MAKING INFRASTRUCTURE WORK FOR GENDER EQUALITY
IWDA POLICY BRIEF ON THE AUSTRALIAN INFRASTRUCTURE FINANCING FACILITY FOR THE PACIFIC (AIFFP)

As part of a range of new initiatives under the Pacific Step-Up, on 8 November 2018 Prime Minister Scott Morrison announced the new Australian Infrastructure Financing Facility for the Pacific (AIFFP), including a combination of grants and loans to support infrastructure development in the Pacific. The details announced to date leave questions about the management of the new facility and how its priorities will be determined. Additionally, there are significant gendered implications of both the decision to allocate funding via loans, and of the potential infrastructure projects themselves, which must be addressed. This policy brief provides a gendered analysis of these three domains – priorities and management of the AIFFP, gender and loans, and gender and infrastructure – and provides recommendations for how the Australian Government can ensure the AIFFP works for gender equality.

Priorities and management of the AIFFP

The announcement of the AIFFP has been received in the context of China’s increased presence in the Pacific region, and has generated debate about the geostrategic importance of the Pacific to Australia’s military, economic and diplomatic interests. The Secretary General of the Pacific Islands Forum Secretariat, Dame Meg Taylor, has called for all actors to work in solidarity to achieve the development aims of the “Blue Pacific” in the context of increasing and, at times, self-interested attention of donors in the Pacific region.

The AIFFP is a significant and new form of investment for Australia in the region. Australia’s last foray into loans for infrastructure development was the Australia Indonesia Partnership for Reconstruction and Development, which was announced in response the Boxing Day Tsunami in 2004 and was the single biggest aid contribution made at the time. While there were notable successes in building the relationship between Australia and Indonesia, a 2006 audit report by the National Audit Office concluded that the disbursement of loan funds presented “substantial administrative challenges”, that the identification of risks had “not been timely or sufficient”, establishing a Partnership Loan Agreement with Indonesia had “proven to be particularly difficult” and subsequently, the period of disbursement of loans had to be extended.

Ensuring that DFAT has sufficient financial and technical expertise to oversee the grant, loan and infrastructure components of the new facility will be crucial to ensuring its success.

To date, little has been said about the ways in which the AIFFP can work to advance the Australian Government’s commitment to gender equality and women’s empowerment, or how it will mitigate against the potential for harmful or negative consequences for women. DFAT’s existing Strategy for Investments in Economic Infrastructure names “improv[ing] access to infrastructure services to facilitate private sector and human development and promote women’s participation and empowerment” among its three priorities, and acknowledges that “gender issues need to be taken into account throughout all stages of infrastructure

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1 Prime Minister of Australia. 2018a; Prime Minister of Australia. 2018b
3 Taylor. 2019.
4 DFAT. 2005.
5 Australian National Audit Office. 2006
6 See for example, the Foreign Policy White Paper identification of gender equality as a core Australian value; the DFAT Gender equality and women’s empowerment strategy, and the 80% aid effectiveness target for gender equality established in the Making performance count framework.
Additionally, the Gender equality and empowerment strategy commits the Australian Government to integrating gender equality through the development program and in DFAT’s own corporate services and human resources policies. To that end, it is critical that the new facility supports the promotion of women’s leadership and participation within the facility, alongside gender expertise to support gendered analysis at all stages of the infrastructure investment process.

**Recommendation 1**: Rebuild the aid budget to ensure that existing development projects are not cut in order to fund the new facility

**Recommendation 2**: Prioritise the development needs of partner countries over Australia’s geostrategic or economic interests in determining infrastructure investments

**Recommendation 3**: Ensure sufficient lead times for establishing the facility to allow for DFAT’s technical expertise on infrastructure and loans management to be expanded, and for the required governance, accountability and monitoring and evaluation mechanisms to be established.

**Recommendation 4**: Ensure gender expertise is included in the staffing portfolio of the new facility, to support the achievement of DFAT’s corporate and human resources policies and to support the inclusion of gender criteria across all stages of project development.

**Gender in development finance, loans and debt**

Loans are one way that countries seek to finance their development, alongside other forms of finance such as Official Development Assistance (ODA), domestic revenue (eg: taxation), trade, remittances, and private sector and philanthropic investment.

Feminists have long criticised the failure to consider women’s issues as part of development finance and macroeconomic policy more broadly, citing a combination of the technical nature of the sector as a barrier to participation by ‘non-experts’, women’s unequal access to resources and decision-making (exacerbated by other factors such as class), and the gendered nature of the underlying biases which support the very foundations of neoclassical economics. As a result, macroeconomic policy is often treated as though it were gender neutral, when it is in fact highly gendered; for example, the concept of the “ideal worker” who can participate full time in the formal economy is based on the assumption of a male breadwinner supported by a wife who provides unpaid care in the form of housework and childcare, which creates structural barriers that make it harder for women to participate in the formal economy.

Failure to consider the gender-differentiated impacts of macroeconomic policy can lead to enormous costs for women; for example, research in the UK found that since 2010 women had borne 86% of the cost of austerity policies imposed by the British Government in the wake of the global financial crisis. Even when gender equality and women’s empowerment are considered, they are often viewed through a narrow frame. For example, the Addis Ababa Action Agenda (the outcome of the Third International Conference on Financing for Development, which coincided with the agreement of the Sustainable Development Goals in 2015) commits to ensuring gender equality and women and girls’ empowerment as both a goal of and a means to development (eg: via women’s participation in the formal economy (Para 21)). However the agenda fails to note the differentiated impacts of various forms of revenue on men and women (eg: the cost of regressive taxation measures is disproportionately borne by women due to their lower than average income and role as the primary caregiver) or ways in which women are disproportionately affected in times of austerity.

This is particularly pertinent in the context of loans; alongside the immediate consideration of what the money will be spent on, over the longer term it is critical to take a gender lens to the question of how loans will be repaid and what other areas of spending may be foregone in order to service debt repayments.

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7 DFAT. 2015. pp 4, pp 7
8 DFAT. 2016.
9 Elson, 1993, pp6; Bereria & Sen, 1982, pp162; Lambert, 2008, pp 90-93
10 Lambert, 2008, pp 91; Elson, 1993, pp7
11 Stewart, 2017
12 United Nations, 2015
Responding to the Addis Ababa Action Agenda’s failure to take a gendered lens to the issue of national debt, the Women’s Working Group on Financing for Development argued that:

*Debts servicing continues to undermine women’s human rights, through the diversion of scarce government resources from public services that reduce women’s care burden; and through the attachment of harmful policy conditionalities, such as privatisation or the introduction of user fees for services that are critical for women's enjoyment of human rights and gender equality.*

This can be further illustrated via the following example: historically governments have tended to cut public spending and/or privatise areas such as health, education, child- and aged-care in order to service debt repayments. These cuts have a disproportionate impact on women in multiple ways:

- **Loss of employment:** Public services disproportionately employ women, meaning that women are more likely to lose their paid work in times of austerity.
- **Unpaid care:** The burden of providing child or aged care is picked up by women on an unpaid basis, restricting their ability to engage in paid work.
- **Negative health outcomes:** This can also lead to poorer health outcomes, particularly for low income women who are more likely to have poor health and are less able to pay for private care. (For example research in Canada on the privatisation of home health services found that women formed the majority of those missing out on health care as a result of the changes, with income-level, ethnicity/indigeneity, remoteness and age all compounding factors.)
- **Increased costs:** Where the private sector steps in to fill gaps in service delivery, it is often on a user-pays system. Even when costs are tailored to the average family income, they are disproportionately borne by women, who are more likely to fulfil the caring roles that come into contact with these services and to spend their income on their family’s wellbeing, contributing to greater inequality within the household.
- **Fewer girls in school:** When costs increase, families are more likely to prioritise boys’ education over girls’, contributing to long term disadvantage for women. For example, debt cancelation in Africa which led to the abolishment of school fees saw significant rises in the number of girls completing primary school.
- **Risk of violence:** In times of austerity, financial pressure within families coupled with cuts to services aimed at preventing and responding to violence against women can lead to an increased risk of violence for women and children.

In the context of the AIFFP, it will be critical for the Australian Government to take a gendered analysis to the financial mechanisms associated with the facility in order to ensure that it does not contribute to perpetuating gender inequality throughout the region.

**Recommendation 5:** Conduct detailed macro-economic analysis to determine eligibility for loans, including the ability of countries to repay loans taken out under the facility without cutting public spending on essential services, particularly services for women.

**Recommendation 6:** Factor in the cost of upkeep and maintenance of infrastructure to loan agreements and avoid privatised or ‘user pays’ models which exclude low income groups, particularly women, from the benefits of infrastructure investments.

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13 Women’s Working Group on Financing for Development, 2015, pp 3
14 Musindarwezo, 2018, pp 8
15 Lambert, 2008, 207-8
17 Jubilee, 2007, pp 3
18 Sanders-mcdonagh, Neville, Nolas. 2016
Infrastructure and gender equality

The pro-poor infrastructure gap

There is a significant need for increased investment in infrastructure globally. World Bank data on access to key infrastructure services including electricity, water, sewerage and roads in East Asia and the Pacific demonstrates the level of need in our region. An estimated 60 million people lack access to electricity, and fewer than 60% of the population in most Pacific countries are covered by electricity services. Levels of household piped water are as low as 8% and 9% in Myanmar and Papua New Guinea, respectively. Access to electricity, water, sanitation, and transport varies significantly both between and within countries, as does the quality of the services provided, with greater need in rural areas.19 “Economies are literally and figuratively built on infrastructure,” yet there is a finance gap for infrastructure investments in developing country contexts.20 DFAT’s infrastructure strategy notes estimates that US$750 billion per annum worth of infrastructure investment in the Asia/Pacific region will be required to sustain economic growth at current levels.21

Infrastructure can have a positive impact on reducing poverty. “Pro-poor” infrastructure contributes to overall economic growth, but more importantly, enables poor people to better participate in and benefit from economic growth by increasing access to markets, reducing risk and vulnerability, and improving health and education outcomes.22 The OECD identifies limiting factors on the effectiveness of infrastructure to achieve poverty-reduction outcomes to include prioritising donor interests of the needs of local populations, and a focus on physical assets over long-term service delivery.23

Recommendation 7: Ensure criteria for development and gender equality outcomes are met in determining which projects to fund under the AIFFP.

Infrastructure for gender equality

In addition to poverty reduction, there is significant potential for well designed, targeted infrastructure investments which address the needs of diverse women and girls to contribute to gender equality outcomes. Infrastructure can reduce the time burden of unpaid care and household work, which is disproportionately borne by women, by improving access to clean water, cooking fuels and electricity.24 This can have economic benefits in terms of freeing up women’s time to take on paid work, and can lessen the “drudgery” of unpaid domestic work – which is often stressful, exhausting, and performed on top of paid work – giving women more time for rest, leisure and family time.25 There can also be significant health benefits for women, for example, data collected using the Individual Deprivation Measure (IDM) in Fiji found that 91% of women reported exposure to fumes from cooking and heating compared to 65% of men, and women experienced health problems related to exposure to harmful fumes at a higher rate and a greater severity than men.26 Access to safe, gender sensitive transport options can enable women to travel to places of work or business, reducing women’s vulnerability to violence and facilitating greater economic empowerment.27 For example, research in Cambodia found 75% of women surveyed had seen an increase in produce sales following improvements in roads that facilitated greater access to markets.28 Infrastructure investments which employ women in fields which are traditionally male-dominated, such as contribution and transport, can also contribute to shifting gender norms around what is considered “women’s work” while expanding women’s employment options.29

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20 Mohun & Biswas. 2016. Pp1
21 DFAT. 2015. Pp 1
23 Ibid. Pp 230;
24 GADN. 2019. Pp 9
25 Khan. 2018. Pp 6-7
27 ICED. No date. Pp 1
28 Khan. 2018. Pp 3
29 ICED. No date. Pp 7
There are additional benefits to be found in infrastructure investment that accounts for the needs of different groups of women. For example, investment in rural infrastructure can increase food security for both men and women.\(^{30}\) Infrastructure which is accessible for people with disabilities can enable more women with disabilities to participate in education or economic activities, and decrease the workload of women who are carers for people with disabilities.\(^{31}\) Considering the needs of women at different ages, including young women, girls and older women, can ensure that all women are able to benefit from infrastructure investment.\(^{32}\)

However, while there is potential for infrastructure to benefit women and further gender equality, this requires infrastructure investments to be designed with gender considerations in mind.\(^{33}\) Failure to integrate gender considerations into infrastructure investments is in part due to the fact that the field is highly technical in nature, elite, and male-dominated, meaning that the men who design and plan infrastructure projects may not be attuned to the needs of women, particularly women from rural and low-income areas.\(^{34}\) Reviews have found that gender equality considerations must be “intentionally built into program design and consistently followed-up and monitored” in order to realise their potential.\(^{35}\) Mohun and Biswas identify the conditions for infrastructure investments which contribute to women’s empowerment, including the need to:

- challenge social norms (through both attitudinal change and the provision of resources and public services to decrease the burden of unpaid care for women),
- amplify women’s collective voice to demand services and enable them to engage in the design and management of investments, and
- ensure effective governance and coordination between implementing agencies.\(^{36}\)

As these conditions demonstrate, infrastructure alone is not a silver bullet for reducing poverty or increasing gender equality. In order to ensure outcomes for women, infrastructure investments must go hand in hand with efforts to change social norms that contribute to women’s inequality. For example, while access to an improved water supply can have positive impacts on women’s time poverty, a study by the Asian Development Bank found that it did not change the gendered division of labour within the household; collecting water took less time, but it was still women doing this work.\(^{37}\) The importance of complementing development interventions with efforts to transform gender norms is also demonstrated by IWDA and Australian National University research into the intersections of violence against women and women’s economic empowerment, Do No Harm. This research found that transforming harmful gender norms is a critical component of successful women’s empowerment programming, and a failure to do so can lead to unintended negative consequences for women, including in the form of increases in gender-based violence.\(^{38}\) Pairing ‘hard’ infrastructure with so-called ‘soft’ infrastructure – such as education, health and social services – as well as development programs aimed at shifting harmful gender norms is critical to ensuring that infrastructure investments can improve gender outcomes, rather than perpetuating or worsening existing inequalities.

Additionally, the downstream impacts and unintended outcomes of infrastructure investments must be taken into account to fully understand how the investment will impact on women. For example, while information-communications technology (ICT) can facilitate greater access to knowledge, business and learning opportunities for women, it can also present risks in the form of technology-assisted violence.\(^{39}\) This could include new forms of violence such as online harassment, cyberstalking and so-called ‘revenge porn’ (blackmail using real or photo-shopped illicit images) as well as using technology to facilitate psychological or economic abuse (for example, controlling a partner’s online accounts and passwords, keeping track of web browsing, texts or phone calls).\(^{40}\) The potential for harmful downstream impacts

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30 Khan. 2018. Pp 3
31 OECD. 2007. Pp 238
32 ICED. No date. Pp 2
33 Mohun & Biswas. 2016. Pp 3-4
34 Khan. 2018. Pp 3
36 Mohun & Biswas. 2016. Pp3-4
37 ADB. 2015. Pp 11-13
38 IWDA. 2018.
40 Fascendini & Fialová. 2011Pp 22-24
underscores the need to do comprehensive gender impact analysis and pair infrastructure investments with work to shift harmful gender norms, in order to ensure the investment does not cause harm.

**Recommendation 8:** Require comprehensive analysis of the gendered impact of all new investments and take a do no harm approach to ensure that downstream impacts of investments do not compromise women’s safety.

**Recommendation 9:** Expand work under the aid program to address harmful gender norms, in order to further mitigate against unintended negative consequences of infrastructure investment for women and girls.

**Recommendation 10:** Apply the 80% target (that 80% of investments under the aid program effectively address gender equality issues) to investments under the new facility, and ensure that performance checks are at least as robust as those imposed through the Aid Quality Check Process, which requires gender assessment in the design phase, annual monitoring and evaluation, and a final assessment at the end of the investment.

**Recommendation 11:** Establish processes and guidelines for consultation with diverse women and their organisations throughout planning, design, construction and maintenance phases of infrastructure investments.

**Recommendation 12:** Set requirements for infrastructure investments to be accessible for people with disabilities, and require consultation with Disable People’s Organisations (DPOs) across all phases including design, planning and construction.

**Recommendation 13:** Build in funding for capacity development of relevant community groups (including women’s organisations and DPOs), equipping them to facilitate consultation with diverse community members and represent community interests on infrastructure investments under the AIFFP.

**Recommendation 14:** Explore ways to facilitate greater employment of women across all phases including design, planning and construction, and to provide opportunities for women owned businesses to tender for contracts.

**Recommendation 15:** Bundle ‘hard’ infrastructure with investments in education, health, social services and programs aimed at shifting harmful gender norms.

**Human rights, climate change, and other considerations**

There are many human rights issues that need to be considered to fulfil the benefits of infrastructure for all, along with Australia’s obligations under various human rights treaties which must be met in the process of determining new infrastructure investments. The International Covenant on Economic, Social and Cultural Rights establishes a series of rights that have an inter-relationship with infrastructure investment (for example, the right to health, education, housing, water). In addition to providing a rights-based rationale for infrastructure, human rights frameworks can also provide the basis for managing the negative consequences of construction and development. For example, experience from the mining industry highlights the potential for serious human rights violations in the form of water pollution, forced displacement, loss of agricultural land and income, and civil unrest. The impact of construction on the health and wellbeing of nearby communities must be carefully considered, and displacement of communities to make way for infrastructure should be pursued only in extraordinary circumstances, and mitigated by principles of free, prior and informed consent, with compensation where required.

Climate change is a critical issue that must be accounted for in all new infrastructure investments. Firstly, the environmental impacts, particularly the contribution to climate change from different forms of energy infrastructure, must be factored in to ensure that new investments do not contribute to worsening the effects of climate change. Secondly, new infrastructure must be climate resilient, and built to withstand the current and future impacts of climate change. The OECD recommends that “[n]ew infrastructure assets should be prioritised, planned, designed, built and operated to account for the climate changes that may

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42 APWLD. 2009. Pp 3-4
43 For a detailed explanation of FPIC see: FAO. 2016.
occur over their lifetimes.”\textsuperscript{44} This requires modelling potential future impacts of climate change to enable planning based on the best available evidence, and using flexible, adaptive approaches to minimise the impacts of uncertainty about these impacts.

Other factors, such as reduced economic growth as a result of climate change, must also be taken into account. This is particularly pertinent in the Pacific, where the Asian Development Bank estimates the effect of climate change on crop productivity, fisheries, tourism revenue, and human health in the Pacific could cost countries between 2.2\% and 3.5\% of GDP by 2050.\textsuperscript{45} There are also important gender considerations to climate change resilience, as resilience is influenced by a range of socio-economic factors, including gender.\textsuperscript{46} While this may require a greater upfront investment, evidence shows that the benefits of investing in resilience outweigh the costs in the longer term.\textsuperscript{47}

**Recommendation 16:** Comply with all relevant human rights principles including free, prior and informed consent of communities impacted by construction.

**Recommendation 17:** Comprehensively assess the climate impact of new investments and prioritise investment in low emission technology, particularly in the energy sector.

**Recommendation 18:** Require all new infrastructure to be built to withstand the future effects of climate change.

\textsuperscript{44} OECD. 2018. Pp 2-3
\textsuperscript{45} Asian Development Bank. 2013. Pp. xii, 79
\textsuperscript{46} OECD. 2018. Pp 7
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Gender and Development Network (GADN). 2019. Briefings January 2019: How social protection, public services and infrastructure impact women’s rights. Available online: https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5c34c34cb8a04568549dc77d/1546961742579/How+social+protection%2C+public+services%2C+infrastructure+impact+women%27s+rights.pdf


