



RESULTS International Australia Submission to Joint Standing Committee on Foreign Affairs, Defence and Trade, Foreign Affairs and Aid Sub-Committee

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

Introduction

RESULTS is a movement of passionate, committed everyday people. Together we use our voices to influence political decisions that will bring an end to poverty. Our volunteers receive training, support and inspiration to become skilled advocates. RESULTS is an active member of the Australian Council for International Development and the Campaign for Australian Aid, and works internationally with RESULTS counterparts and the ACTION Global Health Advocacy Partnership on improving access to health, education and economic opportunity.

RESULTS International Australia welcomes the opportunity to provide input to the inquiry into the role of partnerships in agriculture the private sector in promoting economic growth, reducing poverty and enhancing stability, and the inclusion in the terms of reference of the scope for contributing to better nutrition and inclusive economic growth in the Indo-Pacific region.

The following sections address the following issues related to the role of partnerships in agriculture in reducing poverty and improving nutrition:

- the inclusion of a specific objective in the Sustainable Development Goals to end hunger, and the relevance of nutrition to a number of other Sustainable Development Goals;
- the impact of Australian programs to support agriculture on nutrition, including the work of the Australian Centre for International Agricultural Research; and
- the importance of investing specifically in nutrition to support achieving agreed international goals for improved nutrition and complementing agricultural development.

RESULTD Australia makes the following recommendations in the submission to increase Australia's contribution to ending hunger and improving nutrition.

Recommendation 1: That Australia increase its funding of the Australian Centre for Agricultural Research from the 2013-14 level of \$111 million to \$150 million per year, over the next three years.

Recommendation 2: That Australia makes a priority for agricultural development within increases in overall official development assistance in the coming years.

Recommendation 3: That Australia plan to rejoin the International Fund for Agricultural Development, making financial contributions as part of an increase in overall development assistance.

Recommendation 4: That Australia develops a new strategy for increasing access to financial services, making increased access to finance for the poor a higher priority in country programs.

Recommendation 5: The Australian Government should take the opportunity to announce at the Nutrition for Growth Summit in 2016 an increase in Australia’s funding for nutrition-specific activities to \$60 million per year by 2020.

Recommendation 6: That Australia encourage the Asian Development Bank to increase its investment in nutrition in the Asia-Pacific region.

Nutrition and the Sustainable Development Goals

On 25 September 2015, all members of the United Nations endorsed the Sustainable Development Goals, which is a set of commitments to end poverty and hunger, achieve inclusive economic growth and protect the environment.

The table below, taken from the Global Nutrition Report 2015 demonstrates how nutrition is relevant to the achievement of most of the Sustainable Development Goals.

How improving nutrition can contribute to the SDGs Sustainable Development Goals (SDGs)

Sustainable Development Goal	Relevance of Nutrition to the SDG
End poverty in all its forms everywhere	Nutrition is proven to reduce intergenerational poverty and enhance labour force performance, income and wage rates.
End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	Target 2b is “by 2030, end all forms of malnutrition.” Nutrition status boosts adult productivity in agricultural work. Better female nutrition status empowers women

	in agriculture.
Ensure healthy lives and promote well-being for all at all ages	<p>A focus on the first 1,000 days (from conception to age 2) reduces risk of low birth weight and improves women’s nutrition status.</p> <p>Micronutrient malnutrition and maternal history of being stunted in childhood are linked to maternal mortality and low birth weight.</p> <p>45% of deaths of children under 5 are linked to undernutrition.</p> <p>Stunting is linked to the onset of noncommunicable diseases later in life and to lower adult productivity. Reducing overweight and obesity contributes to lower prevalence of noncommunicable diseases.</p> <p>Infectious diseases (diarrhoea, malaria, acute respiratory infections, tuberculosis, HIV/AIDS) are linked to nutrition-related morbidity and mortality.</p>
Ensure inclusive and equitable quality education and promote life-long learning opportunities	<p>Education is linked to early childhood development, for which nutrition is of vital importance. Nutrition status in first 1,000 days is linked to school grade completion and achievement, particularly in adolescent girls.</p>
Achieve gender equality and empower all women and girls	<p>Improving the nutrition status of girls, adolescents, and women increases their ability to perform well at school and to become empowered in the workforce and the wider society.</p>
Ensure availability and sustainable management of water and sanitation for all	<p>Water, sanitation, and hygiene are critical determinants of nutrition.</p>
Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	<p>The cost of undernutrition is at least 8–11 percent of national income for many countries. Preventing stunting among children increases their earned income as adults.</p> <p>Stunting rates by wealth quintile demonstrate how current inequality perpetuates future inequality.</p>
Take urgent action to combat climate change and its impacts	<p>Diet types affect greenhouse gas emissions and the wider environmental footprint related to food production, processing, and distribution.</p>

Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	As above.
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Source: International Food Policy Research Institute, *Global Nutrition Report 2015*, page 4.

The Sustainable Development Goals also include the following specific targets for nutrition and agriculture within the goal of ending hunger:

- By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
- By 2030, end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.
- By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
- By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.
- Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.
- Correct and prevent trade restrictions and distortions in world agricultural markets, including through the elimination of all forms of agricultural export subsidies and all

export measures with equivalent effect, in accordance with the goal of current multilateral trade negotiations.

- Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.

The extent of problems with nutrition

Achieving these ambitious goals starts with recognising the scale of the problem and what progress is being made. Malnutrition in all forms is **directly or indirectly responsible for approximately 3 million of the 6 million deaths of children under the age of 5 each year**, making it one of the largest causes of child mortality.

In 2013, an **estimated 161 million children were stunted**, or too short for their age. Most countries are making progress in reducing the number of children who are stunted, but overall progress remains slow. It is estimated that **8% of children under the age of 5 have severe acute malnutrition (SAM)**, which leads to wasting (the child is severely underweight for their height). While a child may recover, with sufficient help, from wasting, the impacts of stunting are irreversible.

Other key facts about nutrition are:

- Globally, one in nine people in the world today (795 million) are undernourished.
- The vast majority of the world's hungry people live in developing countries, where 12.9% of the population is undernourished.
- **Asia is the continent with the most hungry people – two thirds of the total.** The percentage in southern Asia has fallen in recent years but in western Asia it has increased slightly.
- Southern Asia faces the greatest hunger burden, with about 281 million undernourished people. In sub-Saharan Africa, projections for the 2014-2016 period indicate a rate of undernourishment of almost 23 per cent.
- 66 million primary school-age children attend classes hungry across the developing world, with 23 million in Africa alone.

The World Bank estimates that **countries affected by undernutrition lose at least 2-3% of their Gross Domestic Product**, and incur billions of dollars in avoidable health care spending. Globally, the direct **costs of undernutrition in children have been estimated at \$20-\$30 billion per year**. Conversely, the economic benefits of action on nutrition are clear: for every \$1 invested in reduction of stunting, one can expect roughly \$18 in returns.

Countries in the Asia-Pacific have among the highest rates of malnutrition in the world. For example, 49% of children in Papua-New Guinea and 58% of children in Timor Leste have had

their growth stunted. This means more than half of an entire generation of children in these countries will fail to reach their full physical or mental potential.

Malnutrition can take a number of forms. Globally 1.9 billion adults (or about one-third of the adult population) are overweight or obese. In 2010, over 12 million deaths were attributable to dietary risk factors and lack of physical activity (separate from child and maternal undernutrition). Pacific Island countries can experience both undernutrition among children and women (who often suffer from high rates of anaemia), and also high rates of diet-related non-communicable diseases, including diabetes, hypertension, heart disease and cancer.

While the impact of malnutrition and the potential benefits from action towards ending malnutrition are immense, funding to address nutrition directly accounts for less than 1% of both national budgets and international aid spending. In Australia's case, in 2013 nutrition-specific spending from the aid program was \$23 million (or 0.45% of total aid) and nutrition sensitive-spending was \$97 million.

Nutrition-sensitive actions involve other sectors addressing underlying causes of malnutrition. Examples of nutrition-sensitive activities are agriculture and food systems (e.g. crop choices); social protection (e.g. conditional cash transfers); water, sanitation and hygiene (e.g. safer sanitation for women and infants); health services (e.g. training in nutrition and quality of care) and education (e.g. of women as decision-makers and key caregivers).

Agricultural Development and Nutrition

The following points show the importance of agriculture in both contributing to nutrition and broader economic development:

- Agriculture is the single largest employer in the world, providing livelihoods for 40% of the global population. It is the largest source of income and jobs for poor rural households.
- 500 million small farms worldwide provide up to 80% of food consumed in a large part of the developing world. Investing in smallholder women and men is an important way to increase food security and nutrition for the poorest, as well as food production for local and global markets.
- Since the 1900s, some 75% of crop diversity has been lost from farmers' fields. Better use of agricultural biodiversity can contribute to more nutritious diets, enhanced livelihoods for farming communities and more resilient and sustainable farming systems.
- If women farmers had the same access to resources as men, the number of hungry in the world could be reduced by up to 150 million.

- 1.4 billion people have no access to electricity worldwide – most of whom live in rural areas of the developing world. Reducing energy poverty in many regions is a fundamental action towards reducing hunger and ensuring that the world can produce enough food to meet future demand.

In February 2015, the Department of Foreign Affairs and Trade (DFAT) released the Government's *Strategy for Australia's aid investments in agriculture, fisheries and water*, which sets out the following priorities for Australian support for agriculture and food security:

- **Strengthening markets:** To help increase small-scale farmers and fishers' participation in markets and address constraints to agri-food business, including by leveraging private sector investment and innovation (with an emphasis on women's economic empowerment).
- **Innovating for productivity and sustainable resource use:** To improve productivity along food and agriculture value chains and promote more efficient and sustainable use of natural resources, using international and Australian research and expertise.
- **Promoting effective policy, governance and reform:** To assist partner countries achieve more effective policy settings to promote sustainable and inclusive growth and open trade, and improve the enabling environment for business, investment and innovation.

Australia's priorities are consistent with SDG 2, through having a focus on small scale farmers – particularly women – and increasing their access to markets and agricultural innovations. Its emphasis on agricultural research and innovation led by the Australian Centre for International Agricultural Research (ACIAR) is also consistent with the targets under SDG 2, which emphasise innovation. However, Australian aid to agriculture also needs to address the following issues:

- Policies to boost agricultural productivity need to include measures that target the specific barriers facing small scale farmers, particularly women, indigenous peoples and people with disability.
- Investments to improving agricultural productivity and food security also need to be accompanied by specific programs that meet the nutrition needs of vulnerable people, especially in the Indo-Pacific where rates of chronic hunger have increased in recent times.
- Australia's trade policies should maintain and reduce further our relatively low agricultural subsidies and tariffs and administrative impediments on goods from developing countries, and encourage reduction in subsidies and trade barriers by other OECD countries.

- Aid investments in agriculture, fisheries and water must incorporate strategies to ensure food production systems – at all levels – are resilient to climate-related events.

The ACIAR has an important role in promoting innovation to boost productivity and improve nutrition. The work of the ACIAR involves food production processes and marketing as well as changes in technology (such as plant varieties, fertilisers or sustainable water use in agriculture). For example, in Papua-New Guinea, ACIAR is aiming to improve the livelihoods of women smallholder vegetable producers through training in better vegetable business acumen and greater financial understanding. The economic and social impacts of ACIAR investments have also exceeded the investment by ACIAR and its research partners – a review by the Crawford Fund indicated that the benefits of research outweighed costs by between 50:1 and 70:1.

Given the high impact of the ACIAR's work, an increase in resources for its programs in the coming years from the \$111 million available in 2013-14 will be essential to support the Government's strategy for agriculture, fisheries and water. RESULTS suggests increasing resources available to the ACIAR to \$150 million per year by 2018-19.

It is also essential that overall investment in agricultural development is sufficient to achieve these goals. In 2015-16, Australia's aid for agriculture, fisheries and water is estimated at \$306.7 million, a reduction of \$60 million from aid to this sector in 2014-15. This reflects the overall reduction in Australia's aid of nearly \$1 billion in 2015-16. Along with many other non-government agencies and members of the public, RESULTS Australia is calling on the government to rebuild the overall level of aid in the coming years, and it will be essential for agriculture and food security to have a priority in increased overall aid.

Multilateral support and access to finance

Australia can complement its bilateral support for agriculture and food security through:

- Increasing support for multilateral agencies which support small-scale agriculture and nutrition.
- Increasing access to finance to enable small-scale agricultural producers to increase and diversify income.

The international agency which specialises in supporting small-scale agriculture and reducing rural poverty is the International Fund for Agricultural Development (IFAD). Australia was a member of IFAD from 1978 to 2004. In 2012, the Australian Multilateral Assessment rated IFAD highly, based on an assessment of its strong focus on the poor and improved focus on achieving and reporting results.

The UK Government's multilateral assessment has also rated IFAD as a good value use of aid. Therefore, as part of action to increase the focus of Australian aid on agriculture and

nutrition, it is timely for Australia to move to re-join IFAD in the coming years. Making a renewed financial contribution to IFAD would be an effective use of an increase in overall development assistance to improve nutrition.

Increasing access to financial services also contributes to increased agricultural production and incomes. Australia adopted a policy on financial inclusion in 2010, *Financial Services for the Poor*, which covered the period 2010 to 2015. As part of this policy, Australia has supported the Pacific Financial Inclusion Program, which aims to provide financial services to 1 million people in the Pacific region, and the Shaping Inclusive Financial Transformations in South-East Asia, which aims to move 6 million people into the formal financial sector by 2020.

While these initiatives are important, they cover only a fraction of the estimated 2 billion people without access to formal financial services. Therefore, it is now time for the Government to develop a renewed strategy for increasing financial access, so that improved access to credit and financial services becomes an increased priority in country programs.

Recommendation 1: That Australia increase its funding of the Australian Centre for Agricultural Research from the 2013-14 level of \$111 million to \$150 million per year, over the next three years.

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Specific Commitments to Nutrition

After a period between the 1980s and 2005 when food security and hunger was a reduced priority for international development, action towards ending hunger has stepped up in recent years.

In 2012 the World Health Assembly endorsed a Comprehensive Implementation Plan on maternal, infant and young child nutrition, which specified a set of six global nutrition targets that by 2025 aim to:

1. achieve a 40% reduction in the number of children under-5 who are stunted;
2. achieve a 50% reduction of anaemia in women of reproductive age;
3. achieve a 30% reduction in low birth weight;
4. ensure that there is no increase in childhood overweight;
5. increase the rate of exclusive breastfeeding in the first 6 months up to at least 50%;
6. reduce and maintain childhood wasting to less than 5%.

Achieving these goals will require additional resources from both international donors and national governments and households. For example, the World Bank, Results for Development and 1,000 Days recently estimated that the combined national and donor-funded spending on measures to address stunting of children would need to treble between 2015 and 2021 to achieve the World Health Assembly stunting goal. As this analysis indicates, international funding is the minority of both current and the estimated additional funding to address stunting.

Australia was one of many countries and multilateral institutions which made a pledge at the Nutrition for Growth Summit in June 2013, committing to join the Scaling Up Nutrition (SUN) movement, and to contribute \$40 million to nutrition measures in the Asia-Pacific region from 2013-14 to 2016-17. The SUN movement's goal is to ensure that national nutrition plans are implemented and resourced, from both domestic and international sources. (For further details please see: <http://scalingupnutrition.org>)

The Department of Foreign Affairs and Trade released in June 2015 the *Health for Development Strategy* for the Australian aid program which includes nutrition as a priority for future health investment. This inclusion recognises that nutrition, along with water, sanitation and hygiene, has a strong influence on health outcomes.

RESULTS Australia has welcomed the launch of the Health Strategy and the inclusion of nutrition as a priority investment in the health sector. However, RESULTS has also noted that additional funding will be required in the coming years to achieve the ambitions of the Health for Development Strategy. Early investment from donors like Australia now will result in significant savings in the future, as countries become increasingly able to finance domestic responses to malnutrition.

The next Nutrition for Growth Summit will be held in July or August 2016 in Rio de Janeiro, Brazil, marking the third anniversary of the London Nutrition for Growth Summit. The Summit is also one of the events leading up to the 2016 Summer Olympics, which should attract increased attention to any commitments on nutrition at that time. Combined action by international funders and many developing countries has made some significant advances in the past 2 years, but significant further action is required. The coming year must include the development of a series of commitments from governments, businesses, civil society

organisations, foundations, multilateral agencies and concerned citizens, which can be announced next year in Rio. There is no time to waste.

The Nutrition for Growth Accountability Scorecard, which ACTION launched in April 2015 and updated in September 2015, notes that Australia appears to be on track to achieve the modest commitments it had made in 2013. However, Australia also needs to make more ambitious commitments at the Rio de Janeiro Summit for further increases in nutrition investments between now and 2020 to contribute to achieving the World Health Assembly global goals for improving nutrition. A copy of the September 2015 Scorecard is an attachment to this submission.

By 2020, an increase in Australia's nutrition-specific investments to approximately \$60 million per year from the latest annual estimate of \$23 million would be consistent with contributing a reasonable share to the costs of reaching the targets set out in the Sustainable Development Goals and the World Health Assembly Goals.

Given Australia's recognition that nutrition contributes significantly to improved health, Australia can also influence increased nutritional contributions by multilateral agencies. For example, the Asian Development Bank is planning to increase significantly its investment in health for countries in the Asia-Pacific region, creating a potential source of increased funding for nutrition. Australia can use its role on the Asian Development Bank Board to ensure the Asian Development Bank includes nutrition as part of its increased health funding.

The Benefits of Taking Action

Taking effective action to improve nutrition will assist in reducing the significant economic and health costs of undernutrition. As the Government's Health Strategy notes, "good nutrition in early life lays the foundation for good health and productivity in later life—investments in good nutrition today are investments in the economic markets of tomorrow."

Undernutrition is widespread in countries in Asia and the Pacific, in spite of their economic progress. Taking further action on nutrition would be consistent with Australia's aid objectives of promoting sustained economic growth, improving health and education, and empowering women and girls.

Recommendation 5: The Australian Government should take the opportunity to announce at the Nutrition for Growth Summit in 2016 an increase in Australia's funding for nutrition-specific activities to \$60 million per year by 2020.

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