



# BUDGET\*

**AUSTRALIA'S INTERNATIONAL  
DEVELOPMENT ASSISTANCE PROGRAM  
2013-14**

EFFECTIVE AID:  
HELPING THE WORLD'S POOR

**STATEMENT BY  
SENATOR THE HON BOB CARR  
MINISTER FOR FOREIGN AFFAIRS  
14 MAY 2013**

ISBN-978174357-7226



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# FOREWORD

Australian aid is at the forefront of helping people overcome poverty. In 2000, world leaders agreed to the Millennium Development Goals (MDGs). Since then, extreme poverty has fallen in every region of the world and the goal of reducing extreme poverty by half has been met ahead of the 2015 deadline. The world has also met the target of halving the proportion of people without access to improved sources of water and achieving gender parity in primary education enrolments.

Australians should be proud that they have contributed to these results. We will build on these achievements in the knowledge that Australian aid is making a difference around the world and will continue to do so.

Australia's continued commitment to the MDGs has been highlighted on the world stage by Prime Minister Gillard's role as the co-Chair of the UN Secretary-General's MDG Advocacy Group. We are planning how we can build on the successes of the MDGs and create a new agenda to continue our efforts beyond 2015. The international community – including governments, civil society and the private sector – is involved in discussion on how best to tackle poverty reduction. Australia plays an increasingly influential role in international fora including through our seat on the United Nations Open Working Group on Sustainable Development Goals.

In a recent peer review, Australia was commended by the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) for its transparent, effective and dynamic approach to development cooperation. Our aid program earned praise for its international leadership in disability-inclusive development and work in fragile and conflict-affected states. The DAC also found that other international donors could learn from many aspects of our aid program, demonstrating how highly regarded our program is among our peers.

Over the next few years, Australia will be in a strong position to influence world thinking on how best to assist developing countries. In 2014, we will hold the G20 Presidency and will host meetings as Chair of the G20 Development Working Group. Through this central position we will drive the development agenda and focus attention on economic growth in developing countries, particularly in the Asia-Pacific.

The 2013-14 Budget will see Australia deliver 0.37 per cent of gross national income (GNI) as Official Development Assistance (ODA) – the highest ODA/GNI ratio since 1985. Since 2007 the Government has increased the aid program by around 80 per cent, and demonstrated its commitment to the aid program with steady increases despite tough fiscal environments.

It is important that aid funds are spent wisely and well. Our aid program is heavily scrutinised, and strong performance management mechanisms ensure the effective and efficient delivery of Australian aid. For example, Australia is subject to regular

peer reviews by other OECD donors every four to five years. Our Annual Review of Aid Effectiveness reports progress against effectiveness targets, and further monitoring comes via the Independent Evaluation Committee (IEC) which oversees aid program evaluations. Three of the four IEC members are external to Government.

The Australian Government continues to seek ways to enhance effectiveness and value for money in the aid program. As with previous years, Australians can be confident that the aid allocation in this year's Budget will be delivered effectively, efficiently and in the interests of poverty reduction around the globe.

A handwritten signature in black ink, appearing to read "Bob Carr". The signature is fluid and cursive, with a prominent flourish at the end.

Bob Carr, Minister for Foreign Affairs

# BUDGET HIGHLIGHTS

*In 2013-14 the Government will focus on increased assistance to developing countries in the Asia-Pacific region, with an emphasis on accelerating progress to meet the Millennium Development Goals. We will also continue to deliver life-saving humanitarian assistance through our global partners to people in crisis.*

## Working with developing countries in the Asia-Pacific region

The 2013-14 Budget continues to implement the Government's aid priorities. As expressed in the Government's *Comprehensive Aid Policy Framework* the Asia-Pacific region will remain the highest priority, receiving around 86 per cent of country-specific aid in 2013-14.

Many countries in the Asia-Pacific region have made progress towards achieving the Millennium Development Goal (MDG) targets, but major challenges persist. In response the Government has announced a new measure: **Enhancing Australia's commitment to development in the Asia-Pacific region (\$390.9 million over four years)**. This new measure will help make the MDGs more achievable in our region. This measure includes funding to improve outcomes against MDG1 (poverty and hunger), MDG2 (universal education) and MDG5 (maternal health) in target countries in the Asia-Pacific region – page 87. This new funding will help provide:

- over 1 million people with access to nutrient supplements and supplementary feeding programs;
- 100,000 vision screenings and 10,000 sight restoring surgeries to help lift some of the region's most disadvantaged people out of poverty;
- an additional 1.2 million children with improved access to a quality education; and
- 900,000 women per year access to improved maternal and child health services.

In addition, the Budget delivers increased funding to key countries in the Asia-Pacific region to continue to assist developing country partners meet the MDG targets. This includes:

- **Indonesia** from \$541.6 million to \$646.8 million to improve health and education outcomes, justice and governance;
- **Myanmar** from \$64.2 million to \$82.8 million to help reduce poverty by supporting education, health and livelihoods; and
- **Fiji** from \$49.2 million to \$58.2 million to strengthen health and education and improve economic livelihoods.

## Other initiatives

Other new proposals include:

- **Continuing Australia's support to Solomon Islands (\$480.7 million over four years)** with renewed funding during the RAMSI transition phase for key development programs in the Law and Justice and Governance sectors. From 1 July these will form an important part of Australia's bilateral development assistance to Solomon Islands. In addition, this initiative will provide funding for ongoing support to the Participating Police Force by the Australian Federal Police and funding for the Department of Foreign Affairs and Trade to coordinate RAMSI and support civilian aid activities – page 18.
- **Extending Australia's commitment to the United Nations Mission in South Sudan (\$2.1 million over two years)** to continue to assist with peace and security consolidation efforts in the new republic – page 75.
- **Combating people smuggling — enhancing the regional response to irregular migration (\$65.8 million over four years)** to implement a whole-of-government response to key recommendations of the Expert Panel Report on Asylum Seekers – page 134.
- **In line with the *Australia in the Asian Century White Paper*** the aid program is building skills and strengthening institutions in developing countries in the region through initiatives such as the Australia Awards. The Australia Awards allow the best and brightest from developing countries to study in Australia and return home to assist in national development helping to build long-lasting people-to-people links.

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# 1. AUSTRALIA'S INTERNATIONAL DEVELOPMENT ASSISTANCE PROGRAM

## 1.1. INTRODUCTION

This statement provides details of the 2013-14 Aid Budget.

The statement is in six sections:

- Section 1 provides an introduction and broad overview and context of the Government's 2013-14 Aid Budget;
- Section 2 details 2013-14 country and regional program allocations and provides indicative budget allocations for 2016-17, based on the *Comprehensive Aid Policy Framework*;
- Section 3 details 2013-14 global program allocations, including support for multilateral and non-government organisations;
- Section 4 outlines progress and results achieved against the five strategic goals of the aid program, and major programs to be funded in 2013-14;
- Section 5 covers the Official Development Assistance (ODA) eligible activities of Australian government departments other than AusAID; and
- Section 6 outlines measures that are enhancing the performance of the aid program.

## 1.2. AN EFFECTIVE AID PROGRAM FOR AUSTRALIA

Australia is improving the lives of millions of people in developing countries through our aid program. The Australian Government is committed to the most effective aid program possible so that we can get the best value for money and have the greatest impact on the ground.

As outlined in the Australian Government's aid policy *An Effective Aid Program for Australia: Making a real difference – Delivering real results*, the fundamental purpose of Australian aid is to help people overcome poverty. This serves Australia's national interests by promoting stability and prosperity both in our region and beyond.

*Effective Aid* details the five strategic goals that guide our aid program to achieve this purpose: Saving lives, Promoting opportunities for all, Sustainable economic development, Effective governance, and Humanitarian and disaster response.



## 1. Australia's International Development Assistance Program

These strategic goals align Australia's efforts with our commitment to the Millennium Development Goals (MDGs) – global goals agreed upon by almost 200 United Nations member countries, including Australia, in 2000. The MDGs include ambitious targets for the eradication of poverty and gender inequality, and the achievement of universal education, health and environmental sustainability by 2015.

Since 2000, much has been achieved. Around the world hundreds of millions of people have been lifted out of poverty. Some important targets have already been met. The MDG targets of reducing extreme poverty by half and halving the proportion of people without sustainable access to safe drinking water were both met five years ahead of the target date. In spite of this progress, serious challenges remain. One major challenge is the approximately 61 million children of primary school age who are out of school. Of these, around 20 million live in the Asia-Pacific region.

Released in May 2012, the *Comprehensive Aid Policy Framework* (CAPF) provides a roadmap for where and how Australian aid will be spent. It links our international commitment to the MDGs to specific results we are aiming to achieve and the measures being taken to improve aid delivery. It does this by providing an overview of why we provide aid, what we will focus our aid on, where we will provide aid, and how we will efficiently and effectively deliver our aid.

To further promote accountability in the aid program, each year the Government will publish an *Annual Review of Aid Effectiveness* (Review) to examine the performance of our aid program against the results articulated in the CAPF. The inaugural Review, released in January 2013 by Foreign Minister Carr, found that Australia is achieving strong results against each of its five strategic goals. For example, in 2011-12 Australia immunised more than 2 million children and provided more than one million children with financial and nutritional support so that they could attend school. These strong results demonstrate that we are making good progress and are on track to deliver the results to which we committed in the CAPF. It also affirmed the positive contribution Australia is making to assist developing countries to reach the MDGs.

Diagram 1: Framework for the Australian aid program

**Our purpose**

**The fundamental purpose of Australian aid is to help people overcome poverty**

This also serves Australia's national interest by promoting stability both in our region and beyond. We focus our effort in areas where Australia can make a difference and where our resources can most efficiently and effectively be deployed

**Our strategic goals**

**Saving lives**

Improving public health by increasing access to safe water and sanitation

Saving the lives of poor women and children through greater access to quality maternal and child health services; and supporting large scale disease prevention, vaccination and treatment

**Promoting opportunities for all**

Giving more children access to school

Empowering women to participate in the economy, leadership and education

Enhancing the lives of people with disabilities

**Sustainable economic development**

Improving food security

Improving incomes, employment and enterprise opportunities

Reducing the negative impacts of climate change and other environmental factors

**Effective governance**

Improving governance to deliver better services, improve security, and enhance justice and human rights

**Humanitarian and disaster response**

More effective preparedness and responses to disasters and crises

### 1.3. THE INTERNATIONAL DEVELOPMENT ASSISTANCE BUDGET

The Official Development Assistance (ODA) target is 0.37 per cent of gross national income (GNI) in 2013-14.<sup>1</sup> The Government will provide an estimated \$5,666 million in total ODA in 2013-14, of which \$4,944 million will be managed by AusAID and \$801 million will be administered by other Australian government departments.

Australia remains committed to increasing its aid budget to 0.5 per cent of GNI. However, given substantial write-downs to Budget revenues, the Government will defer this target by one year to 2017-18. To reach this target, the Government expects to increase Australian aid to around 0.39 per cent in 2014-15, 0.41 per cent in 2015-16 and 0.45 per cent in 2016-17.

**Table 1: Composition of Australian ODA**

	Notes	Budget		Estimated	Budget
		Actual (\$m)	Estimate (\$m)	Outcome (\$m)	Estimate (\$m)
		2011-12	2012-13	2012-13	2013-14
AusAID Country Programs	a	2,966.6	3,142.2	2,905.5	3,221.0
AusAID Global Programs	b	1,175.6	1,284.2	1,154.8	1,348.3
AusAID Departmental	c	287.5	325.3	333.8	374.9
ACIAR	d	89.6	100.0	93.3	96.3
Other Government Departments	e	416.6	405.9	741.3	704.2
Adjustments	f	-110.7	-104.6	-80.2	-78.3
Funds approved but not yet allocated		0.0	0.0	0.0	0.0
<b>Total ODA</b>	g	<b>4,825.2</b>	<b>5,153.0</b>	<b>5,148.6</b>	<b>5,666.4</b>
Real change over previous year outcome	h			6.6%	7.8%
ODA/GNI ratio	i	0.34%	0.35%	0.35%	0.37%

Notes: see page 146.

In 2013-14, Australia will provide bilateral aid to more than 30 countries around the world. We will also help almost 120 other countries through regional and global programs.

Table 2 shows total Australian ODA from all agencies and programs attributable to partner countries and regions. This includes: (i) country program allocations; and (ii) global and Other Government Department (OGD) expenditure that can be attributed to countries and regions.

**Table 2: Total Australian ODA by partner country and region**

Country/Regional Programs	Notes	Budget		Estimated	Budget
		Actual (\$m)	Estimate (\$m)	Outcome (\$m)	Estimate (\$m)
		2011-12	2012-13	2012-13	2013-14
Papua New Guinea		493.5	491.7	500.7	507.2
Solomon Islands		235.0	239.4	196.5	187.9
Vanuatu		66.8	72.9	61.4	65.4
Samoa		40.7	45.5	43.5	45.8
Fiji		46.3	55.6	49.2	58.2
Tonga		32.9	33.8	31.1	32.2
Nauru	a	28.7	31.6	34.1	29.9
Kiribati		35.0	30.4	34.2	29.7
Tuvalu		12.1	11.1	13.0	13.0
Cook Islands		5.3	3.7	6.8	6.8
Niue and Tokelau		7.5	4.5	7.8	7.8
North Pacific	b	20.0	9.6	18.7	18.7
Regional and Other Pacific	c	121.2	141.0	106.9	123.3
<b>Pacific</b>		<b>1,145.0</b>	<b>1,170.9</b>	<b>1,104.0</b>	<b>1,125.9</b>
Indonesia	d	514.5	578.4	541.6	646.8
Vietnam		149.1	150.4	153.1	159.1
Philippines		132.8	128.7	136.9	141.0
Timor-Leste		104.6	127.1	119.5	125.7
Cambodia		94.0	94.7	84.0	97.2
Myanmar		55.9	63.8	64.2	82.8
Laos		50.6	54.9	55.9	62.4
Mongolia		13.3	15.6	14.6	16.5
East Asia Regional	e	158.0	107.8	111.5	100.0
<b>East Asia</b>		<b>1,272.9</b>	<b>1,321.2</b>	<b>1,281.4</b>	<b>1,431.4</b>
Afghanistan		198.4	201.7	182.8	180.4
Pakistan		95.3	96.4	85.7	87.9
Bangladesh		95.1	100.5	97.3	111.4
Sri Lanka		50.5	47.1	42.6	45.5
Nepal		33.9	34.8	33.5	38.0
Bhutan		12.8	11.4	14.0	14.2
Maldives		7.9	7.1	10.0	9.3
South and West Asia Regional	f	49.7	26.2	27.4	26.0
<b>South and West Asia</b>		<b>543.7</b>	<b>525.3</b>	<b>493.3</b>	<b>512.7</b>
Iraq		34.6	22.3	26.9	15.9
Palestinian Territories		48.4	56.7	55.2	60.6
Middle East and North Africa		49.8	31.2	59.6	30.9
Sub-Saharan Africa		443.8	354.8	385.6	355.1
<b>Africa and the Middle East</b>		<b>576.6</b>	<b>465.0</b>	<b>527.3</b>	<b>462.6</b>
Latin America		36.7	28.0	32.5	24.8
Caribbean		17.2	19.7	14.3	13.3
<b>Latin America and the Caribbean</b>		<b>53.8</b>	<b>47.7</b>	<b>46.8</b>	<b>38.1</b>
Core contributions to multilateral organisations and other ODA not attributed to particular countries or regions	g	1,343.8	1,727.5	1,776.0	2,173.9
Adjustments	h	-110.7	-104.6	-80.2	-78.3
Funds approved but not yet allocated		0.0	0.0	0.0	0.0
<b>Total Estimated ODA</b>	i	<b>4,825.2</b>	<b>5,153.0</b>	<b>5,148.6</b>	<b>5,666.4</b>

Notes: see page 146.

Our top five bilateral aid recipients in 2013-14 are all from the Asia-Pacific region to which 86 per cent of our aid is provided. Further details are provided in Section 2.

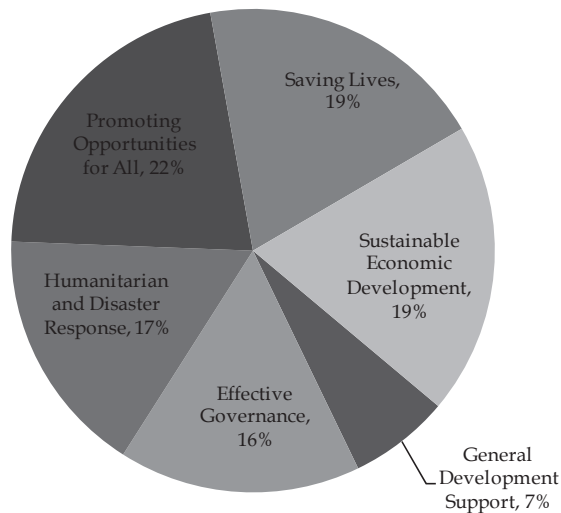
## 1. Australia's International Development Assistance Program

On current projections, in 2013-14, spending on:

- *Saving lives* through health and water and sanitation, will account for over 19 per cent of total ODA;
- *Promoting opportunities for all*, including education, gender and disability, will account for 22 per cent of total ODA;
- *Sustainable economic development*, including food security, economic development, climate change and the environment, will account for 19 per cent of total ODA;
- *Humanitarian and disaster response* will account for 17 per cent of total ODA;
- *Effective governance* will account for 16 per cent of total ODA; and
- *General development support* will account for 7 per cent of total ODA.

See Diagram 2 below. Further details are also outlined in Section 4.

**Diagram 2: Estimated ODA by strategic goal in 2013-14**



Most (87 per cent) of Australia's ODA is provided through AusAID. This is made up of: (i) administered funding for country and global programs; and (ii) departmental funding for AusAID's operating costs in managing the aid program. The remainder of ODA is provided by Other Government Departments, mainly the Department of Immigration and Citizenship, Australian Federal Police and Australian Centre for International Agricultural Research.

## 2. COUNTRY AND REGIONAL PROGRAMS

This section provides details of our major country and regional programs, accounting for approximately 62 per cent of Official Development Assistance (ODA).

Total estimated Australian ODA to each country is calculated as the sum of:

- direct bilateral assistance through an AusAID country program<sup>2</sup> (labelled as “Country”) *plus*
- an estimate of the amount of AusAID regional<sup>3</sup> and global<sup>4</sup> expenditure that can be attributed to the country (labelled as “Regional/Global”) *plus*
- ODA-eligible expenditure by Australian government departments other than AusAID (labelled as “OGDs”) that can be attributed to the country.<sup>5</sup>

## 2.1. THE PACIFIC

### Overview

Australia's aid is making a difference to the lives of the people of the Pacific. More children are in school and we are improving the quality of their education. Fewer people are contracting malaria, and more people have access to safe water and basic sanitation.

Every Pacific country has unique and challenging circumstances, and development gains are not consistent across the region. The smaller island states have limited earning capacity, making it difficult for them to grow their economies. The larger countries have more natural resources and increasing populations, but they often struggle to implement policies to address fundamental problems. Hunger is common, especially in the smaller states and in the rural regions of Papua New Guinea (PNG) and Fiji.

The Pacific region is not on track to achieve the Millennium Development Goals (MDGs). This is partly because of a lack of progress in PNG, the largest country in the region, and mixed progress in Solomon Islands, the second largest country. Elsewhere in the Pacific, there have been some gains. Fiji, Vanuatu and all the Polynesian countries are on-track to achieve the MDG for reducing child mortality. As a group, the Polynesian countries are also on-track to improve maternal health. Although universal primary education will not be a region-wide achievement by 2015, it is possible in Fiji, Palau, and right across Polynesia. In Micronesia, poverty and hunger are the biggest concerns.

Australia is the leading donor across the Pacific region and accounts for more than half of international aid to the region. Of all the aid program's geographic areas of engagement, Australia's international reputation is most closely linked to its capacity to encourage and support economic prosperity, regional security, and disaster management in the Pacific. Due to its close proximity, the welfare and stability of the Pacific is of high national interest to Australia.

In 2013-14, a major focus for the Australian aid program in the Pacific will be the implementation of the *Pacific Women Shaping Pacific Development* initiative, a \$320 million ten-year program announced by the Prime Minister at the 2012 Pacific Islands Forum. The initiative aims to improve gender equality in the Pacific in three ways: by tackling the shocking levels of violence against women in the region, by improving economic opportunities for women, and by increasing the proportion of women in political and leadership roles. The main region-wide activities will include establishing an Australia-Pacific Women Members of Parliament mentoring program, expanding a safe markets program to encourage participation by women in local economies, and working with NGOs to increase services for survivors of violence.

Australia is also making a significant long-term investment to help Pacific countries adapt to climate change. With many low-lying islands and atolls, the Pacific region

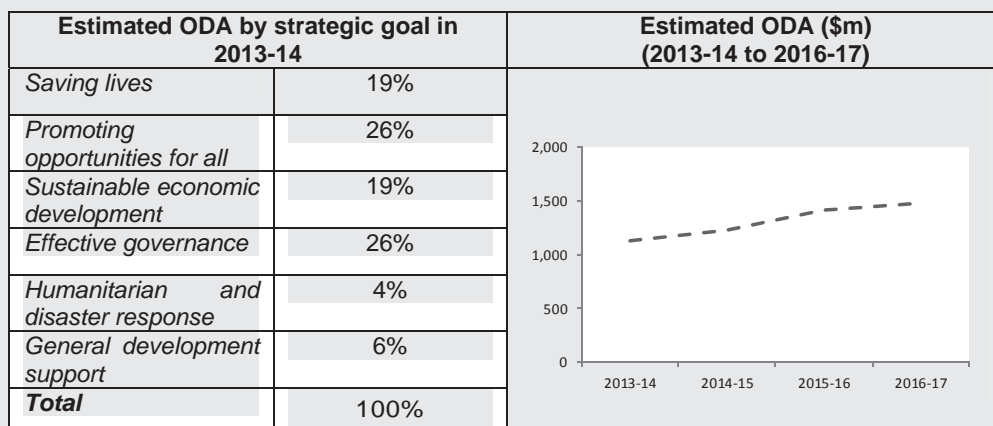
is particularly vulnerable to extreme weather events. Australia is investing \$104 million over three years (2013-16) to help protect water supplies, climate-proof essential infrastructure, boost food security and enhance disaster preparedness.

Education and health remain development priorities in 2013-14. We will invest \$85 million over four years (2013-17) to strengthen tertiary and technical education across the Pacific, ensuring that more young people have internationally recognised qualifications. We will also continue our focus on ensuring that young children can read. We will invest further in water and sanitation, reducing child mortality, improving maternal health and addressing non-communicable diseases such as diabetes and heart disease. We will support training for health workers, help partner governments address the causes of avoidable blindness and support associated screening and surgery.

The 2013 intake for Australia Awards will include 711 recipients from the Pacific region, with 222 of these from PNG. With our support, a total of 523 Australians will be placed as volunteers in the Pacific region. This includes 213 Australian Youth Ambassadors for Development.

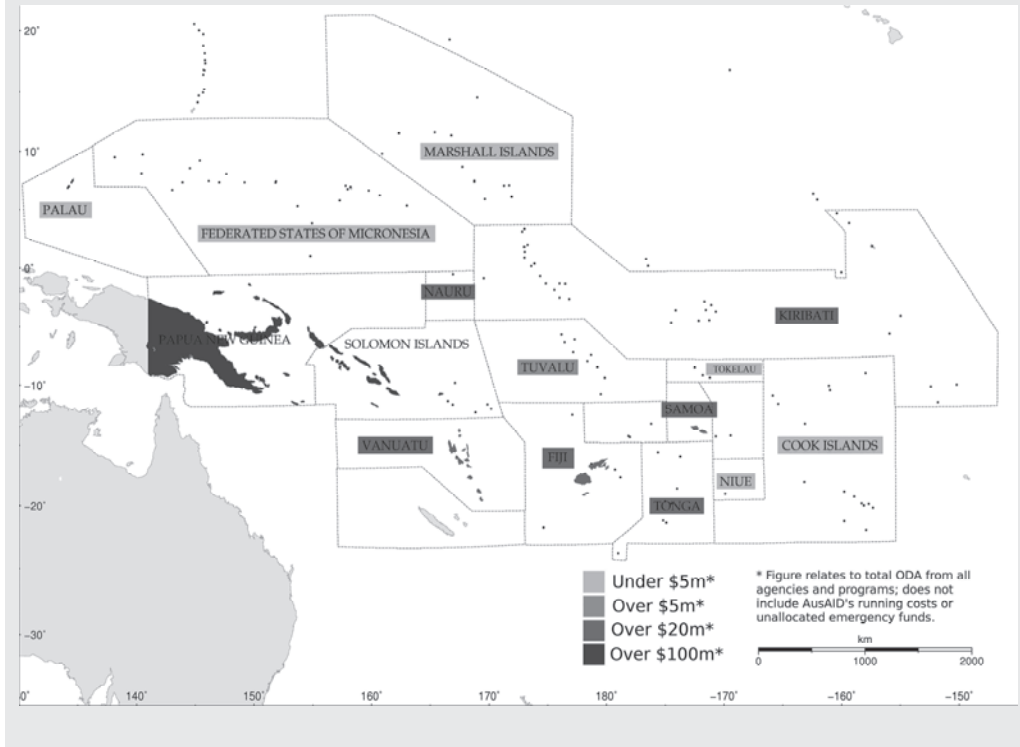
Australia's engagement with Pacific countries is based on the principles outlined in the *Port Moresby Declaration* (2008): mutual respect, mutual responsibility, a focus on results, and working together to achieve the MDGs. The *Forum Compact on Strengthening Development Coordination in the Pacific*, agreed by Pacific Island Forum leaders in 2009, aims to increase aid effectiveness by improving the coordination of all development resources in the region. Furthermore, Australia has Partnerships for Development with 11 Pacific countries. The Partnerships for Development are formal agreements that include mutually agreed targets and measurable commitments. Australia and the partner country work together to identify development priorities. Both partners then tailor their development plans to address these priorities, which are reviewed, reaffirmed and refocused during annual partnership talks.

**Estimated ODA to the Pacific in 2013-14: \$1,125.9 million**





The map below shows estimated ODA to developing partner countries in the Pacific region in 2013-14.



**New Initiative: *Continuing Australia's support to Solomon Islands***<sup>6</sup>

The Government will invest an additional \$480.7 million over four years to renew funding for development programs in the Solomon Islands as they transition from the Regional Assistance Mission to the Solomon Islands (RAMSI). From 1 July 2013 these programs in the governance and law and justice sectors will form an important part of Australia's development assistance to Solomon Islands. This new funding will:

- support Solomon Islands to improve budget, financial and public service management and accountability through the training of 5,000 public servants each year;
- improve outcomes in the justice sector, including by: increasing the number of trained Community Officers by over 70 per cent and reducing average remand times by one month by 2016-17; and
- support the national elections process in Solomon Islands by ensuring the integrity of the electoral roll and undertaking voter education and awareness.

In addition, this initiative will also provide funding for ongoing support to the Participating Police Force by the Australian Federal Police and funding for the Department of Foreign Affairs and Trade to coordinate RAMSI and support civilian aid activities.

## Country programs



### PAPUA NEW GUINEA



Ten years of positive economic growth in Papua New Guinea (PNG) has not resulted in significant reductions in poverty. PNG is not on track to reach any MDGs by 2015. With the population increasing rapidly and high rates of gender inequality, reducing poverty will remain a challenge.

Following recent elections, PNG is enjoying political stability. The new PNG government has outlined an ambitious reform agenda. Achievements have been made in boosting school enrolment rates, and per capita incomes are rising. However, improvements are still needed in basic service delivery and education and training systems.

Australia focuses its assistance in four priority sectors under the *PNG-Australia Partnership for Development*: health and HIV, education, law and justice, and transport infrastructure. This joint commitment was reaffirmed at the December 2012 Ministerial Forum between Australia and PNG. Australian aid has contributed to a range of achievements including: procuring and distributing essential medical supplies to all of the 2,700 functional hospitals, health centres and aid posts across PNG; contributing to the abolition of school fees for the first three grades of school; helping to improve police and prosecutor support to victims of sexual violence; and maintaining more than 2,300 kilometres of significant sections of the national highway.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	7.014 million	Australian ODA	500.7	507.2
Population Growth (%):	2.2 %	- Country	448.9	451.9
Population (Est. 2050):	13.698 million	- Regional/Global	30.5	34.3
GDP per capita (PPP):	USD 2,676	- OGDs	21.3	21.0
HDI rank:	156 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

Strategic Goals	Australia's response
<p><b>SAVING LIVES</b></p> <p>Many people still lack access to primary health care. High maternal mortality rates remain, and although child survival rates have improved over the past decade, progress has stalled in recent years. There has been poor drug distribution and the 80 per cent of the population that live in remote and rural areas find it difficult to access basic medical services. HIV testing has shown a geographically concentrated epidemic, with national prevalence rates at around 0.8 per cent of the population.</p>	<p>Australia's goal is to support PNG to improve health service delivery. We will support the PNG Government to reduce tuberculosis mortality rates through a community-based program endorsed by Australian chief medical officers and the World Health Organization. Australia will continue to target maternal health by training additional midwives and rehabilitating midwifery schools. Australia is committed to reforming the procurement of medical supplies to improve the availability of essential quality supplies for all health facilities. Australia is responding to HIV in PNG by increasing access to testing for sexually transmitted infections, increasing availability of antiretroviral treatment, and supporting the availability of condoms.</p> <p>We will increase the number of births supervised by a trained nurse, midwife or doctor from 40 per cent in 2010 to 44 per cent by 2015 – this will result in approximately 8,000 additional supervised deliveries per year.</p>

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**PROMOTING OPPORTUNITIES FOR ALL**

Ongoing challenges in the education sector include low student retention rates and issues in the quality of education. There are not enough schools or classrooms and often the standard of school buildings is very poor. The lack of required teaching and educational materials is an ongoing issue.

Opportunities for women and girls are also limited. PNG has very few female parliamentarians and among the highest levels of family and sexual violence in the world. Domestic violence injuries make up 80 to 90 per cent of injuries presented by women at health facilities.<sup>7</sup>

Australian support focuses on increasing access to and improving the quality of education. Australia is jointly funding the abolition of school fees for the first three grades of basic education. This support began in 2010 and is helping PNG implement fee-free education. More children are attending school as a result. AusAID's school infrastructure support program, which recommenced in 2012, will construct 1,100 classrooms and 450 teacher houses by 2015. Australia will distribute more than 4 million textbooks to more than 3,500 schools by 2015.

Australia will continue to provide Australia Award Scholarships for Papua New Guineans to study in Australia, ranging from diploma to PhD level. From 2012-13 to 2016-17, Australia will also fund up to 1,400 health sector in-country scholarships and 20 awards for young rural women and men to undertake teacher education at undergraduate level in PNG institutions. Australia will place gender equality at the centre of everything we do to help address the constraints women face in PNG.

We will continue to support a range of services for victims of family and sexual violence, in particular by funding Family and Sexual Violence Units in police stations. Approximately 15,500 women will receive services through the Units.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

PNG is experiencing its longest period of economic growth since independence, largely driven by resource revenues. However, sustainable economic development is constrained by the fact that more than 85 per cent of the population lives in remote and rural areas where access to services and markets is restricted by challenging geography. In these circumstances transport infrastructure is crucial for PNG's economic development, as it allows people to get their products to market, buy cheaper staples from stores and provides more reliable access to basic services such as health and education.

Australia will assist the PNG Government to improve transport infrastructure to facilitate social development and economic growth by maintaining more than 2,300 kilometres of the network of priority national roads and highways. Australia will also continue to support improved standards of transport safety and security in order to increase transit capacity while reducing accidents. Australia is helping the Government of PNG to manage its resource projects to benefit all Papua New Guineans, including by providing specialist assistance to establish laws and regulatory frameworks to manage the Liquefied Natural Gas (LNG) project and associated Sovereign Wealth Fund effectively.

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**EFFECTIVE GOVERNANCE**

With a geographically diverse population and poor transport and communication infrastructure, the challenges of addressing people's needs are substantial. Limited public sector capacity further hinders the ability to deliver services. Lack of access to justice and weak law and order continue to constrain development, government services and business investment.

Australia will help improve public accountability and financial management in PNG. We will continue to invest in law and justice services at the national and sub-national level to improve law and order and citizens' access to justice. The law and justice program will build the police force from current levels of 5,100 to 8,440 trained and equipped officers by 2015. We will also help to establish an additional four Family and Sexual Violence Units in 2013, taking the total to 13 Units.

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**HUMANITARIAN AND DISASTER RESPONSE**


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PNG is susceptible to a range of natural disasters including landslides, volcanic activity and flooding.

Provinces with the highest risk will receive increased levels of support to prepare for natural disasters. Australia will pre-position supplies for a quicker, more effective emergency response and provide technical support to the PNG Government's disaster risk management systems and public awareness campaigns.

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**SOLOMON ISLANDS**


Australia is the largest donor to Solomon Islands, one of our closest neighbours. Following civil unrest in 2003 (known locally as “the tensions”), the Solomon Islands Government sought wide-ranging peace building assistance from Australia and the Pacific region. The Regional Assistance Mission to Solomon Islands (RAMSI), which includes Australia and 14 other Pacific island countries, began in mid-2003. RAMSI has been highly successful in restoring security, rebuilding government finances, and rebooting key government institutions.

Ten years after the tensions, Solomon Islands demonstrates mixed results against the MDGs. Economic challenges stem from an over-reliance on unsustainable logging exports and high population growth. The majority of the population lives in rural areas with poor infrastructure and limited employment opportunities.

Australian aid to Solomon Islands is unique, because it is delivered through two separate mechanisms – RAMSI and a bilateral aid program. RAMSI has helped rebuild and restore peace and security, while the bilateral aid program has focused on health, education and infrastructure programs. From 1 July 2013, most RAMSI development activities will transition to the bilateral aid program, under the *Solomon Islands-Australia Partnership for Development*. The restructured partnership will focus on health, education, law and justice, economic livelihoods and governance.

Our aid has helped ensure that 86 per cent of women can now deliver their babies assisted by a skilled birth attendant, up from 70 per cent in 2007.<sup>8</sup> School fees have been abolished and as a result more children attend school. We have also made significant progress on improving access to clean water, sanitation and infrastructure.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	0.552 million	Australian ODA	196.5	187.9
Population Growth (%):	2.6 %	- Country	104.1	104.1
Population (Est. 2050):	1.177 million	- Regional/Global	23.3	24.4
GDP per capita (PPP):	USD 2,923	- OGDs	69.1	59.5
HDI rank:	143 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

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**Strategic goals**


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**Australia's response**


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**SAVING LIVES**

Solomon Islands has made good progress in reducing the impact of malaria, but other significant health-related issues remain. One third of all Solomon Island children are stunted due to under-nutrition.<sup>9</sup> Access to basic health services is difficult because the population is dispersed across many islands.

Access to clean water is also a major issue, with the World Health Organization (WHO) estimating that 30 per cent of the population lives without this basic resource.

Like the rest of the region, maternal and child

With Australia's support, the incidence rate for malaria has been reduced by 75 per cent from 2003 levels.<sup>10</sup> In 2013-14, our program will continue to address malaria and, by 2015, aims to reduce malaria related deaths to near zero. Australia will help ensure that 95 per cent of all health facilities are able to identify malaria cases accurately and quickly.

To help save lives, Australian support will increase the proportion of births attended by skilled birth attendants to 90 per cent by 2015.<sup>11</sup> We aim to continue to support the decline in under five

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health indicators are poor, and treatment of non-communicable diseases is an increasing burden on the health system.

mortality rates (from 37 to 29 per 1,000 live births) and to help reduce the maternal mortality rate (from 110 to 93 deaths per 100,000 births).<sup>12</sup> The availability of essential medicine will be increased to 97 per cent at the national level.<sup>13</sup> By 2015, our support will help increase exclusive breastfeeding rates to 90 per cent of all 0-6 month olds. In 2014, Australia will fund construction of an additional 40 community water or sanitation systems, providing up to 10,000 more rural people with clean water or basic sanitation. We will also support the Solomon Islands Water Authority to improve water quality and expand water supply for up to 110,000 urban residents.

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#### PROMOTING OPPORTUNITIES FOR ALL

Access to primary education is relatively high at over 90 per cent.<sup>14</sup> However, the quality of education remains a major concern and fewer than half of primary school students reach a minimum standard of literacy for their age.<sup>15</sup> Post-secondary education and training is limited in terms of access to, and the quality of, courses.

Significant gender inequalities exist in Solomon Islands. Only one seat in the 50-seat Parliament is held by a woman. The World Bank rated Solomon Islands the worst country in the world for sexual violence in 2012.<sup>16</sup> An estimated two thirds of women experience violence.<sup>17</sup>

In 2013-14, Australia will help an estimated 150,000 children complete primary schooling by supporting free basic education. At least 47 per cent of these will be girls.

We will facilitate improvements in the quality of education received by Solomon Islander students by training 1,500 primary school teachers and assisting the new national university to improve the quality of courses in nursing and teaching to meet international standards.

Australia will increase the number of Australia Awards Scholarships and Australia Awards Pacific Scholarships, with 66 new students accessing tertiary education at Australian and Pacific regional institutions in 2014. Students will study in areas which support development priorities agreed under the *Solomon Islands-Australia Partnership for Development*.

We will support programs reaching 10,000 people to change attitudes toward violence against women and improve economic opportunities for female market vendors. We will increase women's access to justice by supporting new family protection legislation and by providing legal advice to women affected by domestic violence.

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#### SUSTAINABLE ECONOMIC DEVELOPMENT

More than 80 per cent of Solomon Islanders live in rural areas, where infrastructure and access to services is limited. Agriculture is the main source of employment and food security for rural communities.<sup>18</sup> Agricultural products are also among the country's main exports, with cocoa, copra and palm oil the most significant agricultural commodities.

Financial services underpin livelihoods and functioning markets across all economic sub-sectors, but access is limited. Economic growth is constrained by limited transport, energy and telecommunications infrastructure.

Australia will help 3,000 farm households improve crop and livestock production, conserve soil resources and increase their incomes. Australian support to the Ministry of Agriculture and Livestock will lead to the development of more productive cocoa varieties and will help to prevent, detect and manage pest and disease incursions.

Australian support for the Central Bank of the Solomon Islands' National Financial Inclusion Taskforce will enable an additional 30,000 Solomon Islanders, of whom at least 40 per cent will be women, to access appropriate and affordable financial services by 2014.

Australia will support the maintenance and rehabilitation of 500 kilometres of key roads and bridges and build up to four wharves in rural areas. Through labour-based road maintenance, we will provide 80,000 days of work to help boost incomes for rural people. At least 40 per cent of those employed will be women.

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**EFFECTIVE GOVERNANCE**

Central government debt decreased from 22 per cent of GDP in 2011 to 14.5 per cent in 2012,<sup>19</sup> well below what is considered to be the internationally acceptable benchmark of 30 per cent. Initiatives in the priority areas of economic and public sector governance and law and justice will transition from RAMSI to the bilateral aid program, and improvements will lead to better service delivery. Australia's goals are to maintain the gains of RAMSI, as well as support the core functions of government, such as budget and financial stability; human resources; maintaining the functioning of the courts; and extending the reach of law and justice services into the provinces.

In 2013-14, Australia will help the Solomon Islands Government central agencies maintain core services such as budget, payroll, financial and personnel management. We will also support the Government to implement significant changes to procurement regulations and customs management, and roll-out a new government Information and Communication Technology network. We will help train over 1,300 civil servants and support work to meet annual audit and reporting requirements. Australia will support the National Statistics Office to complete the 2012-13 Household Income and Expenditure Survey. Ninety specially trained survey officers will visit 4,600 homes collecting detailed information about expenditure, income and household characteristics that will provide an up-to-date snap-shot of the country's poverty levels. In 2013-14, support to the justice sector will aim to decrease the number of adjournments in the Magistrates' Court by 5 per cent, keep recidivism rates stable at around 10 per cent, and increase the number of court sittings in provincial locations. This will lead to a further reduction in time on remand, which is on-track to drop from 8.2 to 7.2 months in 2012-13. More broadly, Australia will support the Royal Solomon Islands Police Force to become a more modern, effective and independent organisation.

**VANUATU**

Vanuatu's economy has grown consistently since 2003. Even so, it is unlikely to achieve five of the seven MDGs by 2015. Many people lack access to basic health services, education, infrastructure, and employment opportunities. It is also particularly vulnerable to natural disasters.

Australia is the largest donor to Vanuatu. Our aid program is guided by the four-year *Vanuatu-Australia Partnership for Development*, which will be renewed in 2013. In 2013-14, the priorities are to strengthen the health system, help improve literacy and numeracy levels for children in the early years of school, develop essential infrastructure, and help the Vanuatu Government increase revenue collection.

Australia's aid program has helped achieve important improvements in the lives of the people of Vanuatu. For example, we helped reduce national malaria cases from 17,500 in 2003 to fewer than 6,000 in 2011. Our continuing assistance will contribute to further reductions.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	0.246 million	Australian ODA	61.4	65.4
Population Growth (%):	2.5 %	- Country	41.8	45.8
Population (Est. 2050):	0.521 million	- Regional/Global	18.2	18.2
GDP per capita (PPP):	USD 4,451	- OGDs	1.4	1.4
HDI rank:	124 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

Strategic goals	Australia's response
<b>SAVING LIVES</b>	
<p>Vanuatu has seen a major reduction in cases of malaria. However, maternal and child health remains poor, with a maternal mortality rate of 150 per 100,000 births,<sup>20</sup> and very low routine immunisation rates for children. Many people, particularly in rural and remote areas, still lack access to basic health care services. Providing these services across the country's many islands is difficult and expensive. The limited resources available to the government for health are not always allocated and spent efficiently and effectively.<sup>21</sup></p>	<p>Australia will continue to support better health outcomes in Vanuatu through support for maternal and child health, malaria elimination, basic services at the community level and by building a skilled health workforce. We will continue to provide technical advice to the Ministry of Health to assist with its management of health resources. In 2013-14, procurement practices in the Ministry will be strengthened, the 25 rural health centres will be refurbished, 26 nurses and 20 nurses' aides will be trained, and routine immunisation will be improved through the purchase and installation of equipment to store medicines at appropriate temperatures.</p>
<b>PROMOTING OPPORTUNITIES FOR ALL</b>	
<p>The proportion of children enrolling in primary school has increased in recent years, with primary enrolment at 88 per cent,<sup>22</sup> but the remaining gap will be hard to bridge. Children most vulnerable to missing out on schooling include those from remote areas and those with disability. The quality of education continues to be of particular concern in Vanuatu. Less than 10 per cent of children in the early grades of school are fluent in reading.<sup>23</sup> Many students repeat or drop out of school. This is a symptom of poor quality. Only a small proportion of people have the opportunity to go to university.</p>	<p>Improving the quality of education in Vanuatu will be a major priority and focus for Australian aid. Our support will help lift the literacy and numeracy of 24,000 children in the early years of education. In 2013-14, 160 teachers will be educated by new provincial trainers. Australia's aid will also make access to education more equitable – 243 new classrooms will accommodate 7,500 new primary school places by 2017. To help bridge the tertiary education gap, we will provide 132 new Australia Awards for ni-Vanuatu to study at Australian universities and local schools in 2013-14. This is in addition to 139 ongoing Australia Awards.</p>
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>Although Vanuatu's economic growth has been consistently positive over the past decade, it has recently slowed. Barriers to the country's economic development include the remoteness of its islands, a small and highly dispersed population, exposure to natural hazards, and political instability. The cost of imports is high due to inefficient port services. Most transport infrastructure is in disrepair and in need of upgrades. Electricity in urban areas is reliable but expensive and access to power overall is limited. It is estimated that around two thirds of Vanuatu households have no access to electricity.<sup>24</sup></p>	<p>Australia will support Vanuatu in undertaking economic reforms needed for the country's sustainable economic development. In 2013-14, we will continue to assist the Vanuatu Government to increase its revenue collection. We will support critical nation building infrastructure projects, including the new container wharf, major urban development in Port Vila, and further rehabilitation of rural road networks. Our ongoing support for the telecommunications and utilities regulators will help to maintain pressure to reduce prices and the cost savings for consumers and businesses achieved under earlier reforms. In 2013-14, we will begin a national renewable energy program to improve the current low rates of access to power across the country.</p>
<b>EFFECTIVE GOVERNANCE</b>	
<p>Effective governance is critical to reducing poverty, improving service delivery and ensuring sustainable economic development in Vanuatu. Efficient and effective management of public money is a challenge. High turnover and vacancy rates in the public service make it difficult for government agencies to function effectively. Limited resources are often poorly allocated, resulting in service delivery problems. Many government ministries, especially at the provincial level, do not have adequate recurrent funds to deliver essential services in health, transport and policing.</p>	<p>Ensuring effective governance of public resources is an important goal for Australia and Vanuatu. In 2013-14, our support will increase the number and quality of audits conducted by the Vanuatu Office of the Auditor General. Australia's aid will also contribute to safe communities and better access to law and justice services for poor people. In 2013-14, we will help build three new police stations in rural areas. Fifty communities will benefit from a program to protect children and women from violence and abuse. Australia will support the Vanuatu Government's priorities in the area of land reform, enabling the digitisation of all records on land ownership and</p>



land leasing to be completed in 2013-14. This will improve transparency and security of document processing, and benefit Vanuatu's land planning and management system.

#### HUMANITARIAN AND DISASTER RESPONSE

Vanuatu is ranked first in the world for its vulnerability to natural disasters according to the World Risk Index.<sup>25</sup> Vanuatu is subject to cyclones, earthquakes, tsunamis and volcanic eruptions. When these disasters hit they can have a devastating social and economic impact on the country by taking lives, destroying food crops and crippling infrastructure and communications.

In 2012, Australia assisted the response to Cyclone Jasmine by funding an aerial assessment of the damage that helped focus relief efforts. In the event of a natural disaster in the future, Australia stands ready to assist the Vanuatu Government with its response and is committed to coordinating efforts closely with other organisations and donors.

Australia will support improved disaster risk management and climate change adaptation in 2013-14. We will partner with humanitarian agencies to assist communities with disaster risk reduction, preparedness and response. Our support to Vanuatu's National Disaster Management Office will help ensure reliable media and communications during emergencies. We will also contribute to lessening the impact of natural disasters, incorporating climate adaptation measures in our road investments and supporting improved drainage in the Port Vila area.



## SAMOA



The standard of living in Samoa has improved over the last 20 years. It is on track to achieve five of the MDGs by 2015, but progress toward reducing child mortality and combating HIV/AIDS is slow. Samoans now live, on average, 8 to 10 years longer than in 1991,<sup>26</sup> and hunger is rare. Net primary school enrolment is near universal at 96 per cent,<sup>27</sup> with equal enrolment rates for boys and girls. Almost all births are attended by skilled health professionals and infant, child and maternal mortality rates are low. However, one in four households finds it difficult to meet the basic needs of the household and the quality of education is poor. High rates of non-communicable diseases (NCDs) remain a significant and growing challenge.

Australia is Samoa's largest development partner and second biggest trading partner. The *Samoa–Australia Partnership for Development* focuses on better education and health services, and on improving governance, economic stability and law and justice. Because Samoa's public financial management is sound, Australia delivers most of its aid through the Samoan Government's own systems — building ownership and mutual accountability for results. In 2013-14, the major priorities are to help Samoa prevent NCDs, increase training for teachers to improve education quality, support grass-roots organisations to deliver essential services, and help reform government-owned enterprises.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	0.184 million	Australian ODA	43.5	45.8
Population Growth (%):	0.4 %	- Country	26.7	26.7
Population (Est. 2050):	0.226 million	- Regional/Global	14.0	17.7
GDP per capita (PPP):	USD 4,475	- OGDs	2.8	1.3
HDI rank:	96 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

Strategic goals	Australia's response
<b>SAVING LIVES</b>	
<p>NCDs remain Samoa's biggest health challenge. Diabetes affects a quarter of the population, 40 per cent of adults smoke and 85 per cent of Samoans are overweight or obese.<sup>28</sup> The impacts of diabetes and other NCDs, such as coronary heart disease, high blood pressure, cancer and stroke, are stretching the government health system. The current health sector emphasis on in-patient care for NCD patients is a growing drain on the health budget.</p>	<p>In 2013-14, Australia will improve access to primary health care services including NCD screening and health promotion. We will construct a new primary healthcare clinic, a pharmacy warehouse, and a medical laboratory; and supply essential medical, and information technology equipment and training for 80 health professionals.</p>
<b>PROMOTING OPPORTUNITIES FOR ALL</b>	
<p>The quality of education remains a major concern for Samoa. Thirty-five per cent of year six children – including 47 per cent of boys – lack basic literacy skills and half of all students lack basic numeracy skills.<sup>29</sup> There is a need to retain and attract teachers to science and mathematics to improve learning in those subjects. Children with disability have limited opportunities to access primary and secondary education. It is estimated that 85 per cent of children with disability live in rural areas and most of these children have either not attended school or have only attended for limited periods.<sup>30</sup></p>	<p>In 2013-14, we will support reforms to training for Samoa's 2,041 teachers, including opportunities to gain tertiary qualifications in maths and science. Seventeen Samoans will be awarded Australia Award Scholarships. We will support the Samoan Government to keep 37,000 students in primary school and improve opportunities for technical and vocational education for secondary students. Our funding will support Samoa's 169 primary schools to meet minimum service standards and improve the quality of education. We will enable more than 600 students with disability to attend school and receive early intervention support.</p>
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>Samoa has experienced modest economic and employment growth since the mid-1990s. Higher growth and economic resilience continue to be held back by Samoa's limited access to natural resources and isolation from large economic markets. The poor have not benefited equally from Samoa's growth. Many families rely on subsistence agriculture and are vulnerable to the impacts of climate change.</p>	<p>Community-based organisations such as village women's committees and other non-government organisations perform a critical role in service delivery to the poor and most vulnerable in Samoa. In 2013-14, Australia will provide grass roots funding to over 50 of these organisations. This will include provision of water tanks to improve resilience to climate change. Regional trade facilitation programs will help Samoa access new markets in the region.</p>
<b>EFFECTIVE GOVERNANCE</b>	
<p>Continued donor finance for ongoing reform in public financial management, improved performance and privatisation of state owned enterprises, and sound budget management will help Samoa maintain its solid economic performance. Increasing crime and tensions between formal and traditional law and justice systems are disrupting the social fabric of traditional Samoan life.</p>	<p>Australia will help Samoa to implement important public financial management reforms, including improved performance and transparency of state owned enterprises and procurement systems. We will train over 100 law and justice officials in core skills, including dispute management and governance principles. We will enable over 250,000 pages of land title documents to be digitally archived to improve access and assist resolution of disputes.</p>
<b>HUMANITARIAN AND DISASTER RESPONSE</b>	
<p>In December 2012, Cyclone Evan caused widespread damage to infrastructure, housing and crops in Samoa.</p>	<p>Australia provided humanitarian relief to around 4,000 people most affected by Cyclone Evan and deployed Australian Civilian Corps personnel to help Samoa develop a recovery and reconstruction plan. In February, the Foreign Minister announced that Australia would commit \$7 million to help Samoa rebuild public infrastructure affected by the cyclone. This will include rebuilding and restocking 18 schools, allowing 5,300 students to continue their studies, and repairing or rebuilding nine health centres which serve 25,000 people.</p>



## FIJI



Successive military coups have eroded Fiji's impressive economic and development achievements. One third of Fiji's population lives in poverty,<sup>31</sup> and rural poverty is deepening.<sup>32</sup>

Fiji is achieving uneven results against the MDGs. It is off-track against poverty reduction targets. Progress is mixed on achieving MDGs on gender equality, empowering women, and combating HIV/AIDS and other diseases. Progress toward MDGs on reducing child mortality and improving maternal health is slow. In order to meet Fiji's national target by 2015, infant mortality rates need to halve and maternal mortality would need to fall by 70 per cent.

In 2011-12, Australia committed to double its bilateral aid to Fiji by 2013-14. Australia will deliver on its commitment by increasing bilateral aid to \$37 million in Fiji. The program will target health, education and market development initiatives. Australia will also support genuine and credible steps by Fiji to implement a new constitution and prepare for elections.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	0.868 million	Australian ODA	49.2	58.2
Population Growth (%):	0.9 %	- Country	27.4	37.0
Population (Est. 2050):	1.053 million	- Regional/Global	19.0	18.8
GDP per capita (PPP):	USD 4,757	- OGDs	2.9	2.4
HDI rank:	96 of 187			
<US\$1.25/day:	0.051 million / 5.88%			
<US\$2.00/day:	0.199 million / 22.9%			
Strategic goals		Australia's response		
<b>SAVING LIVES</b>				
Fiji made considerable progress in improving key MDG health indicators in the 1990s. In 2010, the maternal mortality rate was 23 per 100,000 births, a decrease of about 60 per cent since 1995. Infant mortality stands at 13 per 1,000 live births, down from 17 in 1990. Under five mortality is 18 per 1,000 births, well below the global target of 32.		Australia's assistance in 2013-14 will strengthen infant immunisation and maintain coverage rates above 90 per cent. Australia will support the provision of 44,000 doses of the rotavirus vaccine and 66,000 doses of the pneumococcal vaccine. In addition, more than 28,000 doses of the human papilloma virus vaccine will be rolled out over the course of 2013, protecting over 8,000 young girls from the risk of cervical cancer. Australia's health program in Fiji will upgrade sub-divisional hospitals to encourage a higher proportion of supervised births in hospitals.		
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>				
Long-term weak economic growth in Fiji is having a significant impact on poverty levels. Urban squatter settlements are expanding and rural poverty is increasing. Foreign investor confidence is likely to remain subdued until democracy is restored.		AusAID's Market Development Facility in Fiji addresses poverty and builds resilience and economic opportunities in disadvantaged communities. In 2013-14, the focus of this Facility is on employment creation and sustainable income generation for the poor. Australia will continue to support up to 70 civil society organisations to deliver health, education and financial services to at least 70,000 poor people across Fiji by 2015-16.		
<b>EFFECTIVE GOVERNANCE</b>				
Fiji's government has committed to holding elections by September 2014. It is in the interests of Australia and the region that Fiji be restored to democracy and resume its natural place as a hub for Pacific Islands' commerce, education, transport and regional political architecture.		Australia and other international donors continue to stand ready to support genuine and credible steps by Fiji to implement a new constitution and prepare for elections. Australia supports a constitution that upholds key democratic principles including freedom of association, speech and the media.		

**HUMANITARIAN AND DISASTER RESPONSE**

Fiji is in one of the most disaster prone countries in the Pacific. The scale of social and economic impacts brought about by flooding, cyclones and droughts in recent years has been devastating for communities in Fiji.

Australia has responded generously to humanitarian disasters in Fiji over a number of years. Since 2008, AusAID's regional disaster program has helped more than 140 communities across Fiji to build their resilience to the impacts of disasters and climate change. This includes setting up community disaster committees, developing a community disaster plan, and running a simulation exercise to test the effectiveness of the arrangements. These plans were activated during severe flooding in early 2012 and Cyclone Evan in December 2012. Australia's humanitarian funding will support repairs to 83 schools that were damaged by the cyclone.

**TONGA**

Despite good overall progress toward the MDGs, Tonga faces high rates of non-communicable diseases (NCDs) such as diabetes and heart disease. The quality of education is poor. Tonga is unlikely to meet the MDG target on gender inequality. Nearly a quarter of Tongan households experience hardship. Tonga's economy has been slow to recover from the global economic crisis, which hurt remittance flows, and from two major natural disasters (a tsunami in 2009 and a cyclone in 2010) which affected tourism and exports.

In 2013-14, the *Australia-Tonga Partnership for Development* priorities are developing the public sector, improving health, education, technical and vocational skills, and improving infrastructure, particularly roads, water supply and waste services. Australia also provides support for Tonga to adapt to climate change and increase its disaster preparedness.

In 2012, Australian aid improved classroom facilities for 150 schools, revised Tonga's primary school curriculum and provided school textbooks to 129 primary schools. Australia funded the upgrade of three health centres, improving facilities and services for around 1,350 households. We funded surgeons to perform vital surgery on 110 patients. Australia also worked with other development partners to support Tonga to undertake vital economic and fiscal reforms.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	0.105 million	Australian ODA	31.1	32.2
Population Growth (%):	0.4 %	- Country	16.4	19.9
Population (Est. 2050):	0.141 million	- Regional/Global	11.7	9.9
GDP per capita (PPP):	USD 4,886	- OGDs	3.1	2.4
HDI rank:	95 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

**Strategic goals** **Australia's response**

**SAVING LIVES**

Non-communicable diseases (NCDs) remain Tonga's biggest health challenge. Cardiovascular disease is the leading cause of death in Tonga, and excessive weight and obesity are the primary contributors. Among those aged 25-64 years, approximately 92 per cent are overweight, and 31 per cent of people aged 15-64 years of age smoke.<sup>33</sup> The impacts of diabetes and other NCDs such as coronary heart disease, high blood

In 2013-14, Australia will continue to support Tonga's Ministry of Health to improve primary and preventative health care services to reduce the prevalence of NCDs. Specialised health staff will identify, monitor and treat people with NCDs. Two community health centres will be upgraded, improving services for approximately 1,900 households. A behavioural change campaign will be developed and implemented

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pressure, cancer and stroke are stretching the government health system.

focusing on improving physical exercise and reducing the consumption of unhealthy food, alcohol and tobacco. Australia will also continue to fund critical health services delivery.

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**PROMOTING OPPORTUNITIES FOR ALL**

The quality of education remains a major concern for Tonga. While there is near universal primary education, net enrolments have declined, and high drop-out rates have resulted in low literacy and numeracy rates. Many schools are still under-resourced. There are concerns around the quality of teaching, especially the high percentage of underqualified teachers. Early childhood education is poorly resourced, with few trained teachers, no national curriculum and poor facilities. Tonga has high rates of youth unemployment and requires an appropriately skilled and qualified workforce to meet the available employment opportunities in Tonga and overseas.

Commencing in 2013, a new education support program in Tonga will improve the standard of curriculum and teaching in primary and secondary schools for almost 32,000 students. In 2013-14, Australia aims to improve technical and vocational skills for Tongans to increase their employability at home and abroad. Australia is developing a new Tertiary and Vocational Education Training (TVET) interim facility. Design work for a longer term program of support to the sector will be commissioned in mid-2013. Forty Australia Award Scholarships, to start in 2013, will help meet demand in priority areas.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

Tonga has high levels of public debt. The economy is vulnerable to external shocks and global volatility. Macroeconomic stability is fragile. Tonga's private sector is small and economic growth prospects are limited. Tonga is heavily reliant on remittances from Tongans living abroad. Improving economic infrastructure (including energy, telecommunications, transport, waste management, and water and sanitation) is crucial for Tonga's economic development. Poor people in particular need access to drinking water, reliable electricity, telecommunications and safe all-weather roads to take advantage of economic opportunities and access basic health, education and law and order services.

In 2013-14, Australia will continue to improve the management and condition of Tonga's road network, including improved private sector capacity to maintain and build roads. A total of 65 kilometres of roads will be maintained by local companies already trained to undertake road maintenance. Australia and the Asian Development Bank will jointly improve access to water and waste management services for people living in Tonga's capital. Targets for 2016 include 99.5 per cent of households with access to safe water supplies and 80 per cent of residents with access to reliable solid waste management services.

Australia and the World Bank will strengthen the institutional and regulatory environment for Tonga's renewable energy sector. This will ensure power prices for Tonga's poor are affordable and the national power company can manage the integration of renewable energy projects into the national power supply system.

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**EFFECTIVE GOVERNANCE**

Maintaining reform in public financial management, improving the performance and privatisation of state-owned enterprises, and practising sound budget management are important for Tonga if it is to improve its economic performance.

Tonga's democratic system of government has been in operation since 2009. The legislative assembly is still developing systems for good governance. There is a need for greater engagement between government and civil society.

A key goal for Tonga in 2013-14 is to keep public debt at a sustainable level. Other reforms for Tonga include implementation of tax and state-owned enterprise reforms and the promotion of the private sector. Australia is working with the World Bank, the Asian Development Bank and other donors to provide finance linked to performance in implementing these reforms. Upgrades to tax and customs systems will allow Tonga to increase its revenue. Improved and more transparent budgeting will result in increased spending on priority service sectors such as health and education with benefits for Tonga's poor.

In 2013-14, Australia will work with the United Nations Development Programme to strengthen Tonga's governance institutions, including the parliament, civil society and the Tongan Electoral Commission. This program will support three parliamentary committees to hold public hearings and progress priority legislative and policy reforms. Australian electoral officials will assist Tonga to prepare a provisional roll for national elections planned for 2014.

**PACIFIC MICRO-STATES**

KIRIBATI, NAURU AND TUVALU

**NAURU**

Nauru relies significantly on donor support to maintain basic services for its community. Unemployment levels remain extremely high. There are no banking services and the community relies almost entirely on costly imported goods. Donor contributions make up around half of the national budget.<sup>34</sup> Progress toward the MDGs remains mixed, with some improvements in areas such as infant mortality and access to education services. Health and education standards remain comparatively poor and much of Nauru's essential infrastructure requires rehabilitation and maintenance.

The *Australia-Nauru Pacific Partnership for Development* outlines the priorities for Australian assistance through to 2015. The Partnership focuses on improving health and education services, strengthening public sector management and governance, improving the reliability of essential infrastructure such as power and water services, and building private sector growth. With Australian assistance, primary school enrolments in Nauru have increased from 60 per cent in 2002, to more than 95 per cent in 2011.<sup>35</sup> Since 2009, 95 per cent coverage has been maintained for key vaccines including tuberculosis, measles, hepatitis B, polio, diphtheria and tetanus.<sup>36</sup>

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	0.009 million	Australian ODA	34.1	29.9
Population Growth (%):	0.6 %	- Country	23.7	20.7
Population (Est. 2050):	0.012 million	- Regional/Global	9.0	8.2
GDP per capita (PPP):	-	- OGDs	1.4	1.0
HDI rank:	-			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

Strategic goals	Australia's response
<b>SAVING LIVES</b>	
<p>Nauru still experiences one of the highest rates of NCDs per capita in the world,<sup>37</sup> with more than 70 per cent of all deaths attributed to non-communicable diseases (NCDs). While there are many causes of NCDs, the lack of locally produced fresh fruit and vegetables and low participation rates in sport and physical activity are major contributing factors. Additional effort is also required to improve community awareness of the NCD risk factors.</p>	<p>In 2013-14, Australia will continue to provide skilled health sector professionals, medical equipment and pharmaceutical supplies, and promote participation in sport and physical activity. Australian assistance also targets the development and implementation of public awareness campaigns and public policy to address the lifestyle factors contributing to NCDs. Australia provides up to four medical scholarships each year for Nauruan students, increasing the number of Nauruans with medical and nursing qualifications. Ongoing hospital maintenance and refurbishment programs help ensure all Nauruans have access to safe and reliable medical facilities, including surgical theatres, a dental clinic, a pharmacy, and maternity and general wards. Australia will also continue to support a school feeding program providing regular, healthy and nutritious meals for up to 1,500 primary school children.</p>
<b>PROMOTING OPPORTUNITIES FOR ALL</b>	
<p>By regional standards school enrolment rates in Nauru are high, with around 95 per cent of school-aged children enrolled in school. However, only about two-thirds of those enrolled actually attend classes. This results in low literacy and numeracy standards and only limited numbers of students qualifying for tertiary study.</p>	<p>Under the <i>Partnership for Development</i>, Australia will provide funding to support ongoing teacher training. All teachers in Nauru will have some form of formal qualification by 2014. Australia also supports an ongoing schools maintenance program ensuring access to a safe and well-equipped learning environment. We will give assistance to enhance Nauru's technical and vocational training facilities, providing trade training services for around 300 students per year, including through adult learning programs. Australia provides up to 10 Australia Awards Pacific Scholarships each year in areas such as health, education, economics and public sector management, allowing Nauruans an opportunity to study at quality regional institutions and aid in the development of their country.</p>
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>With high debt levels and domestic revenue making up only around 40 per cent of the national budget, Nauru relies almost entirely on donor contributions to fund basic services for the community.<sup>38</sup> While Nauru has been successfully reducing its debt burden over recent years, revenue options remain limited to customs import duties, fisheries and phosphate mining. Both of these industries are vulnerable to external influences, such as currency fluctuations, global economic trends, market variations and adverse weather conditions.</p>	<p>Australia will support the new Government Revenue Office to improve revenue collection methods and deliver a more effective and equitable tax system. This is likely to add around \$1 million to the national budget in 2013. Changes to the way fishing license fees are calculated will result in increases to related revenue of more than 50 per cent. The introduction of new technologies in the utilities sector will see the cost of fuel and oil used in generating electricity reduced by around 30 per cent annually.</p>
<b>EFFECTIVE GOVERNANCE</b>	
<p>Following the downturn in the phosphate industry in the mid-1990s, Nauru experienced a long period of financial mismanagement and weak governance. This led to the loss of Nauru's cash reserves, accumulation of massive debt levels, the loss of local banking and insurance services, and dilapidated critical national infrastructure.</p>	<p>Australia will continue to provide funding for skilled, qualified personnel to fill key management roles in most Government agencies, including the Departments of Health, Education and Finance, and the Nauru Utilities Corporation. Personnel filling these positions play a key role in developing new policies and procedures as well as in building</p>

Significant gains have been made in improving governance and public sector management since 2004, but Nauru still lacks many of the systems and skilled personnel to sustain ongoing reforms in governance and financial management.

the skills of local counterparts. Australian support will continue to help manage national finances and improve transparency and accountability in all areas of public management, including through provision of support for media services.



## KIRIBATI



Kiribati has a population of just over 100,000 people spread over 23 inhabited islands across an exclusive economic zone of 3.5 million square kilometres. Isolation, limited natural resources, rapid urbanisation, high population density on the main island of Tarawa and restricted opportunities for economic growth mean Kiribati has some of the poorest development outcomes in the Pacific. Kiribati is not on-track to meet any of the MDGs. The islands are only two metres above sea level, making Kiribati extremely vulnerable to the effects of climate change. There is very little arable land and fresh water, meaning supplies of fresh food are limited.

Australia works closely with Kiribati on development issues. Our joint priorities are set out in the *Kiribati-Australia Partnership for Development*. They are improving education, developing workforce skills, improving growth and economic management and strengthening infrastructure.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	0.101 million	Australian ODA	34.2	29.7
Population Growth (%):	1.5 %	- Country	21.7	21.7
Population (Est. 2050):	-	- Regional/Global	12.0	7.7
GDP per capita (PPP):	USD 2,337	- OGDs	0.4	0.3
HDI rank:	121 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

### Strategic goals

### Australia's response

#### SAVING LIVES

Kiribati faces considerable challenges in the provision of health services, which are compounded by high population density and poor water and sanitation. Infant and child mortality rates are high despite improvements in the last 20 years (reduction of under-five mortality from 87 deaths per 1,000 live births in 1990 to 49 deaths per 1,000 live births in 2010). Major causes of child mortality in Kiribati are dysentery and diarrhoea from poor water and sanitation.

Australian assistance aims to improve the health of communities in South Tarawa by rehabilitating and upgrading sanitation infrastructure, improving water supply and sanitation services and improving hygiene practices. We aim to reduce infant mortality from diarrhoea and dysentery by 50 per cent by 2015 and to ensure that 80 per cent of the population in Betio, South Tarawa, have access to improved sanitation by 2018. Australia is also funding the construction of the Betio Maternity Ward. Each year it will provide health care to more than 1,200 women from Betio. Australia will also continue funding programs to improve the quality, accessibility and efficiency of diagnostic, clinical and preventative tuberculosis services in Kiribati.

#### PROMOTING OPPORTUNITIES FOR ALL

Kiribati continues to face challenges achieving universal primary education. Although new enrolment rates fell from 94 per cent in 2000 to 85 per cent in 2010, the completion rate has increased.

Youth unemployment is a major challenge. Job opportunities are limited, particularly for school leavers, and there is an urgent need to build workforce skills and provide technical and vocational qualifications of a regional standard.

Australia is working with the Kiribati Government to ensure all children have access to quality education. With Australia's help, children's literacy and numeracy is improving, and students are becoming equipped with the skills they need to continue their education at a higher level.

Children with disability are also being supported, with Australian funding to develop a disability policy and universal access plan. Australian support is helping to develop an internationally recognised tertiary and vocational education sector by



improving courses, trainers and facilities at the Kiribati Institute of Technology. I-Kiribati youth will gain Australian qualifications so that they are more competitive in international and domestic job markets, increasing remittances. In 2014, Australia will provide up to 10 Australia Awards Scholarships giving an opportunity for i-Kiribati to study at quality regional institutions.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

Poor infrastructure reduces opportunities for economic growth by limiting access to markets, education and health services. As a series of low-lying atolls, Kiribati faces severe challenges from climate change. Sea surges are already affecting low-lying areas. About 80 per cent of Kiribati households earn a living through fishing.

Australian support in 2013-14 will rehabilitate 39 kilometres of the main road in Tarawa, better linking people to schools, hospitals and markets. Australia's support for the introduction of a competitive information and communication technology policy will encourage foreign investment for increased mobile and internet coverage. Australia is working with other donors to help Kiribati improve its resilience to climate change by building sea walls and improving rainwater storage. Through the Pacific regional program, Australia is supporting the development of a National Fisheries Policy and an Institutional Strengthening Strategy for the sector. This will lead to greater and more sustainable returns for people from marine resources.

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**EFFECTIVE GOVERNANCE**

Although Kiribati's economic performance improved in 2011 and 2012 compared to previous years, the government's fiscal position deteriorated. This was partly due to the appreciation of the Australian dollar, which Kiribati uses as its currency. The government's 2012-13 budget deficit is estimated at \$32 million, a 20 per cent increase on 2011-12. Despite leadership from the Government of Kiribati, gender based violence remains a large problem: 68 per cent of women between the ages of 15 and 48 reported that they had experienced family violence.

Improving public financial management and the performance of the public sector as a whole is a key theme of Australia's aid program in Kiribati. A strong public sector can help create an environment that promotes economic growth, ensures health and education services are accessible to all, and promotes regional stability and cooperation. Australia is assisting the Government of Kiribati to strengthen public sector management and increase service delivery, by improving the collection of revenue, reforming taxation, and reducing the cost of public enterprises. Australia is also supporting the Government of Kiribati to develop a national approach to eliminating sexual and gender based violence. We are working with UN Women to develop a comprehensive five-year program to strengthen legal frameworks, social welfare support services, and the ability of institutions and communities to support victims of violence.



**TUVALU**



With a population just under 10,000, Tuvalu is one of the smallest independent states in the world. Its size and distance from other markets mean it has very few opportunities for economic growth, so it remains heavily dependent on aid. Tuvalu's vulnerability to the impacts of climate change and natural disasters add to its development challenges. While Tuvalu is on-track to meet the MDGs for universal primary education, child mortality and maternal health, it is off-track to meet the MDG for eradicating extreme poverty and hunger. As the largest donor, Australian assistance is vital to Tuvalu's development. In 2012-13, Australia helped the Government of Tuvalu to undertake economic and financial management reforms, including the introduction of public procurement regulations and regular audits of public enterprises. These reforms aim to increase accountability and transparency and achieve better value for money in government expenditure. In 2013-14, under the *Tuvalu-Australia Partnership for Development*, Australia will support the Tuvalu Trust Fund and the Tuvalu Government's

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budget to support its economic and financial management reform program. Australia will also support climate change adaptation, and help build a skilled and educated workforce by providing up to seven Australia Awards Scholarships for study at quality Australian institutions.

Australian aid to Tuvalu is estimated to be \$13.0 million in 2013-14.

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## POLYNESIAN MICRO-STATES COOK ISLANDS, NIUE AND TOKELAU



### COOK ISLANDS



The Cook Islands is a self-governing country in free association with New Zealand. The main development challenges for the Cook Islands are its isolated location, small population of approximately 20,000, and vulnerability to the effects of climate change. The Cook Islands has limited resources and the population is scattered over numerous islands and atolls. This makes it difficult and expensive to deliver essential services. A lack of local employment opportunities leads to high levels of migration, particularly to New Zealand. The result is a shortage of skilled professionals. Australia's development assistance to the Cook Islands is delivered by New Zealand through a delegated cooperation arrangement agreed upon between the Governments of the Cook Islands, New Zealand and Australia. Australian aid supports priorities set out in the *Joint Commitment for Development between the Cook Islands and New Zealand*. In 2013-14, Australia will continue to work with New Zealand on improving water and sanitation facilities, education, and disaster preparation in the Cook Islands.

Australian aid to Cook Islands is estimated to be \$6.8 million in 2013-14.

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### NIUE



Niue is a self-governing Pacific island country in free association with New Zealand, with a population of just 1,400 people. Progress toward achieving the MDGs is on track. Niue's main development challenge is its isolated location, small size and vulnerability to the effects of climate change. Niue has limited resources and a shortage of skilled professionals due to high levels of migration. Australian aid is aligned with priorities set out in the *Joint Commitment for Development between Niue and New Zealand* and is focused on supporting the education sector. In 2013-14, Australia will continue to work with New Zealand on the construction of a primary and early childhood education centre. The school is due to be completed by the start of the 2014 school year. It will enhance the learning environment in Niue and will also function as a shelter for the local community in extreme weather events, such as cyclones.

Australian aid to Niue is estimated to be \$6.1 million in 2013-14.

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### TOKELAU



Tokelau is a territory of New Zealand, with a population spread across three low-lying coral atolls. Tokelau's isolated location, small size and vulnerability to the effects of climate change and natural disasters limit its potential to meet development challenges, including progress against the MDG for environmental sustainability. Tokelau also experiences high levels of migration. While Tokelau is currently heavily reliant on external assistance, recent initiatives in the energy sector, especially in solar power, will help increase Tokelau's potential for sustainable economic growth and development. Australian aid supports priorities set out in the *Joint Commitment for Development between New Zealand and Tokelau*. In 2013-14, Australian aid will continue to contribute to Tokelau's long-term economic stability and support the management of coastal marine resources and improved water security.

Australian aid to Tokelau is estimated to be \$1.7 million in 2013-14.

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## NORTH PACIFIC

### FEDERATED STATES OF MICRONESIA, REPUBLIC OF MARSHALL ISLANDS AND REPUBLIC OF PALAU

2013-14 Estimate: \$18.7 million

#### FEDERATED STATES OF MICRONESIA

Federated States of Micronesia (FSM) faces major long-term development challenges. The only two MDGs that FSM is on track to meet relate to achieving gender equality and combating HIV/AIDS and other diseases. The *FSM-Australia Partnership for Development* focuses on improving economic governance, development coordination and environmental management. To strengthen donor coordination Australia supported FSM to host its inaugural donor partners forum in November 2012. Australia is increasing volunteer numbers in FSM in 2013-14 to support delivery of our aid program across the four FSM States. Support for tax reform is an important focus of our economic governance assistance, and this year Australia will work with FSM to introduce an electronic taxation system.

#### REPUBLIC OF MARSHALL ISLANDS

The Republic of the Marshall Islands (RMI) is a country of low-lying atolls and is therefore increasingly vulnerable to the effects of climate change. The RMI is off-track to meet five of the MDGs by 2015, only showing good progress against achieving gender equality and combating HIV/AIDS and malaria. With high rates of water-borne and water-related diseases, improving access to clean, potable water and effective sanitation is one of RMI's most pressing development challenges and one of the priority outcomes of the *RMI-Australia Partnership for Development*. The partnership also focuses on increasing access to affordable and sustainable energy. In 2012-13, support for the renegotiation of the RMI's long-term fuel supply contract saved around \$3.7 million. In 2013-14, Australia's support aims to fill strategic gaps, mainly through the provision of technical assistance and skilled volunteers. The Australian Volunteer Program was reintroduced in the RMI after a six-year absence, and volunteer numbers in the RMI will be increased in 2013-14 to support improvements in water and power supply on Majuro and Ebeye.

#### REPUBLIC OF PALAU

In the Republic of Palau, progress against the MDGs is varied. Although it is on-track to achieve MDGs on gender equality, combating disease and environmental sustainability, it is unlikely to meet the MDGs on education and child mortality by 2015. The prospects for long-term economic growth are linked to tourism and private sector development. The Palau Australia Partnership for Development focuses on improving education, clearing unexploded ordnance and strengthening health sector management. As the lead donor in Palau supporting the clearance of unexploded ordnance from World War II, Australia plays an important role in supporting the country's tourism industry as well as public safety. In 2013-14, Australia will continue this support with the completion of an unexploded ordnance training facility on Pelelui Island. Australia will also increase volunteer numbers to support the delivery of our partnership priorities. This includes providing the Koror hospital with a nutritionist to help combat non-communicable diseases, particularly diabetes and heart disease.

## PACIFIC REGIONAL PROGRAMS

*2013-14 Estimate: \$123.3 million*

To complement our bilateral programs, the Pacific regional program supports regional action on development challenges where it makes sense to do so. This includes supporting the provision of regional public goods (or functions) that cannot be efficiently delivered at the country level. The focus is on programs that support regional integration and cooperation. This includes issues around shared resources (such as sustainable fisheries management), approaches to cross-border issues (such as climate change adaptation) and initiatives which support the effectiveness of regional organisations (such as the Pacific Islands Forum and the Secretariat of the Pacific Community).

### Strategic goals

### Australia's response

#### SAVING LIVES

Pacific Island health services must address the dual burden of communicable and non-communicable diseases (NCDs). Rising costs for NCD treatment underline the importance of prevention as well as increasing the quality, efficiency and equity of country health services. More effective regional approaches in health are an important element in supporting these national efforts. Region-wide approaches to the provision of certain specialised services such as health worker training, some clinical services, and targeted technical support are critical to the sustainable delivery of country level health services across the region.

In 2013-14, Australia will reshape its regional health investments to target regional public goods that support the quality, efficiency and equity of country health services. Australia will work with country governments and other partners to strengthen regional health policy and governance mechanisms, as well as support improvements to health worker training and clinical service provision.

Australia will support the training of doctors and other health specialists at the Fiji School of Medicine and the Pacific Eye Institute. Australia will also support the Royal Australasian College of Surgeons to provide operations and specialist health advice that cannot otherwise be provided by health systems in nine Pacific island countries. This will include an expected 46 clinical visits in 2013.

#### PROMOTING OPPORTUNITIES FOR ALL

Pacific Island people face a range of constraints on their full and equitable participation in society. Across the Pacific, there are high levels of unemployment, critical skills shortages, and educational institutions of variable quality. This situation particularly affects the growing numbers of young people.

An estimated 1.2 million Pacific Island people have some form of disability. Often people with disability and their families face prejudice. Children with disability often lack access to school, health and welfare services, and have few employment opportunities.

Gender inequality remains a significant challenge for the Pacific. Women hold just five per cent of seats in parliament and account for just one in three people in formal employment. Violence against women and poor maternal health outcomes persist despite the progress made on these issues within the MDGs.

Australia will continue to support the Australia-Pacific Technical College to produce around 1,000 Certificate III and IV graduates annually from across the Pacific. Forty per cent of graduates are expected to be women. Australia will also support the Secretariat of the Pacific Board of Educational Assessment to monitor student learning through performance benchmarking and literacy programs.

Australia will maintain strong engagement with the University of the South Pacific (USP) as it moves to implement its *Strategic Plan 2013-18*. The USP will leverage improvements in information and communication technology in the region to improve access for remote communities and improve teaching and learning outcomes at its regional campuses.

In 2013-14, Australia will mobilise activities under the *Pacific Women Shaping Pacific Development Initiative (2012-13 to 2021-22)*, announced by the Prime Minister at the 2012 Pacific Islands Forum (PIF). Over 10 years the initiative will improve the economic opportunities of over 30,000 female vendors in Pacific produce markets, through improved market operations and financial support. It will also provide over 150,000 services (counselling, medical assistance, safe shelter) to women who experience violence. Australia's

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partnership with the Pacific Disability Forum (2012-16) will enable Pacific Islanders with disability to participate more in community life. In PNG, we will increase access to mobility devices such as wheelchairs and enhance the quality of educational opportunities for people with disability.

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### **SUSTAINABLE ECONOMIC DEVELOPMENT**

The standard of living in many Pacific countries continues to be constrained by low economic growth, limited employment opportunities, and vulnerability to natural disasters, which are expected to become more severe over coming years. In particular, climate change projections suggest more intense cyclones in some parts of the Pacific accompanied by rising sea levels.<sup>39</sup>

Growing the private sector and creating jobs for young people is crucial. The private sector in the region is relatively small—limited by narrow-based economies, high operating costs and a lack of infrastructure linking isolated communities to market hubs. It is estimated that 80 per cent of people in the region do not have a basic bank account and operate outside the formal economy. The 2012 Pacific MDGs Report shows that the region is making slow and uneven progress toward meeting poverty goals. While resource-rich PNG is expected to continue to grow strongly in the medium-term, it is important to ensure that growth brings benefit to all.

With populations forecast to grow by 50 per cent by 2030, coupled with limited productivity and the impacts of climate change, Pacific Island coastal fisheries are unlikely to meet future food security needs.

Australia is working directly with the private sector through the Pacific Financial Inclusion Program to provide basic financial services to 700,000 people in Papua New Guinea, Solomon Islands, Vanuatu, Fiji, Samoa and Tonga by 2015. Projects include developing mobile banking services and reducing the cost of remittances. Australia's partnerships with the International Finance Corporation (IFC) and Asian Development Bank (ADB) are helping to increase investment levels, improve the business environment, expand markets and improve critical infrastructure in the Pacific.

The East Asia Pacific Partnership with the IFC aims to increase new investment by over \$750 million, generating new economic opportunities and increased access to financial services for more than a million people, including 500,000 women, over the next five years.

Australia will assist Pacific countries to implement their priority climate change adaptation actions, such as protecting water supplies, climate-proofing essential infrastructure, strengthening food security and enhancing disaster preparedness. The initiative complements Australia's long-standing support for climate monitoring, prediction and adaptation in the Pacific region, through the International Climate Change Adaptation Program (2008-2013). Australia will support countries in the region to increase the economic returns of the region's fisheries resources through support for the Forum Fisheries Agency and Secretariat of the Pacific Community. Australia will also increase its support for community-based efforts to manage inshore fisheries and coastal resources through the Australian Centre for International Agricultural Research (ACIAR).

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### **EFFECTIVE GOVERNANCE**

Weak governance continues to be a key obstacle to Pacific countries' achievement of sustained growth. Improved public administration, particularly in relation to public financial management, transparency and accountability, is required to underpin adequate provision of basic services.

Regional approaches to service delivery and good governance offer benefits in the Pacific, complementing bilateral programs. Continuing to strengthen the capacity of Pacific regional organisations will be an important part of these efforts.

Australia will continue to support the development of Pacific public administrations through regional mechanisms that implement assistance through bilateral partnerships. Training on public financial management, elections, national statistics collection, as well as support for public service commissions will continue. Australia will continue to support the Pacific Islands Forum Secretariat and the Secretariat of the Pacific Community to improve their capacity to deliver key regional services. Australia's assistance supports the PIF Secretariat to coordinate and implement the decisions made by leaders at the PIF. It also supports the organisation's core activities, such as providing policy advice on political and economic governance and security.

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**HUMANITARIAN AND DISASTER RESPONSE**

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Pacific island countries remain vulnerable to natural hazards, both meteorological (cyclones, floods, storm surges) and geophysical (earthquakes and volcanoes). Their small, highly dispersed populations and limited economies mean natural disasters can have a disproportionately high impact on their economies. A 2011 United Nations study ranked Vanuatu, Tonga, Solomon Islands, Papua New Guinea and Fiji in the 20 countries most at risk of natural disasters.<sup>40</sup> All Pacific island countries have National Disaster Management Offices as focal points for disaster risk management, but many operate with limited capacity.

Australia will continue to stand ready to respond to disasters in the Pacific when they occur and also assist countries to be better prepared to respond to disasters and reduce the risk to vulnerable communities. In 2013-14, a new regional program will focus efforts on four high-risk countries — Vanuatu, Tonga, Solomon Islands and Fiji. We will help identify risks and vulnerabilities and develop and implement community action plans in response. Australia will also provide core funding to the Secretariat of the Pacific Community for technical assistance and policy advice to assist Pacific island countries with disaster risk management.

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## 2.2. EAST ASIA

### Overview

East Asia continues to experience impressive rates of economic growth; even so, poverty remains a persistent problem. Over 200 million people in the region still live in poverty (on less than \$2 a day).<sup>41</sup> In addition to poverty, uneven development is widening the gap between rich and poor. People across the region have come to expect better access to essential services as their economies progress, but in many cases the poor remain excluded from basic education and health care. Australia is reducing poverty in the region by helping build the necessary institutions that help poor people to participate in the economy and improve access to these services. Australia also continues to work with East Asian countries to address regional challenges such as human trafficking, emerging infectious diseases and water resource management.

Australian aid to East Asia has more than doubled over the past decade and Australia is now the third largest bilateral donor to the region. Our bilateral programs in East Asia strengthen linkages with a region that is increasingly important for Australia's economy. East Asia is Australia's largest trading partner, comprising 55 per cent of our trade in goods and services in 2011.<sup>42</sup> Australian firms have more than doubled their investment in the region over the past decade.<sup>43</sup> Aside from a strong economic imperative to strengthen linkages, it is in our national interest to promote political stability and peace in our region. Other donors such as China, Japan and the Republic of Korea are expanding their aid to the region and Australia is seeking opportunities to work with these donors to promote economic growth and address development issues of mutual concern.

As outlined in the *Australia in the Asian Century* White Paper, the aid program is building skills and strengthening institutions in developing countries in the region. The Australia Awards are an example of this, allowing the best and brightest from developing countries to study in Australia and return home to assist in national development. This helps to build long-lasting people-to-people links, as does the Australian Volunteers for International Development program, which sends skilled Australians abroad to contribute to the region's development.

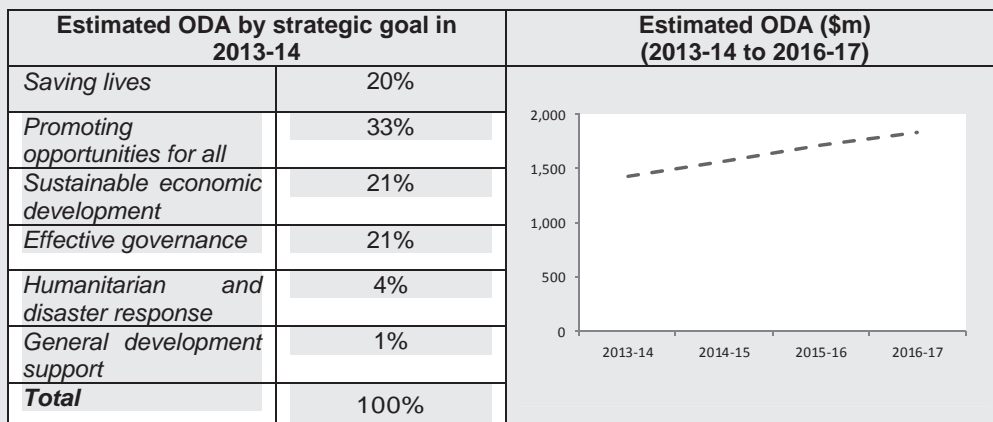
Australian aid will continue to help partner governments create an enabling environment to end poverty. Indonesia is Australia's largest bilateral program. Our assistance is helping the Indonesian Government better target and expand national development programs such as the National Program for Community Empowerment (PNPM), which improves infrastructure and basic health and education services in 60,000 villages.

Our country program in Myanmar is growing strongly, reflecting the historic opportunity presented by the country's transition. Australia is the leading donor in education in Myanmar, helping the government improve access to schooling and the

quality of teaching.

Education and health will remain important features of country programs across the region and we will continue programs that are already delivering results. Since 2007, our education programs have contributed to improving education opportunities for more than 3 million students across East Asia.

**Estimated ODA to East Asia in 2013-14: \$1,431.4 million**



The map below shows estimated ODA to developing partner countries in the East Asia region in 2013-14.





## Country programs

### INDONESIA

Over recent years Indonesia has made major progress in reducing poverty, with sustained economic growth and improved government services. Progress against the MDGs has been good, with improvements in areas such as education and poverty reduction. Despite these improvements, Indonesia still has large numbers of poor people and rising inequality. It also has high rates of maternal and neonatal mortality and child stunting.

The *Australia-Indonesia Partnership Country Strategy 2008-14* aligns Australian development assistance with Indonesia's priorities and reflects the determination of the two countries to tackle poverty and promote a prosperous, democratic and secure Indonesia. Australia is Indonesia's largest bilateral grant donor with major investments in education, infrastructure and social protection. The Indonesia program is also our largest country program. To make a real difference, Australia's assistance leverages Indonesia's own growing resources. For example, our support is helping to better target Indonesia's annual expenditure of \$5 billion on programs to protect the poorest and most vulnerable, such as providing grants to communities. The aid program is a key component of Australia's broader bilateral relationship with Indonesia, fostering goodwill and strengthening links between our people and governments.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	242.326 million	Australian ODA	541.6	646.8
Population Growth (%):	1.0 %	- Country	476.6	591.5
Population (Est. 2050):	306.735 million	- Regional/Global	30.1	31.3
GDP per capita (PPP):	USD 4,636	- OGDs	34.9	24.0
HDI rank:	121 of 187			
<US\$1.25/day:	43.764 million / 18.06%			
<US\$2.00/day:	111.761 million / 46.12%			

Strategic goals	Australia's response
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#### SAVING LIVES

Currently around 112 million people live on less than US\$2 a day and tens of millions on just a little more. An Indonesian child under five is seven times more likely to die than an Australian child. One in three Indonesian children under the age of five suffers from stunting due to malnutrition. Indonesia's maternal mortality rate is 220 per 100,000 live births — around 30 times higher than Australia's and considerably worse than other countries in East Asia.<sup>44</sup> Indonesia has one of the fastest growing HIV epidemics in South East Asia, with HIV infection rates in Papua and West Papua rising rapidly. Nationally, 46 per cent of the population still does not have access to proper sanitation, and in rural areas the rate is 61 per cent.

Australia is supporting Indonesia's efforts to reduce deaths from pregnancy complications in East Nusa Tenggara province by supporting skilled health workers attend births and training health care workers and administrators. We are also expanding HIV testing and treatment in Papua and West Papua, resulting in more than 20,000 people receiving HIV treatment in these provinces by 2016 — or about 66 per cent of people living with HIV in those provinces. Additional investments in water and sanitation infrastructure over 2011-15 will result in 250,000 new water and 9,000 new sewerage connections.

#### PROMOTING OPPORTUNITIES FOR ALL

Only 75 per cent of Indonesian children complete the full nine years of education.<sup>45</sup> One quarter of Indonesia's 13-15 year olds do not attend junior secondary school (years 7 to 9) because schools are too expensive, far away, or the quality of teaching is poor.<sup>46</sup> Australia supports the mainstream education system as well as faith-based schools in Indonesia because faith-based schools are often the only facilities available to the

In 2013-14, Australian support will provide more Indonesian children with a good education, and establish up to 300,000 new junior secondary school places by 2016. We will continue to support the roll-out of a national system for the continuous professional development of education workers. Piloting of this program has already trained over 5,000 school officials and by 2016 it will have supported around 293,000 principals, school

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most disadvantaged children. Indonesia's performance on gender equality is improving overall, but is varied amongst the provinces. Indonesia still faces substantial challenges in its efforts to reach and serve the poor, especially women who are disproportionately vulnerable and constitute a large proportion of the poorest of the poor.

supervisors and district government education officials. AusAID will improve the welfare of up to 3 million poor women by increasing access to jobs and family planning, and supporting women's leadership against domestic violence. Australia also provides support through the Australia Awards – currently 831 Indonesians are studying long-term tertiary courses in Australia in fields such as Law, Economics and International Relations.

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#### **SUSTAINABLE ECONOMIC DEVELOPMENT**

While Indonesia has attained lower middle income status, the economic growth of the last decade has also led to inequality. Poor infrastructure, low labour productivity and weak institutional capacity have slowed economic growth and held back its benefits from too many Indonesians. Indonesia is also one of the most vulnerable countries to climate change. It is home to the third largest area of tropical forest in the world, but ranks among the highest for deforestation, forest degradation and greenhouse gas emissions.

Australian support for rural development is helping around one million poor farmers increase their incomes by at least 30 per cent by 2022. By the end of 2013 we will have upgraded and widened the national road network in nine provinces of eastern Indonesia. Australia also supports the Indonesian Government in policy development and capacity building for Reducing Emissions from Deforestation and Forest Degradation (REDD+).

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#### **EFFECTIVE GOVERNANCE**

While Indonesia's political stability, accountability and government effectiveness have improved in recent years, challenges in areas such as justice, public administration and anti-corruption remain. Decentralisation of public service delivery poses both opportunities and challenges. Building the public finance capacity of sub-national government should be at the core of any attempt to improve public service delivery in Indonesia. Further priorities in this area include improving financial systems, international trade policy and economic policy coordination.

Australia will support 180 civil society organisations to track service provision by 2014, resulting in better provision of basic services to the poor. To achieve fairer proceedings for justice seekers in 2012, over 600 court officials and prosecution officers were trained in mediation, legal aid delivery, public sector reform and strategies for combating corruption. By 2015, we will have provided technical assistance in a range of areas including tax administration, economic policy coordination and public financial management through the *Australia-Indonesia Partnership for Economic Governance*.

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#### **HUMANITARIAN AND DISASTER RESPONSE**

Poor people are especially vulnerable to natural disasters and Indonesia is one of the world's most disaster-prone countries, experiencing regular floods, earthquakes and volcanic eruptions. For example, in 2010 alone, over 800 people were killed and 400,000 displaced by the eruption of Mt Merapi volcano and a tsunami off the Mentawai Islands. Disaster risk management, humanitarian aid and disaster risk reduction assist people to recover from disasters and plan and prepare for future disasters.

By the end of 2013, Australia will have helped to develop new disaster management regulations in East Java which will help more than 12 million people be better protected from natural disasters. The Australia-Indonesia Facility for Disaster Reduction has enabled the Indonesian Government to establish a real-time earthquake impact measurement system. The Facility will support national and sub-national governments to create disaster scenarios to build capacity for disaster preparedness in four provinces with a combined population of more than 54.5 million.

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## VIETNAM



Following two decades of strong economic growth and reforms, Vietnam has become a lower middle-income country. Vietnam has already achieved five of the MDG targets and is likely to meet a further two by 2015. Despite this progress, over 38 million people in Vietnam live on less than US\$2 per day. Nearly half the population does not have access to safe sanitation and millions are at risk of being affected by the impacts of natural disasters and climate change.

Vietnam is one of Australia's most important and valued regional partners, with significant trade and investment interests. This year marks the 40<sup>th</sup> anniversary of diplomatic relations between Australia and Vietnam. The *Australia-Vietnam Joint Aid Program Strategy (2010-2015)* identifies our shared priority sectors as human resource development, economic integration and environmental sustainability. Australia's flagship project, the Cao Lanh bridge, will improve transport infrastructure, facilitating better access to markets and increased economic activity in targeted regions. Australia is committed to increasing poor people's access to clean water and hygienic sanitation in rural areas, improving the quality of Vietnam's human resources and advancing climate change adaptation and mitigation. Since 2011, an additional 1.6 million people have access to clean water and almost half a million more households have access to hygienic toilets. More than 280,000 people in the Mekong Delta are less vulnerable to natural disasters following completion of two activities which improved planning and awareness, built small-scale infrastructure, and introduced new livelihood activities.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	87.840 million	Australian ODA	153.1	159.1
Population Growth (%):	1.0 %	- Country	108.7	112.0
Population (Est. 2050):	110.456 million	- Regional/Global	32.1	38.3
GDP per capita (PPP):	USD 3,412	- OGDs	12.3	8.8
HDI rank:	127 of 187			
<US\$1.25/day:	14.801 million / 16.85%			
<US\$2.00/day:	38.087 million / 43.36%			

### Strategic goals

### Australia's response

#### SAVING LIVES

Water-borne diseases have a major health and economic impact on rural populations in Vietnam. Australia has invested in water and sanitation for over two decades with good results. However, much work still needs to be done to meet the MDGs for this area.

Australia will continue to help Vietnam to reduce the incidence of water-borne diseases resulting from polluted water and poor sanitation. Australia's support for Vietnam's Rural Water Supply and Sanitation National Target Program will bring clean water and sanitation to 8 million rural Vietnamese by 2015 and help the Government of Vietnam to adopt approaches for providing rural water supplies and sanitation. By 2015, with Australian assistance, 85 per cent of the rural population will have access to clean water and 65 per cent of rural households will have access to hygienic toilets.

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**PROMOTING OPPORTUNITIES FOR ALL**

Poor quality education remains a barrier to Vietnam's ambition to become an industrialised economy. Skilling up Vietnam's young people, who account for over 60 per cent of the population, is critical for economic competitiveness and a more effective public sector in Vietnam. Education quality, especially at the tertiary level, continues to be low in Vietnam. Only 14 per cent of tertiary-level academic staff have doctorates.<sup>47</sup> In turn, only one quarter of high school graduates pursue tertiary study and most that do are not equipped with the skills employers need.

Australia will continue to provide leadership, knowledge and technical skills to Vietnam through the Australia Awards. Improved quality of education will equip graduates with the skills necessary to meet market demand, and support Vietnam's 2011-2020 master plan for the development of human resources. In 2013-14, Australia will award up to 250 Australia Awards Scholarships for graduate study and around 100 Australia Awards Fellowships for training and work attachments with Australian organisations. Australia continues to be a major contributor to Vietnam's human resource sector.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

As Vietnam rapidly transitions and integrates with the global economy, institutional and policy reform is necessary to stimulate a new period of growth. Improved infrastructure is needed for Vietnam to reduce poverty and achieve industrialised country status by 2020. Vietnam's rapid economic growth has resulted in serious transport bottlenecks. Many Vietnamese still live in remote and rural areas with limited access to services and markets. A shortage of public sector resources requires Vietnam to access private sector finance and explore alternative ways to fund much-needed infrastructure, but government capacity to capitalise on this potential investment is limited. Climate change is a critical issue for Vietnam. If sea levels rise by one metre, more than 11 per cent of Vietnam's population would be displaced, mostly from the Mekong Delta. Adapting to climate change will ensure that the development gains achieved by Vietnam are not undone and will guarantee food security for millions of its people.

Australia is working closely with the Government of Vietnam, the Asian Development Bank, and the Republic of Korea to build major transport infrastructure in the Mekong Delta. In 2013-14, the construction of Australia's flagship project, the Cao Lanh Bridge, will commence. Australia will continue to work with the World Bank and the Government of Vietnam to bring to market its first Public Private Partnership project in the transport sector. Australia is supporting Vietnam's climate change adaptation response through a partnership between Australian and Vietnamese climate scientists that will improve Vietnam's capacity to better model the potential impact at the local level. AusAID will also support Vietnam to meet its voluntary commitment to reduce greenhouse gas emissions through improvements in energy efficiency.

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**EFFECTIVE GOVERNANCE**

Institutional strengthening is vital to the next stage of Vietnam's rapid development. Corruption has been identified by the Communist Party and the Government of Vietnam as a major obstacle to development. Vietnam rates poorly on international corruption indices with a 2012 Corruption Perception Index score of 31 (out of a perfect 100).<sup>48</sup>

In 2013-14, Australia will continue to strengthen Vietnam's capacity to reduce corruption by providing anti-corruption training to more than 100 government and party officials. Australia will support Phase 4 of the Vietnam Human Rights Technical Cooperation Program (delivered by the Australian Human Rights Commission) through activities such as raising awareness of women's rights and providing legal services for women.

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**HUMANITARIAN AND DISASTER RESPONSE**

Weather-related disasters are expected to intensify with climate change and there is an increasing need to build the resilience of communities, particularly in Vietnam's vulnerable Mekong Delta region. Natural disasters continue to impact on livelihoods and infrastructure in Vietnam at an estimated average cost of 1 to 2 per cent of GDP per annum. In 2011, natural disasters led to flooding of around 450,000 households, inundation of more than 350,000 hectares of rice paddy field, 295 recorded deaths and an estimated US\$620 million in damage.

Australia will continue to support Vietnam's efforts to reduce the impacts of natural disasters. Supporting Vietnam's national Community-Based Disaster Risk Management Program will improve community resilience to natural disasters through participatory planning and small-scale investment. This will be achieved through Australia's ongoing partnership with NGOs and the Asian Development Bank, which will assist 750,000 people to build resilience to weather-based disasters and climate change by 2015.



## PHILIPPINES



The Philippines is buoyed by recent economic growth, but ensuring its poor and vulnerable can take advantage of a more prosperous and stable future remains a challenge. More than 39 million Filipinos live on less than US\$2 a day — close to half of the population. Decades of volatile and inequitable growth, poor governance and internal conflicts have impeded the Philippines from realising its full potential. Low levels of public investment combined with very fast population growth of around 2 per cent is undermining the delivery of basic services and delaying progress against the MDGs, particularly universal education, child mortality and maternal health.

The Philippine Government aims to achieve accelerated growth and inclusive development through an ambitious reform agenda to tackle poverty, corruption and governance. In October 2012, it signed an historic framework peace agreement with the Moro Islamic Liberation Front in Mindanao, where decades of conflict have resulted in development slipping far behind the rest of the country.

Australia and the Philippines have a long-standing partnership in development cooperation that spans over 50 years. The *Australia-Philippines Aid Program Strategy (2012-17)*, which AusAID developed in consultation with the Philippine Government, sets out two strategic objectives: strengthening basic services for the poor; and reducing vulnerability to climate change and conflict. Helping the Philippines tackle poverty will contribute to prosperity for our neighbour, and build greater security within the region.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	94.852 million	Australian ODA	136.9	141.0
Population Growth (%):	1.7 %	- Country	102.6	109.0
Population (Est. 2050):	158.331 million	- Regional/Global	30.2	28.7
GDP per capita (PPP):	USD 4,119	- OGDs	4.1	3.3
HDI rank:	114 of 187			
<US\$1.25/day:	17.472 million / 18.42%			
<US\$2.00/day:	39.392 million / 41.53%			

### Strategic goals

### Australia's response

#### PROMOTING OPPORTUNITIES FOR ALL

Basic education in the Philippines is facing a crisis: education outcomes are poor and enrolment and retention rates are stagnant. On current projections, the Philippines is unlikely to meet its MDG of universal primary education. Education is a key sector in the Australia–Philippines aid program. Achieving a more educated workforce through improved education quality, access and retention will help the Philippines to establish more productive, higher skilled industries leading to more equitable economic growth and reductions in poverty.

Australia will support the largest and most significant reform in the Philippines education system in more than 20 years — introduction of a Kindergarten to Year 12 education program. The program will bring the current 10 year education system closer to international standards by expanding it to 13 years. Australian assistance will train teachers and decision makers, provide advice on curriculum development and help develop information technology systems. By 2017, Australian aid will support training programs for 41,000 teachers, provide health and hygiene programs to 120,000 children in 300 schools, and build 1,000 resource centres for teachers and students. Australia's support to the Philippine Government's social protection program is boosting demand for education services by increasing access, enrolment and retention rates. The scheme targets eligible poor families to receive cash grants on the condition that they meet health and education requirements.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

Despite a decade of healthy economic growth, the number of Filipinos living in poverty has increased. Growth has been narrow and inequitable, relying primarily on remittances from Filipinos working overseas to feed local consumption, and is limited to a handful of sectors including electronic exports, business process outsourcing, services and construction.

Australia is providing up to \$30 million to support the Philippine Government's Public-Private Partnerships (PPP) reform agenda by investing in infrastructure development, including in classroom construction, health services and transport. Investment in these areas is critical to fostering sustainable growth in the Philippines. Australia is providing technical expertise to the Philippines and helping the Government build a PPP project pipeline. Australian support to the PPP reform agenda will help develop a stronger policy, legal, institutional and regulatory environment for PPPs in the Philippines.

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**EFFECTIVE GOVERNANCE**

A key constraint to poverty reduction in the Philippines is weak governance. Weak governance persists at national and local levels and has a direct impact on service delivery. The Philippine Government has embarked on a governance reform agenda, giving priority to transparency and accountability, better public financial management and anti-corruption efforts. The reforms are promising but corruption, a weak bureaucracy and low public revenue are persistent challenges.

Decades of insecurity and conflict in the southern Philippines have also been economically and socially damaging. Large parts of Mindanao have been trapped in vicious cycles of conflict, poor governance and under-development. The signing of the framework peace agreement holds much potential for improvements and progress.

Australia is supporting more than 10 national and local governments by providing government employees with a variety of short term training, together with Australia Awards Scholarships for study in Australia. By 2015, at least 600 Filipinos will have undergone postgraduate study in Australia. Australia is working with the Philippine Government to deliver an innovative program that uses provincial road maintenance funding as an incentive for local governance reforms. Australia is also assisting the Government to automate its public financial management system to improve the efficiency and transparency of public spending.

Australia has made a substantial contribution to peace in Mindanao through our aid program. We will continue to support the peace process in Mindanao by introducing education for youth in remote communities and providing new opportunities for youth formerly involved with armed groups. In 2013, Australia will support the conduct of more credible and legitimate elections in Mindanao.

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**HUMANITARIAN AND DISASTER RESPONSE**

The Philippines is the third most vulnerable country to natural disasters globally, and the sixth most vulnerable to climate change. Its position in the Pacific 'Ring of Fire' belt of seismic activity and in the typhoon belt of the Western Pacific guarantees that the country will experience frequent volcanic eruptions and an average of 20 tropical cyclones each year — five to seven of which are typically severe. Natural disasters can reduce economic growth and increase poverty.

Australia is strengthening climate change adaptation and disaster risk management in the Philippines. Australian support will generate state-of-the-art multi-hazard and vulnerability maps in 14 provinces. We will help improve urban planning to build safer, disaster-resilient housing for poor people living in hazardous areas.



## TIMOR-LESTE



Timor-Leste has experienced strong economic growth and political stability in recent years but continues to face acute development challenges. It remains one of the world's poorest nations, with over 70 per cent of the population living on less than US\$2 a day, and has a burgeoning population. Timor-Leste's health indicators lag far behind global averages. In some cases - including the incidence of childhood stunting - they are among the worst in the world. Conditions are difficult, particularly outside of Dili where three quarters of the population live. Seventy-four per cent of rural households lack access to basic sanitation and 47 per cent of women are illiterate. Institutional weakness and limited public sector capacity also continues to impair poverty reduction efforts. Timor-Leste is on track to achieve only three of the MDGs, child mortality, HIV/AIDS and malaria, and environmental sustainability.

Australia is Timor-Leste's largest development partner. The 2012 withdrawal of the United Nations and International Stabilisation Force has enhanced the importance of Australia's development efforts. The development partnership has improved significantly since the signing of the *Strategic Planning Agreement for Development* in 2011. Under the agreement, Australian development assistance is aligned with Timor-Leste's priorities. In 2013-14, Australia will work closely with Timor-Leste to address major development challenges in education, agriculture, rural development, health and governance.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	1.176 million	Australian ODA	119.5	125.7
Population Growth (%):	2.9 %	- Country	70.0	78.0
Population (Est. 2050):	3.025 million	- Regional/Global	16.3	20.0
GDP per capita (PPP):	USD 1,578	- OGDs	33.2	27.7
HDI rank:	134 of 187			
<US\$1.25/day:	0.440 million / 37.44%			
<US\$2.00/day:	0.856 million / 72.82%			

### Strategic goals

### Australia's response

#### SAVING LIVES

While Timor-Leste remains on track to meet the MDG of reducing childhood mortality by 2015, maternal mortality rates remain high. As many as 706 Timorese women die in childbirth per 100,000 live births,<sup>49</sup> in contrast to just eight in Australia. Fifty-eight per cent of all children under the age of five suffer from stunting caused by malnutrition—one of the highest rates in the world.<sup>50</sup> Seventy-eight per cent of births occur outside a health facility and without a skilled birth attendant.<sup>51</sup> Limited access to safe water sources and basic sanitation contributes to the spread of preventable diseases such as diarrhoea which accounts for 11 per cent of childhood deaths.<sup>52</sup> In rural areas, only a quarter of households have access to basic sanitation, and only 57 per cent have access to safe water.<sup>53</sup>

In 2013-14, Australian assistance will focus on improving the health of mothers and children in Timor-Leste by ensuring that essential services reach rural and remote areas. Australia will support 475 monthly mobile clinics to visit villages to deliver antenatal care, child immunisation and growth monitoring, family planning services and basic nutrition education. We will support at least 100,000 people to access sexual and reproductive health and family planning counselling and education services. Australia will also support the delivery of basic secondary surgical services and help deliver post-graduate qualifications in critical areas including anaesthesia, and general and orthopaedic surgery for at least 12 Timorese doctors. We will also help to improve access for mothers to safe deliveries and emergency obstetric care. Australia will work jointly with Timor-Leste to improve sanitation and hygiene services by ensuring an additional 36,000 rural people have access to safe water sources and an additional 10,000 rural people have access to basic sanitation.

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### PROMOTING OPPORTUNITIES FOR ALL

Despite significant progress in recent years, education results in Timor-Leste continue to lag. Primary school enrolment rates increased rapidly to 93 per cent in 2010.<sup>54</sup> However, children who complete six grades of primary schooling take an average of 11.2 years to do so<sup>55</sup> and only about a third of students at the end of grade three can read at the appropriate level.<sup>56</sup> Schools lack adequate infrastructure, materials, and trained and motivated teachers. The training and vocational sector has been increasing in size and becoming formalised. Nonetheless, only 13 per cent of those in the labour force in 2010 had access to formal training and employers continue to lack confidence in the quality of training and vocational courses.<sup>57</sup>

Australia will support the Timorese Government's education priorities, including teacher training. In 2013, we will purchase and deliver around 800,000 books for early grades of primary school. We will support the development of learning materials and training of teachers in mother-tongues. Australia will support the construction of a minimum of 50 new classrooms and renovation of 250 classrooms. We will also support Timorese principals to manage their schools better. Australia will help to strengthen the quality of Technical and Vocational Education and Training providers to help young people get jobs. In addition, 22 Australia Awards Scholarships have been provided to Timorese students to study tertiary courses in Australia in 2013.

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### SUSTAINABLE ECONOMIC DEVELOPMENT

Timor-Leste's oil wealth has led to steady economic and social gains, particularly in Dili. But little has trickled through to the districts, where 75 per cent of the population lives. In these districts most people rely on subsistence agriculture and produce with minimal surplus to generate cash incomes. Yields are constrained by out-dated farming techniques and small plots. Poor rural infrastructure hampers economic development and the delivery of essential services. The vast majority of rural roads in Timor-Leste are in poor condition. Timor-Leste's public sector has a critical role in helping the country implement the Strategic Development Plan. Australia is supporting Timor-Leste's public service to deliver better services to its people and plan for infrastructure development.

Helping Timor-Leste repair, rehabilitate and maintain more than a third of its 3,000 kilometre network of rural roads remains the top priority of Australia's Roads for Development Program. We will continue to use labour intensive approaches to maximise employment opportunities, particularly for young people, adding to the 160,000 jobs we have created since 2008. Australia will also continue supporting agricultural productivity through the Seeds of Life Program, which will provide improved crop varieties to an additional 65,000 households (around 50 per cent of all farming households) by the end of 2015 and increase crop yields by between 20 and 80 per cent. Australia is assisting the Government of Timor-Leste to develop a new national program that will provide grants for small-scale infrastructure directly to all of Timor-Leste's 442 villages. Australia will also assist plans to liberalise the telecommunications sector.

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### EFFECTIVE GOVERNANCE

Timor-Leste achieved fair and free elections in 2012, and the withdrawal of the United Nations Integrated Mission and International Stabilisation Force in Timor-Leste in late 2012 demonstrated the international community's confidence in Timor-Leste's stability. A major challenge facing Timor-Leste's public sector is to make sure the wealth from petroleum revenue improves the lives of rural Timorese. Timor-Leste's young public finance systems need to be strengthened especially related to accountability, procurement, and management of large and complex infrastructure projects.

Australia will continue to strengthen the capacity of the public service, and will work with Timor-Leste to produce key statistical products including the Consumer Price Index and Business Activity Survey—critical inputs to effectively manage the country's development. Australia's assistance to the Ministry of Finance has strengthened major infrastructure procurement management. In 2013, we will support Timor-Leste to appraise major infrastructure proposals to determine their economic potential. This continues ongoing support that resulted in major infrastructure appraisals worth \$190 million considered in the country's 2013 budget. Australia will continue training and mentoring the Timorese police so it can continue to safeguard the country's stability. We will continue to support improved financial management across government, including a focus on budget planning, so that schools and hospitals have the funds they need to educate children and help the sick.



## CAMBODIA

Cambodia has experienced strong economic growth over the past 15 years.<sup>58</sup> Although living standards have improved during this period and good progress has been made against the MDGs such as primary education, income inequality is high. Cambodia's people still have some of the poorest indicators in the region for gender equality, access to clean water and sanitation, child and maternal health and poverty. Approximately 3.3 million Cambodians, or around 23 per cent of the population, live in extreme poverty. Cambodia must deal with a number of transboundary challenges, including water resource management, climate change, environmental degradation, pandemics and transnational crime. It is in Australia's national interest for Cambodia to continue progress toward prosperity and to be a helpful partner in addressing regional challenges.

Australian aid priorities in Cambodia, outlined in the *Australia–Cambodia Joint Aid Program Strategy 2010-2015*, will help Cambodia's poorest people benefit from the country's strong economic growth. These priorities are in areas where Australia has the capacity to make a difference: health, agriculture and rural development, law and justice, and infrastructure. Helping to end violence against women and ensure disability-inclusive development in Cambodia are also important cross-cutting priorities for Australia.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	14.305 million	Australian ODA	84.0	97.2
Population Growth (%):	1.2 %	- Country	50.2	59.0
Population (Est. 2050):	19.351 million	- Regional/Global	29.4	34.7
GDP per capita (PPP):	USD 2,358	- OGDs	4.4	3.5
HDI rank:	138 of 187			
<US\$1.25/day:	3.254 million / 22.75%			
<US\$2.00/day:	7.62 million / 53.27%			

Strategic goals	Australia's response
<p><b>SAVING LIVES</b></p> <p>Despite recent improvements, Cambodia's child and maternal mortality rates remain high compared to the rest of the region. In 2010, maternal mortality was 206 per 100,000 live births, more than four times the level in Thailand and around 30 times the level in Australia.<sup>59</sup> The mortality rate for children under five was 54 per 1,000 live births.<sup>60</sup> More significantly, there has been little improvement in the neonatal mortality rate, which was 28 deaths per 1,000 live births in 2005, and 27 deaths per 1,000 live births in 2010.<sup>61</sup></p>	<p>Australia is directly improving the quality of health services and also working with the Cambodian Government to provide the poor with access to subsidised health services. Partnering to Save Lives is a new Australian-funded five year program which will address child and maternal health. Australia, the Cambodian Government and non-government organisations are collaborating through this program to save the lives of women and new-born babies in Cambodia by improving the coverage, quality and utilisation of reproductive, maternal and neonatal health services.</p>
<p><b>PROMOTING OPPORTUNITIES FOR ALL</b></p> <p>The prevalence of disability in Cambodia is around 6 per cent.<sup>62</sup> Amputations due to conflict and landmines account for 20 per cent of all disabilities,<sup>63</sup> one of the highest rates in the world. People with disability are more likely to have lower incomes and poorer health than people without a disability.</p>	<p>Cambodia is a focus country for <i>Development for All</i>, Australia's disability-inclusive development strategy. In 2013-14, Australia will design and implement a new initiative in Cambodia to improve the quality of life for people with disability. Through this support, Australia will help the Cambodian Government implement its obligations under the United Nations Convention on the Rights of Persons with Disabilities. Australia provides 50 Australia Awards Scholarships per year to scholars in areas relevant to Cambodia's national development.</p>

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### **SUSTAINABLE ECONOMIC DEVELOPMENT**

Ninety-two per cent of Cambodia's poor currently live in rural areas and the majority of these people derive their income from agriculture.<sup>64</sup> Limited agricultural productivity, lack of crop diversification, and underemployment continue to plague people in rural areas. Nutrition is also a major development challenge in Cambodia. The prevalence of wasting among children under five increased from 8.4 per cent in 2005 to 10.9 per cent in 2010. In 13 provinces, the prevalence of wasting is greater than 10 per cent, which is considered serious on the World Health Organization's (WHO) classification of acute malnutrition. Cambodia also lacks infrastructure, particularly in transport and energy.

Australia is improving agricultural productivity and food security by rehabilitating irrigation systems and training Cambodian farmers in modern agricultural techniques. Many farmers can now grow an extra crop of rice in the dry season and have improved the quality and value of their crops by using better seed varieties and fertilisers. Support for agriculture is likely to help 230,000 small farmers increase their incomes by 2014. Australia is investing in improvements to Cambodia's infrastructure to help drive growth by creating opportunities for domestic and international trade and employment growth, particularly in poor rural areas. The southern railway line between the capital city of Phnom Penh and Sihanoukville Port has recently been rehabilitated and opened to goods traffic. By 2015, rural roads and electricity infrastructure will also have improved, enabling higher traffic volumes as well as lower passenger, freight and manufacturing costs.

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### **EFFECTIVE GOVERNANCE**

A strong and well-functioning legal sector in Cambodia is necessary for sustained development and underpins the effectiveness of many other development initiatives. There is appalling prison overcrowding in Cambodia as well as high rates of violence against women.

Australia's new phase of support to the law and justice sector in Cambodia, the Cambodia Community Justice Assistance Partnership 2013-2015, will focus on community safety and crime prevention, prison overcrowding, and ending violence against women. By 2015, our Cambodian law and justice programs will result in increased access to legal aid for the accused, greater use of non-custodial sentences, reduced pre-trial detention and stronger monitoring systems for court practices. Communities will experience less crime as a result of commune and police collaboration on crime prevention and increased enforcement of domestic violence law.

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### **HUMANITARIAN AND DISASTER RESPONSE**

Approximately 650 square kilometres of land in Cambodia is contaminated with landmines.<sup>65</sup> Much of this is agricultural land. Landmines kill and maim hundreds of Cambodians every year, disproportionately affecting children and the poor.

Australia will continue to support mine clearance in Cambodia. By the end of our current phase of support in 2015, the Clearing for Results II Project will release at least 35 square kilometres of land for agriculture and resettlement and reduce casualties caused by landmines. Australia's support for rehabilitating essential national infrastructure, particularly roads and bridges damaged by the regional floods in 2011 will be completed by the end of 2013-14.

	<b>MYANMAR</b>	
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Myanmar's unprecedented democratic reforms present a unique opportunity for Australia to improve the lives of millions of people. Myanmar remains one of the poorest countries in South East Asia with at least a quarter of its 48 million people living in poverty.<sup>66</sup> Myanmar is not on track to achieve MDGs for primary education, child mortality and maternal health. Low public investment in basic services has resulted in poor health—particularly for women and children—and reduced access to education for children. Around 1 in 14 children die before the age of five and only 54 per cent of children complete five years of primary schooling. Decades of civil conflict and vulnerability to climatic events have also exacerbated Myanmar's development challenges.

Australian aid is guided by the *Australia–Myanmar Aid Program Country Strategy (2012–14)*. On 29 January 2013, Australia and Myanmar signed their first Memorandum of Understanding (MoU) on development cooperation. The MoU enables Australia to deliver aid for the first time through a direct relationship with government — as we do with other countries in Asia — and provides a framework for greater cooperation in critical sectors such as education and health. This partnership enables Myanmar and Australia jointly to determine development priorities and ensure that our support is embedded into the reform plans of Myanmar Government agencies.

Australia will assist the Myanmar Government to reduce poverty by building its capacity to deliver better education, health and livelihoods. Australia is leading donor efforts in education — the flagship of the Australian aid program in Myanmar — and has contributed to helping over a million children go to school over the past five years. Australia will also support the peace process, democratisation and good governance. Australia is committed to supporting Myanmar become a prosperous and stable country.

<b>Key Statistics</b>	<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	48.337 million	Australian ODA	64.2 82.8
Population Growth (%):	0.8 %	- Country	49.2 64.1
Population (Est. 2050):	57.055 million	- Regional/Global	15.0 18.7
GDP per capita (PPP):	-	- OGDs	- -
HDI rank:	149 of 187		
<US\$1.25/day:	-		
<US\$2.00/day:	-		

<b>Strategic goals</b>	<b>Australia's response</b>
<p><b>SAVING LIVES</b></p> <p>Myanmar's public investment in health is one of the lowest in the world and there are excessive deaths across the country from easily preventable illness and disease.<sup>67</sup> Maternal and child health is the area of most desperate need with approximately 1,600 pregnant women and 53,000 children under five years of age dying each year.<sup>68</sup> Diseases such as malaria, tuberculosis (TB) and HIV/AIDS are rife. Each year in Myanmar an estimated 23,000 people die from TB and approximately 3.8 million cases of malaria are recorded.<sup>69</sup> In 2011, over 200,000 people in Myanmar were infected with HIV and an estimated 18,000 people died as a result of AIDS.<sup>70</sup></p>	<p>From 2012–16, Australia's support to the Three Millennium Development Goals Fund will contribute to saving the lives of approximately 25,000 children and 3,000 mothers. The fund will prioritise maternal, newborn and child health services by providing immunisations to 95,000 children and ensuring an additional 46,000 births are attended by skilled health professionals. Australia will support HIV, TB and malaria interventions by distributing needles and condoms; detecting and referring TB cases to appropriate health care facilities; providing long lasting insecticidal bed nets in malaria-prone areas; and tackling drug resistant malaria. Australia will also help Myanmar provide equitable, affordable health services that are responsive to the needs of Myanmar's most vulnerable populations.</p>

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### PROMOTING OPPORTUNITIES FOR ALL

A sound education remains elusive to many of Myanmar's 18 million children. Only 54 per cent of children in Myanmar complete primary school and 20 to 30 per cent are either not enrolled in school or do not attend school regularly. Children in poor, remote and conflict-affected areas, as well as children with disability, are particularly vulnerable. Education quality is low, with estimates suggesting that only 57 per cent of teachers in government schools are properly qualified. The Myanmar Government has committed to reforming the education sector but needs help to do so effectively. Human and institutional capacity to deliver on Myanmar's broader reform agenda is also constrained.

Through support to the United Nations Children's Fund (UNICEF) Multi-Donor Education Fund and the Myanmar Education Consortium, Australia will increase the number of children accessing and completing a better quality basic education in Myanmar. By 2015, the program aims to have helped around 1.3 million children go to primary school by providing education materials such as textbooks, backpacks and stationery. More than 140,000 boys and girls will also have better access to early childhood development, which will support their entry to primary school. The programs will target children in the country's most disadvantaged areas. The initiatives will train 32,000 teachers and 7,400 school administrators, and improve access to education for children with disability. In 2013, Australia will provide technical expertise to support education sector reform in Myanmar. In 2013-14, Australia will offer 50 Australia Awards Scholarships and about the same number of Australia Awards Fellowships to champions for reform from both government and civil society organisations. The number of Fellowships will be determined next financial year and is expected to rise from the 62 offered in 2012-13.

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### SUSTAINABLE ECONOMIC DEVELOPMENT

Myanmar has the weakest social and economic development indicators in the East Asia region. Sustainable economic development will be critical to reducing poverty and providing livelihood opportunities to Myanmar's growing population. The Government of Myanmar has announced an ambitious economic reform agenda as it transitions to a market economy. Improving economic governance and strengthening the management of resources, including revenues from critical sectors such as mining, is a priority. The Government also announced its intention to accede to the Extractive Industries Transparency Initiative that guides good practice in the management of natural resource revenues.

The *Myanmar-Australia Partnership for Reform (2013 – 2015)* will help the Myanmar Government build capacity to deliver on its reform agenda in key economic sectors such as mining. Australia's activities will help to develop the mining sector in a way that is equitable and environmentally sustainable, and that maximises benefits for the poor. This will include support for Myanmar's accession to the Extractive Industries Transparency Initiative. The aid program will draw on Australian expertise to help the Government of Myanmar reform laws and practices in the mining sector. A partnership with the World Bank commenced in late 2012 that will help the Government of Myanmar improve public financial management, including the management of resource revenues, and strengthen the business and investment climate to increase private sector activity.

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### EFFECTIVE GOVERNANCE

Weak governance and transparency make Myanmar one of the most difficult countries in East Asia in which to do business. Improving governance underpins Myanmar's ambitious reform agenda. Myanmar has announced reforms that will support its transition to democracy and a market economy, including strengthened rule of law and improved transparency and accountability of the bureaucracy. The transition to democracy is a priority for the Government of Myanmar, as is improving its performance in human rights, as demonstrated through the establishment of the Myanmar National Human Rights Commission.

The *Myanmar-Australia Partnership for Reform* will strengthen democratic institutions, promote human rights and advance the rule of law, including through support for a free and fair election in 2015. In 2012-13, Australia supported the establishment of the Myanmar National Human Rights Commission through the work of the Asia-Pacific Forum of National Human Rights Institutions. This support will be increased under the Partnership, including by strengthening capacity to deliver human rights training for government agencies and civil society. Australia is also supporting the Government to stop the recruitment of child soldiers into the armed forces and improve implementation of the Myanmar Child Law and UN Convention on the Rights of the Child.

## HUMANITARIAN AND DISASTER RESPONSE

Ethnically-based civil conflict for the past 60 years has severely undermined development and continues to affect populations in several areas.

Ethnic minorities make up an estimated 32 per cent of the population and face unequal access to basic services. While the Myanmar Government has negotiated several ceasefire agreements, a comprehensive peace process is only just emerging. Myanmar needs international support to secure a lasting peace that delivers tangible improvements in the lives of conflict-affected people. Civil conflict has also led to widespread displacement and statelessness. Approximately 140,000 Myanmar refugees are in Thailand, more than 200,000 are in Bangladesh and more than 80,000 are in Malaysia. Myanmar itself has more than 500,000 internally displaced people. The majority of the Muslim Rohingya ethnic minority are not citizens, excluding them from basic services and leaving around 800,000 people stateless and in grinding poverty.

Australia will support the peace process to help ensure it delivers tangible benefits for Myanmar's people. We are working with the Myanmar Peace Support Initiative to strengthen ceasefire agreements by providing essential humanitarian assistance to people whom the international community could not previously reach. Australia will continue to work with local and international organisations to support ongoing peace negotiations to improve the likelihood of a lasting peace agreement. Australia continues to provide essential humanitarian assistance to those in need. For example, in 2013-14, Australia will work with Save the Children to provide a safe environment for over 37,000 children left homeless by violence in Rakhine State. In Kachin State, Australia is working with Oxfam to help people affected by conflict. In 2013-14, we will provide water buckets and hygiene supplies to more than 15,000 people, small cash grants for more than 11,000 people, and food for around 7,000 people.

## LAO PEOPLE'S DEMOCRATIC REPUBLIC

Despite strong economic growth and social gains made in urban areas, Laos remains one of the least developed countries in the world. Poverty has been steadily falling, but an estimated 2 million Lao people still live under the extreme poverty line of US\$1.25 a day. Poverty is concentrated in remote rural areas, particularly in the mountainous north and in the south-east where people have limited access to roads, basic services and markets. The Government of Laos has low human and financial capacity to deliver basic services to these areas. On current trends Laos will only meet one MDG target — reducing child mortality.

For almost 60 years, Australia has been a key partner in Laos' development and continues to have an interest in seeing it become a stable, prosperous and well-managed regional neighbour. Australia is currently the second largest bilateral donor to Laos. Our support is guided by the *Australia-Laos Development Cooperation Strategy 2009-15*. We work in areas critical to Laos's long-term development and where we have expertise to deliver results: education; inclusive growth through trade and investment reform; and rural development. We work in partnership with multilateral development agencies, other donors, the private sector and civil society, and through Australian volunteers.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	6.288 million	Australian ODA	55.9	62.4
Population Growth (%):	1.4 %	- Country	34.8	40.0
Population (Est. 2050):	8.558 million	- Regional/Global	16.3	19.0
GDP per capita (PPP):	USD 2,790	- OGDs	4.8	3.4
HDI rank:	138 of 187			
<US\$1.25/day:	2.130 million / 33.88%			
<US\$2.00/day:	4.150 million / 66.00%			

Strategic goals	Australia's response
<b>PROMOTING OPPORTUNITIES FOR ALL</b>	
<p>The Government of Laos is committed to reaching the MDG for education and has made significant progress in increasing primary school enrolment rates. It is pursuing this through school construction, reducing the cost barriers to education, and enabling greater community participation in basic education. However, progress toward ensuring all students complete the full five years of primary education has stagnated with fewer than 70 per cent of grade one students reaching grade five.<sup>71</sup></p>	<p>By the end of 2013-14, Australia's program for basic education will have built 785 new classrooms and improved the qualifications of 6,000 teachers, 2,600 school principals and 7,500 community members. This support contributes to the Global Partnership for Education in Laos, helping Laos move toward achieving universal primary education. Australia will also provide around 50 Australia Awards Scholarships for tertiary study in Australia and around 70 scholarships to students from disadvantaged backgrounds to study at a Lao university.</p>
<b>EFFECTIVE GOVERNANCE</b>	
<p>In 2011, the Government of Laos adopted four new approaches to graduate from the status of a Least Developed Country by 2020. One such approach is to develop human resources, in particular by enhancing the knowledge and competence of Government officials to meet the challenges of transitioning to a market economy.</p>	<p>In 2013-14, Australia will assist selected Ministries and organisations to produce human resource development plans. An early priority is to assist the Government of Laos to finalise the draft <i>Civil Service Master Plan</i>.</p>
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>Laos has experienced strong growth of around seven per cent per year since 2001, facilitated by significant trade reform.<sup>72</sup> This strong trade reform performance has been recognised by the World Trade Organization's acceptance of Laos' membership. A broadening of Laos' economic base is essential to future long-term, sustainable and equitable development. A key challenge for Laos will be to ensure recent trade policy and legislative reforms are followed through and result in significant and tangible improvements to the business operating environment. Around 69 per cent of households are in rural villages,<sup>73</sup> where the poverty rate is 32 per cent.<sup>74</sup> Rural vulnerability remains an issue. Some communities are being displaced from their land and associated livelihoods by national development policies and the granting of large-scale agricultural concessions to foreign private investors. Inadequate infrastructure, unexploded ordnance (UXO) contamination and the limited access of rural households to social safety nets, financial services, and markets continue to contribute to rural poverty.</p>	<p>In 2013-14, in partnership with the World Bank and others, Australia will continue to help Laos to improve its economic competitiveness and diversify the economy. This will include a focus on growing the non-resources sector of the economy by improving the business operating environment. Australia will assist Laos to reduce export and import clearance times and the number of days required to obtain operating licences by half. This will be achieved by streamlining, simplifying and harmonising regulatory requirements and processes. Advisory services will be provided to female-owned businesses to improve their competitiveness and opportunities to export their products. In 2013-14, Australia will provide around 17,000 poor people with increased access to financial services. Australia will expand and strengthen village banks and provide education on savings, loans and avoiding debt traps, as well as work with Lao regulators to make financial services more accessible to the poor. Australia will also continue to improve rural infrastructure, including around 40 kilometres of rural roads, to increase poor households' access to basic services and markets.</p>
<b>HUMANITARIAN AND DISASTER RESPONSE</b>	
<p>Unexploded ordnance (UXO) contamination is a major issue in Laos. Half of potential agricultural land in Laos is contaminated with cluster munitions. UXO caused around 50 casualties in 2012 and over 50,000 since 1964.<sup>75</sup> Steady progress is being made with clearance but it is an expensive and painstakingly slow process. It is estimated that clearance of priority areas will cost US\$1.6 billion and, at present rates of clearance, take more than 100 years. Poor communities in Laos are vulnerable to the effects of natural disasters, particularly floods and droughts. Climate change is increasing the intensity and frequency of</p>	<p>Australia will continue to support UXO clearance, risk education and survivor rehabilitation. Australia is working in partnership with non-government organisations and the government clearance agency to help clear UXO from at least 500 hectares of land in 2013-14, benefiting around 30,000 people. By 2015, Australia will strengthen national emergency preparedness and response in Laos in partnership with Australian non-government organisations and the World Food Programme. Australia will help Laos to develop Emergency Response Standard Operating Procedures. Australia will also support the training</p>

disasters, eroding food security and development gains. of local officials and school administrators across five of the poorest provinces in emergency preparedness and disaster risk reduction.



## MONGOLIA



Landlocked, sparsely populated and resource-rich, Mongolia faces a unique set of development challenges. Although recent economic growth through mining investment has elevated Mongolia to lower-middle income country status, its extreme poverty rate (US\$1.25 per day) remains high — approximately 22 per cent of the population.<sup>76</sup> Despite this, Mongolia has made good progress against the MDGs and is on track to reach all targets, except for environmental sustainability, by 2015.

A well-governed and economically resilient Mongolia is in Australia's national interest. Australia supports Mongolia as an emerging Asian democracy and economic player. Our assistance helps foster improved governance, transparent use of natural resources and more equitable development. Australia's aid program to Mongolia has grown in recent years. Our assistance is focused on building the human resource and leadership base of Mongolia through Australia Awards Scholarships, strengthening governance in Mongolia's growing mining sector and supporting vulnerable communities by improving water, sanitation and hygiene in disadvantaged rural areas.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	2.800 million	Australian ODA	14.6	16.5
Population Growth (%):	1.6 %	- Country	8.3	11.0
Population (Est. 2050):	4.211 million	- Regional/Global	5.7	4.9
GDP per capita (PPP):	USD 4,742	- OGDs	0.6	0.6
HDI rank:	108 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

### Strategic goals

### Australia's response

#### PROMOTING OPPORTUNITIES FOR ALL

Nearly 70 per cent of Mongolia's rural population has no access to adequate sanitation and more than 50 per cent of Mongolia's rural population has no access to safe water.<sup>77</sup> Only 28 per cent of district schools have access to adequate water, which poses serious health risks to children in rural schools and dormitories (where many rural children spend up to nine months of the year), as well as impacting attendance rates.<sup>78</sup> The rapid development of Mongolia's mining sector has placed demands on human resources and skilled employment in both the public and private sector. While basic educational achievement is high, there is a gap between the educational qualifications and skills being delivered in the secondary and tertiary sectors and the human resource needs of the public and private sectors.

Australia is partnering with UNICEF to provide improved water and sanitation facilities for 7,800 disadvantaged rural children in northwest Mongolia. This \$3.4 million activity (2012-15) will improve health outcomes and contribute to increased school attendance rates. We will continue to build the human resource and leadership base of Mongolia by providing 38 Australia Awards Scholarships per year. These scholarships are improving capacity within Mongolia's public and private sectors, with alumni making important contributions to Mongolia's development, including by holding seats in parliament and senior public service positions.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

Mongolia's rapidly expanding mining sector is expected to return large revenues to the Government in the years ahead. The absence of robust financial governance arrangements and social and environmental safeguards represents a serious threat to long-term economic development. The mining industry is highly dependent upon large, reliable quantities of water, yet Mongolia's key mining projects are located in peripheral provinces with modest water resources. Our support will help to ensure more sustainable use of these resources in the face of expanding demand from mining and other developments.

Mongolia is a high priority country under the Australian Government's Mining for Development Initiative. Our assistance is targeted at strengthening governance in the mining sector, helping to ensure mining revenues are equitably distributed, and that the social and environmental impacts of mining are effectively managed. This assistance includes a \$5 million activity (2012-15) with the World Bank that is strengthening the ability of authorities to manage groundwater resources in a key mining area in the South Gobi region that is also home to communities of pastoral nomads. This activity is piloting new institutional structures for groundwater management in three provincial capitals, and strengthening the Mongolian Water Authority's ability to monitor groundwater.



**DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA  
(DPRK)**



The people of the DPRK labour under a brutal dictatorship, and suffer from food insecurity, malnutrition, poor access to sanitation and safe water. There is an estimated food deficit of 207,000 tonnes.<sup>79</sup> Australia does not have a bilateral aid program with the DPRK, but we provide humanitarian assistance through trusted multilateral organisations, such as the World Food Programme, UNICEF and the Red Cross. No funds are provided to the North Korean Government.



## Regional programs

### EAST ASIA REGIONAL PROGRAMS

2013-14 Estimate: \$100.0 million

While Australia provides most of its aid to East Asia through bilateral programs, we recognise that some development challenges cut across borders and are best addressed through a regional response. Australia works with key regional organisations, such as the Association of South East Asian Nations (ASEAN), the East Asia Summit, and Asia Pacific Economic Cooperation (APEC), to create a strong and better connected East Asia region. We promote economic integration through the free flow of goods and services across borders. We also respond to regional challenges, including emerging infectious diseases, human trafficking, water resources management and disaster management.

#### Strategic goal

#### Australia's response

##### SAVING LIVES

Emerging health issues in East Asia — including pandemics and growing resistance to anti-malarial drugs — have the potential to affect global public health. Experience shows that malaria drug resistance can double hospital admissions caused by the disease and significantly increase deaths. Resistance to the anti-malarial drug Artemisin threatens to reverse progress on reducing malaria and impede economic growth. The 2012 UNAIDS report on the Global AIDS Epidemic estimated that 830,000 people in East Asia are living with HIV and 89,000 people were newly infected with HIV in 2011. The same report noted that people who inject drugs have up to 25 times the rate of HIV infection than the general population. Public health emergencies caused by emerging, infectious and potentially pandemic diseases become more likely as regional economies rely more on trade and transportation links. Australia's geographic proximity and our close economic and social links to East Asia require us to maintain a strong interest in how the region tackles serious and emerging infectious diseases, such as Severe Acute Respiratory Syndrome (SARS), avian influenza, and foot and mouth disease in livestock. Australia will save lives by supporting partner governments and their communities to effectively manage their own disease prevention, detection, and control activities.

In 2013–14, Australia will save lives in East Asia by supporting large-scale emerging disease prevention, vaccination and treatment programs, as well as efforts to contain the spread of regional public health threats such as drug resistant malaria. We will work with United States Agency for International Development (USAID) to reduce the risk of pandemic diseases in high-risk communities across the Mekong sub-region. With the World Organisation for Animal Health, Australia will target foot and mouth disease hotspots along the Vietnam-Cambodia border by vaccinating 50,000 cattle and by providing training to 84 village animal health workers and 73 veterinary officers on proper vaccination techniques. Targeting cross-border livestock trade routes will reduce foot and mouth disease outbreaks in the area and will protect the livelihoods of 13,592 rural households. Following leader-level endorsement at the East Asia Summit, we will advance a regional response to drug-resistant malaria. Australia will also help prevent new HIV infections in the Mekong by providing more than 1.4 million condoms, 5.5 million sterile needles and syringes and over 18,000 referrals to voluntary counselling. We will provide HIV testing and treatment for men and women who inject drugs as well as for their sexual partners.

##### SUSTAINABLE ECONOMIC DEVELOPMENT

The East Asia region includes some of the world's wealthiest countries but also some of the poorest. While many East Asian countries are pursuing policies to open their economies, substantial barriers to trade still exist within the region.

Australia is working with ASEAN, APEC and the East Asia Summit to promote economic integration and increase the free flow of goods and services across the region. By reducing barriers to trade, Australia can help speed up economic growth and reduce poverty. We can also help close the development gap between nations.

Water and related resources are critical for sustaining livelihoods in the Mekong region.

Australia will work with ASEAN to improve the mobility of service professionals. For example, we will use the ASEAN Australia and New Zealand Free Trade Agreement to achieve more integrated and open markets for developing countries by streamlining services regulations, reducing impediments to investment and promoting transparent competition policies. As part of APEC's New Strategy on Structural Reform, we are helping developing members implement action plans for structural reform in their domestic economies that will help to remove barriers to more open trade and investment. We are also working directly with the ASEAN and APEC secretariats to improve their

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Around 60 million people live in the lower Mekong Basin, with more than 330 million in the Greater Mekong Subregion, which encompasses Cambodia, Laos, Myanmar, Thailand, Vietnam, and parts of southern China.<sup>80</sup> Around 66 per cent of the lower Mekong Basin's population is involved in fisheries, which provide a major source of protein to the broader population.<sup>81</sup> The Mekong Delta produces about half Vietnam's annual rice yield of around 39 million tonnes.<sup>82</sup> Growing energy and export income needs are driving proposals for dams on the Mekong River, threatening regional food security. Climate change poses an additional threat. Competing development interests are challenging cooperation between countries regarding management of transboundary water resources.

ability to support their members. In APEC we are working to improve the secretariat's project management systems, so that support to APEC's developing country members leads to more effective outcomes. We are helping the ASEAN Secretariat develop its human resources management, project management and monitoring and evaluation systems. Australia will continue to support increased economic integration in the Mekong region to accelerate economic growth, create jobs and reduce poverty. We will work through subregional trade and transport facilitation initiatives led by the Asian Development Bank. Australia will continue to work with Mekong governments, civil society and research organisations to improve the management of water and related resources.

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### EFFECTIVE GOVERNANCE

Rapid economic and demographic change in East Asian countries has created opportunities for migration and the large-scale movement of people. This has also created opportunities for trafficking in persons and the exploitation of migrant workers. According to the International Labour Organization (ILO), the Asia-Pacific is home to over 11 million victims of forced labour and trafficking. As more tourists flock to East Asia — promoting economic growth — it is critical that children are protected from exploitation. Emerging complex crimes require long-term commitments to regional solutions. ASEAN member states support regional programs to address human trafficking and labour exploitation in East Asia. Australia is a leader on combating trafficking in persons in South East Asia, particularly through our long-term support to the criminal justice sector. Our human security programs build on Australia's work to combat violence against women and exploitation of children, but also assist men and boys—a significant and sometimes overlooked population of trafficking victims—and exploited migrant labourers. While aspects of human rights are improving in the region, many East Asian governments have a limited commitment to the promotion and enhancement of human rights.

Australia will help prevent human trafficking through new work with ASEAN to strengthen regional and national criminal justice systems. We will bolster anti-trafficking laws, tackle impunity for traffickers, and facilitate international legal cooperation on trafficking cases. The Australia-Asia Program to Combat Trafficking in Persons will commence in late 2013. Australia will continue to support youth-focused public education campaigns and advocacy efforts to raise awareness among those vulnerable to trafficking. This includes working in partnership with USAID to support the work of MTV EXIT in the region. With the ILO, we will make migration and recruitment practices safer and enhance migrants' working conditions in fishing and domestic work sectors. By 2015, we will provide 20,000 vulnerable and exploited migrant workers with legal assistance and advice on how to migrate safely. Australia will support partners to increase investigations, arrests and convictions of those who exploit children in tourism. We will support referral services for victims and provide education in the tourism sector on responsibilities for preventing such crimes. Over the next three years, Australia will continue to assist Chinese government agencies and civil society organisations to pursue human rights reforms through technical assistance and exposure to Australian experiences through the Australia-China Human Rights Technical Cooperation Program.

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### HUMANITARIAN AND DISASTER RESPONSE

East Asia is prone to large-scale natural disasters. Some are local or national in scale but others, such as large cyclones and tsunamis, affect several countries at the same time. Australia recognises that regional coordination can reduce the risk of disasters, mitigate their impacts and allow for rapid and effective responses.

Australia has helped establish the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre). Australia supports the East Asia Summit disaster management initiative agreed by leaders at the 2011 East Asia Summit, which aims to build on ASEAN's disaster management work to improve regional coordination of disaster response. The initiative aims to enhance information sharing between countries to overcome bottlenecks in responding to disasters and promote collaboration and partnerships between countries when responding to disasters.

## 2.3. SOUTH AND WEST ASIA

### Overview

South and West Asia has experienced strong economic growth and an impressive reduction in poverty over the past decade. Whilst it is the second fastest growing region after East Asia, development is uneven and coming off a low base. In 2012, global economic factors, reduced agricultural output and ongoing power shortages resulted in a considerable slowdown in economic activity in South Asia, with GDP growth estimated to be 5.4 per cent compared to 7.4 per cent in 2011.<sup>83</sup> Most countries continue to face high inflation (driven by high food and energy prices) and difficulties in containing large budget deficits, related to increasing expenditures such as subsidies and a narrowing tax base. This affects the ability of governments to fund basic services.

The region is home to 44 per cent of the world's poor and has the largest number of people living below the extreme poverty line of US\$1.25 per day, approximately 570 million people.<sup>84</sup> Poverty and vulnerability is concentrated in lagging sub-regions, particularly along borders and in landlocked areas, with inequality on the rise.

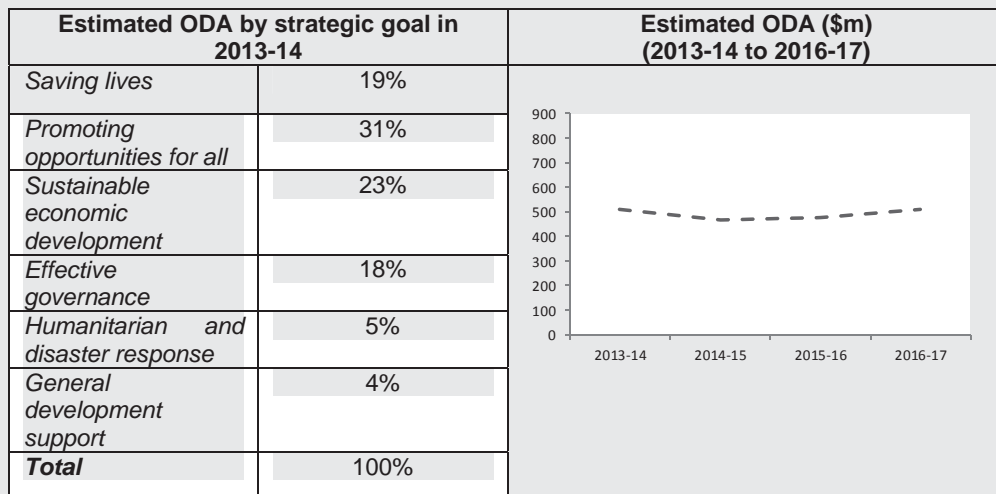
The region has one of the highest child malnutrition rates and the worst performance against gender indicators in the world. Women have only half as many years of schooling as men, almost half of adult women are illiterate, and dropout rates for girls across the region are higher than those of boys. Women's labour participation is amongst the lowest globally. Rates of maternal and neonatal deaths are the highest in the Asia-Pacific region. Only 38 per cent of the population have access to basic sanitation facilities.<sup>85</sup>

Development gains continue to be offset by population growth while rapid urbanisation is generating new challenges. Insecurity, instability and corruption constrain development efforts. Access to essential services (education, health care, sanitation) is limited by weak governance and institutional capacity. A severe infrastructure deficit, particularly in energy and transport, poor regional connectivity and integration and low agricultural productivity are hampering accelerated economic growth, and poverty reduction. In particular, the weak business environment and industrial base are not creating enough jobs in the formal sector for a rapidly growing young labour force. Dependence on remittances, vulnerability to the impact of high oil and food prices, and natural disasters continue to have adverse consequences for growth, livelihoods and food security. Afghanistan remains heavily dependent on overseas aid and will need to find sustainable sources of growth as it transitions to Afghan-led security by the end of 2014.

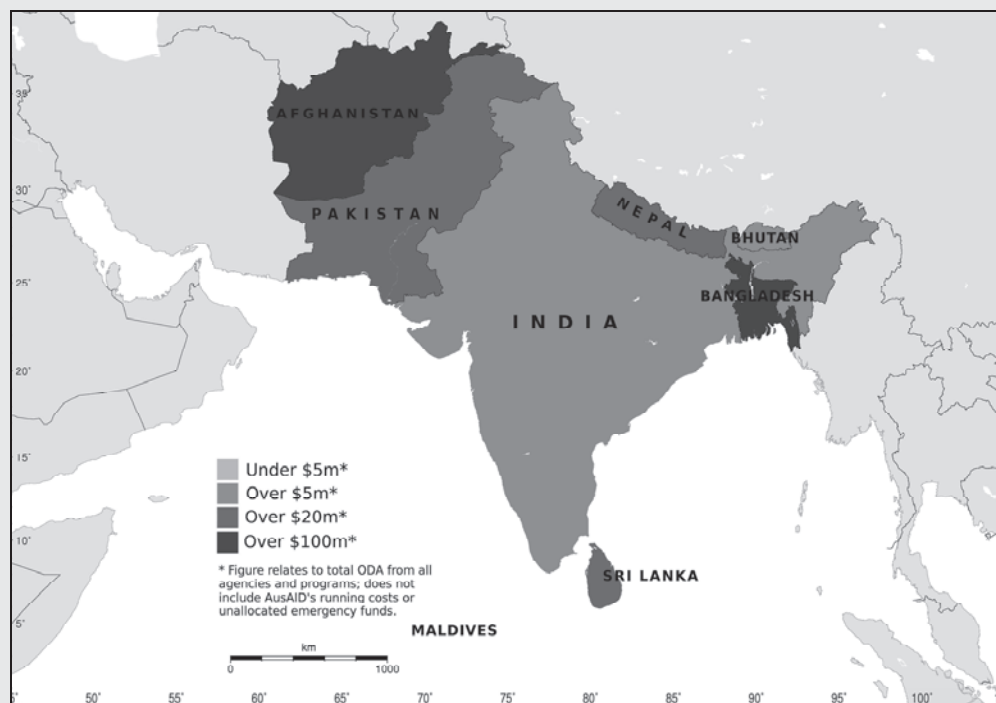
Australia's country programs in the region will continue to build on efforts to improve basic service delivery and sustainable economic growth, while promoting

good governance and gender equality. Regional programs will address the challenges of sustainable development and support regional economic integration.

**Estimated ODA to South and West Asia in 2013-14: \$512.7 million**



The map below shows estimated ODA to developing partner countries in the South and West Asia region in 2013-14.



## Country programs

### BANGLADESH

Bangladesh's economy has performed strongly in recent years, contributing to impressive progress toward the MDGs. The economic benefits, however, have been unevenly distributed and almost half the population still lives on less than US\$1.25 per day. Extremely poor women and children are among the vulnerable groups that continue to miss out on basic services. Additional challenges facing Bangladesh include rapid urbanisation and the country's acute exposure to climate change and natural disasters.

The Australia-Bangladesh Aid Program Strategy (2012-16) outlines how Australian aid will assist the people of Bangladesh to achieve the country's development goals, including priorities set in the Government's sixth Five Year Plan — Accelerating Growth and Reducing Poverty (2011-2015). Australia is directly supporting Bangladesh Government programs in health, education, and climate change. Our work with the Government is complemented by support through civil society partners, including a partnership with Bangladesh's largest non-government organisation, BRAC. Australian support through BRAC has helped lift over 600,000 families out of extreme poverty since 2007.

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	150.494 million	Australian ODA	97.3	111.4
Population Growth (%):	1.2 %	- Country	73.1	82.1
Population (Est. 2050):	200.116 million	- Regional/Global	18.3	24.6
GDP per capita (PPP):	USD 1,777	- OGDs	5.9	4.7
HDI rank:	146 of 187			
<US\$1.25/day:	65.1 million / 43.3%			
<US\$2.00/day:	115.2 million / 76.5%			

Strategic goals	Australia's response
<p><b>SAVING LIVES</b></p> <p>Well-targeted health programs have helped to reduce maternal and child mortality rates significantly in Bangladesh, but levels are still high compared to other developing countries in the region.<sup>86</sup> Quality health services remain out of reach for much of the population, particularly extremely poor women and children. Around 7,200 women still die every year during pregnancy or from complications connected with childbirth.<sup>87</sup> An estimated, 14 babies younger than one month of age die every hour.<sup>88</sup></p>	<p>Australia is working with other donors to support and strengthen the Bangladesh Government's national health program. With Australia's support, mortality rates will continue to decline, particularly among infants, children and women. Funding for the Government's health program will be complemented with support for civil society programs, benefiting around 30 million people. In 2013-14, Australian funding will provide contraceptive services to 1.8 million couples and support quality care for 85,000 mothers at child birth. Australian funds will also help treat approximately 300,000 people annually for diarrhoea-related diseases.</p>
<p><b>PROMOTING OPPORTUNITIES FOR ALL</b></p> <p>Although enrolment in primary school is close to 100 per cent for boys and girls, completion rates are still low, at 70 per cent.<sup>89</sup> Children from disadvantaged groups and remote areas, and those with special educational needs often do not attend school. Even for the students at school, the quality of schooling and learning outcomes is poor. This results in children graduating without the basic educational skills needed for further education or training. Violence against women in Bangladesh, including acid attacks, severely diminishes quality of life, impacting not only on the</p>	<p>In 2013-14, Australia will support the Bangladesh Government's primary education program to improve teaching methods and help 18 million children achieve basic reading, writing and numeracy. Australia will continue its support of the BRAC education program, which will provide non-formal education for 94,000 pre-primary school-aged children (65 per cent girls) and for 190,000 primary school-aged children (60 per cent girls) who would otherwise miss out on an education. Australia will continue to work with the Acid Survivors Foundation to address acid</p>

victims but also their broader family networks. Over the last decade more than 3,000 people, 70 per cent of whom were women, have suffered from acid violence in Bangladesh.<sup>90</sup>

violence. Through Australia's support, 200 survivors will be supported to access legal, social and community support and an additional 200 survivors will receive needs-based clinical care services. In 2014, Australia will provide up to 70 Australia Awards Scholarships for Bangladeshis to study at Australian universities.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

Although poverty rates are steadily falling from 58.6 per cent in 2000 to 43.3 per cent in 2010,<sup>91</sup> escaping poverty is difficult without the opportunity, assets or skills for sustainable employment. The extremely poor, 43 per cent of the population, are highly vulnerable to rises in food and oil prices, have difficulty accessing basic services and take longer to recover from economic and environmental shocks.

Australia will support BRAC in 2013-14 to lift 66,800 extremely poor women and their families out of poverty. In partnership with the Bangladesh Government and the United Kingdom, Australia will help around 12,900 extremely vulnerable families living on remote river islands by providing them with productive assets (e.g. livestock), a daily cash stipend and training to help improve their income generating capability.

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**EFFECTIVE GOVERNANCE**

For Bangladesh to achieve its goal of sustainable and inclusive economic development, public administration needs to effectively deliver services to the 76 per cent of the population who live in poverty. Service delivery to the extreme poor is more effective when providers respond to, and are accountable to, the community.

Australia is working directly with Bangladesh Government programs in health and education to strengthen budgeting, human resource management and procurement. This work will be complemented by the provision of 94 Australia Awards Scholarships, deployment of 77 volunteers to key organisations, and support through the AusAID-NGO Cooperation Program.

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**HUMANITARIAN AND DISASTER RESPONSE**

Bangladesh is extremely vulnerable to natural disasters and climate-related events. In an average year, one quarter of the country is inundated by water.<sup>92</sup> Climate change will compound seasonal events, posing a risk to Bangladesh's recent social and economic progress. The Bangladesh Government is devoting increasing resources to understanding and preparing for disasters and the impacts of climate change.

In 2013-14, through community awareness training, Australia will help approximately 200,000 people to prepare for disasters and to build their resilience to the impacts of climate change. Australia will also contribute to building over 60 multi-purpose cyclone shelters in coastal districts of Bangladesh.



**SRI LANKA**



Sri Lanka graduated to middle-income country status following the end of its civil conflict in 2009. The economy grew by 8 per cent in 2011,<sup>93</sup> and the country is on track to meet the MDGs. However pockets of extreme poverty remain in lagging regions, especially those recovering from the conflict. Almost 30 per cent of the population lives in poverty, on less than US\$2 a day.<sup>94</sup>

The *Australia-Sri Lanka aid program strategy 2012-16* outlines how Australian aid will assist the Government and people of Sri Lanka to achieve the country's development goals. Priority sectors for Australian aid to Sri Lanka are education, health and sustainable economic growth. As the situation in Sri Lanka continues to improve, the focus of Australia's assistance is changing from humanitarian response toward helping Sri Lanka to build lasting peace, stability and prosperity. Australia's aid program is continuing to assist people return to their homes by helping communities rebuild local infrastructure, develop skills and generate income. In 2013-14, Australia will help to improve access to quality education, benefiting over 4 million children.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	20.869 million	Australian ODA	42.6	45.5
Population Growth (%):	1.0 %	- <i>Country</i>	31.8	37.5
Population (Est. 2050):	24.607 million	- <i>Regional/Global</i>	6.8	5.6
GDP per capita (PPP):	USD 5,582	- <i>OGDs</i>	4.1	2.4
HDI rank:	92 of 187			
<US\$1.25/day:	1.469 million / 7.04%			
<US\$2.00/day:	6.079 million / 29.13%			
<b>Strategic goals</b>		<b>Australia's response</b>		
<b>SAVING LIVES</b>				
<p>Although Sri Lanka is likely to meet health-related MDGs, this masks wide disparities within the country. The lack of water and sanitation facilities in schools, particularly in rural areas, is an impediment to successful education and positive health outcomes for children. A majority of rural communities across the country have limited access to clean, piped water. In the past decade there has been limited progress in addressing under-nutrition, which is a serious problem with mothers and children, especially in lagging regions.</p>		<p>In 2013-14, Australia will help to improve the health and wellbeing of an estimated 12,000 people by delivering water and sanitation to households in northern Sri Lanka. By 2015, improved water and sanitation facilities along with hygiene education will be provided to around 87,000 students in 350 schools. In 2013-14, Australia will extend support to the Sri Lankan Government's action plan to address under-nutrition in lagging areas. The Government aims to improve feeding practices and the micronutrient status of mothers and infants, and to increase treatment coverage for acute malnutrition.</p>		
<b>PROMOTING OPPORTUNITIES FOR ALL</b>				
<p>Education outcomes in Sri Lanka are varied. While enrolment rates up to year nine and adult literacy rates are high, many children from poor communities still do not have access to quality education. The standard of schooling and learning outcomes are poor. The Technical and Vocational Education and Tertiary (TVET) sector is not delivering the type, quality or volume of skills training needed to meet industry demand or assist people to gain formal employment.</p>		<p>Australia will improve both access to, and the quality of primary and secondary education through the training of 215,000 teachers, 15,000 principals and 3,500 education administrators by 2016. Support will be provided over the next four years to upgrade school facilities, develop curricula and improve school management benefiting over 10,000 schools. Australia's support to the education sector will promote social cohesion and inclusive education throughout Sri Lanka. In 2013-14, Australia will help to improve access to quality education, benefiting over 4 million children. Australia will support improvements to the TVET system that make it more effective in meeting the skills requirements of industry and increase employment opportunities. In 2014, Australia will provide up to 30 Australia Awards Scholarships for Sri Lankans to study at Australian universities.</p>		
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>				
<p>Economic growth after the end of the civil conflict has been impressive but is still not benefiting the population evenly. About 45 per cent of economic activity is currently concentrated in the capital and surrounding areas.<sup>95</sup> Support for increasing economic opportunities in the lagging regions is vital if Sri Lanka is to address poverty effectively.</p>		<p>By helping to build roads, irrigation systems and market place facilities, Australia will help generate economic opportunities for approximately 227,000 people living in rural areas by 2015. In 2013-14, Australia is supporting a Community Forest Program that is expected to double the incomes of over 5,000 people and protect more than 4,000 acres of land from deforestation.</p>		
<b>EFFECTIVE GOVERNANCE</b>				
<p>An effective and responsive government for all citizens is important for Sri Lanka's future prosperity and stability.</p>		<p>In 2013-14, Australia will work with local government to improve the business regulatory environment, increase revenue and enable citizens to advocate more effectively for the services they need. Training will continue to assist local government officials to develop their English and</p>		

management skills and improve service delivery. In 2013, 30 Australia Awards for Masters level studies in Australia were offered in the areas of public sector management, education policy, natural resource management, commerce and health.

**HUMANITARIAN AND DISASTER RESPONSE**

The end of the civil conflict in 2009 resulted in a humanitarian emergency, with hundreds of thousands of people internally displaced. While natural disasters over the past 18 months have hampered some people's attempts to rebuild, the humanitarian situation in Sri Lanka has improved considerably. However, poverty rates remain high in many areas and agricultural production has yet to recover fully. Landmines and other explosive remnants of war still pose a significant constraint to economic recovery.

Australia will maintain its support of demining and mine risk education through the Sri Lankan Government's National Mine Action Centre and local demining agencies. Australian support will also help strengthen the capacity of local authorities to prepare for natural disasters through training and cooperation.



**NEPAL**



Nepal is among the poorest and least developed countries in the world, with 57 per cent of the population living below the poverty line of US\$2 a day.<sup>96</sup> Despite many years of political instability, there have been some impressive achievements against the MDGs. Nepal is possibly the only fragile state on track to achieve specific MDG indicators in health, education and poverty reduction.

Australia's aid is supporting Nepal Government programs to improve service delivery in basic health and education. Other Australian assistance is increasing rural access to water and sanitation, enhancing rural livelihoods and improving governance.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	30.486 million	Australian ODA	33.5	38.0
Population Growth (%):	1.7 %	- Country	15.1	20.2
Population (Est. 2050):	47.393 million	- Regional/Global	17.3	16.8
GDP per capita (PPP):	USD 1,252	- OGDs	1.1	0.9
HDI rank:	157 of 187			
<US\$1.25/day:	7.567 million / 24.82%			
<US\$2.00/day:	17.453 million / 57.25%			

**Strategic goals** **Australia's response**

**SAVING LIVES**

The Nepal Government is investing in public health, particularly maternal and child health, to help reach its health MDGs. Maternal mortality is declining as a result of targeted government and donor interventions. Infant mortalities are also dropping toward the MDG of a two thirds reduction to 38 deaths per 1,000 births in 2015. The infant mortality rate dropped from 41 to 39 per 1,000 between 2010 and 2011.<sup>97</sup> Nepal aims to provide a health system accessible by all its citizens. Improved water and sanitation delivery is also critical to lifting Nepal's health outcomes.

Australia's support for Nepal's National Health Sector Program is helping the Government strengthen delivery of its primary health services. Australia encourages health policies and delivery strategies that include the poor, disadvantaged and geographically remote. In 2013-14, Australian aid will fund skilled attendants at 6,500 births and 100,000 immunisations of children. Australia funds community-run water and sanitation programs, which will benefit over 100,000 people in rural communities over four years.



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**PROMOTING OPPORTUNITIES FOR ALL**

The Nepal Government aims to provide universal primary education to 5 million children by 2015, with gender parity at enrolment attained, and an attendance rate of 85 per cent or more. The Government is also focused on improving the quality of education and improving access to children from disadvantaged groups.

Australian support to the Nepal School Sector Reform Program will result in: school buildings being upgraded to earthquake resistant standards, enrolment of additional children in school, nutritional support and scholarships, free text books and teacher training. Australian funding in 2013-14 will contribute to an extra 2,300 children being enrolled in school, and to 1,400 teachers being trained. In 2013-14, Australia will provide up to 35 Australia Awards Scholarships for Nepalese to study at Australian universities.

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**SUSTAINABLE ECONOMIC DEVELOPMENT**

Twenty five per cent of the population lives below the extreme poverty line of US\$1.25 a day.<sup>98</sup> Only 16 per cent of land is arable and there is limited irrigation.<sup>99</sup> Small business enterprise building and income generation programs are needed to address poverty throughout Nepal. Food security is often improved when enterprise programs are delivered in villages and rural locations.

Australia has been a long-term partner to a micro-enterprise and livelihoods program that targets Nepal's poor and disadvantaged. In 2013, we will assist up to 5,000 poor Nepalese to increase their incomes through the creation and development of handicraft and forest product micro-enterprises and other small businesses. This program targets women, ethnic minorities and *dalits* ('untouchables').



**BHUTAN**



Bhutan has made significant development progress in the past decade, and is on track to achieve the MDGs. Bhutan has reformed its political system and has taken measured steps to open its economy. However, poverty still exists, particularly in rural areas, where people have limited access to markets and services such as health and education. Youth unemployment is also relatively high, particularly in urban areas.

Australian aid to Bhutan is estimated to be \$14.2 million in 2013-14. Our program will focus on developing a more highly skilled workforce and building the capacity of individuals and organisations in government, the private sector and civil society.



**MALDIVES**



Maldives graduated to middle-income country status in 2011 and is on track to achieve five of the eight MDGs. However, significant social inequities exist, job opportunities are limited and the political environment remains fragile.

Australia's aid to Maldives of \$9.3 million in 2013-14 will target human capital development and climate change resilience. Australia will provide 30 Australia Awards Scholarships for study at Australian universities, focused on economics, education and environmental science. We will help improve the quality of education at primary and secondary levels through a skilled volunteers program. Financial support to reduce the impacts of climate change is channelled through a multi-donor trust fund managed by the World Bank.

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**AFGHANISTAN**

Afghanistan has made substantial development gains since 2001, but remains one of the poorest and least developed countries in the world, ranking 175 out of 187 countries on the United Nations Human Development Index.<sup>100</sup> It is on-track to meet only two of the MDGs by 2015 — universal education and maternal health. Ongoing conflict, corruption, and weak governance systems constrain development efforts. Afghanistan will face substantial challenges as it transitions to Afghan-led security by the end of 2014 and enters the Transformation Decade (2014-24). Ongoing international support will be required to support Afghanistan through this process.

Australia's aid program to Afghanistan is a key element of an integrated whole-of-government effort with inter-linked security, diplomatic and development objectives. The *Development Framework Agreement 2012-17*, signed by Australia and Afghanistan in July 2012, underpins Australia's commitment to reducing poverty in Afghanistan. It builds on the substantial gains of the past 10 years and underlines both parties' commitment to building the Afghan Government's capacity to deliver basic services and provide economic opportunities to its people. Australia's aid is focused on delivering improvements in education, rural development and governance. The Afghan Government has agreed to make progress against a number of important commitments under the *2012 Tokyo Mutual Accountability Framework*, including action on economic reform, governance, anti-corruption, elections, and the rights of women and girls.

Most Australian aid is delivered at the national level in support of the Afghan Government's national priority programs. Australia has also provided targeted assistance to Uruzgan Province where Australian troops are based. After the security transition in Uruzgan, Australia's aid program will shift to a fully national focus.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	
		<b>12-13</b>	<b>13-14</b>
Population:	35.320 million	Australian ODA	182.8 180.4
Population Growth (%):	2.7 %	- Country	134.0 151.5
Population (Est. 2050):	76.586 million	- Regional/Global	14.9 10.6
GDP per capita (PPP):	USD 1,139	- OGDs	33.9 18.3
HDI rank:	175 of 187		
<US\$1.25/day:	-		
<US\$2.00/day:	-		

Strategic goals	Australia's response
<b>PROMOTING OPPORTUNITIES FOR ALL</b>	
<p>Afghanistan has made good progress on education, with school enrolments increasing from less than 1 million in 2001 to almost 8 million by 2012, including over 2.7 million girls.<sup>101</sup> However, immense challenges remain in ensuring children attend school and complete a basic education, particularly in remote and insecure areas. Over 4 million children still do not have access to education. Many of those excluded are girls, children with disability and minority groups. There is a major shortage of teachers, especially female teachers, and many are not fully qualified. Gender inequality in Afghanistan is profoundly entrenched. Women were excluded from economic and social life under the former Taliban regime and Afghanistan continues to rank near the bottom of the United Nations Development Programme's Gender Inequality Index.<sup>102</sup></p>	<p>Australia is helping Afghanistan to expand access to schools, especially for girls, and improve the Government of Afghanistan's capacity to deliver quality education services. This includes contributing to the training of an additional 200,000 qualified primary schools teachers, and over 7,500 new classrooms by 2014. Australia's main contribution to the education sector is through the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF). Australia is also the fourth largest donor to the Global Partnership for Education (GPE). The GPE provides grants and assistance to promote education quality in Afghanistan. In 2013-14, AusAID's support in Uruzgan to Save the Children will train 1,000 teachers; establish 100 early childhood development groups and 125 women's literacy groups. In July 2012, Australia committed \$17.7 million to assist national efforts to reduce and respond to violence against women in Afghanistan. A new program will commence in 2013 and will support the provision of services, such as shelters for women affected by violence, improve access to justice for survivors of violence and work with organisations to help change community attitudes and advocate for the protection of women and girls.</p>
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>Afghanistan's heavy reliance on external donors is unsustainable. With the reduction in international presence, economic growth is projected to slow over the transition period and beyond. This will affect public revenues and highlights the need for a more productive and dynamic private sector to drive greater economic growth. Around 80 per cent of Afghans live in rural areas and depend on agriculture for their livelihoods.<sup>103</sup> Afghanistan's agriculture sector is characterised by land ownership inequity, land degradation, high under-employment, low-productivity farming, and widespread market failures. Communities are also vulnerable to natural disasters such as drought and earthquakes.</p>	<p>Australia will assist with improving the regulatory environment to encourage private sector development as well as providing targeted assistance to 750 small and medium businesses in rural areas including through business skills development and credit access. From 2013, Australia will provide assistance to improve the governance of Afghanistan's mining sector, including helping the Afghan Government implement the Extractive Industries Transparency Initiative. In 2013-14, Australia will support initiatives to strengthen food security, increase livelihood opportunities in rural areas, increase agricultural productivity, and boost the capacity of the Afghan Government to deliver agricultural services. This will include supporting 25,000 households in planting more productive and drought resistant varieties of wheat and maize that have been developed with Australian support.</p>

**EFFECTIVE GOVERNANCE**

Poor governance, including low institutional capacity and endemic corruption, remains a major constraint on Afghanistan's development, and undermines Afghan and international confidence. Afghanistan ranked equal last (174<sup>th</sup>) in Transparency International's 2012 Perceptions of Corruption Index.<sup>104</sup> Corruption and fiduciary risks limit the options for effective aid delivery for donors. Credible, inclusive and transparent 2014 Presidential and 2015 Parliamentary elections will be crucial to reinforcing government legitimacy, supporting the transition in Afghanistan, and sustaining international donor support.

Australia's support for improved public financial management will include assistance over the next three years to strengthen budget execution, and improve procurement and financial management processes at the national and provincial levels. This will assist the Afghan Government to improve service delivery including procurement planning, financial accounting and reporting, project planning and design, and financial administration. Australia's governance assistance focuses on public financial management, electoral reform, and short-term training. Australia will help the Afghans prepare for the 2014 Presidential and Parliamentary elections, including strengthening Afghanistan's Independent Electoral Commission; supporting the Afghan media to raise awareness of democratic rights and election processes; and training election volunteers to encourage participation in elections and provide voters with information.

 **PAKISTAN** 

Pakistan's progress toward the MDGs remains slow. Successive monsoonal floods in 2010, 2011 and 2012 have had a major impact on development. Economic growth has remained sluggish at around 3.7 per cent since 2009,<sup>105</sup> a level not sufficient to provide jobs for the estimated 1 million Pakistanis who enter the labour market every year.<sup>106</sup> Nationwide, communities remain vulnerable to ongoing conflict and natural disasters.

Sustained development progress in Pakistan will require improvements in economic performance, service delivery and governance. Despite the very difficult operating environment, development assistance is contributing to important results. For example, since 2010, Australia's support in education has assisted more than 215,000 children receive quality education. This support has included the provision of teacher training, learning materials, stipends and Australia Awards Scholarships.

Australia's assistance program to Pakistan focuses on health, education, agriculture, and rural development. The primary geographic focus of Australia's assistance is on the provinces of Kyber Paktunkhuwa and Balochistan and the Federally Administered Tribal Areas. The program is guided by the *Australia-Pakistan Development Partnership*, signed in October 2011. Assistance is delivered through key partners with proven track records for effective aid delivery in Pakistan's difficult environment.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	176.745 million	Australian ODA	85.7	87.9
Population Growth (%):	1.8 %	- Country	70.1	74.1
Population (Est. 2050):	279.481 million	- Regional/Global	10.3	9.6
GDP per capita (PPP):	USD 2,745	- OGDs	5.2	4.2
HDI rank:	146 of 187			
<US\$1.25/day:	37.187 million / 21.04%			
<US\$2.00/day:	106.383 million / 60.19%			

Strategic goals	Australia's response
<b>SAVING LIVES</b>	
<p>Pakistan's maternal health indicators continue to lag behind other countries in the region, with 260 out of every 100,000 mothers dying during childbirth.<sup>107</sup> Child nutrition requires serious attention. The 2011 National Nutrition Survey found that more than 30 per cent of children under five are under-weight and 15 per cent of children under five suffer acute malnutrition.<sup>108</sup></p>	<p>In 2013-14, Australia will support activities to improve health and reduce malnutrition for 90,000 women and children, and improve access to skilled birth attendants for 54,000 women. Australia's aid will reduce avoidable blindness by providing free treatment to 20,000 children suffering from diabetic retinopathy.</p>
<b>PROMOTING OPPORTUNITIES FOR ALL</b>	
<p>Only 56 per cent of Pakistan's adult population is literate,<sup>109</sup> and only 72 per cent of boys and 60 per cent of girls of primary school age are enrolled in school. Almost a third of these children will drop out before reaching secondary school.<sup>110</sup> Attendance at school for many children was disrupted by the 2010, 2011 and 2012 floods that damaged thousands of schools.<sup>111</sup></p>	<p>Australia's support will help to improve access to and the quality of education for more than 145,000 children. This will include training more than 3,000 teachers and school officials; as well as refurbishing, repairing or rebuilding more than 600 classrooms. Australia will provide Australia Awards Scholarships to 58 Pakistanis to undertake post-graduate study in Australian universities, as well as 25 short-term Australia Awards Scholarships.</p>
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>According to the World Bank, 109 million people (63 per cent of Pakistan's population) live in rural areas.<sup>112</sup> Agriculture generates 21 per cent of Pakistan's gross domestic product and 45 per cent of its employment.<sup>113</sup> However structural constraints such as poorly functioning markets, lack of technology, research and development, unsustainable water resource management, and weak rural service delivery hinder the sector's contribution to broad-based economic growth and poverty reduction.<sup>114</sup></p>	<p>Australia will support close to 3,000 farmers to gain access to improved agricultural technology and better on-farm management practices in 2013-14. Australia will support basic work skills training for more than 1,000 people and support 210 new community organisations to implement community infrastructure projects.</p>
<b>HUMANITARIAN AND DISASTER RESPONSE</b>	
<p>The 2010 floods were one of the worst natural disasters in Pakistan's history with over 20 million people affected and 1.6 million homes damaged. Successive floods in 2011 and 2012 affected a further 10 million people and damaged over 1 million homes. Widespread conflict in north-west Pakistan has displaced at least 2.7 million people and poses ongoing challenges to service delivery and economic growth. Ongoing disputes, insecurity, destruction of infrastructure and land continue to obstruct the return of people to their homes.</p>	<p>In 2013-14, Australia will continue to provide assistance to people affected by conflict and natural disaster as required. This assistance will build on Australian support in response to previous disasters, such as providing food for 1 million people and education for 40,000 children affected by conflict.</p>

## Regional programs

### SOUTH AND WEST ASIA REGIONAL PROGRAMS

2013-14 Estimate: \$26.0 million

The South and West Asia Regional Program seeks to reduce poverty and promote sustainable and inclusive growth by improving regional cooperation on the transboundary development issues of climate change and regional economic integration.

#### Strategic goals

#### Australia's response

#### SUSTAINABLE ECONOMIC DEVELOPMENT

Poor regional integration and lack of connectivity have hampered efforts to accelerate sustainable growth and make further inroads into poverty reduction. Poverty and vulnerability are highly concentrated in lagging regions, which have poor human development and economic indicators, lower incomes and lower growth rates. Growth is inhibited by poor power and transport infrastructure, and high trade costs. It is estimated that more than 600 million people lack access to electricity.<sup>15</sup> Lack of regional cooperation impedes efforts to manage the impacts of climate change, which is projected to increase the frequency and intensity of natural disasters. This will compound existing water security problems and reduce agricultural productivity, undermining long term food security for millions of people. Reducing the impacts of climate change will minimise the possible forced displacement of millions of environmental refugees. Working with countries to reduce carbon emissions also supports Australia's global priorities on climate change. Support for regional integration will enhance country programs by addressing their economic growth agenda.

Australia's regional investments aim to increase cross-border cooperation to reduce poverty and address the gap between growing and lagging regions. Australia will support increased intra-regional trade and infrastructure connectivity through reduced trade costs and strengthening of key institutions such as customs. In particular, our investment will target reduction of trade barriers from the perspective of the private sector (especially small and medium enterprises) and women, to maximise development impact. Australia will support improved national and regional management of shared water resources; develop climate-resilient agriculture to improve food security and livelihoods; increase access to sustainable energy at national and local levels; develop effective community-based adaptation and disaster risk reduction responses; and strengthen national capacity (in Bangladesh and Maldives) to manage the impacts of climate change and natural disasters. Addressing transboundary aspects of climate change complements Australia's bilateral development assistance. We will work with multilateral agencies, regional organisations, other Australian Government agencies, civil society organisations and partner governments to foster the cooperation needed to address regional development challenges.

## 2.4. AFRICA AND THE MIDDLE EAST

### Overview

Australia's aid program in Africa and the Middle East seeks to reduce poverty by supporting progress toward meeting the MDGs, and by making a practical contribution in sectors where Australia has experience and expertise to share. Australia is also a significant responder to protracted and emerging humanitarian crises in the region.

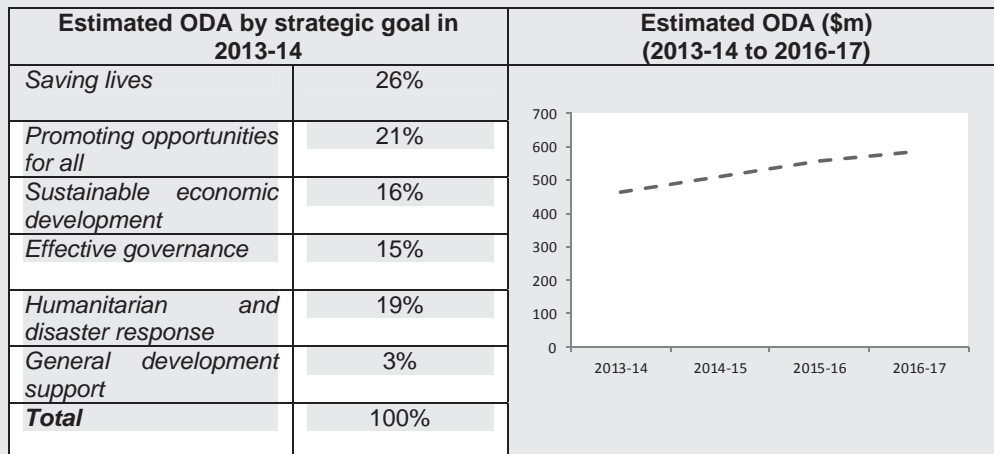
In sub-Saharan Africa, the level of absolute poverty remains immense and the benefits of economic growth are not equitably shared. By 2015, sub-Saharan Africa is expected to have up to 60 per cent of the world's extreme poor, and remains the region which is most off-track against all of the MDGs.<sup>116</sup> The population remains vulnerable to natural and human induced shocks. In East Africa alone, approximately 15 million people remain food insecure and in need of humanitarian assistance.<sup>117</sup>

Australia's support to sub-Saharan Africa incorporates both humanitarian assistance and long-term development assistance which focuses on food security, natural resources management and service delivery to vulnerable or neglected communities. The program operates primarily in two sub-regions, the East and Horn of Africa and Southern Africa, with modest regional investments in West Africa. This sub-regional assistance is underpinned by our Africa – wide support to build Africa's human resource capacity through Australia Awards Scholarships and improve natural resource management through the Mining for Development Initiative.

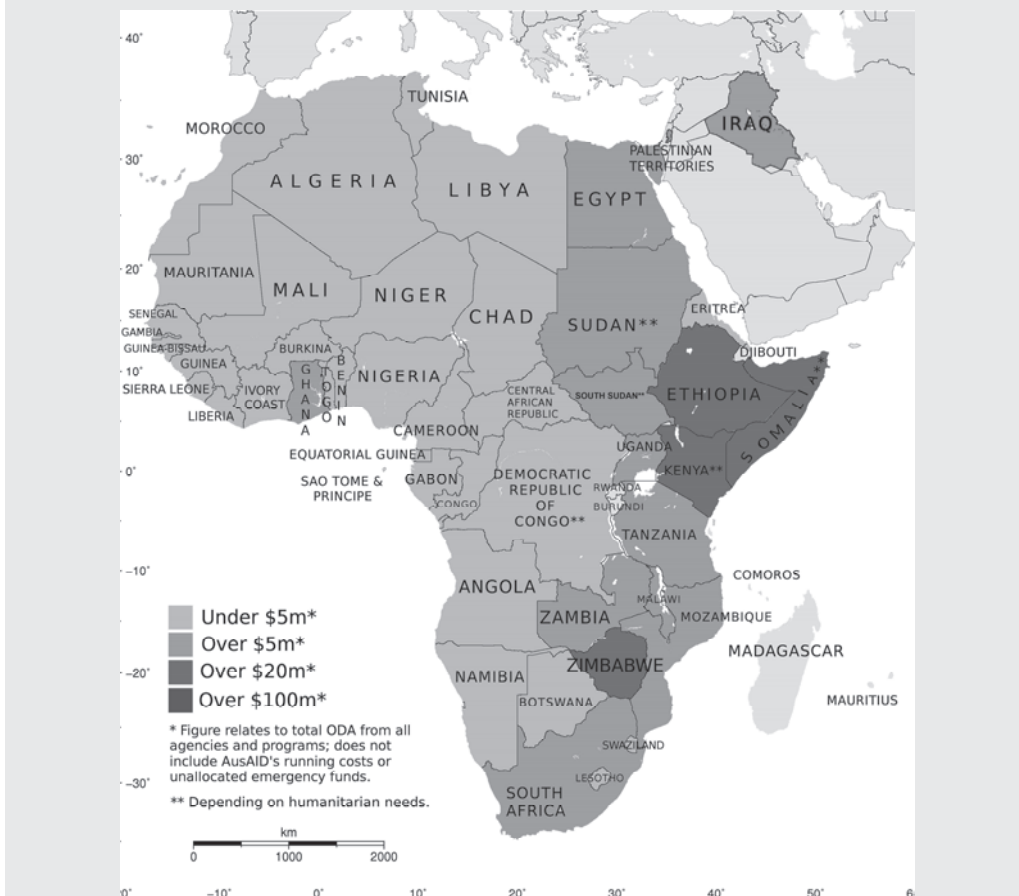
The Middle East and North Africa are experiencing significant humanitarian crises as a result of political and social upheaval, including rapid increases in refugees and displaced persons. By late 2012, around 4 million Syrians were in need of humanitarian assistance as a result of the ongoing civil war.<sup>118</sup> Thirty-eight per cent of Gaza's population lives in poverty and 80 per cent are aid dependent. In Yemen, 54 per cent of people live in poverty and face food insecurity.<sup>119</sup> Levels of youth unemployment exceed those of many other regions in the world – in Tunisia youth unemployment is around 30 per cent and in Egypt it is nearly 48 per cent for females and 17 per cent for males.<sup>120</sup>

Recent and current turmoils in North Africa and the Middle East have the potential to trigger major economic and security challenges in the region, which could have global implications, as well as being of considerable national interest to Australia. We are committed to building strong bilateral and regional ties with our partner countries in the Middle East and North Africa.

**Estimated ODA to Africa and the Middle East in 2013-14: \$462.6 million**



The map below shows estimated ODA to developing partner countries in the Africa region in 2013-14.





## **SUB-SAHARAN AFRICA<sup>121</sup>**

*2013-14 Estimate: \$355.1 million*

Over the last decade, sustained economic growth in sub-Saharan Africa from increased investment and natural resource rents has led to a marginal reduction in poverty.<sup>122</sup> In spite of the economic growth, the level of absolute poverty is immense and, on measures of poverty and service delivery, sub-Saharan Africa remains the least developed region in the world.<sup>123</sup> Many countries continue to face conflict and fragile governance systems. Infrastructure, basic services and skilled labour are inadequate and much of the population remains vulnerable to recurring natural and human induced disasters.

Australia has significant political and economic interests in the stability, security and prosperity of Africa. Australia's trade with Africa has grown steadily over recent years and is served by greater peace and stability in the region. High rates of economic growth in Africa are creating opportunities for Australian businesses, especially in the mining sector. There are fast-growing African diaspora communities in Australia.

Australia aims to support African people to overcome poverty through achieving more equitable access to the benefits of sustainable economic growth. Australia's development efforts are aligned with the priorities and efforts of African governments and primarily delivered through effective multilateral partners and other like-minded donors.

We have invested significantly in peace efforts in Africa, including by providing support to UN peacekeeping missions on the continent. Australia continues to be responsive to humanitarian needs in sub-Saharan Africa by providing support to deal with protracted crises and rapid onset emergencies, as well as building the resilience of the population.

Our programs operate across the African continent to provide support that builds Africa's human resource capacity and effective governance systems. We do this by utilising and deploying relevant Australian expertise, promoting knowledge-sharing and fostering partnerships between African and Australian institutions. In 2013, the Government will deliver more than 500 Australia Awards for post-graduate training and education to people from 50 different African nations. These will include Australia Awards Scholarships for study at Australian universities and Australia Awards Africa Fellowships for short term training targeted at mid-level professionals and officials.

In addition, Australia will train over 1,400 Africans to improve state capacity and public revenue management and deliver better services, including 100 trade officials and 40 election officials. AusAID also supports the placement of Australian Volunteers in sub-Saharan Africa in sectors that complement existing programs. Volunteers aim to develop local capacity, share skills and build relationships.

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Strategic goals	Australia's response
<p><b>SAVING LIVES</b></p> <p>The highest rates of child mortality in the world are found in sub-Saharan Africa, where one in nine children dies before the age of five.<sup>124</sup> Both South Sudan and Ethiopia are significantly off track to achieve MDG5 on reducing maternal mortality. South Sudan has some of the worst health status indicators in the world with 2,054 maternal deaths per 100,000 live births, while in Ethiopia there are 676 maternal deaths per 100,000 live births.<sup>125</sup> Southern Africa remains the most urbanised subregion on the continent, placing a greater strain on basic services and need for effective planning. Of all Africa's subregions, Southern Africa features the steepest degrees of socioeconomic inequality. Consumption of water for example is unequally distributed between wealthy and poor areas, with some high income areas consuming more than three times the amount of water of poorer areas. Only two out of every five people in Southern Africa have access to safe water and it is mostly women and children that are affected. Capacity to provide services and infrastructure as well as to plan and invest for economic growth and job creation is uneven and in many areas continues to diminish.<sup>126</sup></p>	<p>Through South Sudan's Health Pooled Fund, Australia will support more than 100,000 children under five to be seen by a doctor, close to 44,000 children aged six to nine months to be provided with Vitamin A supplementation twice a year, and close to 25,000 children to receive immunisation from diphtheria, tetanus and pertussis by the end of 2014. Australia aims to strengthen health systems, midwifery training and improve access to obstetric care and family planning in East Africa. Australia will help the Government of Ethiopia to increase the proportion of births attended by skilled birth attendants to 36 per cent and increase immunisation coverage to 82 per cent of children.<sup>127</sup> We will also work through local organisations to deliver community-based assistance in 11 African countries.<sup>128</sup> Australian aid aims to improve public health in Southern Africa by increasing access to safe water and effective sanitation services, promoting better hygiene practices and building better water service institutions. In 2013-14, we will help provide more than 170,000 people with access to clean water, and more than 100,000 with access to effective sanitation in Malawi, Mozambique and Zambia. We will help partners restore and improve water, sanitation and hygiene services for over 2.5 million people in Zimbabwe. Our contribution to the African Water Facility will help prepare projects aimed at attracting investment and help African governments leverage more than \$3 billion in additional financial resources for the sector by 2020.</p>
<p><b>SUSTAINABLE ECONOMIC DEVELOPMENT</b></p> <p>Sub-Saharan Africa has ample agricultural land, water and a favourable climate for growing food, yet it remains the region most impacted by food security.<sup>129</sup> Africa is the world's most water insecure continent with 25 per cent of its population currently experiencing high water stress.<sup>130</sup> Natural resource wealth has the potential to be a major driver of economic growth across many sub-Saharan countries, with about 50 per cent of exports now coming from non-renewable natural resources.<sup>131</sup></p>	<p>In 2013-14, Australian aid aims to support African efforts to boost long-term agricultural productivity, and build sustainable rural livelihoods and resilience, with a focus on East and West Africa. This will be achieved through the funding of multi-country partnerships with African regional organisations. Our activities will support 4,000 smallholder farmers in Kenya and Uganda to increase food production and diversify their incomes. Our assistance in Tanzania will help improve the well-being of 10,000 rural, female-headed households, using village savings and loans. In Zimbabwe, our activities to promote business opportunities will benefit the rural poor by providing 350,000 people with training, access to markets, employment and increased assets. We will also contribute to water and power infrastructure rehabilitation in Zimbabwe. We will work with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Australian Centre for International Agricultural Research (ACIAR) to increase long-term agricultural productivity. In 2013-14, CSIRO will implement crop and livestock research projects and build the capacity of young scientists to undertake research into new agricultural innovations in the fields of animal health, plant disease and farming systems. Australia will contribute to reduced water loss and improve the water supply of at least 1.6 million</p>

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people by 2015. At least 99 million people living on floodplains, along transboundary rivers, will benefit from water management measures that reduce the risk of flooding in Southern Africa. In 2013-14, Australia will work with selected resource rich countries that demonstrate a commitment to reform. We will support regional initiatives, particularly the African Union's Africa Mining Vision. We will build the capacity of 200 senior mining sector officials through the provision of courses, study tours and targeted technical training.

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#### **HUMANITARIAN AND DISASTER RESPONSE**

Sub-Saharan Africa is home to some of the most protracted and complex humanitarian situations in the world. Across the Horn of Africa, food security has improved since the 2011 drought but the humanitarian situation remains fragile, particularly in Somalia. In West Africa, a food and nutrition crisis caused by drought, high food prices, and chronic poverty, affected more than 18 million vulnerable people across the Sahel region in 2012. Humanitarian operations in Sudan and South Sudan remain among the largest in the world, with high levels of insecurity, large scale population displacement, and food insecurity. The Democratic Republic of Congo remains in critical humanitarian crisis, with ongoing armed conflict, large-scale human rights violations, and mass population displacement.

In 2012-13, Australian aid helped to respond to crises in the Horn of Africa, the Sahel region of West Africa (including Mali), Somalia, South Sudan, Sudan, the Democratic Republic of Congo and Kenya. In 2013-14, Australia will continue to work closely with United Nations agencies, international and Australian non-government organisations and regional actors to respond to significant, urgent and emerging humanitarian needs across Africa. In the Horn of Africa, Australia will meet critical needs and build the resilience of agricultural communities and reduce risks to livelihoods. In West Africa, Australia will continue to respond to critical humanitarian needs and address the underlying causes of food and nutrition insecurity in order to build communities' resilience to future shocks.

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#### **New Initiative: *Extending Australia's commitment to the United Nations Mission in South Sudan***

The Government will invest an additional \$2.1 million over two years to continue funding to support Australia's commitment to the United Nations Mission in the Republic of South Sudan, the objective of which is to consolidate peace and security in the new republic.

### Case Study: Mining for Development in Africa

The Mining for Development Initiative announced by Prime Minister Gillard on 25 October 2011 aims to assist African (and other developing country) governments to ensure the mining sector contributes to equitable and sustainable national economic development.

Around 30 per cent of global mineral reserves are found in Africa and two thirds of African countries have a growing mining sector. Direct foreign investment in Africa rose from \$9 billion in 2000 to \$60 billion in 2011,<sup>132</sup> much of it in the resources sector. This is compared to \$51.2 billion in total ODA to Africa in the same year.<sup>133</sup>

With Australia's substantial experience in both mining and development, we are well-placed to assist African countries wishing to reap the development benefits and overcome the challenges of a growing mining sector. In 2012-13, Australia provided assistance under this initiative to 40 countries in Africa. The focus of this assistance is building capacity mainly through Australia Awards (the Australian Government's prestigious international scholarships program), mining governance study tours to learn from Australia's experience in managing our resources, and targeted technical assistance.

For example, in 2012-13, 438 officials from 28 African countries visited Australia on study tours, including one study focused on women in mining, which examined gender issues in the mining sector. We are also providing targeted technical assistance to some key countries, including:

- technical support to the Ghana Revenue Authority's Large Taxpayer Unit in order to strengthen management of revenue derived from mineral resources;
- helping establish a Natural Resources Tax Unit in Liberia's Ministry of Finance with a view to increasing revenue from its fledgling mining sector;
- supporting mining governance in Mozambique, including infrastructure planning and building legal and financial capacity to assist in managing its rapidly growing mining sector to benefit the national economy; and
- placement of a strategic minerals sector advisor in the Ministry of Petroleum and Mining in South Sudan in order to build the capacity and implement a governance framework.

Our assistance is closely aligned with Africa's own vision for mining governance, as outlined in the African Union's Africa Mining Vision. The Africa Mining Vision (which was formally endorsed in 2009 by the heads of African states) advocates for 'transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development'. Australia's support for the Africa Mining Vision primarily focuses on helping African countries achieve economic growth and deliver social benefits through the effective governance of the sector. Australia is partnering with the African Union, United Nations Economic Commission for Africa and African Development Bank to

establish the African Minerals Development Centre (AMDC) to support implementation of the vision. In August 2012, Foreign Minister Carr announced Australian funding of \$5 million to support the development of the AMDC. Canada has also since committed financial support to the Centre.

## MIDDLE EAST AND NORTH AFRICA

2013-14 Estimate: \$107.5 million

The political change that commenced in 2011 across much of the Middle East and North Africa region has continued. Growth in the region averaged 2.7 per cent in 2011 and health and education indicators are improving.<sup>134</sup> But the benefits of growth have not been shared equally. Most of the poor live in rural areas. The region continues to be affected by conflict, political uncertainty and social unrest. It also faces food and water shortages, high youth unemployment and security challenges. Australia supports the Middle East and North Africa region through humanitarian assistance to people suffering from conflict and political fragility, such as in Syria and Yemen. Australian assistance is also improving livelihoods by targeting employment generation and agricultural activities, particularly in Egypt.

Australia's trade and investment with the Middle East economies is growing rapidly. As the economies of Middle East and Gulf countries open and diversify, they provide many exciting trade and investment opportunities for Australian exporters and investors. Trade relationships with the Middle East coupled with security issues mean that we have both economic and national security reasons for supporting a more stable, moderate and prosperous region.

Strategic goals	Australia's response
<b>SUSTAINABLE ECONOMIC DEVELOPMENT</b>	
<p>High and volatile food prices, and their consequences for the poor, have revived concerns about food security in North Africa. High unemployment, especially youth unemployment across North Africa, contributes to social unrest as political transitions proceed.</p>	<p>The Australian Centre for Agricultural Research (ACIAR) is improving food security in Egypt and establishing a regional agricultural hub in Tunisia. In 2013-14, it will commence research targeting farming efficiency in Algeria and Morocco. Australia also supports skills development and employment generation for Egyptian youth through the International Labour Organization and the German Agency for International Cooperation (GIZ).</p>
<b>HUMANITARIAN AND DISASTER RESPONSE</b>	
<p>Continuing civil conflict is resulting in large-scale displacements of populations and increased vulnerability — especially among women, children and the elderly. In Yemen, 13 million people do not have access to safe water and sanitation, 10.5 million are food insecure and 431,000 are displaced.<sup>135</sup></p>	<p>Australia will continue to respond generously to critical humanitarian needs, especially for those suffering from ongoing conflict in Syria and food insecurity in Yemen. Australian support will be provided through international humanitarian organisations.</p>

## PALESTINIAN TERRITORIES

Australia's development assistance program in the Palestinian Territories supports the delivery of basic services to refugee families, strengthened administration and service delivery by the Palestinian Authority (PA) and civil society programs to improve livelihoods for poor Palestinians. Progress toward the MDGs is varied. While there are good results in education, there are persistently high levels of poverty, particularly in Gaza. Economic progress is not evenly distributed and it is often hindered by political instability and security concerns. Unemployment and difficulties in accessing basic services remain concerns for many Palestinians. Australia is working with effective NGOs and multilateral partners including the World Bank, United Nations Children's Fund (UNICEF) and UN Relief and Works Agency for Palestine Refugees (UNRWA).

Key Statistics		Estimates (\$m)	12-13	13-14
Population:	4.019 million	Australian ODA	55.2	60.6
Population Growth (%):	2.9 %	- <i>Country</i>	38.7	38.7
Population (Est. 2050):	9.847 million	- <i>Regional/Global</i>	16.5	21.9
GDP per capita (PPP):	USD 2,465	- <i>OGDs</i>	-	-
HDI rank:	110 of 187			
<US\$1.25/day:	-			
<US\$2.00/day:	-			

### Strategic goals

### Australia's response

#### SAVING LIVES

Palestinians face poverty and disadvantage prolonged by conflict. Although the Palestinian Territories will just meet the MDG for infant mortality, health indicators for Gaza are consistently below those for the West Bank. Almost 40 per cent of Gaza's 1.6 million people live in poverty<sup>136</sup> and nearly three quarters depend on aid for their survival.<sup>137</sup>

In 2013-14, Australian and other donor funding to UNRWA is supporting 139 primary health care centres and 118 dental clinics. General budget support to the Palestinian Authority provided through the World Bank has contributed to coverage of 96 per cent of Palestinians with vaccination programs and the operation of 453 primary health care centres that provide health services to approximately 2.6 million people.

#### PROMOTING OPPORTUNITIES FOR ALL

Years of neglect and decades of conflict have left Palestinian children without basic school infrastructure, particularly adequate water and sanitation facilities.

Through support to UNICEF, Australia will help to improve water and sanitation in 246 Palestinian schools (benefiting around 150,000 children) by 2015. Australian and other donor funding to UNRWA is helping to operate and maintain 700 schools in the West Bank, Gaza, Syria, Lebanon and Jordan. In 2014, Australia will provide Australia Awards Scholarships for up to 10 Palestinians to undertake post-graduate study at Australian universities.

#### SUSTAINABLE ECONOMIC DEVELOPMENT

The continued restriction on the movement of people and the transfer of goods from Gaza to traditional markets in the West Bank and Israel, along with the restrictions on access to agricultural land and fishing waters, hinder sustainable growth and continue to contribute to high levels of unemployment, food insecurity and aid dependency. Ninety-five per cent of domestic water supply in Gaza is unfit for consumption as it has a high concentration of chlorine and nitrate.<sup>138</sup>

Australia's civil society development program in the Palestinian Territories is helping improve the food security and economic independence of Palestinian farmers and small businesses, especially for women. Working through four Australian NGOs (Australian People for Health Education and Development Abroad, World Vision, CARE and ActionAid), Australia will enhance the livelihoods of over 50,000 people in low-income communities by 2015. In the same period, farm rehabilitation projects are expected to improve the income generating potential of over 3,000 poor farmers by 26 per cent.

**EFFECTIVE GOVERNANCE**

The PA has made significant progress in its comprehensive plan for institution-building and fiscal strengthening since 2007. However, its economic situation remains precarious and is compounded by a lack of momentum in the peace process and the continuation of restrictions on movement and access. As a result, the PA is facing a higher than expected budget deficit.<sup>139</sup>

Australia and other donors are providing support to the PA to take forward governance improvements in partnership with the World Bank and International Monetary Fund. Australia is also supporting improvement of public sector management by providing Australia Awards Scholarships for PA employees. By the end of 2013, with the support of Australia Awards, 10 middle managers are expected to have graduated from Master's degree programs at Australian universities.

 **IRAQ** 

After years of war, international economic sanctions, and the protracted process of approving a constitution and forming a democratically elected government, Iraq's economy is now growing. In June 2012, oil production rose to 3.07 million barrels a day, the highest in 20 years. Iraq is making progress toward achieving some MDGs but improvements are slow in important areas including enrolment in primary education, unemployment, and access to safe and reliable water and sanitation services. The Government of Iraq and the UN have agreed to boost efforts to address these issues by 2015, paying special attention to reducing the gaps in services between rural and urban areas.<sup>140</sup> As Australia begins to scale down its assistance to Iraq, in line with its economic growth, our focus will be on improved water and sanitation in schools, livelihood support and agricultural development.

<b>Key Statistics</b>		<b>Estimates (\$m)</b>	<b>12-13</b>	<b>13-14</b>
Population:	32.962 million	Australian ODA	26.9	15.9
Population Growth (%):	2.9 %	- Country	19.2	7.7
Population (Est. 2050):	84.197 million	- Regional/Global	7.4	8.0
GDP per capita (PPP):	USD 3,864	- OGDs	0.2	0.2
HDI rank:	131 of 187			
<US\$1.25/day:	0.930 million / 2.82%			
<US\$2.00/day:	7.057 million / 21.41%			

**Strategic goals** **Australia's response**

**PROMOTING OPPORTUNITIES FOR ALL**

Although the Iraq Government's capacity to provide basic services is improving, overall levels of poverty are high and many Iraqis, especially women and children, still live in extreme poverty. The difficult security environment, high unemployment and limited government capacity mean many Iraqis are vulnerable and denied access to basic services.

Through UNICEF, Australia will help increase access to safe water, sanitation and hygiene facilities and educational opportunities for children and youth. In partnership with the Danish Refugee Council, Australia will continue to assist extremely vulnerable communities, particularly female-headed households, to access stable incomes and livelihood opportunities through education and training.

**SUSTAINABLE ECONOMIC DEVELOPMENT**

Rural areas in Iraq lag behind urban centres in economic and social indicators. Rural areas exhibit low levels of agricultural productivity, high illiteracy rates, low rates of enrolment and high dropout rates from schools, particularly for girls. Poverty rates exceed the national average and rural health services are inferior.<sup>141</sup>

AusAID-funded research programs through the Australian Centre for International Agricultural Research (ACIAR) will assist the Iraq Ministry of Agriculture improve farmer incomes by tackling soil salinity problems and promoting high-yielding conservation cropping techniques. Support for agriculture helps improve incomes and food security as well as promoting economic growth.



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**EFFECTIVE GOVERNANCE**

Diversifying the national economy and developing the private sector are important to achieving more equitable growth. This requires the support of a reformed and modernised public sector.

Through the Iraq Partnership Facility, Australia will train Iraqi officials in border management, trade promotion and effective financial management systems and human rights.

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## 2.5. LATIN AMERICA AND THE CARIBBEAN

### Overview

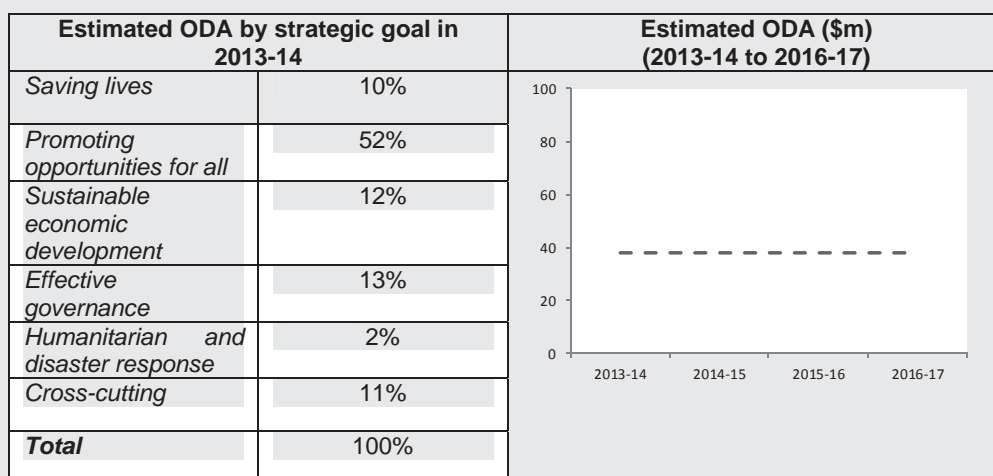
Latin America and the Caribbean have successfully weathered the recent turbulence in the global economy and the outlook remains relatively positive. However, they remain vulnerable to global economic uncertainty, natural disasters and the impact of climate change, and poverty and social inequality are still significant.

One in three Latin Americans lives below the poverty line (US\$2 per day) and 10 of the world's 15 most economically unequal countries are in Latin America.<sup>142</sup> Across the Caribbean region more than 36 per cent of the population lives below the poverty line<sup>143</sup> and 77 per cent of Haiti's population lives on less than US\$2 a day.<sup>144</sup>

Although some countries in Latin America and the Caribbean have made substantial progress against the MDGs, overall progress is mixed. With the second-highest incidence of flooding, landslides, earthquakes and droughts in the world,<sup>145</sup> the region faces significant constraints to achieving sustained development. Devastating earthquakes in Haiti and Chile in 2010 and Hurricane Sandy in 2012 demonstrate the significant vulnerability to large scale natural disasters.

Australia has a small program of assistance to Latin America and the Caribbean targeting specific areas of need, including income generation and food security, public sector management and disaster preparedness and response. Australia's aid program is delivered primarily through regional and multilateral partners.

#### Estimated ODA to Latin America and the Caribbean in 2013-14: \$38.1 million



We will build on our recent achievements and work to achieve the following results:

- In **Latin America**, Australia will:
  - focus on improving income for women by providing financial literacy and business development training for a further 25,000 women entrepreneurs; and
  - help the governments of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama to be better prepared to respond to natural disasters and to better plan and manage the recovery and reconstruction process.
  
- In the **Caribbean**, Australia will:
  - help to improve public financial management and financial sector regulation, and to reduce barriers to regional trade through the Caribbean Regional Technical Assistance Centre, managed by the International Finance Corporation; and
  - help countries adapt to the challenges of climate change and reduce the risks associated with natural disasters, working with the Caribbean Community (CARICOM) Climate Change Centre and Caribbean Disaster Emergency Management Agency.



## Regional programs

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### **LATIN AMERICA REGIONAL PROGRAM**

*2013-14 Estimate: \$24.8 million*

Poverty levels remain unacceptably high in many Latin American countries, especially Bolivia, Guatemala, Honduras, Nicaragua and Paraguay. Many of these countries are vulnerable to natural disasters and the effects of climate change. High levels of youth unemployment, crime and violence are a growing development challenge.

In 2013-14, Australia's regional program to Latin America will support sustainable economic development through programs that improve incomes (particularly for women), food security, and disaster preparedness. We will support effective governance through scholarships and public sector development programs. We will provide humanitarian assistance to save lives and avert humanitarian crises.

To maximise efficiency and effectiveness, Australia's investments will be delivered primarily through bilateral and multilateral partnerships with the German Development Cooperation Agency (GIZ), the Inter-American Development Bank and United Nations agencies. We will continue to implement joint development projects with Brazil and Chile in the region.

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### **CARIBBEAN REGIONAL PROGRAM**

*2013-14 Estimate: \$13.3 million*

Australia's assistance is helping the Caribbean address a range of development challenges including significant levels of poverty, susceptibility to natural disasters and extreme climate events, economic shocks and high crime rates.<sup>146</sup> More than 36 per cent of the population live below the poverty line (US\$2 a day),<sup>147</sup> with the highest levels in Haiti (77 per cent), St Lucia (41 per cent), Suriname (27 per cent), and Belize (22 per cent). In Haiti, one of the world's poorest countries, 61 per cent of the population live below the extreme poverty line (US\$1.25 a day). Debt-to-GDP levels in Caribbean countries are some of the highest in the world.

Australia has a small development program in the Caribbean, with the bulk of assistance delivered through regional and multilateral partners and benefiting multiple countries. The program is guided by a Memorandum of Understanding signed with CARICOM in 2009. The program targets assistance toward disaster risk reduction and response, coral reef management, climate change adaptation and improving economic resilience through strengthened economic management.

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## 2.6. CROSS-REGIONAL PROGRAMS

Cross-regional programs include allocations for programs that benefit a number of regions, including sector-based initiatives and measures to improve aid effectiveness.

### CROSS-REGIONAL PROGRAMS

*2013-14 Estimate: \$414.8 million*

#### SAVING LIVES

**\$81.6 m**

Australia funds cross-regional programs that reduce maternal and child mortality, reverse the incidence of malaria and other diseases, and strengthen health systems across the Asia-Pacific region. These include research and analysis of regional health trends and providing technical expertise to health programs in the Asia-Pacific region to improve their effectiveness.

Cross-regional programs aimed at improving access to safe water and basic sanitation include funding for a number of multilateral partnerships that contribute to knowledge management and capacity building. Civil society organisations that deliver programs to improve access to water and sanitation will be directly funded and are expected to deliver improved access to water and sanitation and education on hygiene to approximately 1.8 million people across Africa and the Asia-Pacific over the next four years.

For more information on how the Australian aid program is taking measures to save lives, see Section 4.1.

#### PROMOTING OPPORTUNITIES FOR ALL

**\$161.1 m**

Australia Awards aim to build skills to contribute to development and foster links between Australia and developing countries. Australia Awards Scholarships provide for people from developing countries to undertake tertiary study in priority areas at Australian universities and TAFEs. AusAID provided over 10,500 Australia Awards Scholarships from 2007 to 2012. Australia Awards Fellowships build partnerships and links at individual and institutional levels. Fellowships provide opportunities for people from 114 countries to build leadership skills and address priority development issues, including education. Australia Awards Fellowships have increased from 368 in 2007 to more than 1,300 in 2013.

Australia supports research and access to expertise to ensure that education program design and implementation is evidence-based. For more information on Australian aid education programs, see Section 4.2.

Cross-regional programs to promote disability-inclusive development focus on improving quality of life for people with disability and improving understanding of, and effective leadership on, disability and development. For more information on how the Australian aid program promotes the inclusion of people with disability, see Section 4.2.

Cross-regional programs to promote gender equality focus on women's economic empowerment, women's leadership and peace-building, and ending violence against women. For more information on how the Australian aid program promotes gender equality and women's empowerment, see Section 4.2.

**SUSTAINABLE ECONOMIC DEVELOPMENT** **\$64.8 m**

Australia's contribution to the Global Environment Facility (GEF) ensures that ecosystems and natural resources are conserved and used sustainably. Australia has committed to work with non-government organisations to address climate change challenges at the community level across the Asia-Pacific region. Australia's climate change assistance is also contributing to global efforts to reduce emissions.

Australia's investments in the Global Agricultural Food Security Program (GAFSP), AgResults (a G20 initiative) and the Consultative Group on International Agricultural Research (CGIAR) aim to improve long-term food security. Australia also provides immediate humanitarian food assistance through agencies such as the World Food Programme (WFP) and the UN Food and Agriculture Organization (FAO).

The International Mining for Development Centre (IM4DC) provides practical advisory, education and training services to developing countries. Australia is supporting the African Union-led implementation of the Africa Mining Vision, which uses mining to drive continent-wide development. Australia is also supporting the World Bank and the International Monetary Fund (IMF) to deliver technical assistance and capacity building to resource rich developing countries.

Australia will continue to support the World Trade Organization (WTO) on trade issues, to help developing countries negotiate and implement trade agreements and participate in the multilateral trading system. Assistance will also be provided to the International Trade Centre to engage the private sector to improve exports, especially on gender-related activities in the Pacific. Australia is supporting efforts to improve understanding and uptake of banking services by poor people, including through the Consultative Group to Assist the Poor.

For more information on how the Australian aid program supports sustainable economic development, see Section 4.3.

**EFFECTIVE GOVERNANCE** **\$33.1 m**

Cross-regional programs relating to governance aim to strengthen the effectiveness of partner government institutions, enhance citizens' engagement with government, and increase transparency and responsiveness of governments. Further, governance programs strengthen the legitimacy of states through improved security, fairer and more accessible justice systems, and increased respect for civil and political rights. For example, Australia's aid program will continue to support Transparency International in the Asia-Pacific, Africa and Latin America over the next two years (to 2015) to strengthen citizen engagement in the fight against corruption and empower communities to advocate for more open and accountable government.

For more information on how the Australian aid program supports effective governance in developing countries, see Section 4.4.

**OTHER** **\$74.2 m**

Under the cross-regional program, support is provided for government agencies and Australian universities to undertake development programs, for example:

- Government Partnerships for Development, which enhances the contribution of Australian government agencies and Australian universities to international development. New funding will establish a Government Partnerships for Development facility that will support partnerships between Federal and State Government agencies, and peer agencies in ODA-eligible countries.
- Direct Aid Program, whereby the Department of Foreign Affairs and Trade provides small grants to advance development objectives and address humanitarian hardship in developing countries, administered in more than 80 developing partner countries through 58 overseas posts.

**New Initiative: *Enhancing Australia's Commitment to Development in the Asia-Pacific Region***

The Government will invest an additional \$390.9 million over four years in the Asia-Pacific region to help make the Millennium Development Goals more achievable in our region. This will include funding to improve outcomes against MDG1 (poverty and hunger), MDG2 (universal education) and MDG5 (maternal health) in target countries in the Asia-Pacific region. This new funding will:

- reduce the rate of malnutrition amongst women and children through providing over 1 million people with access to nutrient supplements and supplementary feeding programs;
- conduct 100,000 vision screenings and 10,000 sight restoring surgeries to help lift some of the regions most disadvantaged people out of poverty;
- provide an additional 1.2 million children in the Asia-Pacific region with improved access to a quality education; and
- give a further 900,000 women per year access to improved maternal and child health services in the Asia-Pacific region.

This initiative demonstrates that Australia is committed to play a leading role in helping the Asia-Pacific region achieve the MDGs by 2015, a commitment which is reinforced by the Prime Minister's role as Co-Chair of the UN Secretary-General's MDG Advocacy Group.

### 3. GLOBAL PROGRAMS

Australia contributes to a number of global initiatives that support poverty reduction efforts around the world. AusAID's global program comprises around 24 per cent of the aid program and includes assistance to a range of multilateral and non-government partners. We support the operational activities of international humanitarian organisations, multilateral development banks, United Nations and Commonwealth organisations, and partnerships with Australian non-government organisations (NGOs). The global program achieves development results. The reach, leverage, specialisation and other strengths of our global partners play a critical role in helping Australia to meet its international development objectives. See further detail in Box 1 below.

#### Box 1: Major Multilateral and Non-Government Partners

- **Multilateral Development Banks:** includes the concessional lending arms of the multilateral development banks, the key partners being the World Bank and Asian Development Bank.
- **United Nations and Commonwealth Organisations:** includes the United Nations Development Programme, United Nations Children's Fund (UNICEF), United Nations Population Fund, Joint United Nations Programme on HIV/AIDS, UN Women, the World Health Organization and Commonwealth Secretariat Development Programmes.
- **International Humanitarian Organisations:** includes the International Committee of the Red Cross, World Food Programme, United Nations Office for the Coordination of Humanitarian Affairs and United Nations High Commissioner for Refugees.
- **Specialised Sectoral Funds:** includes partnerships with health, education and environment organisations such as the GAVI Alliance, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Partnership for Education, the Global Agriculture and Food Security Program and the Global Environment Facility.
- **Australian NGOs and Community Programs:** includes funding through the AusAID NGO Cooperation Program, volunteer and community programs, and Australian Development Research Awards, in line with the principles of the Civil Society Engagement Framework.
- **Global Partnerships funded by Other Government Departments:** includes core contributions by Australian government agencies to international organisations, including by the Department of Foreign Affairs and Trade to United Nations agencies, the Department of Employment, Education and Workplace Relations to the International Labour Organization, the Department of Health and Ageing to the World Health Organization, and the Department of Agriculture, Fisheries and Forestry to the United Nations Food and Agriculture Organization. See Section 5 for more information.



Australia provides support to multilateral organisations and civil society organisations because it:

- extends the reach of our aid program, enabling Australia to contribute to development efforts on a broader scale and in countries where establishing a bilateral aid program would be less effective;
- increases our influence within multilateral organisations, which can assist them to improve their performance and focus on issues of interest to Australia;
- utilises the technical expertise and in-country networks of multilateral and civil society organisations to help maximise input and value for money;
- supports sharing of, and access to, domestic and international expertise and best practice to improve development outcomes;
- reduces fragmentation by reducing the number of individual activities within the Australian aid program and helping to consolidate international efforts; and
- enables the Australian Government to harness the skills and experience of civil society organisations, including NGOs, who bring a unique depth of community awareness to the international development sector and are able to reach some of the world's poorest and most marginalised communities.

Table 6 (page 144) shows actual expenditure on AusAID global programs in 2011-12, estimated outcomes for 2012-13 and anticipated expenditure in 2013-14.

In *An Effective Aid Program for Australia: Making a real difference – Delivering real results*, the Government committed to assess the effectiveness and relevance of multilateral organisations to Australia's interests through the introduction of a rating system. This has been implemented through the *Australian Multilateral Assessment (AMA)*, which was publicly released in March 2012 and can be found on the AusAID website at [www.ausaid.gov.au](http://www.ausaid.gov.au). The AMA gives Australians increased confidence that Australian aid invested in multilateral organisations is making a real difference to people living in poverty.

## 3.1. MULTILATERAL ENGAGEMENT

### Overview

Multilateral organisations are typically member-based bodies, usually consisting of a group of countries that come together to work toward a common goal. Australia works with a wide variety of multilateral organisations through the aid program, including United Nations agencies such as UNICEF, international humanitarian organisations such as the International Committee of the Red Cross, multilateral development banks such as the World Bank, and global financing mechanisms such as the Global Partnership for Education.

Multilateral organisations add value to the aid program by:

- contributing to the achievement of development results aligned with our strategic goals;
- producing information, policy and analysis that helps to inform the work of Australia and other bilateral donors;
- helping to coordinate development efforts at a country level and on major international policy issues;
- using their influence with national governments to resolve issues when it may be difficult for a single bilateral donor to do so;
- mobilising experience and expertise from around the world;
- developing global standards such as minimum standards in humanitarian action and health;
- delivering aid on a scale beyond the capacity of Australia and other bilateral donors; and
- operating in countries where Australia does not have a significant presence or in sectors where bilateral assistance is not possible.

Australia is engaged strongly with multilateral organisations at both policy and program levels and we aim to increase their effectiveness, improve their monitoring and reporting of results, and increase their value for money. Australia is an active member of the governing bodies of major multilateral organisations and holds regular high-level consultations with senior management.

The *Multilateral Engagement Strategy for the Australian Aid Program* explains to the Australian public why multilateral organisations are important partners for the aid program and sets out Australia's key priorities for engagement.

The strategy identifies four key priorities, shaped by the findings of the *Australian Multilateral Assessment*:

- improving multilateral organisations' performance and results;

- improving value for money, due diligence and safeguards;
- improving coordination between donors and multilateral organisations; and
- focusing greater attention on the Asia-Pacific region.

At a program level, multilateral organisations are important delivery partners. Through *core funding* (funding not tied to a specific purpose), Australia supports multilateral organisations to implement programs and deliver results that provide development benefits around the globe. Through *non-core funding* (funding tied to a specific purpose), multilateral organisations deliver programs and results in specific countries. This means Australia can selectively support activities of most relevance to our objectives.

### **Multilateral Effectiveness**

Australia is strongly committed to ensuring that multilateral partners are effective and aligned with Australian aid program objectives. We are making significant efforts to enhance the management of multilateral partnerships and are encouraging better performance, results and value for money. These efforts include:

- launching the inaugural *Australian Multilateral Assessment* in March 2012;
- publishing the *Multilateral Engagement Strategy* in October 2012;
- releasing *Multilateral Scorecards* in December 2012;
- developing individual engagement strategies for key multilateral partners in 2013;
- chairing the Multilateral Organisation Performance Assessment Network (MOPAN) in 2013; and
- establishing and chairing quarterly meetings of the Virtual Working Group on Multilateral Effectiveness with the United Kingdom and Canada.

The *Australian Multilateral Assessment* (AMA), the most comprehensive assessment of Australia's multilateral partners ever undertaken, was released by the Australian Government on 30 March 2012. The AMA examined multilateral organisations against the delivery of results, alignment with Australia's priorities, and organisational behaviour as a way of measuring and rating multilateral effectiveness. The AMA informed core funding decisions for the 2012-13 Budget. In December 2012, AusAID published the *Multilateral Scorecards*. The scorecards build on the findings of the AMA by providing updated monitoring of multilateral organisations' results, effectiveness, and engagement with Australia's aid program. The AMA and scorecard findings influenced funding decisions regarding Australia's multilateral partners in the 2013-14 Budget. To complement the annual scorecard system, a comprehensive assessment will be conducted every five years.

Australia will continue to be selective about the UN and other multilateral partners it chooses to work with, supporting those whose work aligns with the strategic goals

of the Australian aid program, delivers results and provides value for money.

Australia engages closely with other bilateral donors on improving multilateral effectiveness, and is chairing the Multilateral Organisation Performance Assessment Network (MOPAN) in 2013. This network of 17 donor countries produces detailed assessments each year of the effectiveness of major multilateral organisations. Australia will use its role as MOPAN Chair to ensure the network more effectively serves donor priorities. These will include:

- a simpler methodology that enables more assessments to be undertaken each year;
- a greater focus on using performance indicators that are of the highest priority to donors; and
- ensuring MOPAN reports are more useful.

## Global programs

### Multilateral Engagement

*2013-14 Estimate — Contribution to multilateral replenishments: \$341.8 m*

*2013-14 Estimate — Contribution to United Nations and other global organisations: \$396.3 m*

#### Multilateral Partners

Below is a description of Australia's engagement with the top twelve multilateral organisations to which we provide funding.

#### Multilateral development banks

Multilateral development banks provide concessional loans and grants to developing countries to fund improvements in education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management. They also supply technical expertise and are a leading source of research and analysis. Working with these institutions expands our aid program's reach.

#### ***World Bank (through the International Development Association, IDA)***

Australia will provide up to \$200.8 million in 2013-14 to the World Bank's International Development Association (IDA).

As a global institution with 188 member countries, the World Bank Group is a vital source of financial and technical assistance to developing countries around the world. The World Bank's IDA is the largest channel of concessional financing in the world. It assists the world's 81 poorest countries by providing interest-free loans and grants for programs that boost economic growth, reduce inequalities and improve people's living conditions. The World Bank's programs are closely aligned with all five of the Australian aid program's strategic goals. Australia draws on the Bank's considerable research, analysis and data collection at the sector, global and country level.

Australia's membership of, and financial contributions to the World Bank Group provide Australia with the opportunity to influence policies and priorities at the highest levels. An ongoing objective of our relationship is to ensure that the activities of the World Bank recognise and actively target key development priorities in the Asia-Pacific region.

Collaboration between Australia and the World Bank is guided by the Australia-World Bank Group Partnership Framework, signed in September 2011.

In 2013-14, our contributions to IDA will help:

- immunise more than 800,000 children;
- provide 300,000 pregnant women with antenatal care;
- provide 198,000 people with access to improved water sources;
- provide 15,000 people with access to improved sanitation;
- recruit and train up to 5,400 teachers; and
- construct, rehabilitate or maintain 204 kilometres of road.

#### ***World Bank Debt Relief Mechanisms***

Australia will provide \$17.3 million in 2013-14 to the World Bank's debt relief mechanisms.

Australia provides debt relief support through the World Bank via the Multilateral Debt Relief Initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) Initiative. Multilateral debt relief helps indebted poor countries to free their resources for social spending, such as health, education, and other social services.

MDRI provides 100 per cent relief on eligible debt from the International Monetary Fund, International Development Association and African Development Fund to a group of low-income countries, helping them advance toward the MDGs. From 2006 to 2046, contributions to MDRI are projected to cancel approximately US\$35.5 billion of credit reflows from eligible low income countries.

The HIPC Initiative provides debt relief to the world's poorest and most indebted countries, to help free up

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resources to meet poverty reduction goals. Poverty reducing expenditure is projected to increase by approximately 2 per cent of these countries' gross domestic product from 2011 to 2015 due to the HIPC Initiative.

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***Asian Development Bank (through the Asian Development Fund, ADF)***

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Australia will provide up to \$101.1 million in 2013-14 to the Asian Development Bank's Asian Development Fund (ADF).

The Asian Development Bank (ADB) has been a major source of development finance for the Asia-Pacific region since it was established in 1966. Australia's membership and financial contributions to the ADB provide Australia with the opportunity to engage and influence policy at the highest levels for strengthened regional development outcomes. Australia has one of the largest shareholdings in the ADB, and has representatives in leading positions on the Board of Directors.

Australia is a vital partner to the ADF and Australia's replenishment pledge in 2012 saw it increase its burden share, making Australia the second largest donor to the Fund. Australia achieved important outcomes at the replenishment negotiations, including ongoing commitment to bank reform, strengthening the implementation and monitoring of ADB Safeguard Policies and increasing focus on leveraging private sector financing.

ADB's activities align with the strategic goals of Australia's aid program and the ADB supports Australia's broader economic interests through its approach to economic integration.

In 2013-14, our contributions to the ADF will help:

- build or upgrade more than 350 classrooms and train more than 5,800 teachers, contributing to more than 70,800 students obtaining a better education;
- provide more than 72,300 women, men and children with water supply and more than 57,200 women, men and children with sanitation; and
- construct, rehabilitate or maintain more than 432 kilometres of roads.

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**United Nations and Commonwealth Development Organisations**

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United Nations development and humanitarian agencies are important partners for the Australian aid program. Their geographic reach, specialist expertise, convening power, extensive data sets and scale of operation support Australia's international development objectives.

Australia is a committed and active member of the Commonwealth. Australia's support for Commonwealth development programs covers economic development, youth and civil society engagement, education, rule of law and public sector development.

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***United Nations Children's Fund (UNICEF)***

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Australia will provide \$38.3 million in 2013-14 to UNICEF.

UNICEF's work links to a number of the strategic goals of Australia's aid program. It operates in 156 countries and is dedicated to working exclusively for children and their welfare. UNICEF focuses on five areas — young child survival and development; basic education and gender equality; HIV and children; child protection from violence, exploitation and abuse; and policy advocacy and partnerships for children's rights. Australia is a top 10 donor to UNICEF, with whom we share an important humanitarian partnership.

UNICEF is currently preparing a new Medium Term Strategic Plan for 2014-17 that will provide specific details of its future programs. In 2013-14, our contributions to UNICEF will help developing countries achieve their MDGs by:

- improving maternal and child health services through the annual purchase of immunisation supplies for children in 100 countries;
  - providing emergency food for severely malnourished children in humanitarian, fragile or recovery situations;
  - improving access to sanitation facilities for households with children;
  - strengthening access to quality basic education for the world's poorest children; and
  - assisting vulnerable people to prepare for and respond to disasters and humanitarian crises.
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**United Nations Development Programme (UNDP)**

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Australia will provide \$26.0 million in 2013-14 to UNDP.

UNDP is the United Nations' leading development agency with responsibility for coordinating national and global efforts to achieve the MDGs and UN inter-agency cooperation. It provides direct assistance on the ground in 177 countries and its work focuses on poverty reduction, democratic governance, crisis prevention and recovery, environment and energy, HIV/AIDS, women's empowerment, and capacity development.

In 2013-14, our contributions to UNDP will help:

- support elections in approximately 26 countries;
- strengthen the rule of law in over 35 crisis-affected countries;
- develop the capacity of governments in over 60 countries to respond to disasters and mitigate the risks they pose;
- support an increased focus on local governance activities; and
- strengthen the focus on poverty reduction and increase the effectiveness, relevance and efficiency of United Nations development programs.

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**World Health Organization (WHO)**

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Australia will provide \$23.4 million in 2013-14 to WHO.

WHO is the United Nations agency responsible for monitoring global health issues and setting international standards for health. WHO plays a critical role in progressing the health MDGs by supporting developing countries to strengthen their health systems and respond to health emergencies and disease outbreaks. WHO provides leadership and training on health issues and plays a key co-ordinating role at global, regional and country levels.

Our contributions to WHO in 2013-14 will help:

- improve the quality of health workers and health infrastructure such as hospitals and clinics;
- support immunisation programs for children;
- prevent and treat diseases such as HIV, malaria and tuberculosis;
- respond to public health threats and emergencies in our region and around the world; and
- provide international experts to help countries improve the design and delivery of health care.

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**United Nations Population Fund (UNFPA)**

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Australia will provide \$18.2 million in 2013-14 to UNFPA.

UNFPA, with its focus on population health and gender, works with Australia to improve the health and wellbeing of women. UNFPA aims to reduce maternal mortality by training health workers, preventing HIV/AIDS, improving access to reproductive health care and procuring and distributing contraceptives. UNFPA also assists countries to collect, analyse and disseminate population data, facilitating the delivery of evidence-based health care. UNFPA works closely with other UN agencies to promote women's empowerment.

Our contributions to UNFPA in 2013-14 will help:

- countries improve their data collection and analysis in order to advance the delivery of population health programs;
  - procure and distribute more than 280 million family planning commodities such as condoms and oral contraceptives, to allow women and their partners to plan and space births;
  - deliver targeted interventions to reduce maternal mortality, such as improving access to emergency obstetric equipment and the training of health professionals; and
  - promote gender equality and women's rights.
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**Specialised Sectoral Funds**

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Multilateral specialised sectoral funds provide a single point where funding from multiple sources can be pooled and then distributed to achieve specific development outcomes. Sectoral funds also allow access to levels of expertise and development resources not usually available to individual countries. Australia provides funding to a number of sectoral funds that are working to improve outcomes in health, education, environment, food security and innovative financing in low-income countries. Sectoral funds also engage with the private sector through public-private partnerships (PPPs) that are able to leverage funding and deliver positive development outcomes.

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***Global Partnership for Education (GPE)***

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Australia will provide \$270 million to GPE from 2011 to 2015.

GPE is a partnership of donors and developing countries dedicated to improving education in the world's poorest countries. GPE's work contributes directly to the Australian Government's strategic goal of Promoting Opportunities For All. GPE maintains a strong focus on gender parity, and almost half of GPE's funds are allocated to fragile or conflict-affected states. Australia primarily engages with GPE through membership of the GPE Board.

Our contributions to GPE in 2013-14 will help:

- enrol 20 million more school students;
- reduce by 40 per cent the number of primary school-age children not in school;
- provide 40 million new textbooks in classrooms; and
- train 500,000 new teachers.

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***GAVI Alliance (GAVI)***

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Australia will provide \$200 million to GAVI from 2011 to 2013.

GAVI is a global health public-private partnership committed to saving children's lives and protecting people's health by increasing access to immunisation in low-income countries. GAVI is an important initiative in accelerating achievement of the health MDGs. It provides a funding mechanism for supporting immunisation and health systems, and for introducing new vaccines in developing countries. Australia primarily engages with GAVI through membership of the Board and, in 2013, has taken up the donor representative seat on the Board's Executive Committee.

Our contributions to GAVI in 2013-14 will help:

- fully immunise 7.7 million children in developing countries against major diseases; and
- prevent 3.9 million people dying from preventable diseases.

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***International Finance Facility for Immunisation (IFFIm)***

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Australia will provide \$250 million to IFFIm over 20 years (2010-2030).

IFFIm is an innovative financing mechanism that generates additional resources for immunisation by selling bonds on capital markets underwritten by long-term donor commitments. IFFIm invests the majority of money 'up front' allowing both developing countries and vaccine manufacturers to plan for longer periods of time, knowing the necessary resources will be available. This predictability increases efficiency, and improves planning and results, increasing access to immunisation in developing countries.

Our contributions to IFFIm in 2013-14 will help:

- enable developing countries to rapidly increase vaccine coverage and lower disease prevalence; and
- generate resources for GAVI to help low-income countries strengthen their health systems by training health workers, buying essential drugs, and providing maternal and child health care services.

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***Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund)***

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Australia will provide \$200 million to the Global Fund from 2011 to 2013.

The Global Fund was established as a public-private partnership to increase resources to fight three of the world's most devastating diseases—HIV/AIDS, tuberculosis, and malaria. It has become the largest multilateral funder in global health and is a key partner progressing the MDGs. Australia primarily engages

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with the Global Fund through membership of the Board. Australia works closely with other donors and bilateral partners to influence the work of the Global Fund Board and its committees. Australia is represented on the Board by the United Kingdom.

In 2013-14, our contributions to the Global Fund will help:

- 67,000 people receive HIV treatment;
- 59,000 people receive tuberculosis treatment; and
- distribute over 1.6 million bed nets to prevent malaria.

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***Global Environment Facility (GEF)***

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Australia will provide \$19.4 million in 2013-14 to the GEF.

GEF is the largest funder of projects to improve the global environment. The majority of people in developing countries are dependent on the natural environment for food, water, income and livelihoods. GEF assists developing countries to tackle climate change, biodiversity loss, ozone depletion, contamination by persistent organic pollutants, and degradation of land and trans-boundary water systems.

In 2013-14, our contributions to GEF will help:

- conserve global ecosystems and aid the sustainable use of natural resources;
  - reduce climate change risks through a projected 20 billion tonne reduction in emissions, and assist countries to adapt to climate change; and
  - manage chemicals throughout their lifespan, minimising their impact on human health and environments, including the environmentally sound disposal of over 38,000 tons of PCB-related chemical waste and 20,000 tons of obsolete pesticides.
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## **Box 2: Sustainable Development**

Australia is using its prominent role in international fora, including through our position as co-chair of the Green Climate Fund, to influence policy and program directions on sustainable development, including low-carbon development.

### **The Green Climate Fund**

The Green Climate Fund is a new multilateral climate change fund, established through UN climate change negotiations to support developing countries to address the challenges of climate change. The Fund has a mandate to help developing countries undertake adaptation and mitigation action.

As co-chair of the Board for a term of one year, Australia is playing a key role in the development of the Fund, which has the potential to become the largest global fund addressing climate change in developing countries. Australia has supported an ambitious aim for the Fund: that it support significant climate change actions in developing countries that are aimed at moving their economies onto climate-resilient and low-emission development pathways. The Fund is currently in its design stage and Australia is working to ensure that its design allows it to streamline access to funding while ensuring appropriate safeguards and fiduciary standards are in place.

The Fund has made good progress on a number of issues in its first seven months. The Board has selected, by consensus, the Republic of Korea as the permanent host country of the Fund. This decision was endorsed by the UN climate change conference in Doha, Qatar, in December 2012.

In 2013, the Australian and South African co-chairs are leading the Board in establishing the building blocks for the Fund. The Board will work closely with national governments, civil society organisations and the private sector to finalise the design of the Fund. This work will include:

- designing the Fund's private sector facility to enable the Fund to mobilise private sector finance;
- establishing permanent arrangements for observer participation;
- developing the operational policies and procedures for the delivery of mitigation and adaptation programs; and
- establishing the Fund's secretariat in the Republic of Korea.

### **Box 3: International Fora**

Australia is increasing its global influence through its engagement on important development policy issues being pursued in international fora.

#### **Post-2015 Development Agenda**

For more than 10 years, the Millennium Development Goals (MDGs) have helped focus international development efforts on improving the well-being of the world's poorest people. There has been remarkable progress, but as the overall target date of 2015 approaches, it is clear that challenges will remain. Australia is actively participating in international planning to address future development challenges and design a new global development framework, particularly as a member of the United Nations Sustainable Development Goals Open Working Group.

Established as an outcome of the United Nations Conference on Sustainable Development (Rio+20), the Open Working Group is developing Sustainable Development Goals for consideration by the 68th session of the United Nations General Assembly. Australia is influencing the post-2015 development agenda and advocating for priorities of greatest relevance and interest to Australia. In particular, Australia is supporting a balanced approach that focuses on poverty reduction and integrates the social, economic and environmental dimensions of sustainable development.

#### **G20 Development Agenda**

Since 2008, the Group of Twenty (G20) has emerged as the world's pre-eminent international economic and financial decision-making forum, following its pivotal role in successfully responding to the global financial crisis. Australia has played a key part in driving outcomes through this forum, including the G20 development agenda launched by G20 leaders in 2010. Together, G20 members have established funds worth almost US\$1 billion to enhance food security. Australia, Indonesia and Italy have led G20 development efforts to harness new technologies for improving crisis detection in vulnerable communities, and released about US\$1 billion back to poor people in developing countries by reducing the cost for migrant workers to send remittances home.

Australia will host the G20 in 2014 – the largest international forum ever held in this country. Hosting represents a unique opportunity to influence global economic and development agendas, as well as to strengthen our development cooperation with the world's major economies. In December 2012, AusAID became a co-chair of the G20 Development Working Group, responsible for driving the development agenda. AusAID will retain this position through to the end of 2015 and will organise a number of Development Working Group meetings during Australia's host year. AusAID is working with member countries to prepare the Development Working Group's first accountability report to leaders tracking implementation of G20 development commitments since 2010, and a new multi-year action plan to shape the G20's forward agenda on development.

## **3.2. NON-GOVERNMENT ORGANISATIONS AND INVOLVING THE AUSTRALIAN COMMUNITY**

### **Overview**

AusAID works closely with members of the Australian community in developing and implementing the Australian aid program – through its links with non-government organisations (NGOs), through Australia's volunteer program and through an increasingly close dialogue with businesses.

Australian NGOs play an integral role delivering Australian aid around the world. They are often the first to trial innovative solutions for delivering aid and foster networks within and across countries. This enables them to reach the poorest and most marginalised communities.

AusAID's *Civil Society Engagement Framework* (Framework) – launched in June 2012 – was developed in consultation with Australian NGOs through their peak body, the Australian Council for International Development (ACFID). The Framework commits AusAID to streamline processes and to strengthen its partnerships with civil society.

In line with the Framework, AusAID is strengthening its capacity to monitor and evaluate the work that NGOs perform that is funded through the aid program. This will give AusAID a clearer picture of the contribution that NGOs make toward the aid program's strategic objectives.

In 2011-12, a total of 14 per cent of the aid program was delivered through NGOs, of which just over half was provided to Australian NGOs and the remainder to overseas NGOs.<sup>148</sup> NGOs deliver a range of programs, including long-term development activities and rapid response to humanitarian emergencies and disasters, as well as the provision of clean water, sanitation and vaccinations, access to financial services, training for teachers and other lifesaving assistance. There are over 80 programs across the aid program that fund NGOs. One such example is AusAID's new Civil Society, Water Sanitation and Hygiene Fund. Building on a successful pilot program completed in March 2012, the Fund will support civil society organisations to deliver better access to water and sanitation and help improve hygiene practices for around 2 million people in Africa and the Asia-Pacific region over four years.

### **AusAID-NGO Cooperation Program (ANCP)**

One of the main ways that the Australian Government provides funding to Australian NGOs is through the ANCP. NGOs that participate in this program are subject to a rigorous accreditation process. The primary objectives for ANCP are to: support accredited Australian NGOs' development activities that directly and tangibly alleviate poverty in developing countries; target the most vulnerable and marginalised communities; promote progress against the Australian aid program's strategic goals and development objectives; and provide grant funding to Australian NGOs with

strong community support and effective systems. The ANCP represents direct funding of NGOs under a specific program, and accounts for 63 per cent of the aid program delivered through NGOs. Below is a table showing aid provided through ANCP over four years.

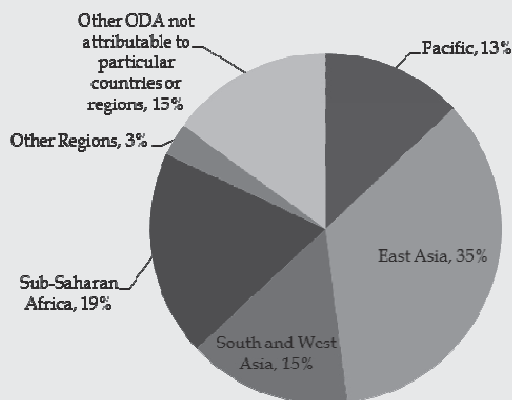
ANCP	Actual (\$m)	Actual (\$m)	Estimated Outcome (\$m)	Budget Estimate (\$m)
	2010-11	2011-12	2012-13	2013-14
Total	69.2	95.8	106.4	141.0

In 2013-14, the ANCP is expected to provide \$141.0 million to over 40 Australian NGOs to deliver over 600 development activities in more than 50 countries. The funding provided in 2013-14 represents a 33% increase on 2012-13.

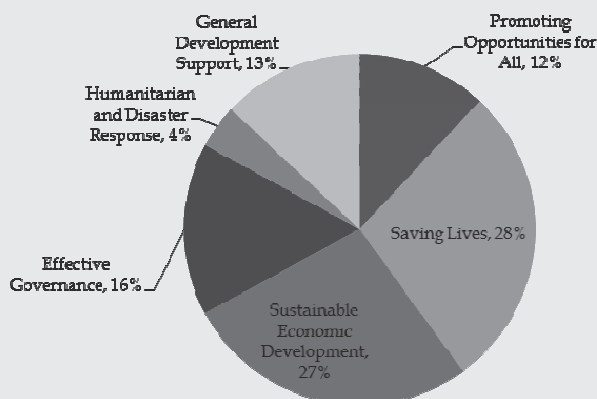
Over the next three years, it is expected that NGOs partnered under the ANCP will deliver the following results:

- one million more poor people provided with access to new or refurbished water facilities and 1.5 million more poor people access to improved sanitation;
- up to 72,000 poor children in Asia, the Pacific, Africa and beyond assisted to access a better quality classroom learning experience;
- 70,000 poor people have increased capacity to reduce disaster risks, support mine action and advocate for protection;
- more than 475,000 poor women and men assisted to increase agricultural productivity and food security; and
- increased ability of local civil society organisations to play a role in ensuring the transparency and accountability of service delivery in Asia, the Pacific, Africa and beyond.

**Diagram 3. Estimated ANCP expenditure by region in 2013-14**



**Diagram 4. Estimated ANCP expenditure by strategic goal in 2013-14**



### **Engaging with Australian Business**

*An Effective Aid Program for Australia* outlines the Australian Government's commitment to strengthening links with the Australian business community. In 2012, AusAID hosted its first Consultative Forum with Business, during which the Minister for Foreign Affairs launched AusAID's Private Sector Development Strategy. Following this, AusAID's engagement has focused on sharing information and identifying practical ways to work with business via a series of country-focused roundtable discussions (Indonesia in September 2012, the Pacific in February 2013 and Papua New Guinea in April 2013). Other roundtables with business are planned for 2013 and include a focus on Myanmar and Africa.

One of the key ways AusAID works with the private sector is through the Mining for Development initiative, aimed at assisting partner governments to maximise the development potential of their extractives sectors. AusAID will engage with the private sector at the May 2013 Mining for Development and Extractive Industries Transparency Initiative (EITI) conferences. In 2013-14, AusAID will continue to develop partnerships with the Australian business community, identifying shared interests to maximise the impact and effectiveness of Australian aid.

### **Australian Volunteers**

Australian volunteers help to build skills and expertise in areas that are critical to reducing poverty while connecting with people, institutions, businesses and governments. Since the 1960s, around 15,000 Australian volunteers have worked to make a positive contribution in developing countries. Results from a 2012 survey of returned volunteers found that 83 per cent considered they had made a positive impact on their host organisation and the local community, and 95 per cent felt their understanding of aid and development issues, and of other cultures, had increased as a

result of their volunteering experience.

Most volunteer assignments are undertaken in the areas of community and social development, health, education, management, administration, human resources, communications, science and environment. Examples of Australian volunteers improving the lives of people in developing countries include Australian volunteer vulcanologists in the Pacific, paramedics in Timor-Leste, flying doctors in Kenya, blood bank workers in the Solomon Islands and occupational therapists in Fiji.

<b>Involving the Australian Community</b>	
<b>2013-14 Estimate: \$222.3 million</b>	
<b>Focus</b>	<b>Expected results</b>
<b>Engaging with Australian non-government organisations (NGOs), including:</b>	
<b><i>AusAID-NGO Cooperation Program (ANCP)</i></b>	<b>\$141.0 m</b>
<p>The ANCP provides grant funding to AusAID accredited Australian NGOs to work in more than 50 developing countries. Australian NGOs contribute a unique depth of experience and community awareness to the international development sector. ANCP funding supports Australian NGOs implementing development activities that directly and tangibly alleviate poverty overseas.</p>	<p>In 2013-14, the ANCP is expected to deliver a range of results in countries that are the focus of the Australian aid program, including:</p> <ul style="list-style-type: none"> <li>• increased access to safe water and sanitation for more than 900,000 people;</li> <li>• professional education for 2,700 midwives and other community professionals;</li> <li>• access to new agricultural technology, support and training for more than 190,000 poor farmers in vulnerable and fragile communities;</li> <li>• access to child protection services and child-friendly services for more than 85,000 children in poor and disadvantaged communities; and</li> <li>• more than 600,000 people benefiting from integrated community approaches to health and well-being.</li> </ul>
<b>NGO policy and effectiveness</b>	
<p>The Australian Government is committed to improving the effectiveness, transparency and accountability of Australian NGOs funded through the aid program.</p> <p>The effectiveness of NGOs funded through the ANCP is managed through an upfront accreditation process, regular audits, and application of a Monitoring, Evaluation and Learning Framework. The framework — trialled in 2012 — provides a combination of qualitative and quantitative information about the results being achieved, helping to generate more consistent and transparent reporting on the impact of NGO activities.</p>	<b>\$2.0 m</b>
<b><i>Partnership with the Australian Council for International Development (ACFID)</i></b>	<b>\$0.9 m</b>
<p>A strategic Partnership between AusAID and the Australian Council for International Development (ACFID) will support the Government's commitment to work closely with the Australian NGO community to fulfil the commitments of the <i>Comprehensive Aid Policy Framework</i> and the <i>Civil Society Engagement Framework</i>.</p> <p>A productive working relationship with ACFID</p>	<p>In 2013-14, AusAID expects to:</p> <ul style="list-style-type: none"> <li>• work with ACFID in implementing the <i>Civil Society Engagement Framework</i>; and</li> <li>• assist the development NGO sector to be strong, professional and accountable, all of which are integral to promoting aid effectiveness.</li> </ul>



provides access to the coordinated views of the NGO sector and enables AusAID to draw on the knowledge, skills and strengths of ACFID and its members to enhance the design and implementation of Australian aid policies and programs.

**Engaging with Australian business**

AusAID’s business engagement agenda seeks to increase opportunities for the Australian Government and business community to communicate and work together to achieve sustainable development outcomes in countries where AusAID and business both operate.

In 2012, AusAID established a Business Engagement Steering Committee, which includes Government, civil society and private sector representatives such as the Business Council of Australia, the Australian Industry Group, the Australian Chamber of Commerce and Industry and Business for Millennium Development.

In 2013-14, AusAID expects to:

- collaborate with the business community to convene a series of country-specific roundtable discussions to share information and identify practical ways to work together; and
- develop partnerships with businesses that draw on private sector strengths in the delivery of aid.

**Australian volunteers**

**\$65.3 m**

The Australian Volunteers for International Development (AVID) program provides an opportunity for Australians from many walks of life to contribute their skills and expertise, and their time and goodwill, to contribute to the overarching purpose of the aid program — to help people in developing countries overcome poverty.

In 2013-14, the AVID program, which includes Australian Youth Ambassadors for Development, will support the recruitment and placement of over 1,000 new Australian volunteers in approximately 40 countries.

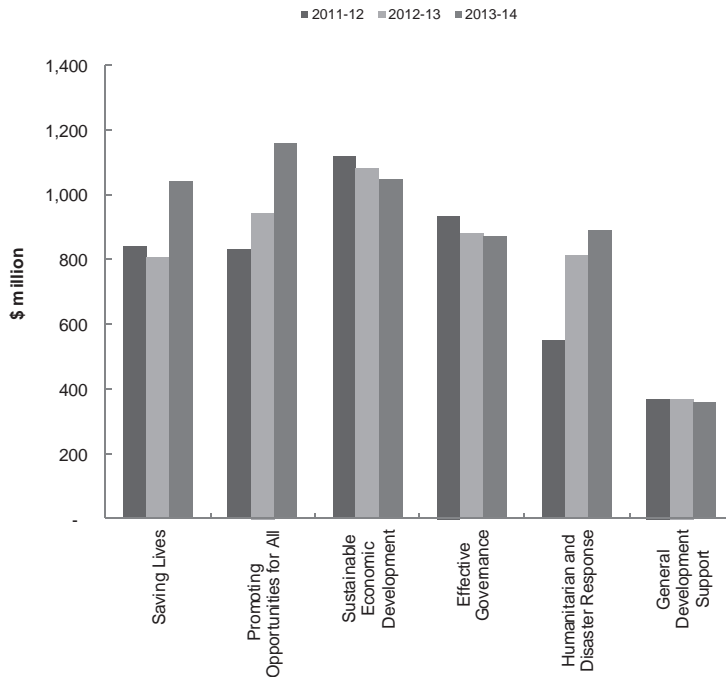
There will be over 1,500 new and continuing volunteers on assignment in developing countries contributing to the Australian Government’s overseas aid program. Since the 1960s around 15,000 Australian volunteers have made a positive contribution in developing countries.

## 4. STRATEGIC GOALS

While Australia's aid is planned and delivered at the country, regional or global level, it is guided by five core strategic goals:

- saving lives – focusing on health, water and sanitation;
- promoting opportunities for all – focusing on education, gender equality and disability-inclusive development;
- investing in sustainable economic growth, food security and private sector development – focusing on food security, infrastructure and climate change adaptation and mitigation;
- supporting security, improving governance and strengthening civil society – focusing on economic reform, law and justice and strengthening civil society; and
- preparing for and responding to humanitarian crises – focusing on emergency response and disaster preparedness.

As outlined in the *Comprehensive Aid Policy Framework*, expenditure toward the five strategic goals will be determined through an assessment of country and regional priorities based on the following four criteria – poverty, national interest, Australia's capacity to make a difference, and current scale and effectiveness.

**Diagram 5: Estimate ODA by strategic goal from 2011-12 to 2013-14\***

\* The sectoral break-down above aligns with the organising framework set out in *An Effective Aid Program for Australia: Making a real difference – Delivering Real Results*. Actual and projected expenditures are measured via Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) Sector classifications that have been adapted to this framework. Expenditure reported against thematic issues discussed in this section that cut across multiple Strategic Goals, such as Gender Equality and Climate Change, is measured via OECD DAC Policy Markers and is not represented separately above. For example, the majority of expenditure relating to Gender Equality falls under Saving Lives and Promoting Opportunities for All, and is therefore included under these Goals. The Strategic Goal previously described as “Cross Cutting” has been renamed “General Development Support” to better reflect the types of expenditure under that Strategic Goal and avoid confusion with thematic issues that cut across the aid program.

## 4.1. SAVING LIVES

The Australian Government will save lives – particularly those of poor women and children – by greater access to quality maternal and child health services, supporting large-scale disease prevention, vaccination and treatment programs, and increasing access to safe water and sanitation.

### Water and Sanitation

#### Context

A lack of access to safe water and basic sanitation, and poor hand-washing, exposes millions of people to poor health. For example, preventable diarrhoeal diseases such as cholera and *E coli* claim 1.4 million lives every year, with women and children most at risk.<sup>149</sup>

The importance of safe water and basic sanitation has been acknowledged through the MDG target to halve the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015. In 2011, 783 million people in the world still did not have access to safe drinking water, and 2.5 billion people did not have access to basic sanitation facilities.<sup>150</sup>

#### Australia's response

The Australian Government has committed to improving public health by increasing access to safe water and basic sanitation. To achieve this objective the Australian Government will invest around \$279 million in 2013-14 across the Asia-Pacific and Africa, or 5 per cent of total ODA. This funding will support investments in:

- school water supply, sanitation and hand washing facilities, which will contribute to improved student health and school attendance;
- an increased role for the private sector in service delivery, including maintenance and solid waste removal; and
- improved public service delivery, including through extending household access to water and sewerage services and improved capacity to operate and maintain those services.

We will fund a range of partners to deliver assistance in this area, including national governments, civil society organisations, development banks, academia, and the private sector. Our program reach will include neighbouring countries such as Indonesia, Timor-Leste and Papua New Guinea, where there are large gaps in access to clean water and basic sanitation services. Countries with similarly poor services, such as Bangladesh, Vietnam and Zimbabwe, will also benefit from continued Australian support.

## Maternal and Child Health

### Context

Women and children continue to bear the greatest burden of ill health in developing countries. Every year, nearly seven million children die before they reach their fifth birthday, most of them from preventable illnesses such as pneumonia and diarrhoea.<sup>151</sup> And every year, over a quarter of a million women die from complications during pregnancy or childbirth.<sup>152</sup> Poor nutrition in pregnant women and babies in developing countries can lead to lower levels of education and decreased productivity.

In the Asia-Pacific, progress against MDG 4 (child health) and MDG 5 (maternal health) is lagging. The region continues to bear around 40 per cent of the global burden of maternal and child mortality.

### Australia's response

In 2010, Australia committed to spending \$1.6 billion on maternal and child health by 2015. As part of this commitment, in 2012 Australia signed the Child Survival Call to Action, which challenges the world to reduce child mortality to below 20 child deaths per 1,000 live births in every country by 2035, and agreed to double expenditure on family planning by 2016.

On current projections, it is expected that around \$763 million will be spent on health programs in 2013-14 (excluding water, sanitation and hygiene promotion) or 14 per cent of total ODA. Australia's ODA investment in health will contribute to improvements in maternal and child health and will focus on:

- expanding access to family planning;
- increasing access to health services for women;
- increasing the number of skilled health workers (including midwives); and
- treating and preventing common childhood illnesses.

The majority of Australian funding will train more health workers and build health service infrastructure, like clinics, so poor and vulnerable women have improved access to health care. Australia will also support family planning, nutrition, immunisation, and health education programs through country, global and regional partners, as well as civil society organisations. Australian support will focus on countries in the Asia-Pacific, including Timor-Leste, Cambodia, Indonesia and Papua New Guinea. Other countries with poor maternal and child health indicators, such as Afghanistan and Pakistan, as well as those in East Africa will also benefit from Australian support.

## Combating Disease

### Context

Infectious diseases continue to cause suffering and hamper development efforts in our region. Although progress has been made against MDG 6 (to halt and reverse the spread of HIV and other diseases), in 2011, 2.5 million people became infected with HIV and 1.7 million people died of the disease.<sup>153</sup> Malaria is found in 22 countries in the Asia-Pacific, placing 64 per cent of the region's 3.6 billion people at risk.<sup>154</sup> It remains a major cause of death and illness in the region with around 30 million malaria cases and 42,000 deaths a year.<sup>155</sup> Drug-resistant malaria and tuberculosis pose an additional threat. Countries in the Asia-Pacific face the double burden of addressing both infectious diseases, such as malaria and tuberculosis, and non-communicable diseases such as diabetes and cancer. On top of the loss of lives, these diseases affect individuals in their prime income earning years and therefore hamper economic growth.

### Australia's response

Australia is improving the delivery of health services in developing countries and building regional political support to tackle diseases. In October 2012, Australia hosted *Malaria 2012*, a global conference that resulted in a high-level political commitment to fight the spread of malaria, including by containing drug resistance. Australia has also committed to helping Pacific island countries and territories address the growing burden of non-communicable diseases.

In 2013-14, Australian Government support will be targeted at diseases such as malaria, tuberculosis and HIV/AIDS in the Asia-Pacific. The majority of funding will be spent in support of national health plans in our region. The remainder will support regional and global partnerships and organisations dedicated to eliminating deaths from major diseases such as the GAVI Alliance, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Global Polio Eradication Initiative. Australia will invest \$100 million over four years (to 2015-16) to prevent malaria deaths in the region. To halt the spread of HIV, Australia will continue to build the capacity of organisations to respond to challenges in the Asia-Pacific and support prevention and treatment programs through key global partners such as UNAIDS. Australia will also continue to address emerging public health threats, including by investing in health and medical research.

## 4.2. PROMOTING OPPORTUNITIES FOR ALL

Consistent with the *Comprehensive Aid Policy Framework*, the Australian Government will invest more in promoting opportunities for all in developing countries. Our investment will focus on:

- increasing access to education;
- empowering women to participate in the economy, leadership and education; and
- enhancing the lives of people with disability, promoting their dignity and wellbeing.

### Education for All

#### Context

Education is the foundation for economic and social development. However, too many people are deprived of the opportunities that a quality education provides. The MDG for universal primary education is unlikely to be met by 2015. An estimated 61 million children of primary school age were out of school in 2010. Of these, around 20 million live in the Asia-Pacific.<sup>156</sup> Global progress in reducing the number of children out of school has slowed since 2005. Girls, the poor, children with disability, ethnic minorities, and children in rural and remote communities are least likely to obtain the benefits of education.

For those children who do have access to school, the quality of education is not guaranteed. In many poor countries, children's learning is limited by large class sizes, poorly trained teachers, and a lack of books and school supplies. Globally, around 250 million children in primary school are not attaining minimum learning standards.<sup>157</sup> Many children are failing, repeating, or dropping out of school, without achieving basic literacy or numeracy. Quality is also a concern for technical, vocational, and higher education sectors, which are fundamental for driving development and economic growth.

#### Australia's response

Australia's support for education through the aid program enables more children, particularly girls, to attend school for longer and gain a better education so they have the skills to build their own futures and, in time, escape poverty. The aid program gives particular attention to enabling girls and children and youth with disability to benefit from educational opportunities. Australian support improves access to basic education, and supports our partner governments to improve learning outcomes.

Australia expects to be among the largest bilateral donors in the education sector by 2015. It is estimated that Australia will invest \$1,158 million in 2013-14 in education or 22 per cent of total ODA. The focus of this investment will continue to be in the Asia-Pacific, with major programs in Indonesia, Papua New Guinea, the Philippines, Pacific island countries, Laos and Bangladesh. Australia is the fourth largest donor to

the Global Partnership for Education (GPE), which helps 54 low-income countries (34 in sub-Saharan Africa and 12 in the Asia-Pacific) improve access to quality education for children. Australia has pledged \$270 million over four years (2011-2015) to GPE.

The aid program is also addressing critical human resource needs in developing countries and building people-to-people links through Australia Awards Scholarships. Australia continues to provide targeted regional and Australia-based scholarships under the Australia Awards to build leadership, knowledge and technical skills in priority areas to support development.

Australia expects to spend \$400 million on Australia Awards Scholarships and Australia Awards Fellowships in 2013-14. Australia Awards will increase from around 2,300 awards undertaken in 2010 to 4,500 awards offered annually by 2014. There will be 6,000 awardees studying in Australia by 2014 on Australia Awards Scholarships and Fellowships. Annually, the aid program provides almost four times as many Australia Awards as were provided through the Colombo Plan scholarships program, and Australia Awards cover a broader range of countries.

## **Empowering Women**

### **Context**

Gender equality is a human right. Tackling inequalities between women and men supports economic growth and helps reduce poverty. Investments in women's and girls' education and health yield some of the highest returns of all development investments, including through reduced rates of maternal mortality, better educated and healthier children and increased household incomes.

Gender equality is central to achieving all of the MDGs. MDG 3 recognises that achieving equality between men and women is crucial to reducing poverty. While some progress has been made toward achieving the MDG target of eliminating gender disparity in education, inequalities are still striking in a number of regions and countries. Progress toward equal parliamentary representation is slow, with women accounting for only 20 per cent of parliamentarians worldwide,<sup>158</sup> and much lower representation in some regions, including the Pacific. Globally, at least one in three women is beaten, coerced into sex or otherwise abused in her lifetime.<sup>159</sup>

### **Australia's response**

The Australian Government is a firm and persistent advocate for gender equality and has identified gender equality as a critical cross-cutting theme within the aid program.

Over half of AusAID's administered ODA expenditure in 2011-12, or \$2.2 billion, was spent on activities with objectives that support gender equality or women's empowerment ("gender-related expenditure").<sup>160</sup> AusAID's gender-related expenditure continues to increase in line with increases in ODA.



The Australian Government recognises that both women and men have a role to play in all aspects of development, and that the needs, priorities and interests of women and men must be considered in all development activities and at every stage of the development process.

In 2013-14, Australia's aid program will continue to invest in women's leadership, women's economic empowerment, and ending violence against women.

Australia will strengthen its partnership with UN Women, including by supporting the organisation's programs in our region and its global advocacy role. Through the aid program, Australia will provide UN Women with \$48.5 million in core funding over four years from 2012-13 to promote gender equality and empower women around the world.

New Australian gender initiatives in the Pacific, Afghanistan, Indonesia and Cambodia will deliver important results for women in the medium-term.

#### **Box 4: Empowering women in Indonesia and the Pacific**

Australia is working with the Government of Indonesia to empower Indonesian women and reduce poverty. Australia is investing \$60 million over four years to support the first phase of an eight-year program. The program will improve the welfare of poor rural and urban women in Indonesia by increasing access to jobs and social protection, improving conditions for overseas labour migration and strengthening leadership in the areas of maternal health and ending violence against women.

The aid program will expand on its work to advance gender equality and women's empowerment in the Pacific through the roll-out of the *Pacific Women Shaping Pacific Development* program. Investing \$320 million over 10 years, the program aims to increase the number of Pacific women in leadership and decision-making roles at national and local levels, expand economic opportunities for women through improved access to financial services and markets and improve safety for women through better services, violence prevention and access to justice.

## Disability-Inclusive Development

### Context

More than one billion people, or 15 per cent of the world's population, have a disability, comprising the world's largest and most disadvantaged minority.<sup>161</sup> Disability is an important development issue because of its strong link to poverty, and because people with disability in developing countries are more likely to have poorer health, lower education levels and fewer opportunities for economic participation than the general population.<sup>162</sup>

Australia is committed to ensuring people with disability are included in our aid program, because we recognise that the MDGs will only be achieved if development benefits all people, including people with disability. The aid program's focus on disability is aligned with the Australian Government's national social inclusion agenda, and reflects Australia's commitment to promote the dignity and wellbeing of people with disability in the poorest countries.

### Australia's response

Australia's disability strategy for the aid program, *Development for All*, emphasises that people with disability hold the same rights as others. It sets out practical approaches to ensure people with disability are included in, and contribute to, decision-making processes, and that the benefits of development extend to all. AusAID supports disability-inclusive development through targeted programs and by mainstreaming disability across the aid program. A 2012 mid-term review of the implementation of *Development for All* noted that Australia is now recognised as the leading donor internationally on disability-inclusive development, and work undertaken so far has been considerable and impressive.<sup>163</sup>

The Australian Government recently announced further support to partner countries including \$4 million over four years to assist the Government of Samoa in ratifying and implementing the Convention on the Rights of Persons with Disabilities. Australia has also agreed a strategic partnership with the Pacific Disability Forum, the umbrella organisation for disabled peoples' organisations in the Pacific, including \$4.5 million in funding support over four years. The Pacific Disability Forum helps people with disability take part in shaping national policies and programs that contribute to improved quality of life.

To increase the knowledge base, Australia has committed \$6 million over three years for research on disability-inclusive development through the Australian Development Research Awards scheme.

### 4.3. SUSTAINABLE ECONOMIC DEVELOPMENT

The Australian Government will promote sustainable economic development in developing countries by:

- improving food security;
- improving incomes, employment and enterprise opportunities;
- promoting private sector-led growth; and
- reducing the negative impacts of climate change and other environmental factors.

#### Food Security, Rural Development and Social Protection

##### Context

The United Nations estimates that nearly 900 million people go hungry every day. Two thirds of these are living in the Asia-Pacific. The MDG to halve the proportion of people suffering from hunger, from 20 per cent in 1990 to 10 per cent by 2015, remains off-track.<sup>164</sup> Sixty per cent of those going hungry are women, even though 60 to 80 per cent of food in developing countries is produced by women.<sup>165</sup> Natural disasters including droughts and floods reduce agricultural production. This in turn lowers food stocks and puts pressure on food prices. When prices rise, poor people are forced to spend more of their income on food, often at the expense of education and medicines.

Many poor communities lack mechanisms such as welfare to reduce their vulnerability to price rises or natural disasters. Australia invests in social protection because it helps protect the poor and vulnerable from hunger and destitution and also contributes to human development, long-term economic growth and reduced inequality and malnutrition.

##### Australia's response

The Australian aid program has developed a comprehensive approach to food security by targeting the immediate needs of the poorest, while also strengthening the foundations of long-term global food security and encouraging trade liberalisation. Australia provides immediate humanitarian food assistance delivered through agencies such as the World Food Programme (WFP).

In all major global fora, including the G20, Food and Agriculture Organization (FAO), Asia-Pacific Economic Cooperation (APEC), East Asia Summit, and World Trade Organization (WTO), Australia advocates this comprehensive approach. Australia works in three areas of food security: improving agricultural productivity through research, increasing rural livelihoods through markets, and building community resilience through social protection programs. On current projections, Australia will spend an estimated \$411 million, or 8 per cent of its total ODA, on food security in 2013-14.

## **Transport, Energy and Communications**

### **Context**

About a quarter of households in the Asia-Pacific still do not have access to electricity and much of the rural population lives far from all-weather roads. The Asian Development Bank estimates that the Asia-Pacific will need an investment of \$700 billion each year until 2020 to meet its infrastructure needs.<sup>166</sup> Infrastructure development contributes to poverty reduction by spurring economic growth, stimulating enterprise opportunities and generating employment, and providing poor people with access to basic services.

### **Australia's response**

Australia focuses its direct support on transport infrastructure, including rural access roads, national roads and rail infrastructure that improve access to services and facilitate trade. AusAID's major transport infrastructure programs are in Indonesia, Papua New Guinea, Vietnam and the Philippines. Australia provides further support to partner countries through a combination of global partnerships and bilateral programs that focus on creating reliable and sustainable energy services. Australia also supports the improvement of information and communication technology, allowing poor people to become more connected. Expenditure on infrastructure activities in 2013-14 is expected to total \$390 million, or 7 per cent of total ODA.

## **Mining for Development**

### **Context**

Investment in mining has grown rapidly in developing countries in response to high commodity prices. This growth has been fuelled by China and India's rapid industrialisation. The sector has considerable potential to help reduce poverty but comes with many challenges. Many resource-rich countries perform worse on human development indicators than less well-endowed countries.<sup>167</sup> Mining generates economic opportunities directly through the creation of jobs, increased tax revenues, rents to landowners and royalty payments, and also by contributing to economic growth through expanding the private sector and through increasing governments' resources.

### **Australia's response**

AusAID's Mining for Development Initiative (\$127 million over four years) was launched by the Prime Minister in October 2011. It works through multilateral organisations like the World Bank, government agencies, NGOs, universities and the private sector to assist partner governments to maximise the economic benefits of their extractives sector in a socially and environmentally sustainable way. The initiative increases the capacity of partner governments and their communities to manage their extractives sector, improving the transparency and accountability of revenue management and increasing the benefits to communities. For example, by 2015, Australia will directly support the training of almost 2,400 people in developing country governments and civil society organisations to improve how the industry is

regulated, improve environmental sustainability and improve the benefits for communities. Australia also provides support to the Extractive Industries Transparency Initiative to improve the transparency of resource revenues to governments and increase knowledge of management of public finances. Australia also provides, through the World Bank, advice to developing countries to help them protect their interests when entering into mining agreements. The Australia Awards Scholarships program also helps to build the capacity of recipients, through tertiary study in Australia, to negotiate more effectively with mining companies. Australia has provided scholarships in mining governance, environmental protection, geospatial information systems, and health and safety.

## Climate Change and Environment

### Context

Reducing the negative impacts of climate change and other environmental factors is a key pillar in promoting sustainable economic development. Without intervention, the impacts of environmental degradation and climate change will erode and reverse decades of development gains and jeopardise the livelihoods of billions of poor people. People in developing countries who depend on the natural environment for their income, food and water are particularly vulnerable to these impacts and often lack the capacity to respond effectively to climate related disasters such as floods and droughts.

### Australia's response

Climate change and environment are cross cutting thematic issues. Australia is addressing environment and climate challenges affecting the poor through a range of bilateral, regional and multilateral initiatives. It is anticipated that environment related expenditure will remain around \$600 million in 2013-14. Expenditure will include:

- providing \$23 million to Vietnam over five years (2011-2016) to manage and protect coastal ecosystems and respond to the impacts of climate change and environmental degradation, under the Climate Change and Coastal Ecosystems Program. The program was extended from the successful three-year pilot project in Kien Giang province that installed more than 4.5 kilometres of protective fences to improve the survival and growth rates of over 40 hectares of mangroves in vulnerable coastal areas. New sustainable livelihood activities, such as growing salt tolerant crops, were introduced, increasing household income by between 50 and 150 per cent for 98 households. Resources on climate change, biodiversity and waste management have been incorporated into primary school curricula and are being used by 8,000 teachers in over 280 schools; and
- using our influence as co-chair of the Board of the Green Climate Fund (GCF) to shape its design so it is focused on delivering real benefits for poor people in developing countries, especially least developed countries and small island developing states such as Pacific island countries. A key part of this will be ensuring the GCF has well-designed governance and financial systems and is able to attract significant private sector investment and resources.

## **Private Sector Development, Trade and Financial Inclusion**

### **Context**

Trade and the private sector play an important role in achieving sustainable economic growth and in reducing poverty. This is achieved through increased business activity, competition, investment, innovation, and subsequent productivity growth. Improvements in trade and business performance will require reforms in regulations and addressing supply-side constraints, such as weak capacity and skills. Globally, 2.7 billion people remain 'unbanked' – without access to financial services of any kind.<sup>168</sup> Poor women and men need a wide range of financial services, including payments, savings, borrowings and insurance. With these services the poor are better able to grow their businesses, build assets and reduce their vulnerability to external shocks.

### **Australia's response**

In February, the Minister for Foreign Affairs announced Australia's support for a second phase of the Trade Development Facility in Laos. Australia will provide \$5 million through a World Bank-managed multi-donor trust fund over 2013-17. The facility builds on the achievements of a successful first phase that was instrumental in supporting Laos' accession to the World Trade Organization in 2013. The facility will help Laos improve its competitiveness and diversify its economy through trade reform, including halving the time to clear exports and imports through customs and halving the number of days to obtain an import licence. Support will also go toward improving the conditions and productivity of industries that are significant employers of women, such as the garments sector.

Under the \$46.8 million Australia-Africa Food Security Initiative announced in 2011, AusAID committed to providing \$10 million over four years (2011-12 to 2014-15) to support the Africa Enterprise Challenge Fund Research in Business Window. The fund aims to stimulate the private sector to commercialise existing, readily available and near-complete agricultural research and technology products for the benefit of the rural poor in Africa.

The Pacific Microfinance Initiative (\$9.5 million over 2009-13) and the Pacific Financial Inclusion Program (\$10 million over 2008-13) have directly benefited over 500,000 people, including over 180,000 women gain access to mobile money and open savings accounts in PNG, Fiji, Samoa, Tonga and Vanuatu. These programs involved close partnerships with the private sector.

## 4.4. EFFECTIVE GOVERNANCE

The Australian Government will work with partner governments to improve governance in developing countries and deliver:

- better services through improved government efficiency and effectiveness, and more accountable, open and responsive governments;
- improved security and enhanced justice; and
- enhanced human rights for poor people.

### Context

Governance is about the rules and processes determining how decisions are made and implemented. It is about the way societies use shared resources and how they negotiate amongst themselves to meet competing needs and interests. The achievement of the MDGs is dependent on the effectiveness of institutions of governance, including parliaments, ministries and departments of government, traditional leadership groups, and civil society organisations.

In many countries where Australia provides aid, institutions of governance are weak. This means that basic services such as education and maternal health are not delivered effectively, and poor and marginalised people often miss out. The top seven country recipients of Australian aid are generally ranked below average for all six of the World Bank Worldwide Governance Indicators.<sup>169</sup> This ranking indicates poor public services, a lack of public confidence in the police and courts, low levels of citizen participation, and a high likelihood of instability and insecurity. Countries weak in government effectiveness, rule of law, and control of corruption have a 30 to 45 per cent higher risk of civil war and a much higher risk of extreme criminal violence than other developing countries.<sup>170</sup> This influences how we deliver aid and our priorities in these countries. Without effective governance, development, growth and poverty reduction are compromised.

The World Bank's 2011 World Development Report highlighted the importance of governance to development and conflict reduction.

## Delivering better services

### Australia's response

In 2013-14, around \$461 million, or 9 per cent of total ODA, is expected to be spent on strengthening partner governments' capacity to deliver services in an effective, efficient and accountable way.

Australia will support partner governments in their efforts to deliver basic services through capable and well-functioning state institutions. In Papua New Guinea, the Economic and Public Sector Program (\$100 million from 2009-10 to 2014-15) will strengthen key government agencies to improve service delivery in health, education and transport through improved collection, allocation, spending and auditing of public revenue.

In countries where Australian aid represents a small proportion of the total national budget, such as Indonesia and the Philippines, we will help governments better use their own resources to improve service delivery. We will assist them in strengthening their policy and reform processes, so that it is evidence-based, participatory, and meets the needs of all, including poor people, women and girls, people with disability and other marginalised groups.

Australia will also assist partner governments to work in a more transparent way so that citizens have the information necessary to hold their governments to account. This will contribute to enhanced state legitimacy. In Nauru for example, we will improve transparency of national procurement processes and revenue management, and improve accountability through a stronger media.

## **Improved security and enhanced justice**

### **Australia's response**

In 2013-14, around \$200 million, or 4 per cent of total ODA, is expected to be spent on law and justice activities. Australia will continue to provide law and justice development assistance across the Pacific, Cambodia, Indonesia, Timor-Leste and Afghanistan.

Australia will assist partner governments to strengthen the safety and security of communities through effective and locally legitimate policing. After nine years of Australian engagement through the Regional Assistance Mission to Solomon Islands (RAMSI), the country is now stable but continues to face development challenges. So although the military contingent of RAMSI is no longer necessary, Australia will continue to assist RAMSI's Participating Police Force to support the Royal Solomon Islands Police Force for the next four years (from 2013 to 2017).

Australia will focus on improving people's confidence in their justice systems by improving their ability to use those systems to resolve disputes and realise their rights. In Indonesia, we will train court officials, prosecution officers and community paralegals in mediation and legal aid procedures in order to achieve fair proceedings, including for women and people with disability.

We will also make sure that people can turn to their justice system for protection. In Timor-Leste we will reduce the impact of domestic violence by providing safe houses and legal assistance for victims of violence against women and their children.

## **Enhanced human rights**

### **Australia's response**

In 2013-14, around \$208 million, or 4 per cent of total ODA, is expected to be spent on human rights.

Australia supports efforts to increase civil and political rights – a key component of human rights – because they allow poor and marginalised people to be active in their



own development and play a role in more accountable, responsive and effective government.

Supporting free and fair elections is one way to enhance these rights. When elections are held freely and fairly, and managed by capable electoral management bodies, it enhances the legitimacy of the government of the day, strengthens governance and increases stability. Four of the five largest recipients of Australian aid – Indonesia, Solomon Islands, Afghanistan, and the Philippines – will be conducting national or sub-national elections in 2013 and 2014. Australia will continue to work with these and other partner countries to support them throughout the electoral process.

Australia will also support civil society organisations and international institutions to work on democratic and human rights issues through the Human Rights Grants Scheme. This provides grant funding to NGOs and human rights institutions to promote and protect human rights in direct and tangible ways, for example, by helping to develop the capacity of civil society organisations to increase communal engagement in local governance and awareness of basic rights in Myanmar.

#### **4.5. HUMANITARIAN AND DISASTER RESPONSE**

Australia is committed to effective humanitarian action that saves lives, alleviates suffering, protects development gains, and enhances human dignity in the aftermath of conflict, natural disasters and other humanitarian crises.

##### **Context**

In 2012, an estimated 260 natural disasters were registered, killing more than 6,700 people and affecting more than 100 million victims worldwide. Economic damages in 2012 totalled an estimated US\$44.6 billion.<sup>171</sup>

A stable and prosperous Asia-Pacific is in Australia's national interest, but this region suffers disproportionately from disasters. In December 2012, Tropical Cyclones Bopha and Evan severely affected the Philippines, Samoa, and Fiji, and demonstrated Australia's capability to respond to simultaneous emergencies in three countries.

Landmines, cluster munitions and other explosive remnants of violent conflict kill and injure civilians long after conflict has ended. These devices hamper development by making land and other resources unusable for productive uses. They also constrain efforts to improve health, education and poverty, preventing countries from achieving the MDGs.

##### **Australia's response**

In 2012, AusAID responded to more than 30 emergencies in Asia, the Pacific, Africa, the Middle East, Caribbean and Latin America, providing more than \$227 million in life-saving assistance to an estimated 14 million vulnerable people. In 2012, Australia fulfilled its \$100 million pledge to help free the world from landmines, cluster munitions and other explosive remnants of war. Australia will maintain a prominent

role on mine action through its position as Chair of the Mine Action Support Group in 2013 and through ongoing funding.

Australia's initiative, Strengthening Preparedness and Response to Humanitarian Crises (2012-13 to 2015-16), will expand our capacity to respond to crises overseas. This will reduce the vulnerability of countries to natural disasters and the destabilising effects of conflict and state fragility. This initiative also allows Australia to assist and protect people affected by humanitarian crises and disasters around the world rapidly and effectively, by strengthening partnerships with key multilateral humanitarian partners, including the World Food Programme, the United Nations Office for the Coordination of Humanitarian Affairs, the United Nations High Commissioner for Refugees and the International Committee of the Red Cross. Australia's humanitarian programs align directly with two of the strategic goals of the aid program – saving lives and humanitarian and disaster response. AusAID's 2011 *Humanitarian Action Policy* provides a strategic framework to guide Australia's humanitarian action and supports the fundamental purpose of Australia's aid program, to help people overcome poverty.

AusAID has undertaken a number of other measures to enable humanitarian assistance to be more timely, coordinated and effective. These measures include:

- joining the United Nations' Humanitarian Response Depot network and entering into an agreement with a commercial logistics company for a range of humanitarian logistics services. These partnerships have already provided emergency relief assistance to Fiji and Samoa in response to Cyclone Evan in December 2012;
- entering into new multi-year agreements covering 2013-2016 with the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC). These organisations were rated as highly effective in the *Australian Multilateral Assessment*.

**Table 3: Estimated breakdown of Australian humanitarian program funding**

	Estimated outcome (\$m)	Budget estimate (\$m)
	2012-13	2013-14
Humanitarian and Emergency Response	173.8	238.4
United Nations Humanitarian Agencies	98.0	117.0
International Committee of the Red Cross	22.0	28.5
<b>Humanitarian, Emergencies and Refugees Global Program</b>	<b>293.8</b>	<b>383.9</b>
Country, Regional and other programs	149.3	148.3
Other Government Department component	402.2	396.4
<b>Total Humanitarian Expenditure</b>	<b>845.3</b>	<b>928.6</b>

### **Box 5: Responding to Simultaneous Emergencies**

Cyclone Bopha made landfall in the Philippines three times between 4 and 7 December 2012. It is estimated that Bopha affected 6.2 million people, with more than 1,000 casualties and 216,000 houses totally or partially damaged.

At the same time as Australia was assessing and responding to Bopha's effects in the Philippines, Cyclone Evan passed through Samoa and Fiji between 16 and 18 December 2012. Approximately 14,000 people were displaced, with approximately 8,000 houses and 150 schools damaged or destroyed.

Australia responded effectively to these simultaneous disasters, including by sending staff from AusAID's Rapid Response Team in the emergency phase and experts from the Australian Civilian Corps to assist with post-disaster needs assessments. For Cyclone Bopha, we provided:

- more than 1,000 tonnes of food through the World Food Programme;
- around 8,500 family packs containing sleeping mats, water containers and hygiene kits through the Philippines Red Cross;
- hygiene, dignity and delivery kits through United Nations Population Fund (UNFPA); and
- support for water and sanitation, child protection and shelter through three Australian NGO signatories to the Humanitarian Partnership Agreement.

For Cyclone Evan, we provided funds for immediate relief items including 448,000 water purification tablets; 6,700 blankets; 3,220 water containers; 1,944 tarpaulins; 1,482 hygiene kits and 500 shelter kits.

### **Box 6: Mine free Uganda**

On 10 December 2012, Uganda was officially declared free of landmines at a ceremony in Kampala. Australia has been a strong supporter of the National Mine Action Programme in Uganda, providing \$4.75 million since 2010. Most of the cleared land is now being farmed, providing better livelihoods and making the environment safer for local residents.

## **Humanitarian Programs**

### **Multilateral Humanitarian Organisations**

Australia helps save lives through effective humanitarian and disaster response, supported by strong partnerships. Australia is engaging with, and providing core funding to, multilateral organisations for humanitarian and disaster response. We will continue to support the work of United Nations humanitarian and peace building agencies to improve the effectiveness and coordination of the United Nations'

responses following natural disasters and in fragile and conflict-affected states. Australia will strengthen our responses to humanitarian crises by supporting effective non-government partners who have local capabilities and specialist knowledge.

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***United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and United Nations Central Emergency Response Fund (CERF)***

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Australia will provide \$27 million in 2013-14 to OCHA and CERF.

OCHA is responsible for the coordination of humanitarian response in natural disasters and complex emergencies. It is also engaged in information management, humanitarian policy development, humanitarian financing and advocacy. Its mission is to mobilise and coordinate effective and principled humanitarian action in order to alleviate human suffering in disasters and emergencies.

Funding to OCHA contributes to a coordinated humanitarian response that saves lives by ensuring the rapid and effective allocation of assistance based on need. OCHA also increases the accountability of assistance provided by other UN agencies, and reduces duplication or gaps in crisis response.

CERF provides rapid response funding to sudden onset emergencies enabling UN agencies to move quickly to save lives. It also provides support to under-funded and protracted crises. CERF is managed by the Emergency Relief Coordinator (ERC), Valerie Amos, Head of OCHA. OCHA and the international humanitarian system rely on CERF to improve the level of predictability, flexibility and timeliness in international humanitarian crisis response.

In 2012, CERF disbursed \$477 million for emergencies in 49 countries around the world.

Our contributions to OCHA will support:

- effective advocacy and leadership to ensure a timely and coordinated humanitarian response to save lives;
- strengthened engagement with national authorities on disaster management; and
- strengthened disaster preparedness and coordination across the Asia-Pacific region.

Our contributions to CERF will help:

- enable a more rapid and comprehensive humanitarian response by UN agencies to sudden onset, protracted or 'neglected' emergencies.

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***International Committee of the Red Cross (ICRC)***

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Australia will provide \$28.5 million in 2013-14 to ICRC.

The ICRC is one of the world's largest and most respected humanitarian agencies, with a mandate in international law to protect and assist civilians affected by armed

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conflict. The ICRC operates in around 80 countries. Australia is a major contributor of core funding to the ICRC.

Our contributions to the ICRC will help:

- protect and assist civilians affected by armed conflict and other situations of violence;
- promote and strengthen adherence to international humanitarian law and universal humanitarian principles through training and advocacy with governments, military and police; and
- support the ICRC to deliver emergency medical assistance, primary health care, sexual and reproductive services, vaccinations, shelter, blankets, food and agricultural tools for millions affected by conflict and violence in places like Afghanistan, South Sudan, Sudan, Democratic Republic of Congo, Somalia and Mali.

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***World Food Programme (WFP)***

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Australia will provide \$46 million in 2013-14 to WFP.

WFP is the lead United Nations agency for humanitarian food assistance in emergencies. Australia's funding will support emergency and recovery operations as well as school feeding. WFP was among the top ranked organisations in the *Australian Multilateral Assessment (AMA)*.

Funding to WFP contributes to: providing emergency food assistance, logistics and communications; providing nutritional supplements to vulnerable groups during humanitarian crises; supporting the re-establishment of livelihoods and food security in communities during recovery and transition periods; pre-positioning humanitarian food reserves to prepare for future emergencies; and capacity building initiatives to assist governments better manage food and nutritional security as well as boost national preparedness and response mechanisms.

Our contributions to WFP will help:

- WFP to feed more than 90 million people in more than 75 countries during humanitarian emergencies and post-emergency recovery operations;
- provide ongoing support for the re-establishment of livelihoods and food security in communities after emergencies; and
- contribute to improved nutrition and increased access to education for children through WFP school feeding programs.

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***United Nations High Commissioner for Refugees (UNHCR)***

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Australia will provide \$23 million in 2013-14 to UNHCR.

UNHCR is the UN-mandated lead agency assisting refugees. Australia's funding will support UNHCR to safeguard the rights and well-being of refugees around the world.

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Our contributions to UNHCR will help:

- provide life-saving assistance such as shelter, food, water and hygiene to more than 33 million refugees and other displaced persons fleeing humanitarian crises around the world; and
  - support UNHCR in its critical protection work, including its sexual and gender-based violence protection initiatives, to enhance the safety and security of the most vulnerable.
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### **Box 7: Australian Civilian Corps**

The Australian Civilian Corps (ACC) deploys senior civilian specialists to countries experiencing or emerging from conflict, natural disasters and state fragility. ACC deployments support stabilisation, recovery and development planning, acting as a bridge between humanitarian and emergency response measures and longer term development programs.

Since the ACC initiative became operational in 2011, AusAID has deployed 50 specialists delivering over 175 cumulative months to support stabilisation and recovery efforts. There are now more than 385 highly skilled and experienced civilians registered and trained to assist developing countries restore essential services, rebuild government institutions and re-establish economic and social stability. In 2013-14, AusAID will continue to build and refine the skill set of the expert register to achieve the target of 500 trained and prepared specialists.

In addition to the 50 Australian Civilian Corps specialists, Australia has deployed: 15 members of AusAID's Rapid Response Team (RRT) to four disaster-affected countries; positioned 85 RedR Australian specialists in 26 developing countries; and assigned 163 Australian Red Cross delegates to more than 40 humanitarian crises.

During 2012-13 AusAID deployed 42 ACC civilian specialists, comprising small teams in Afghanistan, Fiji, Samoa, the Philippines, Sierra Leone and Thailand and a large deployment to Papua New Guinea. These specialists worked in diverse fields including law and justice, stabilisation, electoral support, engineering, peace building and humanitarian advisory roles.

The ACC is building partnerships with international counterparts, including the United Kingdom Stabilisation Unit and the United States' Bureau of Conflict and Stabilization Operations. The ACC also works with multilateral organisations and other key bilateral partners through joint deployments and training exercises. Working with effective partners allows Australia to benefit from specialist expertise and extends Australia's reach and impact, particularly in areas where we have a limited presence on the ground.

## 5. OTHER GOVERNMENT DEPARTMENTS (OGDs)

### 5.1. AID PROGRAMS DELIVERED BY OGDs

**Table 4: Aid delivered by Australian government agencies other than AusAID**

Department / Agency	Actuals (\$m)	Estimated Outcome (\$m)	Budget Estimate (\$m)
	2011-12	2012-13	2013-14
Immigration and Citizenship	61.7	434.0	436.2
Australian Federal Police	184.3	140.2	121.2
Australian Centre for International Agricultural Research (ACIAR)	89.6	93.3	96.3
Foreign Affairs and Trade	34.1	18.7	38.0
Industry, Innovation, Climate Change, Science, Research and Tertiary E	29.0	44.1	36.1
Treasury	27.5	41.0	26.3
Health and Ageing	16.9	16.4	13.0
Agriculture, Fisheries and Forestry	8.4	9.4	10.2
Education, Employment and Workplace Relations	20.0	5.9	5.3
Attorney-General's	6.6	7.6	4.7
Infrastructure and Transport	4.5	4.5	4.6
Broadband, Communications and the Digital Economy	1.5	1.4	1.4
Regional Australia, Local Government, Arts and Sport	1.1	1.2	1.1
Finance and Deregulation	1.1	1.1	0.6
Sustainability, Environment, Water, Population and Communities	0.8	1.0	0.6
Australian Customs and Border Protection Service	4.6	2.3	0.5
Defence	11.2	9.2	0.4
Prime Minister and Cabinet	0.1	-	-
Other Australian government Agencies	0.1	-	-
States and Territories	3.1	3.5	4.0
<b>Total</b>	<b>506.1</b>	<b>834.6</b>	<b>800.5</b>

*Note: This list is based on the most recent machinery of government changes, as outlined in the Administrative Arrangements Order of 25 March 2013.*

Australia applies a whole-of-government approach to aid delivery. This means that we utilise the individual skills, strengths and expertise of Other Government Departments (OGDs) – including Commonwealth, State and Territory government departments and agencies to deliver effective aid. This approach has been praised internationally, most notably by the OECD.

The inaugural *Annual Review of Aid Effectiveness*, released in January 2013, noted the importance of initiatives we have implemented as part of *Effective Aid* to assist OGDs to deliver aid and report on the effectiveness of their aid programs. From 2013-14, these include the adoption of whole-of-government uniform standards for planning, delivering, monitoring and reporting of ODA.

Whole-of-government oversight of Australia's aid program is provided by the Development Effectiveness Steering Committee (DESC), a cross-agency committee that advises the Australian Government on major aid policy and aid budget priorities and concerns. The DESC is chaired by AusAID's Director General, and its membership includes senior executives from the Department of Foreign Affairs and Trade (DFAT), the Department of Finance and Deregulation (DoFD), the Department of Prime Minister and Cabinet (PM&C), and the Treasury. The DESC oversees work across all government agencies that deliver aid by providing strategic budgetary guidance and

by developing and applying consistent approaches to planning, delivery, monitoring and evaluation.

Table 4 above shows ODA-eligible expenditure by OGDs in 2013-14, from monies appropriated directly to those departments and agencies. The Department of Immigration and Citizenship accounts for close to 54 per cent of the aid expenditure by other government agencies. It manages care and support programs for asylum seekers and displaced persons throughout South East Asia, South Asia and the Middle East. ODA funds are also used to support some sustenance costs of on-shore asylum seekers. The Australian Federal Police and the Australian Centre for International Agricultural Research (ACIAR) also manage large aid programs.

OGDs will undertake the following types of ODA-eligible activities in 2013-14.

#### **Other Government Departments**

<b>Department of Immigration and Citizenship (DIAC)</b>	<b>\$436.2 m</b>
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DIAC will work with partner governments in South East Asia, South Asia and the Middle East to build capacity to effectively manage migration flows. DIAC will also provide care and support for asylum seekers and displaced persons in these regions. In 2013-14, DIAC will support displaced persons in Afghanistan through the Displaced Persons Program and in Indonesia through Regional Cooperation Arrangements. DIAC will also increase registrations, Refugee Status Determinations and referrals for asylum seekers in Indonesia. DIAC will implement biometrics within the Sri Lankan passport application process to reduce identity fraud; train officials in the region to strengthen their capacity to detect irregular movement; and build capacity in the region to enhance migration and border management.

DIAC also support asylum seekers from developing countries to live in the Australian community. Consistent with OECD Development Assistance Committee directives, the Government will report the costs associated with the sustenance of asylum seekers on residence determinations or bridging visas class E during their first 12 months in Australia as ODA. These sustenance costs include accommodation, food, clothing and other basic necessities.

The actual expenditure on ODA eligible asylum seekers costs will vary depending on the number of arrivals and their length of stay in the community. To ensure predictable planning and management of the ODA budget, the Government will cap expenditure from the existing ODA funding envelope in any one year at \$375 million. Any expenditure over this cap will be in addition to the ODA budget target for that year.

DIAC's activities contribute to the strategic goals of Effective Governance by helping regional governments to improve their own migration management processes and Humanitarian and Disaster Response by providing sustainment to refugees in Australia.



**Australian Federal Police (AFP)****\$121.2 m**

AFP will continue its contribution to the Regional Assistance Mission to Solomon Islands (RAMSI) from 2013-17 to support RAMSI's transition from a security focus to an indigenous capacity development focus. RAMSI aims to rebuild Solomon Islands institutions, including those responsible for law, order, justice and corrections, in order to establish conditions under which Solomon Islanders can achieve social and economic recovery.

AFP will consolidate and develop the Pacific Police Development Program (PPDP), building on bilateral, trilateral and regional cooperation to support law enforcement and rule of law programs. These will focus particularly on Papua New Guinea, Nauru, Vanuatu, Samoa and Tonga. The PPDP aims to support Australia's aid objectives by continuing to improve the capacity of Pacific police organisations to promote community safety, stability and security.

The Timor-Leste Police Development Program (TLPDP) has five major areas of support: operational, administration, discipline, legislation and training. These reflect the objectives of the Government of Timor-Leste and the Policia Nacional de Timor-Leste (PNTL) Strategic Plan. The TLPDP will continue to improve the capacity of the PNTL, particularly through the delivery of leadership and investigative training, emphasising professionalism and accountability.

Australia will support coalition efforts to stabilise Afghanistan by prioritising AFP development, training and mentoring against the strategic development requirements of the Afghan National Police (ANP). This support will positively influence Afghan and coalition efforts to develop a credible policing capability within Regional Command South that aligns with the Afghan Ministry of Interior ANP Strategy and the ANP Plan.

AFP will also provide support to the United Nations Mission in the Republic of South Sudan (UNMISS). This aligns with the Australian Government's policy of enhancing support to, and engagement with, the United Nations. It also implements the Australian Government's commitment to provide continued support for law and justice development in Africa as outlined in *2012 The Year Ahead*. UNMISS's objective is to consolidate peace and security in the new republic.

All of these activities will contribute to the strategic goal of Effective Governance.

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<b>Australian Centre for International Agricultural Research (ACIAR)</b>	<b>\$96.3 m</b>
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ACIAR contributes to the aid program's strategic goal of Sustainable Economic Development by improving food security; improving incomes, employment and enterprise opportunities; and reducing the negative impacts of climate change and other environmental factors.

In 2013-14, ACIAR will continue to focus on supporting international agricultural research partnerships that reduce poverty. ACIAR will contribute to the development of new agricultural technologies and support research that improves the understanding of smallholder farmers who access and use these new technologies. This will contribute to improved agricultural productivity for over 750,000 farmers (at least 40 per cent women) and an increased crop value of more than half a billion dollars by 2015-16.

ACIAR has offices in seven countries and its projects focus largely on the Asia-Pacific region. Papua New Guinea and Indonesia are the recipients of the largest programs of research collaboration. ACIAR also works to improve productivity in Timor-Leste, to strengthen food security and rural livelihoods in Myanmar, to build technical capacity in Pakistan, and to address challenges of technology, markets and policy faced by smallholder farmers in Africa.

Alongside its research programs in partner countries in our region and around the world, ACIAR will continue its direct financial support to the Consultative Group on International Agricultural Research (CGIAR). This funding will facilitate system-wide research programs and specific projects.

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<b>Department of Foreign Affairs and Trade (DFAT)</b>	<b>\$38.0 m</b>
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In 2013-14, DFAT will provide funding for Indonesia's Debt-to-Health Swap, whereby Indonesia will invest in programs combating tuberculosis in exchange for cancellation of up to \$75 million of debt owed to Australia. This advances MDG 6 and helps minimise the spread of tuberculosis in our region. Indonesians will benefit from improved access to tuberculosis treatment and prevention programs through the Global Fund to Fight AIDS, Tuberculosis and Malaria.

DFAT also manages some of Australia's ODA-eligible assessed contributions to the United Nations. These include the United Nations Educational, Scientific and Cultural Organization (UNESCO) education projects and UN peacekeeping operations globally. UNESCO projects will strengthen member states' capacity to deliver comprehensive HIV education, promote gender equality and protect human rights. Australian UN Military Observers will monitor ceasefires and help prevent the escalation of security incidents, thus facilitating development.

With AusAID funding of \$11 million, DFAT manages Direct Aid Program grants for community-level projects that reduce poverty and promote development. Community groups in over 80 countries will benefit from small-scale development projects in the health, education, agriculture, environment and youth sectors.

DFAT's varied activities will contribute to achievements across the five strategic goals of the aid program.

<b>Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE)</b>	<b>\$36.1 m</b>
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The Endeavour Awards are administered by DIICCSRTE and delivered under the Australia Awards Scholarships program. Endeavour Awards focus on developing education and research links between individuals, organisations and countries. They provide opportunities to undertake short or long term study, research or professional development in a range of disciplines across the Asia-Pacific, the Middle East, Europe and the Americas.

The Endeavour Awards make a significant contribution to Australia's aid program, delivering an achievement stream that targets the best and brightest students, researchers and professionals from developed and developing countries. The Awards contribute primarily to the strategic goals of Promoting Opportunities for All and Sustainable Economic Development.

In 2013-14 DIICCSRTE will continue to develop ongoing educational, research and professional linkages between individuals and organisations in Australia and selected partner regions and countries. This will provide opportunities for high achieving individuals from overseas to increase their skills and enhance their global awareness.

<b>Treasury</b>	<b>\$26.3 m</b>
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In 2013-14, Treasury will process payments of previously agreed capital increases to the Asian Development Bank (ADB) and the International Bank for Reconstruction and Development of the World Bank Group (WBG). These payments will fund a range of development activities in ODA-eligible countries. The *Australian Multilateral Assessment* found that Australia can have a high degree of confidence that increases in core funding to the ADB and WBG will deliver tangible development benefits in line with Australia's development objectives and that the investment will represent good value for money.

Treasury will also provide deployees under whole-of-government programs such as the Regional Assistance Mission to Solomon Islands (RAMSI), the Strongim Gavman Program in PNG, and the Government Partnerships Fund in Indonesia. Treasury also participates in twinning initiatives with PNG and Solomon Islands. These programs will continue to develop capacity in the PNG, Indonesian, and Solomon Islands Economics and Finance Ministries to promote Sustainable Economic Development and Effective Governance.

Treasury's varied activities will contribute to achievements across the five strategic goals of the aid program.

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<b>Department of Health and Ageing (DoHA)</b>	<b>\$13.0 m</b>
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DoHA's annual contribution to the World Health Organization (WHO) supports WHO's capacity building efforts on health issues worldwide, particularly in developing countries. As the United Nations' directing and coordinating authority for health, the WHO provides leadership on global health matters.

DoHA engages with partner ministries, primarily in the Asia region, in areas of mutual interest. Given the global nature of health issues it is in our national interest to develop strong international ties. DoHA administers the Pacific Senior Health Officials Network (PSHON), which strengthens health systems governance in the Pacific. The PSHON will continue to facilitate the sharing of knowledge and expertise among Pacific health officials, as well as the establishment of institutional linkages between health ministries in the Pacific.

The National Health and Medical Research Council (NHMRC) offers grants to support medical research in developing countries. NHMRC's grants to Australian institutions to conduct research overseas will total approximately \$6.1 million in 2013-14 under 34 different programs.

DoHA will continue to engage with overseas health ministries, predominantly through information exchanges under Memoranda of Understanding and associated Plans of Action. DoHA's delivery of Australian aid contributes to the strategic goal of Saving Lives.

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<b>Department of Agriculture, Fisheries and Forestry (DAFF)</b>	<b>\$10.2 m</b>
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DAFF will continue to manage Australia's annual membership contribution to the UN's Food and Agriculture Organization (FAO) in 2013-14. Australian aid will also be provided for the International Agricultural Cooperation, Regional Animal Biosecurity, and Improved Animal Welfare programs. These programs support animal disease prevention, preparedness, response and control activities, thereby improving food security and reducing the chances of animal to human disease transmission. This contributes to the strategic goals of Saving Lives and Sustainable Economic Development.

International Agricultural Cooperation Program activities improve market access and promote trade growth for Australia's agriculture industries. The Program promotes rural exports by building bilateral relationships and providing technical and capacity building assistance to targeted trading partners. The development of common approaches to improve and/or harmonise regulatory and technical requirements for trade and market access is a key priority of the program. Strengthened bilateral agrifood-business linkages will also support market development and industry integration.

The Regional Animal Biosecurity Program operates in Papua New Guinea and Timor-Leste to reduce exotic disease threats to Australia and protect our biosecurity. The program also improves counterpart staff skills in survey planning and implementation to strengthen the disease surveillance capacity of partner countries.

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The Improved Animal Welfare Program (IAWP) assists eligible countries to better understand and apply the World Organisation for Animal Health's (OIE) animal welfare guidelines on livestock transport, slaughter of animals for human consumption and handling at feedlots. IAWP operates in Indonesia, Malaysia, the Philippines, Vietnam, Turkey, Jordan, Mauritius and Egypt. A key activity of the program is the implementation of OIE compliant animal handling procedures at abattoirs and feedlots in eligible countries.

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<b>Department of Education, Employment and Workplace Relations (DEEWR)</b>	<b>\$5.3 m</b>
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DEEWR administers the Seasonal Worker Program, which commenced on 1 July 2012 and allows workers from participating countries to undertake between 14 weeks and six months work with Australian employers who can demonstrate an unmet demand for low-skilled labour. Up to 12,000 places will be available to employers over the four years of the program, and workers are recruited from nine partner countries: Timor-Leste, Nauru, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

DEEWR also administers the Australian Government's annual membership subscription to the International Labour Organization (ILO). The Australian Government provides additional funding to the ILO through the *Australian Government ILO Partnership Agreement 2010-2015*. The Partnership Agreement is jointly administered by DEEWR and AusAID. Funding through the Partnership supports ILO technical assistance programs that promote sustainable development and decent work in the Asia-Pacific region.

These activities contribute to the strategic goal of Sustainable Economic Development.

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<b>Attorney General's Department (AGD)</b>	<b>\$4.7 m</b>
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In 2013-14, AGD will continue to consolidate and build on previous work in the Asia-Pacific region. AGD will undertake capacity building work and strengthen legal frameworks in Indonesia, Sri Lanka and Pakistan to combat irregular migration. AGD will also build on its existing regional work program through the *Bali Process on People Smuggling, Trafficking in Persons, and Related Transnational Crime* to advance regional cooperation against irregular migration, and will provide support to the newly established *Regional Support Office* to implement regional capacity building initiatives on legal issues.

AGD's work strengthens Effective Governance and supports countries to develop the laws and skills needed to shut down avenues for irregular maritime movement and deprive people smugglers of profit and capital by confiscating their financial proceeds.

AGD will continue to work in partnership with the Australian Federal Police (AFP) to deliver the second phase of the Pacific Police Development Program, providing capacity building and support for law enforcement and rule of law programs in Pacific island countries. AGD's programs in the Asia-Pacific region will facilitate more

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effective governance in partner countries, which is necessary to break the cycle of poverty and violence, tackle corruption, improve security and enhance justice.

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**New Initiative: *Enhancing the regional response to irregular migration***

The Government will invest an additional \$65.8 million over four years to implement an Integrated Strategy, coordinated by the Department of Immigration and Citizenship (DIAC), to respond to key recommendations contained in the Expert Panel Report on Asylum Seekers (specifically recommendations 3, 6 and 16). DIAC and the Attorney Generals Department will implement the strategy through a range of initiatives, including:

- contributions to the United Nations High Commissioner for Refugees to increase the Humanitarian program;
- activities to support the reintegration of failed asylum seekers returning from Australia;
- strengthening legal capacity in source and transit countries; and
- working with regional governments to limit displacement and manage migration flows.

### Box 8: Uniform Standards across Whole of Government

In its aid policy, *Effective Aid*, the Government recognises the value of harnessing the specific experience, skills and knowledge of Australian Government agencies to help reduce global poverty and improve prosperity and stability. The policy also recognises the need to strengthen a whole of Australian Government approach, and commits the Government to create uniform standards for the planning, delivery, monitoring and reporting of Australia's total aid program.

Uniform standards have been developed in consultation with all agencies delivering ODA and agreed by the Development Effectiveness Steering Committee (DESC). Consistent with the *Independent Review of Aid Effectiveness*, they address planning, delivery, monitoring and reporting of ODA activities. All 20 agencies with direct appropriations of ODA in the 2013-14 financial year are required to implement and report on uniform standards. Uniform standards will help agencies coordinate their approach to aid by focusing on shared strategic goals, taking a common approach to managing for and reporting on results, improving understanding of risk management and value for money in an aid context, and increasing transparency and accountability across the aid program.

Uniform standards for the following matters will be in place from July 2013:

1. Alignment with the *Comprehensive Aid Policy Framework*
2. Performance management, evaluation, results and reporting
3. Value for money
4. Multilateral assessments
5. Risk management
6. Fraud control
7. Transparency
8. Australian Government branding of aid

The standards will be applied by all Australian Government agencies responsible for delivering ODA. Each standard will ensure a consistent approach, while acknowledging that agencies have their own management systems in place.

Agencies will report on implementation of uniform standards through the *Annual Review of Aid Effectiveness* published each year. The DESC is overseeing ongoing development and implementation of the standards.

Applying the same standards to Australia's total ODA investment across agencies will allow the Government, the Parliament and the public to see clearly what results the aid program is achieving and how continual improvement in organisational performance will maximise results. This will enable the Government to make more informed investment decisions and improve the effectiveness of Australia's aid program.

## 6. PERFORMANCE MANAGEMENT AND EVALUATION

The Australian aid program is subject to regular and robust performance management measures. These measures ensure the aid program is delivered effectively and efficiently and that the aid program is held accountable for the results it achieves. Under its Transparency Charter, AusAID has also committed to providing detailed and timely information on the program's results to the Australian public through the AusAID website.

In January 2013, the first *Annual Review of Aid Effectiveness* was released, reporting on the progress of the aid program against the strategic goals in the *Comprehensive Aid Policy Framework* (CAPF). The *Annual Review* was underpinned by AusAID's extensive internal reporting system, which includes annual self-assessments of aid initiatives and publicly released reports outlining progress and results for all country and key regional programs. This was complemented by input from other government departments delivering the Australian aid program and informed by independent assessments that were conducted by the Office of Development Effectiveness.

Extensive external oversight mechanisms for the Australian aid program are also in place. As a member of the OECD, Australia is subject to regular peer reviews by other donors every four to five years. The most recent peer review report on Australia - released on 6 May 2013 - gave Australia a highly positive assessment and showed that Australia is at the forefront of best practice in aid delivery and effectiveness. In addition, under the guidance of the Independent Evaluation Committee, the Office of Development Effectiveness continues to provide robust, independent evaluations of the effectiveness of Australian aid. The aid program is also subject to regular Senate Estimates processes and Australian National Audit Office (ANAO) performance reviews.

### 6.1. PERFORMANCE MANAGEMENT

In *Effective Aid* and the CAPF, the Government emphasised the importance of delivering Australian aid more effectively and efficiently in order to achieve better development results and greater value for money. This has translated into further reform of AusAID's already well-developed performance management processes, the introduction of systematic results reporting, and a whole-of-government commitment to introduce uniform standards to a range of program management areas, including performance management.

The *Performance Management and Evaluation Policy* (PMEP) aims to ensure the aid program is effective, transparent and focused on results. It sets out expectations for performance management for delivering Australian aid. It also reflects directions outlined in *An Effective Aid Program for Australia*, including the introduction of the CAPF and Results Framework, the *Annual Review Aid Effectiveness*, and the *Transparency Charter*.



The PMEP outlines performance measures for implementation and performance management, review and evaluation at an agency, program and individual initiative level. These measures include:

- annual program performance reports, which assess the results and ongoing quality of programs and progress against overall program objectives;
- Quality at Implementation (QAI) reports, which assess progress against individual initiative objectives;
- independent evaluations, which must be conducted at least once during the lifetime of all significant initiatives; and
- annual multilateral scorecards, which track the performance of multilateral agencies.

Given the difficult circumstances in which AusAID delivers assistance, it is to be expected that a small number of initiatives will not fully achieve intended results. QAI reports help identify these initiatives, and new processes to deal with them were introduced in 2012-13. These include assigning a member of the senior executive to monitor each of these initiatives more closely; developing formal remediation plans; and, where appropriate, cancelling initiatives.

Improvements to the performance management system strengthen AusAID's development as a results-based agency that is focused on the monitoring and reporting of real, measurable results. Over the last year, AusAID's policy and guidelines on performance management have been significantly strengthened and they will continue to be monitored to ensure they remain relevant and useful. In 2013-14, the focus of work will be supporting country programs and thematic areas to better implement AusAID's performance management system and to improve the quality of performance management products.

## **6.2. EVALUATION AND REVIEW**

### **OECD DAC Peer Review**

Australia is an active member of the OECD Development Assistance Committee (DAC). As a condition of membership, Australia's development assistance program has recently undergone a peer review. Peer reviews help Australia understand how it can improve aid effectiveness, and allow us to learn from the experiences of other donors.

During the review, members of an independent review team led by Canada and the European Union visited Canberra and the Philippines. The review team met with representatives from AusAID and other government departments, partner governments, non-government organisations, the private sector and academia.

The final peer review report commends Australia for its transparent, effective and dynamic approach to development cooperation. The DAC found that other international donors can learn from many aspects of Australia's aid program, demonstrating how highly regarded the Australian aid program is amongst our peers. In particular, Australia was praised for its international leadership in disability-inclusive development and development in fragile and conflict-affected states. Australia was also commended for its exemplary commitment to transparency and focus on achieving results. The report recognised the exceptional management of AusAID's organisational reform efforts, having transformed into a highly efficient, flexible and innovative organisation.

The report makes 11 recommendations, including increasing the percentage of aid delivered through partner systems and expanding the disaster risk reduction program. The results of the peer review can be found on the OECD DAC website: <http://www.oecd.org/dac/peer-reviews/australia.htm>.

### **Annual Review of Aid Effectiveness**

The first *Annual Review of Aid Effectiveness* assessing the performance of the Australian aid program across whole of Government for the 2011-12 financial year was released in January 2013. The purpose of the *Annual Review* is to inform development of the four-year aid budget strategy and to report on the progress of the aid program against the strategic aid goals and targets detailed in the CAPF.

The *Annual Review* is compiled from the input of nearly 60 Australian Government agencies delivering the Australian aid program and is overseen by the Development Effectiveness Steering Committee. The 2013 *Annual Review* will provide the opportunity to build on the first review and will assess the first full year of the aid program since the release of the CAPF.

### **AusAID Annual Report**

AusAID's annual report is prepared according to parliamentary reporting requirements and published in October each year. It reports on AusAID's performance against the outcomes and programs framework outlined in the Foreign Affairs and Trade Portfolio Budget Statements. The next report, to be published in October 2013, will report on AusAID's performance against the aid program's objectives.

### **Office of Development Effectiveness**

Established in 2006, the Office of Development Effectiveness (ODE) builds stronger evidence for more effective aid by monitoring the quality and evaluating the impact of the Australian aid program. ODE draws its evidence from in-depth evaluations and reviews of Australian aid and analysis of AusAID performance systems. Although still within AusAID, ODE operates independently from, but in collaboration with, AusAID programming areas and reports directly to AusAID's Director General.

ODE's 2013-14 evaluation workplan will continue to provide important insights into the effectiveness of Australia's development support as well as recommendations for improvements. In 2013-14, ODE will complete its first *Synthesis of Evaluations and Quality Assurance Report (SEQA)* – a comprehensive review of ODE evaluations to date. It will also complete its first *Synthesis of AusAID Evaluations*, which will analyse the findings of evaluations conducted by AusAID's operational areas. All published evaluations can be found on ODE's website at: [www.ode.ausaid.gov.au/](http://www.ode.ausaid.gov.au/).

ODE continues to support ongoing partnerships with international agencies that specialise in enhancing development evaluation. These include the International Institute for Impact Evaluation (3IE) and the World Bank's Regional Centres for Learning on Evaluation and Results (CLEAR) and Better Evaluation.

### **Independent Evaluation Committee**

The Independent Evaluation Committee (IEC) is a four member (three external, one AusAID) independent advisory body that was announced by Government in May 2012 and established in June 2012. It oversees and quality assures ODE's evaluation work and provides expert advice to the Development Effectiveness Steering Committee (DESC). The membership of the IEC includes professionals and evaluation academics. The IEC meets four times a year. Communiqués from IEC's meetings are published on the ODE website at: [www.ode.ausaid.gov.au/publications/index.html](http://www.ode.ausaid.gov.au/publications/index.html).

### Box 9: Civil Society Evaluation

In 2012, ODE published its evaluation of AusAID's engagement with civil society – *Working Beyond Government: Evaluation of AusAID's engagement with civil society in developing countries* (2012). The evaluation was timely given AusAID's increased commitment to working with civil society organisations as outlined in *Effective Aid*. While AusAID has a long history of working with civil society in developing countries, no evaluation of this engagement had previously been conducted.

The evaluation, which looked at the experiences in Papua New Guinea, Vanuatu and the Philippines, provided pertinent lessons for engaging with civil society for AusAID programming areas as well as the development community as a whole.

It highlighted examples of innovative practice and important lessons around working with civil society in ways that support their local sustainability, manage risk and achieve development results.

The evaluation has directly informed both AusAID policy and programming, including through the following key policy documents:

- the *Effective Governance* policy, which highlights local civil society and non-governmental organisations as major partners in promoting effective governance; and
- the *AusAID Civil Society Engagement Framework: working with civil society organisations to help people overcome poverty*, which outlines principles and strategies for working with civil society.

Program teams within AusAID have also reported revisions of strategies and approaches following engagement with the evaluation team, and the evaluation has received endorsement from external development institutions.

The Australian Council for International Development (ACFID) has referenced the report's findings in a campaign for stronger support for civil society engagement, and the Development Assistance Committee (DAC) has cited the evaluation's findings in several of its documents.

The evaluation can be found on ODE's website. In 2013-14, ODE will continue to support similarly high calibre evaluations that make significant contributions to development effectiveness.

### 6.3. TRANSPARENCY

The Australian Government is committed to improving the transparency of the Australian aid program and introduced its Transparency Charter in November 2011. AusAID met its target of providing detailed information on country programs on its website by the end of 2012. The website is regularly updated to ensure information is current.

AusAID's efforts saw its overall score on the Publish What You Fund Transparency Index more than double from 2011 to 2012 – the largest increase by any donor country aid agency.

#### **Program information on the website**

Transparency principles were applied to the AusAID website for 33 country, 6 regional, 17 thematic and 11 specific programs. Web content for 17 major and 5 minor country programs will be translated into local languages by 30 June 2013.

The International Aid Transparency Initiative (IATI) registry contains AusAID documents published on the AusAID website since July 2011 and data files for a total of 127 countries that receive AusAID assistance either bilaterally or through multilateral organisations.

#### **Information Publication Scheme (IPS)**

As at 31 December 2012, over 2,600 separate corporate documents had been added to AusAID's IPS registry, providing a growing information source for external researchers. In 2013-14, the registry will undergo a review to ensure it holds accurate and consistent document descriptions, dates, links and associated metadata to support the aims of the Transparency Charter.

#### **Aid Statistics**

The AusAID publication, *Australia's International Development Assistance: Statistical Summary, 2011-12*, presents statistical details of Australia's historical development cooperation with partner countries, multilateral and bilateral development agencies, civil society organisations and the private sector. It complements the *Aid Budget Statement* and the *AusAID Annual Report*, and introduces a range of new tables to meet the varied information requirements of the broader Australian community.

The concepts and definitions used in *Australia's International Development Assistance: Statistical Summary, 2011-12* are consistent with the Statistical Reporting Directives of the Development Assistance Committee (DAC) of the Organisation for Economic and Development Cooperation (OECD).

Estimates for earlier periods are available from the Time Series spread sheets located on the AusAID website, [www.ausaid.gov.au](http://www.ausaid.gov.au). The Time Series spread sheets enable users to tabulate, manipulate and analyse Australian aid data over time.

**Whole-of-Government Official Development Assistance**

A whole-of-government working group was established to introduce the Transparency Initiative to all relevant government departments delivering ODA. Details of all other government departments' ODA will be published on AusAID's website by June 2013.

## APPENDIX

## AUSAID COUNTRY AND GLOBAL PROGRAMS

Table 5: AusAID country programs

Country/Region	Notes	Estimated		Budget
		Actual (\$m)	Outcome (\$m)	Estimate (\$m)
		2011-12	2012-13	2013-14
Papua New Guinea		441.9	448.9	451.9
Solomon Islands		117.9	104.1	104.1
Vanuatu		48.4	41.8	45.8
Samoa		25.0	26.7	26.7
Fiji		19.5	27.4	37.0
Tonga		16.9	16.4	19.9
Nauru	a	18.7	23.7	20.7
Kiribati		27.4	21.7	21.7
Tuvalu		7.5	7.7	7.7
Cook Islands		1.9	2.4	2.4
Niue and Tokelau		3.3	2.8	2.8
North Pacific	b	9.9	5.8	5.6
Pacific Regional		186.3	194.3	197.3
<b>Total Pacific</b>		<b>924.5</b>	<b>923.7</b>	<b>943.7</b>
Indonesia	c	440.8	476.6	591.5
Vietnam		106.0	108.7	112.0
Philippines		103.7	102.6	109.0
Timor-Leste		59.4	70.0	78.0
Cambodia		59.2	50.2	59.0
Myanmar		47.0	49.2	64.1
Laos		31.5	34.8	40.0
Mongolia		6.5	8.3	11.0
East Asia Regional		64.8	77.5	78.7
<b>Total East Asia</b>		<b>918.9</b>	<b>977.9</b>	<b>1,143.4</b>
Afghanistan		163.0	134.0	151.5
Pakistan		78.9	70.1	74.1
Bangladesh		69.6	73.1	82.1
Sri Lanka		37.7	31.8	37.5
Nepal		15.7	15.1	20.2
Bhutan		3.7	4.4	4.6
Maldives		2.8	3.6	3.9
South and West Asia Regional		46.8	22.4	29.8
<b>Total South and West Asia</b>		<b>418.2</b>	<b>354.4</b>	<b>403.8</b>
Iraq		27.3	19.2	7.7
Palestinian Territories		38.6	38.7	38.7
North Africa and the Middle East		31.8	45.6	23.7
Sub-Saharan Africa		200.7	214.0	224.9
<b>Total Africa and the Middle East</b>		<b>298.4</b>	<b>317.5</b>	<b>295.0</b>
Latin America		15.7	10.7	9.2
Caribbean		12.9	11.3	11.2
<b>Total Latin America and the Caribbean</b>		<b>28.7</b>	<b>22.0</b>	<b>20.4</b>
Cross Regional Programs	d	378.0	310.0	414.8
<b>AusAID COUNTRY PROGRAMS</b>		<b>2,966.6</b>	<b>2,905.5</b>	<b>3,221.0</b>

Notes: see page 146.

**Table 6: AusAID global programs**

Global Program	Notes	Actual (\$m)	Estimated Outcome (\$m)	Budget Estimate (\$m)
		2011-12	2012-13	2013-14
Humanitarian and Emergency Response		233.5	173.8	238.4
International Committee of the Red Cross and Red Crescent		20.0	22.0	28.5
United Nations Humanitarian Agencies		94.9	98.0	117.0
UNOCHA		8.0	9.0	9.0
WFP		45.0	46.0	46.0
UNCERF		16.0	9.0	18.0
UNHCR		18.0	19.0	23.0
UNRWA		7.9	15.0	20.0
UNPBF		0.0	0.0	1.0
<b>Humanitarian, Emergencies and Refugees</b>		<b>348.4</b>	<b>293.8</b>	<b>383.9</b>
IFAD		0.0	0.0	0.0
MPMF		0.0	0.0	0.0
ADF		0.0	629.3	0.0
IDA		0.0	0.0	0.0
HIPC		0.0	0.0	0.0
MDRI		0.0	0.0	0.0
GEF		0.0	0.0	0.0
<b>Multilateral Replenishments</b>	a	<b>0.0</b>	<b>629.3</b>	<b>0.0</b>
United Nations Development Agencies		119.4	115.3	131.2
UNDP		23.3	20.7	26.0
UNICEF		34.1	34.1	38.3
UNFPA		15.0	15.0	18.2
UNAIDS		9.0	7.2	9.2
WHO		23.0	20.0	23.4
UN Women		9.5	8.0	9.5
Other UN Development Agencies		5.5	10.2	6.6
Commonwealth Organisations	b	11.9	18.4	12.0
Contribution to Global Environment Programs	c	68.6	74.1	1.5
Contribution to Global Health Programs	d	98.3	120.8	176.0
Contribution to Global Education Programs	e	50.2	30.0	70.0
Contribution to Other Global Programs	f	11.0	6.0	5.5
<b>UN, Commonwealth and Other International Organisations</b>		<b>359.4</b>	<b>364.5</b>	<b>396.3</b>
Global Non-Government Organisations Programs		98.1	108.1	143.9
Australian Volunteers Program		63.1	58.5	65.3
Community Engagement and Development Research		10.8	12.6	13.2
<b>NGO, Volunteer and Community Programs</b>		<b>172.0</b>	<b>179.3</b>	<b>222.3</b>
<b>Total AusAID Global Programs</b>	g	<b>879.7</b>	<b>1,466.9</b>	<b>1,002.5</b>
Less: new multi-year commitments	h	0.0	-629.3	0.0
Add: cash paid to multi-year liabilities	i	295.9	317.2	345.8
<b>AusAID GLOBAL PROGRAMS</b>		<b>1,175.6</b>	<b>1,154.8</b>	<b>1,348.3</b>

Notes: see page 146.



## TOTAL AUSTRALIAN OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

**Table 7: Australia's ODA 1982-83 to 2013-14**

Year	Current prices (\$m)	Constant 2011-12 prices (\$m)	Real change over previous year (%)	ODA/GNI ratio (%)
1982-83	744.6	2,214.2	1.3	0.40
1983-84	931.8	2,603.4	17.6	0.44
1984-85	1,011.4	2,685.6	3.2	0.44
1985-86	1,031.0	2,576.2	-4.1	0.40
1986-87	975.6	2,270.4	-11.9	0.35
1987-88	1,019.6	2,225.2	-2.0	0.32
1988-89	1,194.6	2,401.0	7.9	0.33
1989-90	1,173.8	2,206.6	-8.1	0.30
1990-91	1,261.0	2,265.8	2.7	0.32
1991-92	1,330.3	2,348.8	3.7	0.33
1992-93	1,386.1	2,430.5	3.5	0.32
1993-94	1,410.8	2,448.4	0.7	0.31
1994-95	1,483.7	2,527.5	3.2	0.31
1995-96	1,556.5	2,578.1	2.0	0.30
1996-97	1,432.0	2,337.6	-9.3	0.27
1997-98	1,443.0	2,322.0	-0.7	0.25
1998-99	1,528.6	2,444.3	5.3	0.25
1999-00	1,748.7	2,727.7	11.6	0.27
2000-01	1,623.1	2,423.9	-11.1	0.24
2001-02	1,755.1	2,564.6	5.8	0.24
2002-03	1,830.8	2,600.5	1.4	0.24
2003-04	1,973.1	2,708.0	4.1	0.24
2004-05	2,198.1	2,903.2	7.2	0.25
2005-06	2,683.5	3,373.4	16.2	0.28
2006-07	2,977.9	3,567.2	5.7	0.29
2007-08	3,115.0	3,571.6	0.1	0.28
2008-09	3,737.4	4,069.5	13.9	0.31
2009-10	3,865.0	4,168.3	2.4	0.31
2010-11	4,303.2	4,376.3	5.0	0.32
2011-12	4,825.2	4,825.2	10.3	0.34
2012-13 (Estimated outcome)	5,148.6	5,143.5	6.6	0.35
2013-14 (Budget estimate)	5,666.4	5,546.4	7.8	0.37

## NOTES

Figures in tables and generally in the text have been rounded. Totals and percentages are calculated on unrounded totals. Any discrepancies between totals and sums of components in tables and generally in the text are due to rounding.

In this Statement, 'real' means adjusted for the effect of inflation. Real changes are calculated using the non-farm gross domestic product deflator.

All amounts are in Australian dollars (AUD) unless otherwise indicated. All estimates are exclusive of recoverable Goods and Services Tax (GST).

One billion is equal to one thousand million.

The source of data is AusAID unless otherwise stated.

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### Table 1: Composition of Australian ODA

The column 'Budget Estimate 2012-13' shows estimates provided in the 2012-13 Budget at May 2012. The column 'Estimated Outcome 2012-13' shows outcomes for 2012-13 as estimated at May 2013.

- a) 'AusAID Country Programs' are detailed in Table 5 on page 143, and include country and regional programs, as well as AIRPD grants and loans.
- b) 'AusAID Global Programs' are detailed in Table 6 on page 144, and adjusted to include cash but exclude expenses associated with multi-year liabilities (such as to the ADF and IDA). See notes (h) and (i) to Table 6 for details and explanation of these adjustments.
- c) 'AusAID Departmental' shows AusAID's Departmental expenses.
- d) Australian Centre for International Agricultural Research (ACIAR) financial statements are included in the Foreign Affairs and Trade Portfolio Budget Statement.
- e) 'Other Government Departments' includes ODA-eligible expenditure by Australian Government and State and Territory Government agencies other than AusAID and ACIAR.
- f) 'Adjustments' includes adjustments to reconcile expenses to ODA, which is reported on a cash basis. These adjustments include accrual adjustments to adjust expenses to cash, and adjustments to exclude non ODA-eligible departmental and administered expenditure. The adjustments exclude non ODA-eligible departmental expenditure such as receipts under Section 31 of the *Financial Management and Accountability Act 1997*, GST payments, Fringe Benefits Tax, and official hospitality. The adjustments also exclude non ODA-eligible administered expenditure such as miscellaneous receipts and GST payments.
- g) ODA is reported on a cash basis.
- h) 'Real change from previous year outcome' shows the real increase in total ODA from the outcome figure for the previous year to the figure for the reference year.
- i) Estimates are subject to confirmation of final GNI outcomes by the Australian Bureau of Statistics.

<sup>1</sup> The ODA target is 0.37 per cent of GNI in 2013-14. This includes \$375 million to support some of the costs of asylum seekers in Australia. The actual expenditure on ODA eligible asylum seekers costs will vary depending on the number of arrivals and their length of stay in the community. To ensure predictable planning and management of the ODA budget, the Government will cap expenditure from the existing ODA funding envelope in any one year at \$375 million. Any expenditure over this cap will be in addition to the ODA budget target for that year.

### Table 2: Australian ODA by partner countries and regions

The column 'Budget Estimate 2012-13' shows estimates provided in the 2012-13 Budget at May 2012. The column 'Estimated Outcome 2012-13' shows outcomes for 2012-13 as estimated at May 2013. Total ODA to

a particular country includes the amounts from the bilateral program, as well as amounts attributable to the country through AusAID's regional programs, AusAID global programs and other government departments.

- a) In this table, 'Nauru' includes cash paid in each year in line with the *Nauru Settlement Treaty*, in addition to amounts through the AusAID Country Program for Nauru (identified in Table 5 on page 143).
- b) For the purposes of this table, 'North Pacific' includes the Federated States of Micronesia, Palau, and the Republic of the Marshall Islands.
- c) 'Regional and Other Pacific' includes amounts attributable to the Pacific region (but not to a specific country) from the Pacific Regional program (see Table 5 for amounts and Section 2.1 for program details), AusAID global programs (see Table 6 for a breakdown), and other government departments.
- d) 'Indonesia' expenditure includes AIPRD.
- e) 'East Asia Regional' shows amounts attributable to the East Asia region (but not to a specific listed country) from the East Asia Regional program (see Table 5 for amounts and Section 2.2 for program details), AusAID global programs (see Table 6 for a breakdown), and other government departments.
- f) 'South and West Asia Regional' shows amounts attributable to the South and West Asia region (but not a specific country) from the South and West Asia Regional program (see Table 5 for amounts and Section 2.3 for program details), AusAID global program (see Table 6 for a breakdown), and other government departments.
- g) 'Core contributions to multilateral organisations and other ODA not attributed to particular countries or regions' includes payments to some UN and Commonwealth organisations, ODA-eligible departmental expenditure and ODA flows not attributable to the above countries and regions. The ODA-eligible components of cash payments to IDA, ADF, GEF, HIPC, MDRI and the MPMF are also included in this line item (see Section 3.2 for 2013-14 funding levels).
- h) 'Adjustments' – see notes to Table 1(f) above.
- i) ODA is reported on a cash basis.

## Part 2: Country and regional programs

<sup>2</sup> AusAID has a separate country program for each major partner country, which is planned and implemented jointly with the partner government. Each country program is an integrated package of mutually agreed activities, developed and implemented under an agreed country strategy. In dollar terms it is often the largest AusAID program delivering benefits in a partner country.

<sup>3</sup> AusAID's regional programs deliver Australian aid across a region (or regions) of interest to Australia. Activities are usually planned and delivered under a single regional program strategy, and usually benefit more than one country. Expenditure is allocated between beneficiary countries whenever identifiable.

<sup>4</sup> AusAID's global programs deliver development benefits across the developing world. They include contributions to international organisations; emergency, humanitarian and refugee programs; contributions to NGOs and volunteer programs; development education and public information; and development research.

## Maps

The depiction and use of boundaries, geographic names and related data shown on the maps and flags do not necessarily imply official endorsement or acceptance by the Australian Government. The regional maps were produced by AusAID using the Generic Mapping Tools (<http://www.soest.hawaii.edu/gmt/>) and Paint.NET. All of the country maps and flags, unless otherwise specified, are from:

*The World Factbook 2011*. Washington, DC: Central Intelligence Agency, 2011.

<https://www.cia.gov/library/publications/the-world-factbook/index.html>

## Key statistics

'Population' refers to the country's estimated 2011 population, according to the World Bank World Development Indicators database. See < <http://databank.worldbank.org/data>>.

Population Growth (%): A population's growth rate is the increase (or decrease) in the number of persons in the population during a certain period of time, expressed as a percentage of the population at the beginning of the time period. The average annual growth rates for all ages as well as for particular age groups are calculated on the assumption that growth is continuous.

Estimated Population (2050): This projection is taken from the UN database, in turn based on assumptions about demographic indicators by country and projection constructed for successive five-year periods. The details on the methodology applied by the UN to conduct the projections can be consulted at: <http://www.un.org/esa/population/publications/longrange2/WorldPop2300final.pdf>.

GDP Per Capita (PPP): These estimates were sourced from the World Bank World Development Indicators database, last accessed 8 May 2013, <http://databank.worldbank.org/data/>. The corresponding definition of the indicator is: "GDP per capita based on purchasing power parity (PPP). PPP GDP is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the U.S. dollar has in the United States. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current international dollars."

Poverty <\$1.25/day

Population below \$1.25 a day is the percentage of the population living on less than \$1.25 a day at 2005 international prices. As a result of revisions in PPP exchange rates, poverty rates for individual countries cannot be compared with poverty rates reported in earlier editions. Source: World Bank Development Indicators 2012.

Poverty <\$2.00/day

Population below \$2 a day is the percentage of the population living on less than \$2.00 a day at 2005 international prices. As a result of revisions in PPP exchange rates, poverty rates for individual countries cannot be compared with poverty rates reported in earlier editions. Source: World Bank Development Indicators 2012.

## Pacific

<sup>5</sup> Note that this excludes expenditure by other Australian Government departments of aid flows appropriated via AusAID.

<sup>6</sup> The reported value of this new initiative includes the ODA and non-ODA eligible components to align with measures provided in the Budget Papers. Only the eligible components will be reported as ODA.

<sup>7</sup> Amnesty International, *Papua New Guinea: Violence Against Women: Not Inevitable, Never Acceptable!*, 2006, viewed 16 April 2013,

[www.amnesty.org/en/library/asset/ASA34/002/2006/en/3dffe5fd-d422-11dd-8743-d305bea2b2c7/asa340022006en.pdf](http://www.amnesty.org/en/library/asset/ASA34/002/2006/en/3dffe5fd-d422-11dd-8743-d305bea2b2c7/asa340022006en.pdf).

<sup>8</sup> UNICEF, *The State of the World's Children 2012: Children in an Urban World*, 2012, viewed 16 April 2013, [www.unicef.org/publications/index\\_61789.html](http://www.unicef.org/publications/index_61789.html).

<sup>9</sup> Solomon Islands Government, *Child Health Strategic Plan 2011-15*, p.9; Solomon Islands Government, *National Health Strategic Plan 2011-15*, pp. 11-12.

<sup>10</sup> WHO West Pacific Regional Office, *Progress in malaria control and moving towards elimination in Solomon Islands and Vanuatu*, 2012, viewed 16 April 2013, [ftp://ftp.wpro.who.int/scratch/PUB/Printing%20files/Progress%20in%20Malaria%20Control%20and%20elimination%20in%20Solomon%20Islands%20and%20Vanuatu/17122012%20Progress%20in%20malaria%20control%20-%20Solomon%20Islands%20and%20Vanuatu.pdf](http://ftp.wpro.who.int/scratch/PUB/Printing%20files/Progress%20in%20Malaria%20Control%20and%20elimination%20in%20Solomon%20Islands%20and%20Vanuatu/17122012%20Progress%20in%20malaria%20control%20-%20Solomon%20Islands%20and%20Vanuatu.pdf), p. 4.

<sup>11</sup> WHO West Pacific Regional Office, *Progress in malaria control and moving towards elimination in Solomon Islands and Vanuatu*, 2012, viewed 16 April 2013, [ftp://ftp.wpro.who.int/scratch/PUB/Printing%20files/Progress%20in%20Malaria%20Control%20and%20elimination%20in%20Solomon%20Islands%20and%20Vanuatu/17122012%20Progress%20in%20malaria%20control%20-%20Solomon%20Islands%20and%20Vanuatu.pdf](http://ftp.wpro.who.int/scratch/PUB/Printing%20files/Progress%20in%20Malaria%20Control%20and%20elimination%20in%20Solomon%20Islands%20and%20Vanuatu/17122012%20Progress%20in%20malaria%20control%20-%20Solomon%20Islands%20and%20Vanuatu.pdf), p. 4.

<sup>12</sup> WHO, 'Global Health Observatory Data Repository', viewed 14 March 2013, <http://apps.who.int/gho/data/view.country.18200>.

- <sup>13</sup> Solomon Islands Government, *Ministry of Health and Medical Services Core Indicator Set (Draft)*, last sighted January 2013, p. 1.
- <sup>14</sup> Solomon Islands Ministry of Education and Human Resource Development, *Performance Assessment Framework Report 2008-2010*, January 2012, p. 19.
- <sup>15</sup> Solomon Islands Ministry of Education and Human Resource Development, *Solomon Islands Standardised Tests of Achievements*, 2010, p. 9.
- <sup>16</sup> World Bank, *World Bank Development Report 2012 – Gender Equality and Development*, Washington DC, 2011, viewed 16 April 2013, <<http://go.worldbank.org/6R2KGVEXP0>>, p.157.
- <sup>17</sup> Secretariat of the Pacific Community, *Solomon Islands Family Health and Safety Study: A study on violence against Women and Children*, Secretariat of the Pacific Community, 2009, viewed 16 April 2013, <[www.spc.int/hdp/index.php?option=com\\_docman&task=cat\\_view&gid=39&Itemid=44](http://www.spc.int/hdp/index.php?option=com_docman&task=cat_view&gid=39&Itemid=44)>, p. 3.
- <sup>18</sup> World Bank, 'Country Data: Solomon Islands', 2010, viewed 23 March 2012, <<http://data.worldbank.org/country/solomon-islands>>; Solomon Islands Ministry of Development Planning and Aid Coordination, *Solomon Islands Agriculture and Rural Development Strategy*, 2007, viewed 2 March 2013, <[http://siteresources.worldbank.org/INTPACIFICISLANDS/Resources/442114-1180930407961/ARDS\\_Full\\_Report.pdf](http://siteresources.worldbank.org/INTPACIFICISLANDS/Resources/442114-1180930407961/ARDS_Full_Report.pdf)>, p. 8.
- <sup>19</sup> IMF, *IMF Country Report No. 12/333*, Washington DC, December 2012, viewed 2 March 2013, <[www.imf.org/external/pubs/ft/scr/2012/cr12333.pdf](http://www.imf.org/external/pubs/ft/scr/2012/cr12333.pdf)>, p. 21.
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<sup>119</sup> International Food Policy Research Institute, *Discussion Paper 01210: Managing Transition in Yemen*, September 2012, viewed 18 April 2013, <[www.ifpri.org/publication/managing-transition-yemen](http://www.ifpri.org/publication/managing-transition-yemen)>.

<sup>120</sup> IMF, 'Youth Unemployment in the MENA Region: Determinants and Challenges', viewed 18 April 2013, <[www.imf.org/external/np/vc/2012/061312.htm](http://www.imf.org/external/np/vc/2012/061312.htm)>.

<sup>121</sup> For AusAID budget purposes, this includes: Angola, Benin, Botswana, Burkina Faso, Burundi Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Republic of the Congo, Democratic Republic of the Congo, Cote d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

<sup>122</sup> UNDP, 'Poverty Reduction and the MDGs', viewed 18 April 2013, <<http://web.undp.org/africa/poverty.shtml>>.

<sup>123</sup> Sub-Saharan Africa possesses 29 of the 30 countries ranked at the bottom of the UN's Human Development Index; it possesses 34 of the world's 49 least developed countries as assessed by the UN Office of the High Representative for the Least Developed Countries; and 47 per cent of people in sub-Saharan Africa live on less than \$1.25 a day (2008) as assessed by the 2012 Millennium Development Report. Along with the underlying extreme poverty, government corruption, massive health crises, and frequent political, territorial, and ethnic conflicts compound the region's problems. See: UNDP, *Human Development Report 2011*, Palgrave Macmillan, New York, 2011, viewed 18 February 2013, <<http://hdr.undp.org/en/reports/global/hdr2011>>; UNOHRLLS, *World Statistics Pocketbook 2010: Least Developed Countries*, 2011, viewed 18 April 2013, <[www.unohrrls.org/UserFiles/File/LDC%20Pocketbook2010-%20final.pdf](http://www.unohrrls.org/UserFiles/File/LDC%20Pocketbook2010-%20final.pdf)>; UN, *The Millennium Development Goals Report 2012*, 2012, viewed 18 April 2013, <[www.un.org/en/development/desa/publications/mdg-report-2012.html](http://www.un.org/en/development/desa/publications/mdg-report-2012.html)>.

<sup>124</sup> UNICEF, WHO, UNDP & World Bank, *Levels and Trends in Child Mortality – Report 2012*, Geneva, 2012, viewed 11 February 2013, <[www.childmortality.org/files\\_v10/download/Levels%20and%20Trends%20in%20Child%20Mortality%20Report%202012.pdf](http://www.childmortality.org/files_v10/download/Levels%20and%20Trends%20in%20Child%20Mortality%20Report%202012.pdf)>.

<sup>125</sup> Ethiopia Central Statistical Agency & ICF International, *Ethiopia Demographic and Health Survey 2011*, 2012, Addis Ababa, viewed 18 April 2013, <<http://measuredhs.com/pubs/pdf/FR255/FR255.pdf>>.

<sup>126</sup> UN Habitat, *The State of African Cities 2010*, United Nations Human Settlements Program, Nairobi, 2010, viewed 18 April 2013, <[www.unhabitat.org/content.asp?cid=9141&catid=7&typeid=46](http://www.unhabitat.org/content.asp?cid=9141&catid=7&typeid=46)>.

<sup>127</sup> Ethiopia Ministry of Health, *Health Sector Development Program IV 2010/11 – 2014/1:5 Final Draft*, 2010, viewed 18 April 2012, <<http://phe-ethiopia.org/admin/uploads/attachment-721-HSDP%20IV%20Final%20Draft%2011October%202010.pdf>>, pp. 6, 103.

<sup>128</sup> Ethiopia, Ghana, Kenya, Malawi, Mozambique, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

- <sup>129</sup> UNDP, *African Human Development Report 2012: Towards a food secure future*, New York, 2012, <[www.undp.org/content/undp/en/home/librarypage/hdr/africa-human-development-report-2012/](http://www.undp.org/content/undp/en/home/librarypage/hdr/africa-human-development-report-2012/)>.
- <sup>130</sup> M Parry et al, *Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, Cambridge University Press, Cambridge, 2007, viewed 18 April 2013, <[www.ipcc.ch/publications\\_and\\_data/publications\\_ipcc\\_fourth\\_assessment\\_report\\_wg2\\_report\\_impacts\\_adaptation\\_and\\_vulnerability.htm](http://www.ipcc.ch/publications_and_data/publications_ipcc_fourth_assessment_report_wg2_report_impacts_adaptation_and_vulnerability.htm)>, p. 435.
- <sup>131</sup> IMF, *Regional Economic Outlook: Sub-Saharan Africa: Sustaining Growth amid Global Uncertainty*, April 2012, viewed 18 April 2013, <[www.imf.org/external/pubs/ft/reo/2012/afr/eng/sreo0412.htm](http://www.imf.org/external/pubs/ft/reo/2012/afr/eng/sreo0412.htm)>, p. 61.
- <sup>132</sup> African Development Bank, 'African Economic Outlook: Charts', viewed 18 April 2013, <[www.africaneconomicoutlook.org/en/total-pages/outlook/charts/](http://www.africaneconomicoutlook.org/en/total-pages/outlook/charts/)>.
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- <sup>141</sup> Iraq Ministry of Planning, *National Development Plan: Years 2010-2014*, Baghdad, 2010, viewed 19 April 2013, <[www.japuiraq.org/documents/1159/NDP%20English.pdf](http://www.japuiraq.org/documents/1159/NDP%20English.pdf)>.
- <sup>142</sup> OECD, *Latin American Economic Outlook 2012: Transforming the State for Development*, Asuncion, 2011, viewed 15 February 2013, <[www.oecd.org/dev/americas/48965859.pdf](http://www.oecd.org/dev/americas/48965859.pdf)>, p. 9.
- <sup>143</sup> World Bank, *Data: Poverty*, viewed 5 February 2013 <<http://data.worldbank.org/topic/poverty>>.
- <sup>144</sup> World Bank, *World Development Indicators 2012*, Washington DC, 2012, viewed 7 March 2013, <<http://data.worldbank.org/data-catalog/world-development-indicators/wdi-2012>>, p. 69.
- <sup>145</sup> UNDP, 'Latin America & the Caribbean: Crisis prevention and Recovery', viewed 5 February 2013, <<http://web.undp.org/latinamerica/crisis.shtml>>.
- <sup>146</sup> AusAID defines the Caribbean as the following countries to which Australia provides aid: Antigua and Barbuda, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and Grenadines, Suriname.
- <sup>147</sup> Based on World Bank and UN data.

## Global Programs

- <sup>148</sup> For the purposes of this calculation, the 'aid program' is defined as total ODA less departmental expenses, expenditure by OGDs, and adjustments.
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- <sup>156</sup> UNESCO, *EFA Global Monitoring Report 2012 – Youth and skills: Putting education to work*, Paris, 2012, viewed 13 February 2013, <[www.unesco.org/new/en/education/themes/leading-the-international-agenda/efareport/reports/2012-skills/](http://www.unesco.org/new/en/education/themes/leading-the-international-agenda/efareport/reports/2012-skills/)>, p. 58.
- <sup>157</sup> UNESCO, *EFA Global Monitoring Report 2012 – Youth and skills: Putting education to work*, Paris, 2012, viewed 13 February 2013, <[www.unesco.org/new/en/education/themes/leading-the-international-agenda/efareport/reports/2012-skills/](http://www.unesco.org/new/en/education/themes/leading-the-international-agenda/efareport/reports/2012-skills/)>, p. 122.
- <sup>158</sup> Inter-Parliamentary Union, 'Women in National Parliaments', 2013, viewed 14 March 2013, <[www.ipu.org/wmn-e/world.htm](http://www.ipu.org/wmn-e/world.htm)>.
- <sup>159</sup> UNFPA, 'Gender Equality: Ending Widespread Violence Against Women', viewed 19 April 2013, <<http://unfpa.org/gender/violence.htm>>.
- <sup>160</sup> Based on preliminary expenditure data.
- <sup>161</sup> World Bank & WHO, *World Report on Disability*, Malta, 2011, viewed 19 April 2013, <[www.who.int/disabilities/world\\_report/2011/en/index.html](http://www.who.int/disabilities/world_report/2011/en/index.html)>.
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- <sup>164</sup> The global number of hungry people declined by 132 million between 1990-92 and 2010-12, or from 18.6 per cent to 12.5 per cent of the world's population, and from 23.2 per cent to 14.9 per cent in developing countries. This puts the MDG target within reach if adequate, appropriate actions are taken. See: FAO, *State of Food Insecurity in the World 2012*, 2012, viewed 12 March 2012, <[www.fao.org/publications/sofi/en/](http://www.fao.org/publications/sofi/en/)>).
- <sup>165</sup> FAO, 'Women and Sustainable Food Security', viewed 12 March 2013, <[www.fao.org/sd/fsdirect/fbdirect/FSP001.htm](http://www.fao.org/sd/fsdirect/fbdirect/FSP001.htm)>.
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- <sup>167</sup> UNDP, *Managing Natural Resources for Human Development in Low-Income Countries: Working Paper 2011-002*, December 2011, viewed 12 March 2013, <<http://web.undp.org/africa/knowledge/working-natural.pdf>>, p. 1.
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- <sup>171</sup> Data sourced from Centre for Research on the Epidemiology of Disasters, 'EM-DAT: The International Disaster Database', 2012, viewed 12 March 2013, <[www.emdat.be/](http://www.emdat.be/)>.

## Table 5: AusAID country programs

'AusAID Country Programs' includes country and regional programs, as well as AIRPD. It is also shown as a line item in Table 1.

This table includes AusAID country and regional program expenses for all partner countries and regions, and also includes AIRPD. The column 'Estimated Outcome 2012-13' shows expenditure estimates for 2012-13 as at May 2013.

- a) 'Nauru' country program estimate shown here does not include cash paid in line with the Nauru Settlement Treaty (as the expense was recorded in 1993-94).
- b) For the purposes of this table, 'North Pacific' includes the Federated States of Micronesia, Palau, and the Republic of the Marshall Islands.
- c) 'Indonesia' includes AIRPD.
- d) The 'Cross Regional Programs' include multi-regional programs such as Education and Scholarships, Health, Economic Growth, Governance, Climate Change & Environment, Equitable Development and Government Partnerships.

## **Table 6: AusAID global programs**

'AusAID Global Programs' includes AusAID global program expenses, adjusted for multi-year liabilities. It is also shown as a line item in Table 1.

The column labelled 'Estimated Outcome 2012-13' shows expenditure estimates for 2012-13 as at May 2013.

- a) 'Multilateral Replenishments' includes expenses for new commitments to the multilateral development banks and other multilateral funds. In 2012-13, new commitments are budgeted for the tenth replenishment of the Asian Development Fund (ADF – the concessional lending arm of the Asian Development Bank) of \$629.3 million. See Section 3.2 for multilateral program details, including a breakdown of the \$313.2 million estimated cash by multilateral institution in 2013-14 (items for IDA, ADF, HIPC, GEF, and MPMF in Table 6). Included in the estimates for HIPC are values associated with the clearance of debt arrears and grant compensation.
- b) 'Commonwealth Organisations' includes the Commonwealth Fund for Technical Cooperation, Commonwealth Foundation, Commonwealth Youth Program, and other minor Commonwealth organisations.
- c) 'Global Environment Programs' includes the Global Crop Diversity Trust, the International Tropical Timber Organisation, the International Forest Carbon Initiative and other climate change initiatives.
- d) 'Global Health Programs' includes the Global Alliance for Vaccines and Immunisation, the International Finance Facility for Immunisation and the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Global Polio Eradication Initiative.
- e) 'Global Education Programs' includes the Education for All Fast Track Initiative.
- f) 'Other Global Programs' includes the Global Agriculture and Food Security Program.
- g) 'AusAID Global Programs' includes expense items only. This is converted to an expenditure figure by adjustments detailed at (h) and (i) below.
- h) 'Less: new multi-year commitments' removes the total expense commitment for new multi-year liabilities. This is the same \$629.3 million total of expenses for new commitments to 'Multilateral Replenishments' in this same table, details of which are noted at (a) above.
- i) 'Add: cash paid to multi-year liabilities' in cash expected to be paid to multilateral commitments. This includes cash funding for multilateral organisations and other cash paid against multi-year liabilities such as the Nauru Settlement Treaty. See Section 3.2 for program details and amounts for multilateral organisations.

## **GLOSSARY**

ACC	Australian Civilian Corps
ACFID	Australian Council for International Development
ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
ADF	Asian Development Fund
AEC	Australian Electoral Commission
AFP	Australian Federal Police
AFSI	African Food Security Initiative
AIFSC	Australian International Food Security Centre
AIPRD	Australia-Indonesia Partnership for Reconstruction and Development
AMA	Australian Multilateral Assessment
ANCP	AusAID-NGO Cooperation Program
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
AVID	Australian Volunteers for International Development
CAPF	Comprehensive Aid Policy Framework
CARICOM	Caribbean Community
CARTAC	Caribbean Regional Technical Assistance Centre
CGIAR	Consultative Group on International Agricultural Research
CIA	Central Intelligence Agency
CIF	Climate Investment Funds
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAC	Development Assistance Committee
DAFF	Department of Agriculture, Fisheries and Forestry
DAP	Direct Aid Program
DCP	Defence Cooperation Program
DEEWR	Department of Education, Employment and Workplace Relations
DESC	Development Effectiveness Steering Committee
DFAT	Department of Foreign Affairs and Trade
DIAC	Department of Immigration and Citizenship

DPRK	Democratic People's Republic of Korea
ECF	Enterprise Challenge Fund
EITI	Extractive Industries Transparency Initiative
FSM	Federated States of Micronesia
GAFSP	Global Agriculture and Food Security Program
GDP	Gross Domestic Product
GEF	Global Environment Facility
GNI	Gross National Income
GPE	Global Partnership for Education
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICRC	International Committee of the Red Cross
IDA	International Development Assistance
IDB	Inter-American Development Bank
IFFIm	International Finance Facility for Immunisation
ILO	International Labour Organization
IMF	International Monetary Fund
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MOU	Memorandum of Understanding
MFMP	Multilateral Fund for the Implementation of the Montreal Protocol
NGO	Non-Government Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PBC	United Nations Peacebuilding Commission
PBF	Peacebuilding Fund
PBSO	Peacebuilding Support Office
PFM	Public Financial Management
PIF	Pacific Islands Forum
PLA	Performance-linked Aid
PNG	Papua New Guinea
PRT	Provincial Reconstruction Team
RAMSI	Regional Assistance Mission to Solomon Islands

REDD	Reduced Emissions from Deforestation and Forest Degradation
RMI	Republic of Marshall Islands
TEAR	Transformation, Empowerment, Advocacy, Relief
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UN	United Nations
UNCERF	United Nations Central Emergency Response Fund
UNDEF	United Nations Democracy Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNISDR	United Nations International Strategy for Disaster Reduction
UNMAS	United Nations Mine Action Service
UNMIT	United Nations Integrated Mission in Timor-Leste
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNODC	United Nations Office of Drugs and Crime
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
US	United States of America
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

