

A TROUBLING DOUBLE WHAMMY: RUSHED PACIFIC FUNDING FACILITY AND CUTS TO AUSTRALIAN AID

Jubilee Australia and Caritas Australia have expressed dismay over today's passage of the Export Finance and Insurance Corporation Amendment Bill which was rushed through parliament despite strong concerns from civil society, as well as further cuts to the Australian aid budget announced last night.

The passing of the *Export Finance and Insurance Corporation Amendment (Support for Infrastructure Financing) Bill 2019* in the Senate this evening has paved the way for the Australian Infrastructure Financing Facility for the Pacific (AIFFP) to be established.

"This initiative will fundamentally reshape Australia's aid program, yet there has been very little public debate or consultation, and parliamentary consideration has been limited," said Dr Luke Fletcher, Executive Director of Jubilee Australia. "It's a concessional loans scheme which risks increasing debt in a region that is already suffering from severe debt distress."

To fund the \$2billion AIFFP, the government revealed in last night's Budget it will take \$500 million from the existing Australian aid budget and combine it with \$1.5 billion in loans from EFIC, Australia's export credit agency. The government has also cut the total level of the Australian aid budget overall, by failing to resume indexation.

"The government has cut the Australian aid budget for the sixth year in a row, bringing it to a new historic low. As a further blow, it's taking \$500 million out of what remains to fund a type of loans scheme which has previously been found to create debt traps for vulnerable countries," said Paul O'Callaghan, CEO of Caritas Australia. "At the same time they're decreasing funding for much-needed aid programs in countries like Cambodia and Bangladesh."

Detailed concerns about the AIFFP were outlined in a report [Enter the Dragon: Australia, China, and the New Pacific Development Agenda](#) by Jubilee Australia, Caritas Australia and the University of NSW released last week. The report recommended that no further steps be taken to progress the AIFFP until after the upcoming Federal election, until a more complete and public assessment of infrastructure needs in the Pacific is done, and until a more complete and thorough investigation of the appropriate mechanisms for an infrastructure financing program can be explored.

About JARC

The Jubilee Australia Research Centre (JARC) engages in research and advocacy to promote *economic justice* for communities in the Asia-Pacific region and *accountability* for Australian corporations and government agencies operating there. Jubilee's work has been quoted in Australia and international media: [The Australian](#), [ABC](#), [The Guardian](#), [Reuters](#), [The Asia Pacific Report](#). Jubilee has made [Parliamentary submissions](#) to a number of government inquiries as well as provided testimony. www.jubileeaustralia.org

About Caritas Australia

[Caritas Australia](#) is the Catholic agency for international aid and development and, as an integral part of the Church, lives out the mission of Jesus in all that we do. With love and compassion, Caritas Australia works alongside the poorest and most marginalised people, accompanying them as they help themselves out of poverty and take greater control of their lives. We are a member of Caritas Internationalis, one of the world's largest humanitarian networks with 165 national Caritas agencies operating in over 200 countries and territories.

The Catholic agency for international aid and development

Address: 24-32 O'Riordan St, Alexandria NSW 2015

Phone: 1800 024 413 **Fax:** +61 2 8306 3401

Email: questions@caritas.org.au **ABN:** 90 970 605 069

Join us online at:

www.caritas.org.au



ACFID
MEMBER

Caritas Media contact: Nicole Clements on 0408 869 833/ nicolec@caritas.org.au or Daniel Nour on 0407 536 130/ caritasmedia@caritas.org.au.