and where they can also benefit from what Africa is doing. We have highlighted in what we are presenting that African countries are aware of the need to improve the business environment in their various countries, and they are doing quite a lot in that regard. That should be an encouragement for Australian companies to be able to take that bold step and enter into Africa. There are so many other sectors that are open for investment. We are talking of infrastructure development, iron and steel industry, garments and textiles, pharmaceuticals, the petrochemical industry and so on. All these are open.³⁸

Mining

6.32 Noting the importance of African countries benefiting from their natural resource endowments,³⁹ as described in chapter 4, mining companies are also contributing to improving outcomes for communities. The partnership between Business for Development, Base Resources and the Cotton On Group in the form of the Kwale cotton project is one example providing numerous benefits. Ms Meg Kauthen, of Business for Development, described the model as follows:

We follow a model which very much is not a handout but a hand up, giving them the training and capacity to understand the agricultural inputs that are required with a view that they look after the program independently themselves. We also established what is called a long-term inclusive commercial enterprise, whereby the farmers have established a business which is an inclusive agribusiness. There is a CEO and there are members of that business. Each farmer that belongs to the program is a shareholder.

It's like a co-op—essentially, it's like a co-op. So as the program grows so does the cooperative grow. Initially, we started with a hundred farmers and got their confidence. They don't designate the whole farm to the commercial cash crop; it's only a portion of that because they have food security issues. Then, over time, we've grown to 3,000 farmers. Because of the confidence in the program and the confidence in the government, hopefully, that is going to grow to 10,000 farmers by 2020. That is how we have grown slowly and built the confidence in the community that this is a program for them and owned by them, as opposed to a handout mentality.⁴⁰

38 *Committee Hansard*, 11 May 2018, p. 26.

39 Oxfam, *Submission 35*, p. 7.

40 *Committee Hansard*, 2 May 2018, p. 10.

Renewable energy technology

6.33 The potential to partner the mining industry with renewable energy was pointed out to the committee. The committee heard from a number of witnesses who described limited access to power in many regions of Africa, and the unreliability of supply in areas that are connected to an energy grid. Rolling blackouts and brownouts were described as being common in many areas.

6.34 Mr Rob Fisher, Chief Financial and Operating Officer, Windlab, characterised the energy landscape in Africa as follows:

The reason we as an Australian company are in Africa is that there is a fundamental shortage of electricity. The continent is largely unelectrified, although admittedly that is not uniform: South Africa has high rates of electrification, albeit with ageing infrastructure and rolling blackouts and brownouts. A country like Tanzania might have rural electrification of less than one per cent.⁴¹

6.35 Mr Fisher also stated that improved energy connectivity, and particularly renewable energy, could play a role in economic development across Africa:

Electrification is an opportunity to assist African economic development. It is our view, and that of many industry experts, that the cheapest way to electrify Africa is with renewable energy. There is now strong evidence that wind in particular, and solar to a lesser extent, are the cheapest forms of new generation available today.⁴²

6.36 In his evidence to the committee, Dr Michael Ottaviano, Managing Director of Carnegie Clean Energy, stated that microgrid technology may be a means to provide electrification to regions of Africa that are currently off-grid. He also indicated that Australian companies are well positioned to deliver this infrastructure, particularly through co-operation with mining companies:

The opportunity here that we would see in an African context would be to leverage our world-leading mining capability that we export to Africa...bundling that capability up with a power and potentially water solution capability. They're going in, effectively, almost packaged into country, and the benefits there are then multiple. One is that we're exporting not just mining capability but a more sustainably based mining capability powered by renewable energy microgrids, and, obviously, bringing infrastructure into these developing countries in Africa.⁴³

6.37 Dr Ottaviano also suggested that the development of renewable energy infrastructure in African countries may constitute an effective use of Australian aid and development funding, delivering benefits to communities in those areas and to Australia businesses:

41 *Committee Hansard*, 11 May 2018, p. 1.

42 *Committee Hansard*, 11 May 2018, p. 1.

43 *Committee Hansard*, 2 May 2018, p. 15.

...when we look at the way that we distribute aid and development funding, if we were using that to actually have the benefit of developing local industry at the same time and developing an export market around specific capabilities, power systems being one, then we would capture a much broader range of benefits. We certainly see, when we're out in the field talking to other developing nations, that other governments do that very well.⁴⁴

6.38 Mr Rajiv Babooram, Economic Counsellor of the Mauritius High Commission, gave an African perspective on the role that Australia could play in this sector:

...in new sectors such as renewable energy and more towards sustainable development goals in the sectors related to innovation and technology, Australia enjoys a very good reputation, and I think that, in Africa today, this is what the demand is for these new sectors.⁴⁵

Sustainable development goals

6.39 In September 2015, the United Nations endorsed the non-binding 2030 Agenda for Sustainable Development (the 2030 Agenda). The 2030 Agenda is made up of 17 Sustainable Development Goals (SDGs) with 169 targets and applies to all countries at all stages of development, including Australia. They lay out a path to end extreme poverty, fight inequality and injustice, and protect the planet, and provide a framework for global and local sustainable development efforts.⁴⁶

6.40 The goals will determine the future direction of development work over the next 15 years. The 2030 Agenda is domestic and international. DFAT noted:

Achieving the Sustainable Development Goals will require moving from billions of dollars in Official Development Assistance (ODA) to trillions of dollars in investment of all kinds. The Addis Ababa Action Agenda recognises this large financing gap and looks beyond aid to domestic resources, trade and private sector to finance the Goals. The Addis Agenda also recognises that meeting the "billions" to "trillions" financing gap will require broader coalitions that bring together these resources – coalitions in which aid can play an important catalytic role.⁴⁷

44 *Committee Hansard*, 2 May 2018, p. 15.

45 *Committee Hansard*, 11 May 2018, p. 16.

46 The SDGs are: no poverty; zero hunger; good health and wellbeing; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; and partnerships for the goals.

47 See <http://dfat.gov.au/aid/topics/development-issues/2030-agenda/Pages/financing-the-sustainable-development-goals.aspx> (accessed 13 June 2018).

The importance of partnerships

6.41 The August 2015 Ministerial Statement on engaging the private sector in aid and development 'sets out the government's commitment to enhance collaboration with the private sector to address development challenges and identified the private sector as an essential partner to achieving sustainable development outcomes in our region'.⁴⁸

6.42 The United Nations Global Compact 'is the world's largest corporate sustainability initiative, encouraging businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation'.⁴⁹ In Australia, the business-led Global Compact Network Australia (GCNA) brings together signatories to the UN Global Compact in Australia.⁵⁰ Since 2015 DFAT has a partnered with GCNA to enhance the ability to engage with businesses whose interests align with advancing the SDGs. Businesses can use the GCNA Australian Hub for Business as a resource to engage with and contribute to the SDGs.⁵¹

6.43 DFAT spoke about the importance of financing the SDGs:

With the sustainable development goals the reality is without private sector finance—and that is why we talked about the sustainable development goals as agenda 2030—the development for finance outcome in Addis Ababa in 2015 was about the financing of the sustainable development goals. Now, financing of the sustainable development goals is trillions of dollars each year to achieve what we want to achieve by 2030. Our current official development assistance is about \$135 billion. It is well short of what we need so this is a real focus across the development sector and donors across that.⁵²

6.44 Launched in November 2015, Australia's Business Partnerships Platform (BPP) brings together DFAT and private sector funding to advance Australia's development objectives and the social impact of business. DFAT explained:

The BPP enables business and their partners (including not for profits, NGOs, and academia) to apply for co-funding of initiatives through funding rounds, that will create new business opportunities whilst also directly addressing specific aid objectives of the Australian Government.⁵³

6.45 In its first two rounds, the BPP attracted many applications from business. One of the nine successful partnerships was between Base Titanium, Cotton On Group

48 See <http://dfat.gov.au/news/news/Pages/engaging-the-private-sector-in-aid-and-development.aspx> (accessed 13 June 2018).

49 World Vision Australia, *Submission 28*, p. 16.

50 World Vision Australia, *Submission 28*, p. 16.

51 <http://dfat.gov.au/aid/topics/development-issues/2030-agenda/Pages/engaging-business.aspx> (accessed 19 June 2018).

52 Mr Ewen McDonald, Deputy Secretary, DFAT, *Budget Estimates Hansard*, 31 May 2017, p. 121.

53 *Submission 30*, p. 42.

and Business for Development⁵⁴ which is highlighted in this and other chapters. Base Resources, Business for Development, and Cotton On Group spoke to the committee about their experience in applying for a grant through DFAT's Business BPP to deliver their Kwale Cotton Project in Kenya.⁵⁵

6.46 Mr Robin Budden, mining engineer and member of AAMEG indicated that outside Australia, many mining industry players are embracing the SDGs, as are the CEOs of Australia's leading companies.⁵⁶ On 7 September 2016, at the inaugural Australian SDG summit,⁵⁷ more than 30 business leaders publicly signed a statement supporting the UN SDGs agreeing that business has a critical contribution to make towards achievement of the SDGs:

The SDGs provide points of focus around which we can innovate and collaborate in the search for solutions to critical global and local sustainability challenges, while at the same time positioning competitively for the future.⁵⁸

6.47 This was reiterated by Mr Fisher, of Windlab, who expressed a belief that Australian businesses working in the renewable energy sector are well positioned to help achieve sustainable development goals in Africa:

Electrifying Africa will contribute significantly to the Sustainable Development Goals. Turning the lights on fundamentally changes the lives of people who don't have power, and being able to keep the lights on, as more generation is added, makes a real difference to the people in the countries we're operating in. That said, we're still a commercial operation: we think we can make money and bring it back to Australia, while also helping to achieve the Sustainable Development Goals.⁵⁹

Sustainable development and the extractives sector

6.48 Owing to our well-developed domestic mining sector, Australia has established an extensive regulatory framework for the extractives industries. Australia is considered a global leader in resource governance and has partnered with African governments and civil society organisations in capacity-building efforts, and to support technical assistance programs in Africa.⁶⁰

54 *Submission 30*, p. 42.

55 Ms Meg Kauthen, Business for Development, *Committee Hansard*, 2 May 2018, p. 11.

56 *Submission 1*, p. 2.

57 Convened by the Australian Council for International Development, Australian Council of Social Service, Global Compact Network Australia and Sustainable Development Solutions Network Australia/Pacific.

58 See <https://probonoaustralia.com.au/news/2016/09/australian-ceos-sign-statement-support-un-sustainable-development-goals/> (accessed 3 October 2017).

59 Mr Rob Fisher, Windlab Ltd, *Committee Hansard*, 11 May 2018, p. 1.

60 AAMEG, *Submission 4*, p. 9.

6.49 The adaptation of Australian policy and regulation for an African context, and adoption of these settings by African countries hosting Australian mining companies, would encourage a more certain operating environment these companies, while delivering greater benefit to communities.⁶¹

6.50 The committee also heard evidence that recommended using Australia's mining presence in Africa as a platform for providing services to a local community that can be maintained beyond the life of the mining project.⁶² These services, including healthcare, energy, transportation infrastructure, and clean water and sanitation, are key for the operation of extractives projects and also align with a number of SDGs.⁶³ Benefits of co-operation between the extractives industry and other sectors are also covered in chapter 4 of this report.

6.51 Building on this, in order to capture best practice, in consultation with the mining sector, the Department of Industry, Innovation and Science has produced the *Leading Practice Sustainable Development Program for the Mining Industry*. This document provides a guide to extractive industry best-practice for sustainable development across the lifecycle of a mining project. While the program focuses primarily on environmental sustainability, aspects of social sustainability such as gender inclusion, community engagement, consultation with indigenous communities, and socio-economic development of areas near mine sites are also examined to a limited degree.⁶⁴

Assistance to improve the regulatory environment z

6.52 With particular reference to the mining industry, the committee heard evidence about initiatives seeking to strengthen the regulatory environment in Africa.

6.53 DFAT advised that, through the Australian development cooperation program, 'Australia is supporting improved extractives governance internationally, including in Africa'.⁶⁵

6.54 The Government of Western Australia's Department of Mines, Industry Regulation and Safety (DMIRS) has successfully shared expertise through capacity building activities:

DMIRS has successfully leveraged its status as a leading regulator of resources safety, health and environmental management; manager of equitable and secure titles and royalty systems; and provider of world-class geoscience information, by sharing its expertise through capacity-building

61 Hon. Bill Johnston MLA, *Submission 5*, p. 1.

62 Dr Ottaviano, Carnegie Clean Energy, *Committee Hansard*, 2 May 2018, p. 15.

63 United Nations Development Programme, *Sustainable Development Goals*, <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html> (accessed 12 June 2018).

64 Department of Industry, Innovation and Science, *Leading Practice Sustainable Development Program for the Mining Industry*, June 2011, pp. 33–46.

65 *Submission 30*, p. 39.

activities for African countries. Western Australia's approach to resources sector development and regulation may be a model for countries in Africa.⁶⁶

6.55 DMIRS has also co-operated with the Common Market for Eastern and Southern Africa (COMESA) and relevant Australian missions to deliver a series of policy and capacity-building workshops in a number of African countries.⁶⁷

6.56 The workshops have focused primarily on capacity-building in the legislative, policy, and administrative frameworks for the extractives and petroleum sectors, providing mutual benefit to both Australia companies operating in African markets, and the governments hosting them.⁶⁸

6.57 AAMEG has also been engaged with government efforts to promote broader based sustainable development in Africa:

Areas of aid focus in Africa including mining skills development and mining governance are areas in which Australia has expertise to share and where both African Governments and business see opportunities for economic growth and development.⁶⁹

66 Hon. Bill Johnston MLA, *Submission 5*, p. 1.

67 These workshops took place in three rounds: Ethiopia and Kenya in February 2016; Ethiopia, Kenya, Nigeria, Zambia, and Zimbabwe in November 2016; and Ethiopia, Kenya, Uganda, and Zanzibar in June 2017.

68 Hon. Bill Johnston MLA, *Submission 5*, pp. 2–3.

69 AAMEG, *Submission 4*, p. 10.

