



# Australian International Development Network

**‘MORE & BETTER’ INTERNATIONAL DEVELOPMENT  
BY AUSTRALIANS**

**A MANIFESTO FOR ACTION**

**6 SEPTEMBER 2018**

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**Drafted by a joint working group of the following contributors:**

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## We want to encourage 'more and better' international development from Australians

International development through giving and impact investing represents the flow of grants, investment, skills and resources to support and build the capacity of deserving people and communities outside Australia. It operates alongside the mainstream commercial activities of the private sector and the development activities of government agencies like DFAT, and through international NGOs with experience delivering programs in-country. All these stakeholders operate against a complex backdrop of international politics, cultural and religious traditions, and a greater degree of uncertainty and unpredictability.

### What is AIDN?

The Australian International Development Network ('AIDN') is a collaboration between private sector individuals, philanthropists, donors, corporates and government agencies looking to grant or invest funds to advance the social and environmental conditions of people and communities abroad. It has started out as a working group between various stakeholders eager to promote 'more and better' international development through giving and impact investment.

### What is the focus of AIDN?

AIDN proposes to bring a stronger and collective voice to address common issues to increase the flow and quality of international giving and impact investing; to provide tools and resources to help Australians overcome some of the barriers; and to help coordinate initiatives between private sector, corporate and government philanthropists and investors abroad to yield greater benefits. These objectives sit at the centre of this manifesto.

### Why is AIDN an important initiative?

There is a growing sense of urgency for more coordinated action to be taken to address the social and environmental issues that affect us all, irrespective of where we live. In a connected and mobile world, our lives are increasingly impacted by the events and situations of our neighbours and beyond and opportunities to effect social or environmental change for good no longer needs to be constrained by local, state or national boundaries. There are significant opportunities for the private sector looking to invest their efforts abroad to scale their impact.

**At a time where global inequity has peaked, the urgency to act has never been more acute.**

Encouragingly, there are positive trends in Australia from our cosmopolitan community led by younger generations who are looking beyond nation state boundaries for the best opportunity to change the most lives for the better. Australia can afford to do more and better international giving and impact investing; we believe AIDN can help this happen.

### What does AIDN hope to achieve?

Initially, we hope to attract greater numbers of internationally-focused philanthropists, foundations and investors and some financial support for AIDN to formalise as a network to promote private sector giving and investing abroad. At this early stage, AIDN's working objectives are as follows:

1. **Encourage discussion and create awareness** about 'more and better' international giving and investment
2. **Build out the network and contacts** of individuals/organisations active in international development
3. **Provide the tools, platforms and information** to the growing network active in giving or investing abroad
4. **Crystallise a platform** e.g. Secretariat, Online Community to hold the space, coordinate with other stakeholders and peak organisations here and abroad, and track and measure activities and progress

## PLEASE JOIN US

In responding to this manifesto, we invite you to:

- Sign up to the message of this manifesto (and the [AIDN LinkedIn Group](#))
- Join the conversation with AIDN and share your views and ideas
- Indicate your willingness and capacity to participate in the future of AIDN

# 1. TAKING A GLOBAL PERSPECTIVE

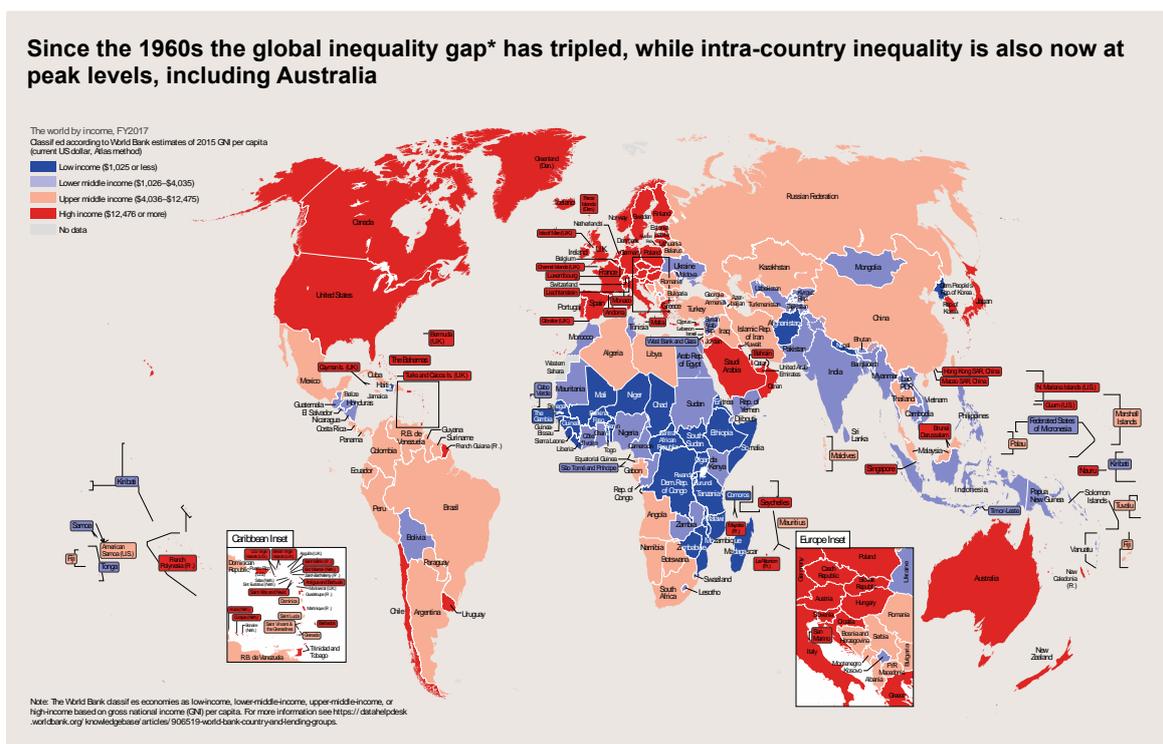
## **AIDN believes that a peak in global inequality greatly increases the opportunity for Australians to help support communities abroad**

The world is making rapid progress toward ending extreme poverty. Twenty years ago nearly 30% of the global population struggled to survive on US \$1.90 per day, today the number is more like 10%. But 10% still amounts to 700 million people. Nearly all these people live in developing countries, mainly in sub-Saharan Africa and southern Asia. Poverty exists in all countries and the lives of poor people are difficult no matter where they live. But the neediest live in the developing world at a scale and level of poverty hard to comprehend for Australians. There are no social safety nets, nor access to services that are available to the poor in wealthy countries.

**Since the 1960s, the global inequality gap has tripled, while intra-country inequity is also now at peak levels, including Australia.**

Global inequality is measured, in real terms, between the GDP per capita of the world's dominant power, the United States, and that of the various regions of the global South. The gap between the richest and poorest nations has never been more stark. Developed countries continue to advance their standard of living, relative wealth and opportunities while poorer countries and communities fall further behind, as illustrated by Figure 1 below. Additionally, a climate change crisis precipitated by the industrial age that has transformed the way we live and the lifestyles we now enjoy puts the poorer, traditional communities of the world most at risk.

**Figure 1: Overview of global inequality gap**



\* The gap, in real terms, between the GDP per capita of the world's dominant power (the United States) and that of various regions of the global South. Using World Bank figures, since 1960 the gap for Latin America has grown by 206%, the gap for sub-Saharan Africa has grown by 207%, and the gap for South Asia has grown by 196%. In other words, the global inequality gap has roughly tripled in size. *The Guardian*, 8 April 2016, "Global Inequality May Be Much Worse Than You Think". Jason Hickel

Due to this discrepancy, and the resulting differences in cost of living, private sector investment abroad in poorer countries can yield significant results at an individual and community level. But this comes with all the challenges and complexity of crossing national borders, including language differences, communication difficulties, unfamiliar cultural values and perspective, legal systems and accounting practices. Careful and considered investment abroad in partnership or collaboration with others can help manage some of these risks and increase the impact of the investment abroad. The opportunity for Australians has never been so significant.

## 2. SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

**AIDN believes the SDGs and Foundation Maps provide an excellent framework and lens through which to frame philanthropy and impact investing objectives abroad**

The United Nations (UN) has developed the Sustainable Development Goals ('SDGs'). These goals aim to promote development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The '2030 Agenda for Sustainable Development' provides the international community with a common set of objectives for all development stakeholders.

**There is an estimated \$2.5 trillion annual shortfall between available resources and those needed to achieve the SDGs. This means there is a need to engage with all partners with capacity to contribute.**

While the gap appears large, it constitutes just over 1% of the value of global capital markets controlled by the private sector, estimated at \$218 trillion. The 2030 Agenda recognises philanthropy as a key stakeholder with much to offer international aid efforts. Philanthropists and impact investors provide a blend of finance and influence to create change, including the expertise and networks they bring to the table.

The SDGs are a framework to coordinate this effort, and are increasingly being picked up by trusts, foundations and philanthropists to frame their development efforts, as set out by Figure 2.

**Figure 2: Overview of the Sustainable Development Goals (UN, 2015)**



### Foundation Maps in Australia

Foundation Maps, a nomenclature for the categorisation of grants and investments, is being introduced by Philanthropy Australia. For the first time it shows which funders provide grants overseas, with information on which countries supported, subject areas and target groups, combined with specific grant details.

Funders can supply their grants data online at no cost via [Updater](#).

Future developments of FMA includes improved tools to describe/locate beneficiaries and in particular to report on achievement of Sustainable Development Goals.

### 3. RAISING THE INTERNATIONAL GIVING BAR IN AUSTRALIA

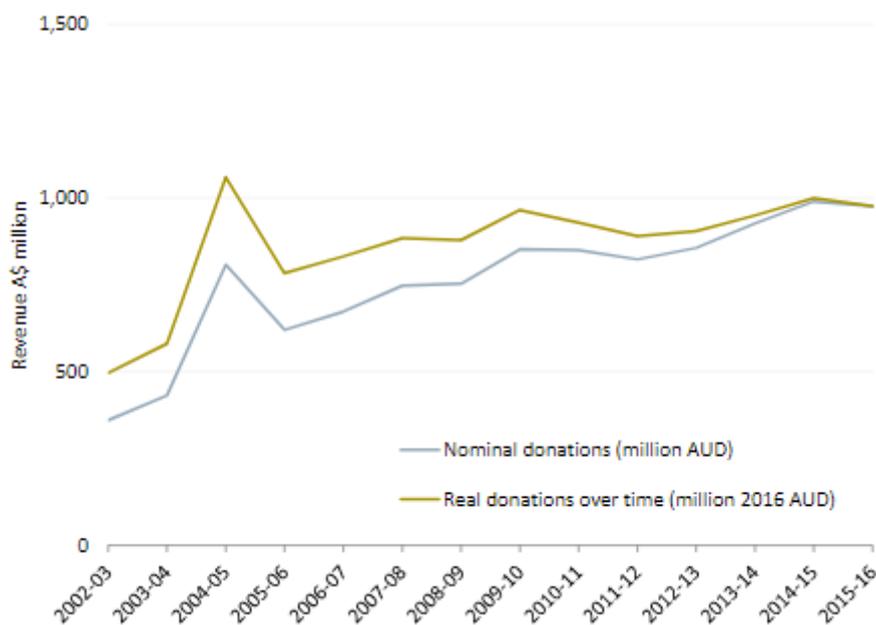
**AIDN believes that with greater networking and collaborations between private sector, corporate and government stakeholders, we can achieve more and better giving and impact investing abroad**

The OECD estimates that globally, philanthropic contributions to development multiplied ten-fold over the course of a decade from \$3 billion in 2003 to \$30 billion in 2013. This increase in philanthropy towards international development is attributed to the remarkable growth of the world economy over the last 30 years and increased data on philanthropic activities. While Australia has enjoyed 28 years of uninterrupted economic growth, giving in Australia remains lacklustre relative to our means and abilities, and we have certainly not seen this ten-fold increase in Australia towards projects internationally (while acknowledging we are not yet capturing all the data of private sector and corporate philanthropy and impact investing). We know we are a generous nation at heart (we rank 6th in the 2017 World Giving Index, published by the UK-based Charities Aid Foundation) but recent research has shown a sharp drop in the proportion of Australians donating money to charity, with Australia falling from third to ninth place, recording a ten percentage point drop in participation to 63%.

**ACFID estimates that, once inflation is taken into account, per capita giving to development NGOs has decreased from \$53 per person in 2005 to \$40 per person in 2015**

Statistical surveys recently conducted by Australian Council for International Development (ACFID) show that in 2016-17, \$930m was received by its members from 1.55m individual donors. In 2017, the biggest share of online charity giving in Australia was to humanitarian charities. However, the analysis also reveals that donations from the public have levelled off, as per Figure 3 below. Total revenue or public donations have not grown since 2005 relative to the size of Australia's economy and existing fundraising models for NGOs are also under pressure.

**Figure 3: Trends in public giving to Australian international development charities 2002/3-2015/16<sup>1</sup>**



The combination of lower Federal Government Official Development Assistance and flattening of donor funding has also seen a decrease in overall revenue for ACFID's members for the first time in ten years (although it is still considerably higher than it was prior to the Indian Ocean Tsunami at less than \$30). Donations to international development NGOs in Australia have plateaued since 2007, generally rising in times of international emergency.

<sup>1</sup> Data shows donations to ACFID members only:

<https://acfid.asn.au/sites/site.acfid/files/ACFID%20State%20of%20the%20Sector%20Report%202018.pdf>

There are some important signs and trends suggesting that, with some additional focus, attention and collaboration, we could increase the flow of private sector support from Australian philanthropy and organisations towards some of the most significant international development channels. The following trends, we believe, will result in a growing interest and propensity for international giving and investment:

- With a majority of Australians now born overseas or having at least one parent born overseas, there are deepening connections and affiliations to overseas communities
- Through travel, Australians have developed a greater appreciation for what they have and enjoy, and what they can contribute to others
- Younger Australians do not perceive national borders and foreign languages as barriers and see themselves part of a global community
- Information technology increasingly lowers the barriers to international engagement and development
- A post-material age has ushered in a deeper reflection about purpose, and the opportunity to contribute to the prosperity of others
- By putting resources to work in some of the most challenging social and environmental settings, the expertise and know-how of international development has many applications on our own shores ‘

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*For more information about the networks and activities of younger generations taking action abroad, see ANNEXURE 1: YOUNG INVESTORS LEADING THE CHARGE IN INTERNATIONAL GIVING*

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#### **4. OVERCOMING BARRIERS**

##### **AIDN believes through sharing the right tools and information, barriers to international giving can be further lowered and the questions regarding its impact addressed**

Giving to international causes has only been a relatively niche part of the Australian philanthropic landscape, and the restrictive nature of our taxation system has been highlighted as one of the main barriers. In a 2015 Hudson Institute report titled *'The Index of Philanthropic Freedom'*, Australia placed below Malaysia, Serbia and The Philippines for cross border giving. The report particularly referred to policies that *'deter cross-border flows'*.

##### **The Hunger Project (Australia) Case & PBIs**

A landmark case (*Commissioner of Taxation v Hunger project Australia 2014*) has made it significantly easier to support Australian organisations active in offshore development. The case dealt with the definition of a Public Benevolent Institution or 'PBI', a term that describes the legal structure of many charities in Australia. Specifically the court found that *'the ordinary contemporary meaning or understanding of a PBI is broad enough to encompass an institution which raises funds for associated entities for use in programs for the relief of hunger in the developing world'*.

In addition to this ruling, the Australian Tax Office (ATO) has changed its view on the so called "In Australia" requirement for deductible gift recipients (DGRs) such as PBIs. Previously, DGRs were required to be established and operated solely in Australia. There were some exceptions, such as overseas aid funds approved under the Overseas Aid Gift Deduction Scheme. Now, DGRs such as PBIs are only required to be established in Australia, but they can have their purposes and beneficiaries outside Australia. This view of the law is now confirmed, with the Australian Government announcing that it will not proceed with legislation to re-introduce the previous 'In Australia' restriction.

**These developments have opened the way for many Australian-based charities actively supporting projects offshore to apply for and be granted tax deductibility.**

This has resulted in an increased number of channels for philanthropy and impact investing abroad which have been summarised in **Annexure 2**. These developments are reflected in a positive change in Australia's ranking in the 2018 (the successor report to the Hudson Institute *Index of Philanthropic Freedom*), with our rating for ease of cross-border giving improving from 3.8 in 2015 to 4.5 in 2018.

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*For more information about the general paths for philanthropy and impact investing abroad, see ANNEXURE 2: SIX WAYS YOU CAN DONATE OR MAKE SOCIAL INVESTMENTS OVERSEAS*

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## Taxation and Regulatory Framework

It is important to defend recent improvements in the taxation and regulatory framework for international philanthropy, as described in the introductory paragraph to this section, to ensure they remain in place and are not jeopardised by any future policy decisions. It is also worthwhile to seek further improvements to the taxation and regulatory framework. For example, unlike their US equivalent, private ancillary funds in Australia cannot make grants directly to overseas entities. Instead, they must grant to a DGR in Australia which then uses those funds to support projects overseas. Allowing them to make grants directly to overseas entities, with appropriate controls and oversight in place, would be a welcome development.

## Public interest journalism

Coverage of international affairs has been in steady decline in the Australian media. The rise of digital media has put severe financial strain on newsrooms and costly foreign reporting has been hit hard. For example, in our nearest neighbour and major aid recipient, Papua New Guinea, there is only one permanently stationed Australian journalist. A media analysis conducted by the Australian National University between 1997 and 2016 showed a decline in reporting on aid. Per 1000 newspaper articles, aid was referenced 1.6 times. In contrast, the prevalence of Australian articles referencing 'defence' was 24 times higher. This decline in reporting and coverage has led to a less informed Australian public about global poverty and humanitarian crises, and Australia's response. In 2017, only 32% of Australians were aware there was a major crisis unfolding in East Africa as 23 million people became at risk of starvation. Despite this, research has shown that most Australians approve of their government giving aid. Polling has shown that a small majority of the population think that further cuts to the Government's Federal Aid Budget would be a bad thing and that they should stop. But when aid faces off against other spending areas during the Federal Budget, aid registers as the most popular cut. In May 2017, cutting foreign aid registered 50% public support and in May 2018 it registered 48%.

## Questions

Aside from these more structural elements influencing the awareness and response to international development needs, there are also some more subjective and ethical issues that play out for the individuals and organisations evaluating their choices to provide philanthropic support. For example, it is sometimes claimed that the workings of the free market are a better development strategy than aid. While in some ways the private market has helped the poor (such as the invention and spread of mobile phones) on other measures and criteria such as family and communal dislocation, exploitative working conditions, misdirected and environmentally destructive consumerism, the private market can be an inadequate, unequal, distorting and damaging response to development needs.

In this policy field, as in any, it is important that the assumptions and views of those whose understandings are different from those being advanced be recognised and responded to respectfully. Certain questions and a range of responses to help advance the ethical frameworks of potential new donors or investors in international development has been well summarised by **Annexure 3**, drawing on an article by Fiona Higgins of Australian Philanthropic Services.

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*For more information around common questions about international giving, see*  
**ANNEXURE 3 : ADDRESSING QUESTIONS AROUND INTERNATIONAL GIVING**

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## 5. LEVERAGING CORPORATE GIVING & INVESTMENT

### **AIDN believes the corporate sector presents a significant opportunity to advance the scale and impact of international development through giving and investment**

While important, corporate philanthropy is only a fraction of what a corporation offers abroad in terms of development and investment to help aligned communities out of poverty. The recent Giving Trends 2017 study by Philanthropy Australia shows corporate philanthropy is thriving, with \$17bn donated in 2015/16. Community partnerships are the largest area of corporate giving where a portfolio of strategies, including direct financial aid, skills and expertise, as well as direct investment that is often aligned with the core business model, is common.

The stimulus here has been a gradual convergence of a previously binary world of 'non-profit' and 'for profit' towards an emerging 'for purpose' sector where corporates are engaging market principles with greater

intentionality and focus around the social and environmental impact. In other words, businesses are seeing the opportunity *'to do well by doing good'*.

Building off earlier iterations of corporate social responsibility and ethical investing, we have seen an emergence of new disciplines and initiatives such as **'Shared Value'** and **'B Corps'** to help corporates articulate and formalise their organisational mission with business models that are building in a focus for a more fair and sustainable community for a broader stakeholder group beyond shareholders. The scope of a corporate philanthropy program can include a wide variety of stakeholders, contributions and platforms.

We don't have accurate information about the extent of the activities of corporate giving and impact abroad, and this would be one of the areas of focus for AIDN.

For more information:

- **Shared Value** <https://sharedvalue.org.au/>
- **BCorp** <https://bcorporation.com.au/>
- **1Million Donors** <https://www.1mdonors.org.au/>

## 6. TAPPING INTO NEW INVESTMENT TRENDS

**AIDN believes the growth of the impact investing market internationally is a significant opportunity to advance the scale and impact of international development**

In recent years there has been a global trend of increasing commercial investment and leveraging private capital flows to supplement overseas development assistance ('ODA'). These types of investments to promote development and their funds have many names, such as triple-bottom-line, venture philanthropy and social-impact investing. However, each form of what has become known as 'impact investing' has the common goal of achieving a development result as well as a financial return. Impact investors operate in the space between ODA and commercial investment. They are seeking to address problems through market-based, for-profit models that provide both a social benefit and the positive financial return necessary to generate a self-sustaining revenue stream and achieve scale.

**Impacting investing is typically characterised by three things:**

- 1. an explicit intention to achieve a social or environmental impact**
- 2. this social or environmental impact is measured**
- 3. the investment also produces a financial return at market ('finance first investments') or sub-market ('impact first investments') rates**

Microfinance, pioneered by groups such as Opportunity International (started by former Senior Australian of the Year, David Bussau) and Grameen Bank (founded by 2006 Nobel Peace Prize winner, Mohammad Yunus), was the first successful impact investment area. An early example is the Mexican microfinance institution Compartamos: one initial investor realised a staggering 134 times its US\$1 million investment, over a period when Compartamos grew to reach 660,000 clients, 98% of whom were poor women.

The recent growth of impact investment can be best gauged by the numbers of vehicles. The 2018 Global Impact Investing Network (GIIN) Annual Impact Investor Survey was released recently. It was based on an analysis of the activities of 226 of the world's leading impact investing organizations, including fund managers, foundations, banks, family offices, pension funds and insurance companies. The GIIN Survey respondents collectively manage US\$228 billion in impact assets, exactly twice the size of assets for last year's sample of 209 and a figure which serves as the best-available 'floor' for the size of the impact investing market.

Financial services and microfinance make up 28% of the GIIN respondents' assets but other sectors that have employed impact investment include energy (14% of assets), housing (8%), health care (5%), water/sanitation and education (both 4%). Estimates for future market growth range between US\$450 billion and 650 billion over the next 5 years. While still a small amount compared to total global managed assets of approximately US\$70 trillion, it would be a significant increase in resources targeted directly toward social causes. It would certainly be massive compared to current global ODA, being around four times the amount of US\$144 billion in 2017. Similarly, AIDN

would propose to track and measure the level, location and type of impact investing by Australian individuals, foundations and corporations abroad.

For more information:

- **Global Impact investing Network** <https://thegiin.org/>
- **Impact Investing Australia** <https://impactinvestingaustralia.com/>
- **Responsible Investment Association Australasia** <https://responsibleinvestment.org/>

## **7. WORKING COLLABORATIVELY WITH GOVERNMENT**

**AIDN believes the shift in policy and strategy of the Australian Government presents an increased opportunity for the corporate and private sectors to partner and leverage their development efforts abroad**

At \$4.2bn in the current fiscal year (2018/19), the size of the Australian aid budget is currently at a low point on a comparative per capita basis. It amounts to about \$164 per Australian while, on average, between 1961 and 2016, Australia's annual official development assistance per person has been around \$170 (at 2018/19 prices). ODA per person peaked at \$245 in 2011/12.

The Australian aid program works with partner countries to support their efforts to reduce poverty, to become prosperous and resilient, and to meet the SDGs. Traditionally the Australian Government has worked with foreign governments and with civil society to deliver development impact. However, with the critical role the private and business sectors play in meeting the SDGs, the Government is increasing its engagement with the Australian private and business sectors. This provides opportunities to leverage the combined expertise, influence and resources of the public and private sectors to improve economies and lives in developing countries. The Australian Government is also working with a range of network partners, including the Global Compact Network Australia, the Shared Value Project and the Global Reporting Initiative, to influence the behaviour of business and the private sector to consider sustainability and development impact as a core part of their business model or giving purpose.

The Australian Government values the important role of philanthropic foundations as catalysts and agents of change in international development. Engaging the philanthropy community and businesses as advocacy partners also help strengthen the enabling environments that help to reduce poverty in developing countries. The Government's increased focus on the private and business sectors opens new opportunities for partnerships and collaboration.

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For more information about the range of programs and avenues to partner with the Australian Government , see [ANNEXURE 4: WORKING IN PARTNERSHIP WITH the Australian Government](#)

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## **8. ABIDING BY STANDARDS & PRINCIPLES**

**AIDN believes that certain standards and principles should guide philanthropic funding and impact investing abroad through to organisations that are effective, accountable and transparent.**

In examining the lessons of the last four decades of global aid giving, and drawing on ACFID's Code of Conduct, this section briefing provides an introduction to six guiding principles for giving abroad, to make it as effective as possible. These principles were adapted from a paper developed by policy advisers from the aid and development sector, under the auspice of ACFID and Micah Australia.

### **i) Standards**

Investing in another country, culture and jurisdiction comes with opportunities but also risks. The need to understand risks and adopt appropriate standards in response is vital. Having standards in place in areas such as child protection, safeguarding against sexual exploitation, anti-money laundering and counter terrorism financing are mandatory requirements for donors like the Department of Foreign Affairs, and charities working under the Australian Council for International Development's Code of Conduct. It is expected that Treasury and the Australian Charities and Not for Profit Commission will adopt External Conduct Standards for charities working internationally

in the coming year. Actively seeking to understand and adopt standards and good practice already in place assists good donorship, better development outcomes and helps manages risk effectively.

### **ii) Give aid with the right intentions**

Many of the worst outcomes have stemmed from aid or development funding that was given foremost to benefit donor countries, or to advance donor countries' strategic objectives. This sort of aid may be justified on its own terms, but is less likely to help aid recipient countries than aid given with **right intentions** – that is primarily to help the recipient country. Not only is this ineffective, it's unpopular. When the Australian public has been surveyed, the majority of respondents across the political spectrum have indicated they want Australian aid to be given foremost to help recipient countries.

### **iii) Give aid guided by context**

Aid is most likely to be effective if it is given **pragmatically** and carefully tailored to the needs and constraints of the countries receiving it. Each of country requires different approaches to aid giving, including focusing on different issues and using different means of disbursement. It is understandable that people often have strong preferences for the issues that aid should be used to focus on for example, health, or economic growth, or education. Different stakeholders also have strong preferences about how aid should be given for example, through NGOs, private firms or recipient governments. Australian aid will be more effective if it is given with a careful eye for what is most likely to work in any particular country. It should also be designed to fit with what other donors are doing, and be geared to countries' particular needs. Coming from a starting point of country context rather than a preference for any particular issue – be it health, education, economic development, or the environment – is a much more pragmatic and effective way to approach aid.

### **iv) Expertise**

Development **expertise** is crucial for giving aid well. Giving aid in the context of developing countries, particularly the poorest developing countries, brings many challenges. Expertise, both of country context and aid work itself, is essential in effectively overcoming challenges. Aid programs perform better if they have sufficient in-house expertise. At times aid work appears simple: provide resources to meet a need. Yet, there are many complexities within recipient countries which have to be navigated and inherent challenges associated with aid work. Aid workers need knowledge of the principles of good aid, knowledge of the country contexts in which they are working and the interpersonal skills necessary to work well with recipient country counterparts. Having suitably qualified aid program staff, who understand the challenges of aid work, is essential.

### **v) Gather evidence and learn from it**

Aid programs also perform better if they proactively learn from their own experiences by investing in careful monitoring and evaluation of the work they do. The aid program can grow its institutional expertise through carefully evaluating its work, and giving its staff time to learn from evaluations. The Australian Government's aid program has a reasonably good track-record in evaluation. However, evidence suggests that at present institutional learning from evaluations is less than it should be. Giving aid program staff the time to engage with evaluations as well as incentivising them to engage with them will be important into the future.

### **vi) Stability and Predictability**

Where possible, there should also be high-level **stability** in aid. Change is necessary, and sometimes change has to occur at short notice, but unnecessary change should be avoided. This is because aid often takes time to deliver dividends, needs to be a learning process which adapts to country contexts and because good aid also involves building relationships with partners in recipient countries. Unpredictable aid is hard for recipients to plan around and has been shown to make aid less effective.

ACFID is over 50 years-old as a peak-body and has had a Code of Conduct in place since 1997. ACFID has over 120 full members, all of which are Code signatories. [A full list can be found on ACFID's website](#). Read more about [ACFID's Code of Conduct on ACFID's website](#) or download the Code quick guide

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[For more information about the standards and principles of ethical investing abroad, see more at ANNEXURE 5 : ACFID CODE OF CONDUCT](#)

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*We look forward to engaging you in this important conversation and opportunity to generate more and better giving and investing internationally.*



Australian International  
Development Network

**For more information, please contact:**

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Or, Visit the LinkedIn page for AIDN [AIDN LinkedIn Group](#)

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## ANNEXURE 1: YOUNG INVESTORS LEADING THE CHARGE IN INTERNATIONAL GIVING

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Young people are often at the forefront of bringing new solutions, skills, resources, energy and passion to address political, economic and social issues. They are early adopters of social and technological advances, and are key to facilitating innovation in culture and behaviour, indicating future trends to the rest of the population.

The trend we are seeing is young people embracing a global community at rates far higher than any previous generation. The 2016 Global Shapers Annual Survey asked millennials around the world what defines their identity. The most popular answer wasn't nationality, religion, or ethnicity:

**It was 'citizen of the world'.**

With 25% of world population aged between 15 and 29 years old, the largest amount of young people that has ever existed this is an important perception shift that will have far reaching implications on business and philanthropy.

Worldwide, youth are nearly twice as networked online as the greater population. In developed countries, young people's use of the Internet is nearly universal, and in the least developed countries they are three times more likely than the general population to go online. As the most connected generation ever, they are uniquely placed to identify need regardless of borders and mobilise their collective strength to achieve the Sustainable Development Goals, to establish dialogue and build partnerships across countries and all sectors of social life—from politics to business, academia and civil society.

This global awareness and connectivity has led to the rapid adoption of movements like Effective Altruism, exploring cost effectiveness of giving, inevitably leading to global giving as the most effective way to create change.

For more information:

- **Effective Altruism** [www.effectivealtruism.org](http://www.effectivealtruism.org)
- **GiveWell** [www.givewell.org](http://www.givewell.org)

As Mark Zuckerberg has said 'We get that our greatest opportunities are now global — we can be the generation that ends poverty, that ends disease. We get that our greatest challenges need global responses too — no country can fight climate change alone or prevent pandemics. Progress now requires coming together not just as cities or nations but also as a global community.'

### CONNECT TO THIS GLOBAL COMMUNITY

**NEXUS:** [nexusglobal.org/](http://nexusglobal.org/)

With over 3500 members from 70 countries, NEXUS is a network uniting young investors, social entrepreneurs, philanthropists, and allies to accelerate needed solutions to the world's toughest issues.

**Global Shapers:** [www.globalshapers.org/](http://www.globalshapers.org/)

Born out of the World Economic Forum, the Global Shapers Community is a network of people under the age of 30 working together to address local, regional and global challenges from 156 active countries.

**Oaktree:** [www.oaktree.org](http://www.oaktree.org)

Oaktree is Australia's largest youth-run international development organisation for people 16-26 years old. They fund education and leadership projects overseas and influence policy change towards youth participation and a more just world.

**UN Youth Australia:** [youth.org.au](http://youth.org.au)

UN Youth educate and empower young Australians to build the people's movement for the United Nations.

**Global Citizen:** [www.globalcitizen.org/en/au/](http://www.globalcitizen.org/en/au/)

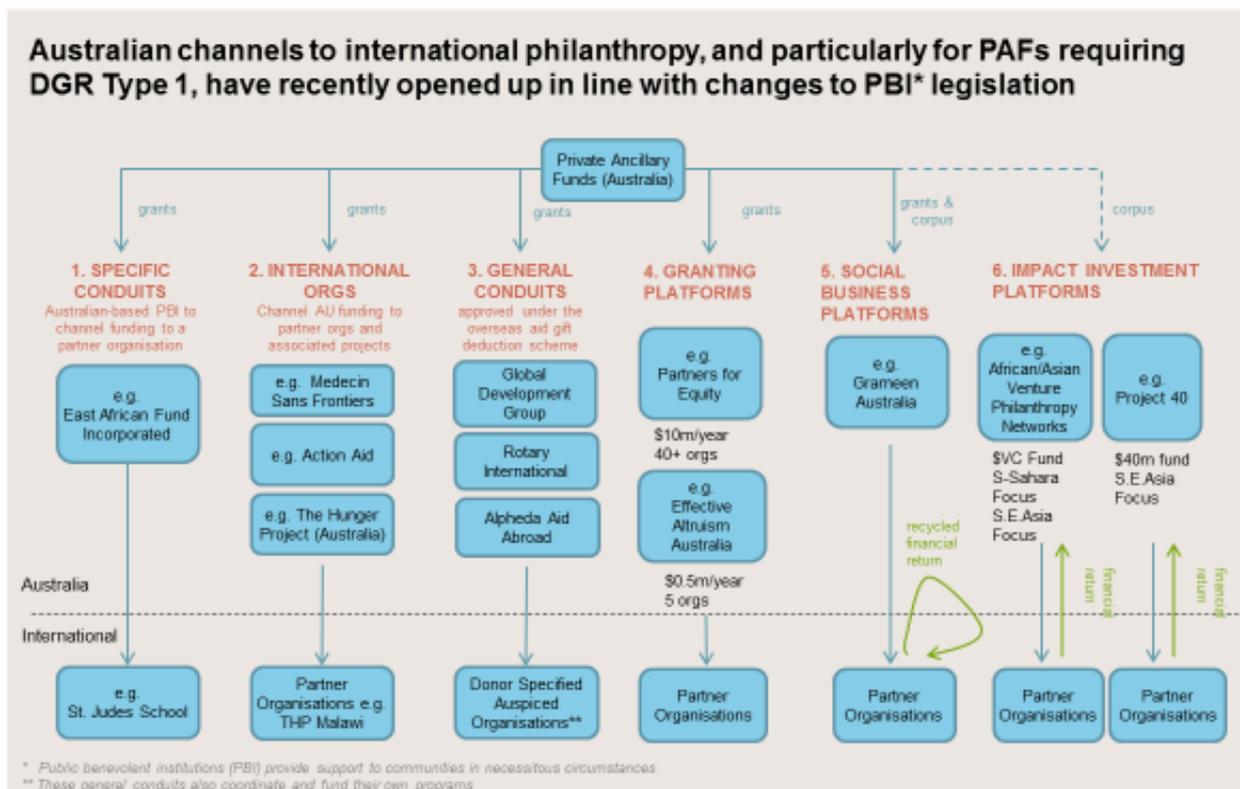
Global Citizen is a movement of engaged citizens who are using their collective voice to end extreme poverty by 2030. Through their platform Global Citizens learn about the systemic causes of extreme poverty, take action on those issues, and earn rewards for their actions — as part of a global community committed to lasting change.

## ANNEXURE 2: SIX WAYS YOU CAN DONATE OR MAKE SOCIAL INVESTMENTS OVERSEAS

To receive tax deductibility for your grant or social investment to an offshore cause, the general principle is that your funds should be directed to an organisation established in Australia. The organisation must be registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC), and endorsed as a DGR by the ATO. That organisation is responsible for ensuring your funds are spent in an appropriate manner and directed to the cause for which they are intended, in accordance with the law.

Figure 4 below lists key examples of such organisations. In most cases the arrangement is quite straightforward. If you donate to Action Aid Australia they will ensure your funds go to the furtherment of Action Aid's activities globally. For smaller organisations like The School of St Jude in Tanzania, they have an Australian based fundraising arm (East African Fund) to which you can grant funds. Organisations such as Rotary International, Apheda Aid Abroad, Global Development Group and Action on Poverty work with a wide variety of international partners and can ensure your funds are directed to those partners for a small fee. Partners For Equity and Effective Altruism Australia provide a similar service but do not charge a fee.

### Overview of the six channels for international philanthropy



It is still challenging for Australian donors to support charities that have no presence in Australia. This has been partially addressed by the so-called Hunger Project court decision and a change in the ATO's view of the "In Australia" requirement for DGRs such as PBIs (discussed in section 4 above).

One such example is Partners For Equity (PFE). <http://partnersforequity.org/>

PFE directors and staff collectively spend five months a year visiting offshore projects and share their evaluation work with prospective donors. Donations to the sixty projects supported by PFE are forwarded to partners offshore at no cost to either the donor or the recipient as a philanthropic gesture on the part of PFE's founders. Others include the Global Development Group in Brisbane, Action on Poverty in Sydney, Entrust Foundation in Melbourne and Rotary Australia.

## ANNEXURE 3: QUESTIONS AROUND INTERNATIONAL GIVING

The following draws on an article by **Fiona Higgins** from **Australian Philanthropic Services** in the May 3 2018 edition of 'Generosity' addresses several pertinent questions commonly raised in relation to international giving:

QUESTION	RESPONSE
<b><i>“Corruption: most foreign aid ends up lining the pockets of corrupt foreign leaders”</i></b>	The answer to this question is a resounding ‘No!’ According to the Lowy Institute, due to stringent controls fraud accounts for one tenth of one percent of the Government’s aid expenditure. Charities operating under the ACFID Code of Conduct are required to have extensive partnership agreements in place to reduce the likelihood of fraud.
<b><i>“The needs in those countries are endless. Funding seems to be plugging a bottomless pit. What difference does it make, anyway?”</i></b>	The needs of our domestic health, education and welfare sectors are also ‘endless’ – but do we stop spending on them for that reason?
<b><i>“Development is dead. Aid is a band-aid solution. There doesn’t seem to be any real long-term plan to fix things and no real improvement”</i></b>	There is a long-term plan: it’s called the UN Sustainable Development Goals. Signed on to by 190 countries, the SDGs aim to eliminate extreme global poverty by 2030. People’s basic needs – food, water, shelter, safety – still must be met and aid plays an important role. The UN is the biggest humanitarian actor in the world feeding 80 million people in 80 countries last year. Australia has a \$4.2 billion aid program that helps support the SDGs. .
<b><i>“Foreign aid should be spent on contraception. These countries will always be disasters until they get their family planning under control. If they stopped having babies, they wouldn’t be in this mess.”</i></b>	The most effective force for contraception is to lift people – especially women – out of poverty, give them stability, access to credit, and allow them agency over their future. Additionally, in most developing nations birth rates are falling and there is a direct correlation between improved access to education for women and declining fertility rates.
<b><i>“Charity begins at home. We’ve got problems of our own to solve.”</i></b>	Our ambitions for solving our domestic problems should never preclude us from providing aid to desperately vulnerable people overseas at the same time. Further, problems abroad become problems at home when they aren’t dealt with properly – economic migrants, political refugees and soon-to-be climate refugees are all a product of instability.
<b><i>“We’re not all that well-off. It’s hard being charitable when you’ve got mountains of debt to service for the roof over your head”</i></b>	We are, per head of population, one of the richest nations on earth. And our government debt/GDP ratio is one of the lowest in the OECD. And we rank as the 2 <sup>nd</sup> highest in the world on the UN Human Development Index. The fact that some of us here are in dire need – or that many of us experience mortgage stress – is no reason to withhold assistance from those even poorer.
<b><i>“There are 20 billionaires in Indonesia – if they are not helping their own poor, why should we? They’re never grateful for our help, and their death penalty laws are inhuman.”</i></b>	There are billionaires in Australia, too – 43 of them, to be exact – but we don’t skimp on domestic donations on the basis that these 43 individuals aren’t providing the support they could, in theory, for the needy in our country. As for Australian foreign aid buying political leverage – the ‘we’ve been kind to you, so you have an obligation to us’ mentality-Indonesia is a sovereign nation. The biggest victims of its death penalty are Indonesians. If we seek to inspire our neighbours to rescind this policy, we should support international development initiatives that foster a healthy civil society to see inhuman policies overturned in Indonesia.
<b><i>“As the Australian Government already gives significant amounts of taxpayers money in foreign aid, why should individuals give more?”</i></b>	Many Australians believe our government spends much more on aid than it actually does. In a recent poll, some 43% of respondents did not know how much Australia spent on foreign aid, and 19% believed that 5% or more of the Federal Budget went to foreign aid. The actual figure is less than 1%.

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## ANNEXURE 4: WORKING COLLABORATIVELY WITH GOVERNMENT

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The Australian aid program works with partner countries to support their efforts to reduce poverty, to become more stable, prosperous and resilient, and to meet the Sustainable Development Goals (SDGs). With global agreement to the 2030 Agenda for Sustainable Development in 2015 came a new consensus on the need for collective efforts by all actors, including governments, philanthropic organisations and business to meet the SDGs. More than 80 per cent of all financial flows from developed to developing countries come from private sources. For every \$1 of aid, there is \$12 of private finance flows. Philanthropic foundations are important partners in international development<sup>2</sup>, able to deliver assistance directly as well as work with businesses to achieve shared value outcomes – outcomes that deliver both sustainable commercial and social returns.

### PARTNERSHIPS WITH PHILANTHROPY AND BUSINESS

The Australian Government is already actively engaging or partnering with the philanthropic community on sustainable development. On health, the Department for Foreign Affairs and Trade (DFAT) is partnering with Bloomberg Philanthropies to improve health data. This will significantly improve peoples' health outcomes by improving the health information on which government decisions are made. The Department also cooperates with the Gates Foundation on the Boards of Gavi, the Vaccine Alliance and the Global Fund to Fight AIDS, Tuberculosis and Malaria. These global health funds provide funding health products, services and support to improve health outcomes in developing countries. The Department also engages in several development forums funded by Australian philanthropy, such as the Australasian Aid Conference (Harold Mitchell Foundation) and events with the Crawford Fund. In 2018, the Department, in partnership with Philanthropy Australia, sponsored the inaugural Australian International Philanthropy Award, to recognise key leaders in international giving and help raise awareness of opportunities for international philanthropic giving.

### SHARED VALUE BUSINESS PLATFORMS

The Australian Government has several innovative programs to support new partnerships with business to deliver shared value outcomes. These include:

- the [Business Partnerships Platform](#) (BPP), which partners with business to co-finance solutions that address development issues while delivering commercial returns.
- the [Scaling Frontier Innovation program](#), which supports social entrepreneurship and impact investing in the Indo-Pacific.
- [Pacific Readiness for Investment in Social Enterprise](#) (Pacific RISE), which aims to introduce new private investment capital into the Pacific
- the [Market Development Facility](#), which creates income and employment for the poor through partnering with businesses investing in sustainable pro-poor commercial practices in the agricultural sector
- [Investing in Women](#), which empowers women by increasing private investment in women-led small and medium sized enterprises.

### SERVICE DELIVERY GRANTS

The Australian Government also provides funding to accredited Australian non-government organisations working with overseas communities to deliver projects across a range of sectors, including in education, health, water and sanitation, governance and economic development. In 2017-18, the Australian NGO Cooperation Program provided \$129 million to 57 NGOs to support approximately 455 projects in over 50 countries. This offers opportunities for collaboration and partnerships with the philanthropic community to increase the impacts of international giving. Examples are below and to learn more about these, and other partnership opportunities, visit [www.dfat.gov.au](http://www.dfat.gov.au) or email [privatesectordevelopment@dfat.gov.au](mailto:privatesectordevelopment@dfat.gov.au).

- The United Nations [Global Compact Network Australia](#) to enhance reach, impact and capacity to engage with businesses on the Sustainable Development Goals.
- The [Shared Value Project](#) which increases our engagement with Australian and international businesses that generate development outcomes in their business models.
- The [Global Reporting Initiative](#), which leads international practice on sustainability reporting for business and supports increased transparency in the Asia-Pacific region.

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## ANNEXURE 5: ACFID CODE OF CONDUCT

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The Australian Council for International Development (ACFID) is the peak-body for Australia's NGOs working in international development humanitarian assistance and has 124 members. Over 75% of all money earned (and spent) by aid and international development non-governmental organisations (NGOs) in Australia is done so by ACFID's membership. [A full list can be found on ACFID's website: https://acfid.asn.au/about/members](https://acfid.asn.au/about/members). ACFID's members choose to be accountable to the communities they support overseas, the communities who support them at home and the partners they collaborate with. Recognised as best practice by the Australian Charities and Not for Profit Commission<sup>3</sup>, the ACFID Code of Conduct <https://acfid.asn.au/code-of-conduct> ('the Code') is the means by which ACFID's members collectively build integrity, accountability and impact. The Code is a code of good practice that lays out 9 Quality Principles, 32 commitments and 90 compliance indicators, to which members need to report to annually. It is relied on by the Department of Foreign Affairs and Trade (DFAT) as a pre-requisite to their accreditation. All ACFID members are Code Signatories, and proudly use the ACFID member logo on their websites as an indication of their quality and standards which are above regulatory requirements. Under the Code, ACFID's members are – amongst other elements – required to:

- Have a documented child safeguarding incident reporting procedure and complaints handling procedure;
- Have a complaints-mechanism in place and publicly available on its website;
- Have a policy, procedure or guidance document outlining the requirements for the safety, security and travel for staff and volunteers;
- Publish information on governance structure, responsible persons and information on their work, including key projects and programs;
- Report their compliance with the ACFID Fundraising Charter;
- Produce and publish annual audited financial statements against a common standard.
- Conduct a Code of Conduct Self-Assessment every three years signed off at Board level, as a minimum; and
- Report their annual and financial reports to ACFID each year.

In addition to self-assessments and annual reporting, ACFID also undertakes spot checks of Code compliance and an ongoing assessment of risk in any areas of potential non-compliance. Under the Code, ACFID's members have the responsibility to promote legal and ethical behaviour, as well as demonstrating they have a comprehensive understanding of legal and compliance obligations and actions that are needed to be taken to meet those obligations.

**So how do ACFID's members remain publicly accountable to the Code?** ACFID's independent complaints-handling process is essential to the credibility of the Code. As part of their compliance ACFID's members are required to have a public complaints mechanism which can then be escalated to a complaint which is investigated by ACFID's independent Code of Conduct Committee. ACFID supports its members to remain compliant through tailored advice and learning and development opportunities, but following the complaints process, if a complaint is upheld, and a charity is not prepared or willing to remedy, a member's signatory status can be suspended or revoked. *Read more about [ACFID's Code of Conduct on ACFID's website](#) or [download the Code quick guide](#)*

### SELECTED RESOURCES

- *Australian Foreign Minister's Statement on engaging the private sector in aid and development (2015)*
- *8 April 2016 – The Guardian, 'Global Inequality May Be Much Worse Than You Think'*.
- <http://blog.bus.qut.edu.au/giving-australia-2016/australia-international-giving-in-an-era-of-philanthropic-globalisation/>
- *Australian Foreign Minister's Statement on engaging the private sector in aid and development (2015)* (<http://devinit.org/post/oda-data-2017/>)
- <https://thegin.org/research/publication/annualsurvey2018>
- <https://www.hudson.org/research/11363-index-of-philanthropic-freedom-2015>
- <https://globalindices.iupui.edu/environment/regions/oceania/australia.html>
- <sup>1</sup> <https://www.lowyinstitute.org/the-interpreter/chronic-fraud-australias-aid-program-think-again>
- *Jeremy Stringer, Department of Foreign Affairs and Trade "Philanthropy as an international development actor: influence and implications", Australasian Aid Conference Paper 2016*