



BUDGET

AUSTRALIA'S INTERNATIONAL DEVELOPMENT ASSISTANCE

A GOOD INTERNATIONAL CITIZEN

STATEMENT BY
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MINISTER FOR FOREIGN AFFAIRS

AND

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FOREWORD

The 2010-11 Budget reaffirms the Government's ongoing commitment to scale up Australia's development assistance program to 0.5 per cent of Gross National Income (GNI) by 2015-16.

It is in Australia's national interest to increase the level of Australian aid to help people and governments of developing countries achieve economic stability and development.

Australia's ability and commitment to an increased aid program is in line with Australia's world economic position. It will assist developing countries recover from the global economic and food crises. It will help them adapt to the challenges of climate change. It will help developing countries work towards sustainable economic growth. It will help them reduce poverty and progress towards the United Nations (UN) Millennium Development Goals (MDGs).

Australia will continue to provide humanitarian assistance in response to emergencies and crises, including those resulting from conflict and long-term droughts.

Through this Budget, total Australian official development assistance (ODA) is forecast to increase to \$4,349 million up from \$3,818 million in 2009-10. This represents 0.33 per cent of GNI. The aid program has increased in dollar terms since the 2009-10 Budget at a pace that allows a managed scale up to 0.5 per cent of GNI by 2015-16.

This Budget is focused specifically on improving the delivery of basic services, particularly in the education and health sectors, and on increasing skills, capacity and leadership in developing countries. It confirms Australia's commitment to expand our engagement in Africa, enhance our development relationships with Indonesia and in East Asia, and reduce conflict and improve humanitarian conditions in Central Asia and the Middle East.

We are pleased to present this overview of the Government's priorities for Australia's aid program in 2010-11. These initiatives illustrate Australia's commitment to global efforts to achieve the MDGs.

Australia is committed to an aid program that is generous, effective and in Australia's national interest - a program that reflects Australian generosity and which enhances Australia's reputation as a good international citizen.



Stephen Smith



Bob McMullan

BUDGET HIGHLIGHTS

<p>In 2010-11 the Government will implement new initiatives to support developing countries progress towards the MDGs by 2015. The Government will progress its commitment to scaling up the aid program to 0.5 per cent ODA/GNI by 2015-16 and support the growth of developing countries.</p>	
<p>Assisting developing countries achieve the MDGs</p>	
<p>Improving basic service delivery</p>	<p>Working with partners</p>
<p>Australia will support developing countries progress towards long-term resilience and sustained economic growth.</p> <p>Major initiatives will include assistance for:</p> <ul style="list-style-type: none"> • Education and Development Awards (\$303.7 million over four years) to support developing country partners progress towards achieving the MDGs by improving services and leadership, particularly through providing development award opportunities, increased school enrolments and technical and vocational training – <i>page 10</i> • Health (\$173.4 million over four years) to improve health services for the poor and vulnerable by increasing Australia's contributions to regional programs and developing country partners – <i>page 13</i> • Disability (\$30.2 million over four years) to support developing countries improve the quality of life of people with disability and improve access to social and economic opportunities – <i>page 28</i> 	<p>Australia will work to strengthen and expand our relations with key partners.</p> <p>Major initiatives will include assistance to:</p> <ul style="list-style-type: none"> • Indonesia (\$323.0 million over four years) to expand our development partnership with Indonesia to tackle key issues such as education, health and governance – <i>page 45</i> • Afghanistan (\$141.0 million over two years) AusAID and the Australian Federal Police will increase the Australian civilian effort in Afghanistan, working alongside the Australian Defence Force to build the capacity of the Afghan Government to deliver basic services – <i>page 31</i> • Africa (\$346.9 million over four years) to support improved leadership capacity through providing development award opportunities – <i>page 47</i>

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Diagram 1: Millennium Development Goals

<p><i>The MDGs are a set of global development objectives to be achieved by 2015 that were unanimously adopted at the UN Millennium Summit in September 2000. They represent an unprecedented global unifying force for reducing poverty and enhancing human development. Attainment of the eight individual goals is to be measured by progress against associated targets, developed during and since the Summit.</i></p> <p><i>In 2010, the UN will hold a Summit to boost progress towards the MDGs and lay out an agenda for 2010 to 2015. In 2010-11, Australia will increase its support to assist developing countries achieve the MDGs.</i></p>	
<p>1. Eradicate extreme poverty and hunger</p>	<ul style="list-style-type: none"> ➤ Halve the proportion of people whose income is less than one dollar a day ➤ Achieve full and productive employment and decent work for all, including women and young people ➤ Halve the proportion of people who suffer from hunger
<p>2. Achieve universal primary education</p>	<ul style="list-style-type: none"> ➤ Ensure that children everywhere, boys and girls alike, complete a full course of primary schooling
<p>3. Promote gender equality and empower women</p>	<ul style="list-style-type: none"> ➤ Eliminate gender disparity in all levels of education
<p>4. Reduce child mortality</p>	<ul style="list-style-type: none"> ➤ Reduce by two thirds the under five mortality rate
<p>5. Improve maternal health</p>	<ul style="list-style-type: none"> ➤ Reduce by three quarters the maternal mortality ratio ➤ Achieve universal access to reproductive health
<p>6. Combat HIV/AIDS, malaria and other diseases</p>	<ul style="list-style-type: none"> ➤ Halt and begin to reverse the spread of HIV/AIDS ➤ Achieve universal access to treatment for HIV/AIDS for those who need it ➤ Halt and begin to reverse the incidence of malaria and other major diseases
<p>7. Ensure environmental sustainability</p>	<ul style="list-style-type: none"> ➤ Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources ➤ Reduce biodiversity loss ➤ Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation ➤ Achieve significant improvement in the lives of at least 100 million slum dwellers, by 2020
<p>8. Develop a global partnership for development</p>	<ul style="list-style-type: none"> ➤ Targets cover: trading and financial systems, the special development needs of disadvantaged states, debt sustainability, affordable access to essential drugs and access to information and communications technologies

AUSTRALIA'S INTERNATIONAL DEVELOPMENT ASSISTANCE PROGRAM

The Australian Government is committed to providing aid to developing countries to help people less fortunate than ourselves and to improve the lives of the billion people worldwide who live in extreme poverty. Australia's development assistance program is guided by the MDGs, the internationally agreed targets for poverty reduction. The program aims to assist developing countries reduce poverty and achieve sustainable development, in line with Australia's national interest. Australia assists developing countries build stronger communities and more stable governments which improves Australia's economic and security interests. Australia is committed to scaling up the aid program to 0.5 per cent of GNI by 2015-16.

INTENSIFYING PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS

Overview

Progress towards the MDGs has slowed as a consequence of the global economic crisis. Global Gross Domestic Product (GDP) declined by 2.2 per cent in 2009.¹ Developing countries were severely affected, with economic growth falling to 1.2 per cent in 2009 compared with 8.1 per cent in 2007.² The World Bank estimates that an additional 64 million people will be living in extreme poverty (less than USD 1.25 a day) by the end of 2010 as a result of the global economic crisis.³

Developing countries more exposed to reductions in export revenue and remittances tended to suffer the biggest impacts. Other countries appeared to emerge relatively unscathed. The capacity of governments to respond to the crisis with fiscal stimulus measures varied significantly. For example, many Pacific Island Countries had less capacity to spend more on basic services.

Global recovery is now underway and major developing economies such as China, India, Indonesia and Vietnam are leading the way. The key challenge for the Australian aid program is how to regain momentum towards progressing the MDGs and build developing countries' long-term resilience.

Millennium Development Goals Summit 2010

The UN General Assembly will convene an MDG Summit in September 2010, with the primary objective of accelerating progress towards all MDGs by 2015.

Ten years on from the original adoption of the MDGs at the 2000 Millennium Summit, and despite remarkable progress in some countries, collectively developing countries are falling short of achieving the MDGs. This combined with the effects of the global economic and food crises and the impacts of climate change means that improvements in the lives of the poorest are happening at a slow pace, and in some countries, hard fought gains are being eroded.

The 2010 MDG Summit will focus on undertaking a comprehensive review of successes, best practices, lessons learned, gaps, challenges and actions for the way forward.⁴

While the nature of shocks varies, their very existence undermines development efforts and has a particularly negative impact on the livelihoods of the poor. For governments, the global economic crisis has resulted in significant declines in revenue, which impacts on the delivery of essential services. The ongoing vulnerability to shocks is a significant risk to development and the achievement of the MDGs.

To reduce poverty, a country's economy needs to grow. Shared and sustained economic growth and achieving the MDGs are mutually reinforcing. Economic growth creates jobs and incomes and generates revenues for governments to be invested back into communities, schools and health facilities. Health and education are themselves critical drivers of sustained economic growth.

Promoting shared and sustained economic growth is a central theme of Australia's aid program. Although recovery from the global economic crisis is underway, there remain challenges to progressing growth in developing countries. Australia is committed to intensifying support towards achieving the MDGs and assisting our developing country partners achieve sustained recovery.

INTERNATIONAL DEVELOPMENT ASSISTANCE BUDGET 2010-11

The Government will provide an estimated \$4,349 million in total ODA in 2010-11, of which \$3,762 million will be managed by AusAID. This is consistent with the Government's commitment to scaling up ODA to 0.5 per cent of GNI by 2015-16.

Australia's ODA/GNI ratio is forecast to increase to 0.33 per cent in 2010-11, up from 0.31 per cent in 2009-10 and the Government expects to increase Australia's ODA to levels equivalent to 0.35 per cent of GNI in 2011-12, 0.38 per cent of GNI in 2012-13, and 0.42 per cent of GNI in 2013-14.

Australia has implemented new international accounting standards used to calculate GNI. The revision increases GNI by around four per cent. The 2009-10 and the 2010-11 ODA/GNI ratios are therefore lower than would have been the case under the previous GNI methodology. The changes will also affect historical ODA/GNI ratios. Australia is the first OECD donor country to adopt this new methodology. This makes comparison with other donors difficult.

To provide manageable annual increases in the ODA Budget the Government will not apply previously announced ODA/GNI targets to the higher GNI produced by the new accounting methodology.

Leaving aside the change in GNI methodology, GNI has also increased due to stronger economic growth. This growth has flowed into the ODA Budget contributing to an increase of approximately \$530 million when compared with 2009-10.

Australia's ODA/GNI ratio is forecast to increase to 0.33 per cent in 2010-11, up from 0.31 per cent in 2009-10.

Table 1 shows the composition of Australian ODA, including ODA managed by AusAID and other government departments.

Table 1: Composition of Australian ODA

	Notes	Actual (\$m)	Budget	Estimated	Budget
		2008-09	Estimate (\$m)	Outcome (\$m)	Estimate (\$m)
			2009-10	2009-10	2010-11
AusAID Country Programs	a	2,125.1	2,329.4	2,379.0	2,654.9
AusAID Global Programs	b	903.2	877.9	847.6	966.7
AusAID Departmental	c	132.0	133.5	141.2	211.8
ACIAR	d	52.4	60.9	63.6	68.3
Other Government Departments	e	665.7	322.9	372.0	336.2
Adjustments	f	-78.9	-6.9	-14.9	-71.7
Funds approved but not yet allocated		0.0	101.2	32.2	183.1
Total ODA	g	3,799.5	3,818.8	3,820.9	4,349.3
Real change over previous year outcome	h			0.6%	9.1%
ODA/GNI ratio		0.32%	0.34%	0.31%	0.33%

Notes: see page 69.

Table 2 shows total Australian ODA from all agencies and programs attributable to partner countries and regions.

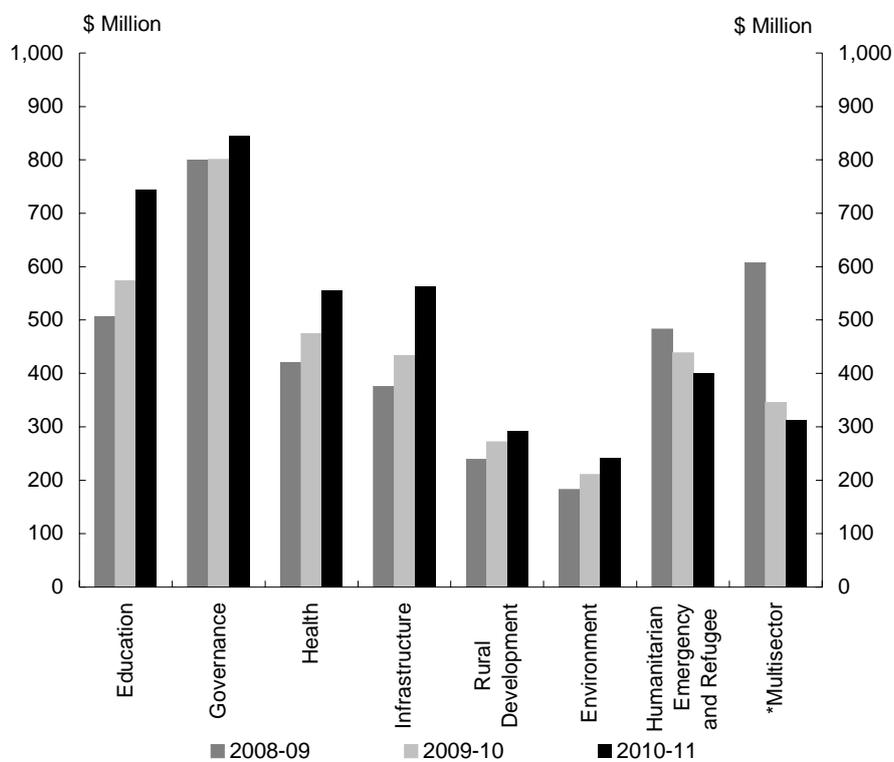
Table 2: Australian ODA by partner country and region

Country/Regional Programs	Notes	Actual (\$m)	Budget	Estimated	Budget
		2008-09	Estimate (\$m) 2009-10	Outcome (\$m) 2009-10	Estimate (\$m) 2010-11
Papua New Guinea		394.6	414.3	445.9	457.2
Solomon Islands		216.0	246.2	212.5	225.7
Vanuatu		54.1	56.3	60.3	66.4
Fiji		36.6	35.4	35.9	37.2
Tonga		21.6	21.3	25.6	27.8
Samoa		32.0	32.4	40.6	39.8
Kiribati		16.0	17.7	21.8	23.9
Tuvalu		7.1	7.5	8.1	8.9
Nauru		26.7	23.4	24.6	26.6
Micronesia		7.7	7.7	8.4	10.4
Cook Islands		4.6	3.1	4.7	5.0
Niue and Tokelau		3.2	3.1	3.7	4.4
Regional and Other Pacific		102.4	222.5	133.0	152.0
Papua New Guinea and Pacific		922.7	1,090.9	1,024.9	1,085.4
Indonesia		438.1	452.5	454.6	458.7
Philippines		122.7	123.0	127.3	118.1
Vietnam		93.6	105.9	113.3	119.8
Cambodia		60.1	61.4	60.1	64.2
Laos		25.9	36.0	37.0	41.0
East Timor		93.9	117.0	94.7	102.7
Burma		46.5	29.1	29.8	48.6
China		39.6	37.0	41.8	36.8
Mongolia		10.6	6.4	7.2	7.4
Thailand		6.3	4.5	7.2	6.6
East Asia Regional		78.7	100.6	82.3	88.5
Indonesia and East Asia		1,016.0	1,073.5	1,055.4	1,092.3
Africa		153.0	163.9	157.3	200.9
Bangladesh		51.8	61.2	59.5	70.0
Sri Lanka		43.4	35.6	60.2	46.0
India		13.5	13.7	18.2	22.2
Nepal		13.0	15.8	17.3	18.4
Maldives		3.5	3.7	4.6	4.4
Bhutan		4.5	4.8	5.4	5.4
South Asia Regional		2.9	15.1	4.9	4.9
Pakistan		57.4	58.8	67.9	66.5
Afghanistan		155.9	88.7	130.1	123.1
Iraq		366.9	44.7	45.8	46.5
Palestinian Territories and Other Middle East		47.1	32.3	36.3	37.7
South & Central America		0.0	0.0	36.8	39.8
Africa, South and Central Asia, and Middle East		912.9	538.3	644.3	685.8
Core contributions to multilateral organisations and other ODA not attributed to particular countries or regions		1,026.8	1,022.0	1,079.1	1,374.4
Adjustments		-78.9	-6.9	-14.9	-71.7
Funds approved but not yet allocated		0.0	101.2	32.2	183.1
Total ODA		3,799.5	3,818.8	3,820.9	4,349.3

Notes: see page 69.

As Australia's ODA increases to 0.5 per cent of GNI by 2015-16, Australia's aid program will support developing countries achieve the MDGs through basic service delivery. Australian ODA to the education, health, infrastructure and rural development sectors will increase. In 2010-11, key sectoral shares will increase to education, 19 per cent (see page 7 for details), health, 14 per cent (see page 12 for details), and infrastructure, 14 per cent including transport and water supply and sanitation (see page 20 for details). Diagram 2 illustrates the estimated sectoral breakdown of Australia's development assistance by major sectors for 2010-11, compared to previous years.

Diagram 2: Estimated breakdown of Australian ODA per sector



*Multisector includes debt relief. The significant change in Multisector ODA is due to a one-off payment relating to the final tranche of debt relief for Iraq recognised in 2008-09.

PRIORITIES FOR AUSTRALIA'S INTERNATIONAL DEVELOPMENT ASSISTANCE

EDUCATION

Context

At least 72 million children remain out of school worldwide, including an estimated 27 million in Asia and the Pacific.⁵ Progress towards increasing the number of children enrolled in primary school slowed as a result of the global economic crisis placing pressure on developing countries' budgets and pushing more people into poverty. Projections indicate that even if developing countries commit an appropriate portion of their own budget to education, at least 56 million children will remain out of school by 2015.⁶ This will result in a failure to achieve the MDG of universal primary education.

The United Nations Educational, Scientific and Cultural Organisation (UNESCO) estimates that an additional USD 16 billion annually is required to achieve basic education in developing countries. Of this, an estimated USD 3.7 billion must specifically target the most disadvantaged groups such as people with disability, girls, the very poor, ethnic minorities and those living in rural and remote areas or who are affected by conflict.⁷

Progress in gender equity at all levels of education (MDG 3) is mixed. Globally, 54 per cent of children excluded from primary schooling are girls.⁸ This represents a significant opportunity cost, as educating girls has strong positive effects on their life prospects and for their families and communities. Most Pacific Island Countries are on track to meet gender participation targets, and many countries in Asia have made good progress.⁹ Afghanistan, Pakistan and Papua New Guinea are the furthest from achieving gender parity in primary school.¹⁰

Developing countries face challenges in their efforts to provide education to the most disadvantaged, to improve education quality and learning achievement, to increase the transition to post-primary education, and to support livelihood opportunities. In the Pacific for example, only 10 per cent of people with disability have access to primary education.¹¹ Quality issues often severely limit the benefits of education and poor quality basic education provides a weak foundation for further learning.

Australia supports the *Education for All* initiative which is a global commitment to provide quality basic education for all children, youth and adults by 2015. Achieving the *Education for All*¹² goals requires efficient education systems, good governance in the education sector, and adequate resourcing, such as having sufficient teachers with the right incentives and support to perform. Around 1.9 million more teachers need to be recruited and trained for primary schooling alone.¹³

Response

Australia is committed to being a global leader in education. Education is one of the highest impact development measures and is central to progressing the MDGs and *Education for All* goals. In 2010-11, education will be a centrepiece of Australia's ODA strategy. The Government's investment in education will increase to over \$744 million, or approximately 19 per cent of total ODA.

In 2010-11, Australia's education assistance will contribute to efforts to get the last 72 million children into school. We will focus on ensuring that the most disadvantaged groups, such as those with disability, girls, the very poor and those in rural and remote areas, have access to a quality basic education. Australia will assist countries to improve learning materials and teaching quality at all levels of education, from early childhood through to post secondary vocational training and education. Australia will also support investments to improve post primary education and work to link training opportunities to jobs and livelihoods. Increasing education assistance will help partner countries progress towards achieving the MDGs and *Education for All* goals, and deliver on our commitments under the Cairns Compact and Pacific Partnerships for Development (see further details on page 35).

In 2010-11, Australia's major investments will be in Indonesia, the Philippines, Papua New Guinea, Pacific Island Countries and Bangladesh. Education programs will be tailored towards partner country circumstances and priorities. Programs will include activities to improve curricula and increase access to learning materials; increase support for training and up-skilling of teachers; build and upgrade education facilities; and support partner countries develop strategies to monitor and manage educational outcomes.

Australia will use its two-year position on the *Education for All* Fast Track Initiative (FTI) Board of Directors to champion the FTI reform agenda. The FTI reform agenda will work to reshape and revitalise the *Education for All* FTI based on lessons learned and will be informed by recommendations of an independent evaluation. Australia is committed to improving the *Education for All* FTI to effectively support developing countries and to provide greater flexibility in how funding is delivered. In 2010-11, Australia will support basic education in Africa and the Caribbean through the FTI.

Development awards

Context

Good leaders and strong human resources are crucial to development – high-quality, well educated leaders and skilled human resources in politics and government, civil society and business greatly assists poverty reduction. Developing countries need highly trained leaders in a range of fields to accelerate progress towards the MDGs. Education is the foundation for supporting strong leadership and building skills and knowledge.

Scholarships to study in Australia build leadership and promote stronger and more effective societies. It is the highly educated who provide the skills and knowledge that strengthen economies, develop civil society, teach children, provide health care, lead effective governments, and make the important decisions that contribute to functioning and equitable societies.

It is in Australia's national interest to ensure that developing countries have leaders capable of dealing with development challenges. Advances in trade, technology and the movement of people are strengthening Australia's ties in our region and collaboration is vital to managing this interconnectedness. Improving the quality of leaders in developing countries will increase the impact of the Australian aid program. Security, stability, law and order, economic growth and social development are directly influenced by the quality of leadership.

By studying at Australian universities or undertaking short work placements within Australian industry and organisations, current and emerging leaders from developing countries are able to build closer ties with Australia, each other and the region's centres of learning. Development awards provide opportunities for the best and brightest individuals from developing countries to hone their skills and increase their knowledge, while developing global networks to tackle development challenges, drive reform, and promote cooperative work practices.

Response

AusAID provides development awards under the new Australia Awards initiative announced by the Prime Minister in November 2009. As the Prime Minister said, these awards will allow recipients to maintain their links to Australia through a strong alumni plan and ensure that beneficiaries of Australian scholarships have a better experience of Australia during their period of study through enhanced student support services. Under this initiative, an additional 2,400 development and short course awards will be made available over four years.

Development awards provide opportunities for tertiary study at Australian education institutions, helping build the skills and knowledge required to lead and drive developing countries' economic and social development. Development awards are important to help build people to people links between Australia and developing countries in our region and further afield and for responding to global and regional challenges.

Development awards focus on the development priorities of our country partners and build knowledge and leadership in the areas of most need. Recipients of these awards return home to contribute to their home country's social and economic development. Returning awardees are highly valued for their technical, language and analytical skills and are sought after by employers. Some former awardees have gone on to hold positions of major influence, including at the vice president and ministerial level in countries such as Indonesia and Vietnam.

Australian support will include development award opportunities in a range of developing countries across Asia such as Indonesia, Bangladesh, Pacific Island Countries and, from 2010-11, the Caribbean and Latin America. Australia's program in Africa will expand to provide up to 1,000 new development awards and fellowships by 2012-13. Australia will seek to increase the number of women in the next generation of leaders by promoting gender parity in the provision of development awards.

The Australia Awards initiative will consolidate Australian Government scholarships programs under a single brand and encourage Australia Award recipients to maintain their links to Australia through a strong alumni plan. A high profile board will provide advice to the Government on how this can best be implemented. Board members will be drawn from the government, corporate and academic sectors.

In 2010-11, the Australian Government will also provide support for short course awards. These will provide increased flexibility to respond quickly to the needs of developing countries.

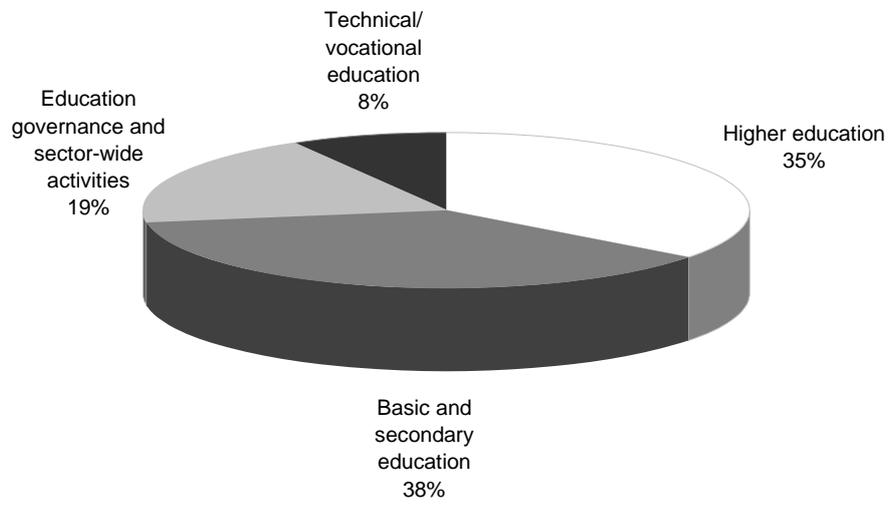
New Initiative: Enhancing Education

The Government will invest \$303.7 million over four years to assist developing countries progress towards achieving the MDGs by supporting developing country partners improve their service delivery and leadership capacity, particularly through the provision of development awards. This initiative will build on existing Australian investments in Asia and the Pacific and extend linkages into Africa, the Caribbean and Latin America.

The first component of this initiative will **provide quality education for all** and target technical training. Assistance will support global efforts to achieve MDG 2 by getting the remaining 72 million children throughout the world into school by 2015 with a particular focus on reaching girls and the most disadvantaged. This will support developing country partners increase the number of children who complete primary school with reading, writing and numeracy skills and provide more people with training and internationally recognised technical qualifications that prepare them for work.

The second component will strengthen individual and institutional skills and knowledge and **support long-term linkages and partnerships**. It will develop awards that align with country program strategies to address critical human resource needs and include traditionally marginalised groups such as women and people with disability. The development awards program will also be expanded to provide a flexible mechanism to respond effectively to foreign policy, security and other issues by increasing exposure to Australian expertise and knowledge through internationally regarded educational institutions.

Diagram 3: Education – estimated ODA by sub-sector 2010-11



HEALTH AND HIV

Context

Progressing the health MDGs (reducing child mortality, improving maternal health and combating HIV, malaria and other major diseases) is a high priority for the Australian aid program. In the Asia Pacific region, five countries (Nepal, Bangladesh, Cambodia, Indonesia and Burma) significantly reduced their maternal mortality ratios from 1990 to 2008, however, the ratios remain very high.¹⁴ Afghanistan, Fiji and Laos reported increased rates of maternal mortality in the same period.¹⁵ In Papua New Guinea, maternal death rates remain persistently high – a woman in Papua New Guinea is 90 times more likely to die in childbirth than a woman in Australia.¹⁶ The causes of maternal mortality are well known and most could be prevented or treated through seeking health care services earlier, improved transport to health facilities, access to family planning, antenatal care, skilled health workers assisting at birth, and access to emergency obstetric care.

There has been progress in reducing child mortality across Asia and the Pacific but more work needs to be done. In some countries where Australia supports health activities such as in Indonesia, Nepal and Bangladesh, mortality rates for children under five years of age have reduced by two thirds compared with 1990.¹⁷ However, child mortality remains unacceptably high in a number of developing countries with at least one in every 20 children not surviving to five years of age in 11 Asia and Pacific countries such as Burma, Cambodia, Pakistan and Papua New Guinea. Major causes of deaths among children under five include pneumonia, diarrhoea and malnutrition, with Asia having the highest proportion of malnourished children globally.¹⁸

With around 3.9 million people living with HIV in South and South East Asia, and Oceania, the epidemic remains a serious threat to the region.¹⁹ Papua New Guinea is home to 99 per cent of HIV cases in the Pacific²⁰ with an estimated 54,000 people living with HIV. In Papua New Guinea and the Indonesian provinces of Papua and West Papua, prevalence is increasing and has spread to the wider population.

Non-communicable diseases are the leading cause of death in Pacific Island Countries and territories, accounting for approximately 78 per cent of deaths annually.²¹ Cardiovascular diseases, cancer, chronic lung diseases and diabetes have emerged as major public health problems and the increasing incidents of non-communicable diseases among poor and vulnerable groups is widening health inequities within and between countries.²²

Response

Support for health and HIV will increase to over \$555 million in 2010-11, or approximately 14 per cent of total ODA. In 2010-11, Australia will provide assistance to priority areas such as addressing the health needs of women and children, tackling regional threats such as HIV and emerging infectious diseases and addressing country specific and regional health problems such as malaria and non-communicable diseases

in the Pacific. Australia will work with developing countries to improve the performance of health systems such as health financing, procurement systems and health workforce development.

Australia will provide support to health programs with a focus on maternal, neonatal and child health in Papua New Guinea, East Timor, Cambodia, Nepal, the Pacific, Indonesia, the Philippines, Bangladesh and Pakistan. Australia will provide increased contributions to the World Health Organisation (WHO) and the United Nations Population Fund (UNFPA), the lead UN agencies dealing with maternal health.

Australia will respond to the different nature of the HIV epidemics in the Asia Pacific region. Given the severity of the epidemic in Papua New Guinea, Australia will continue to provide support for the national HIV response including care and treatment as well as prevention. In Asia, Australia will provide support for the most at risk groups including men who have sex with men and injecting drug users through the HIV/AIDS Partnership in Indonesia and the HIV/AIDS Asia Regional Program in Burma, Cambodia, China, Laos, Philippines and Vietnam. The Pacific Regional HIV/STI Program will also continue in 2010-11.

Non-communicable diseases will be a focus of health programs in the Pacific, supporting activities such as that in Samoa, where Australia will support communities in promoting healthy lifestyles. In Nauru, Australia has supported the development of legislation to address non-communicable disease risk factors, including a new Tobacco Bill.

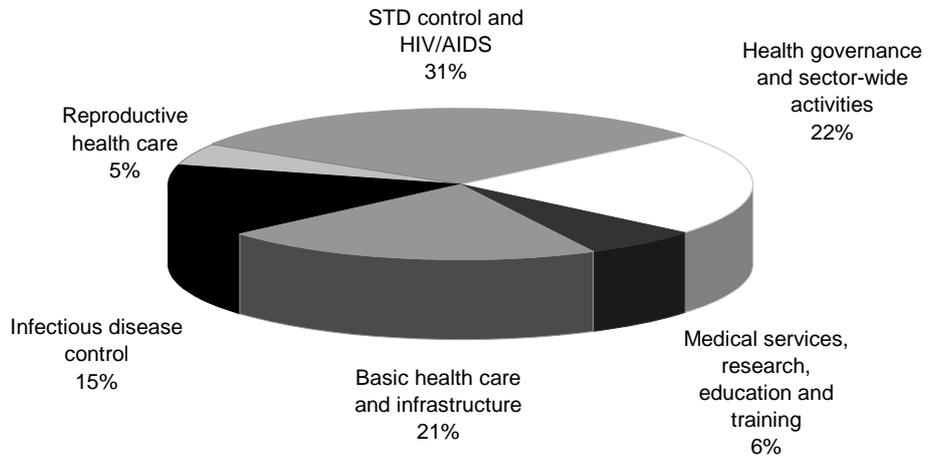
Australia will provide strong leadership in global health. This will include approaches to help bridge the financing gap and accelerate developing countries' progress towards the health MDGs by 2015. In response to a recommendation of the High-Level Task Force on Innovative International Financing for Health Systems, Australia has committed \$250 million over 20 years to the International Financing Facility for Immunisation to support health systems in developing countries.

New Initiative: Investing in Health

In order to support developing countries achieve the health MDGs, the Government will invest \$173.4 million over four years to improve health services for the poor and vulnerable. Australia will increase its contributions to regional programs and developing country partners.

This measure will **strengthen the capacity of developing country partners** to achieve health MDG targets by **increasing health investments in the Asia Pacific region.**

Diagram 4: Health – estimated ODA by sub-sector 2010-11



ENVIRONMENTAL SUSTAINABILITY

Context

Natural resources provide the foundation on which national economies are built, and they sustain the health and livelihoods of many of the world's poor. Pressures on natural resources such as climate change, growing populations, urbanisation, changed land use patterns and increased pollution levels threaten the livelihoods of poor communities as they are the most reliant on natural resources. Environmental degradation and the threat of climate change are critical challenges for the aid program.

Many rural and coastal communities in the Asia Pacific region require assistance to sustainably manage their sources of food and income or adopt new technologies. Many large Asian cities with expanding populations struggle to manage waste and pollution at the same time as maintaining economic growth, and this is threatening the health of their populations. Africa, a continent of increasing priority for Australia, is facing more droughts, desertification and food shortages.

The role of the natural environment in supplying essential goods such as food, fuel and clean water is being highlighted during 2010, the International Year of Biodiversity. Forests, for example, can prevent soil erosion and flooding, insects pollinate food crops, wild crop varieties can provide options for farmers in adapting to climate change and reefs and mangroves can both support fish populations and protect coastal areas from extreme weather events.

Climate change has the potential to destabilise economic growth, exacerbate food shortages and erode recent gains in poverty reduction, all of which can negatively impact progress towards achieving the MDGs.

Australia strongly supports the Copenhagen Accord,²³ which was negotiated at the UN Climate Change Conference in December 2009. The countries associated with the Accord agreed that the world should work to keep global temperature increases to within two degrees Celsius; take action to reduce greenhouse gas emissions over the period to 2020; and provide support for the mitigation and adaptation needs of developing countries, with priority to those most vulnerable. The Conference saw developed countries collectively agree to provide resources for developing countries' action on climate change approaching USD 30 billion for the period 2010 to 2012. In the context of meaningful mitigation action and transparency on implementation, developed countries further committed to a goal of mobilising USD 100 billion annually by 2020 from a range of funding sources.

Developing countries will benefit from assistance to build resilience to climate change and participate in emerging carbon markets, increase their knowledge base and bridge financing gaps in areas such as reducing deforestation and forest degradation, renewable energy and energy efficiency, transport and urban waste management.

Response

It is in Australia's national interest to support an effective international response to climate change. Australia is committed to addressing climate change and other environmental challenges through its efforts to reduce poverty in developing countries. In 2010-11, Australia's support will continue to focus primarily on adaptation to climate change in East Timor and the Pacific and reducing deforestation and forest degradation in Indonesia and Papua New Guinea. Australia will also work to address environment and climate change challenges globally through supporting multilateral environment funds including the Global Environment Facility (GEF) and the Climate Investment Funds.

In 2010-11, Australia will further assist small island developing states of the Pacific to adapt to the unavoidable impacts of climate change and will extend assistance to vulnerable nations in the Caribbean and to additional initiatives in the Mekong region. Support will include community-based adaptation programs and development and implementation of adaptation strategies.

Australia will continue its engagement with the multilateral Clean Technology Fund, providing \$100 million over three years from 2008-09. The Clean Technology Fund works with key developing countries to support lower carbon growth and catalyse 'transformational' investments in renewable energy, energy efficiency and sustainable transport. Fund participants include key partners in the Asia Pacific region, including Vietnam, the Philippines, Thailand and Indonesia. Australia also promotes lower carbon growth through its energy programs, including a four year \$25 million commitment, from 2009-10, to improve access to clean and affordable energy services in the Pacific region.

Australia, as a Coral Triangle Initiative Partner, is supporting the development of measures to protect and enhance the livelihoods of some 240 million people who depend on coastal marine resources for food and livelihoods. Coral Triangle countries - Indonesia, the Philippines, Malaysia, East Timor, Papua New Guinea and the Solomon Islands - recognise the critical need to build the resilience of productive coastal ecosystems to the impacts of climate change through reducing over-fishing, maintaining habitats and addressing destructive fishing practices.

Australia also supports a range of energy programs through development partnerships and bilateral programs, focusing primarily on the Mekong and Pacific regions. Promoting less greenhouse gas intensive development through renewable energy is an important focus of this support, alongside progressing national energy sector reforms and extending reliable energy services to poor and remote communities.

Addressing the Challenges of Climate Change

The Government has extended funding for the International Forest Carbon Initiative to a total of \$273 million, of which \$56 million is new funding in the 2010-11 Budget. This initiative is working to help build the capacity of developing countries to reduce emissions from deforestation and forest degradation (REDD+) and support the inclusion of REDD+ in a global climate change agreement. Key activities in 2010-11 will include building forest carbon measurement capacity in developing countries and progressing two large-scale demonstration activities in Kalimantan and Sumatra, Indonesia.

Australia will extend its funding for the International Climate Change Adaptation Initiative, which commenced in 2008, by \$178.2 million to enable the continuation of programs in the Asia Pacific region and expansion into other priority areas. Australia's assistance in adaptation to climate change gives priority to the most vulnerable countries, such as least developed countries and small island states. It provides practical support, underpinned by research, to these countries as they plan for and respond to the impacts of climate change.

Collaboration with multilateral organisations enables financing at the scale required to help countries transition to lower carbon economies and address the impacts of climate change. Australia will continue its support for the multilateral Climate Investment Funds and work with other effective multilateral mechanisms that build the capacity of developing countries to participate in global carbon markets, address market failures that impede climate change mitigation efforts in developing countries and help to integrate climate change adaptation into national development planning. A further \$101.2 million over the period 2011-12 to 2012-13 will be provided for these purposes.

Through the provision of policy and analytical support, Australia has developed productive partnerships with countries in the Asia Pacific region, such as Indonesia, that wish to respond effectively to the challenges of climate change. Australia will expand this assistance through an additional \$15.0 million to help developing countries prepare national low-carbon development plans with a focus on the energy and transport sectors, and to support participation in carbon markets.

ECONOMIC GROWTH

Economic growth remains the most powerful long-term solution to reducing poverty. Rural development, investment in infrastructure, improvements in the business enabling environment, expansion of trade opportunities and development of human resources are some of the important foundations for promoting growth. The Government is committed to helping developing countries ensure that the benefits of this growth are equitably distributed, environmentally sustainable and contribute to progressing the MDGs. In response to the global economic crisis, there is an even greater need for Australia to support a sustained recovery and build long-term resilience by helping developing countries achieve progress towards the MDGs. This will build developing countries' resilience to global shocks in the future.

Rural development

Context

Despite an easing in commodity prices due mainly to the global recession, food prices are higher today than they were in the 1990s and early 2000s, and forecasters expect them to stay higher on average over the next 10 years.²⁴ This has a dramatic effect on low-income countries as it increases global demand for food aid and undermines the significant poverty gains of the last decade.²⁵

With over one billion people hungry globally, the effects of previous and potential future economic and natural shocks on the poor requires ongoing commitment across the developing world. Australia strongly supports coordinated global action as detailed in the *Rome Principles for Sustainable Global Food Security* agreed to at the World Food Summit in November 2009.²⁶

The importance of reversing historic decreases in investments in agriculture and agricultural research and development is now well recognised. This will be of even greater priority as countries look to address the links between food security and climate change. Adaptation measures are required to enable the agricultural sector to meet global food demand while responding to climate change.

Response

Direct spending on rural development is estimated to be \$292 million in 2010-11, or approximately 7 per cent of total ODA, progressing the initiative to address food security through rural development announced in the 2009-10 Budget. Australia will continue to support short to longer-term efforts with partner governments, regional and multilateral organisations.

In 2010-11, Australia will promote the expansion of food security through rural development in Africa, East Asia, South Asia and the Pacific. A multi-country market development facility will be established to support sustainable increases in employment and incomes for the poor in rural and urban areas of East Timor, Fiji and

the Solomon Islands, with expansion to other countries likely to occur in the future. Consistent with Australia's increased support for social protection measures for the vulnerable, additional assistance will be provided in Bangladesh to deliver economic, health and social support to women to build small businesses and support their families.

The role of the Australian Centre for International Agricultural Research (ACIAR) will expand, including through support for agricultural research and development in partner countries and Australia's involvement in the reformed Consultative Group on International Agricultural Research (CGIAR).

Microfinance and financial services

Context

Recent estimates suggest that as many as 2.7 billion adults in the developing world have no access to financial services despite the increasing efforts by donors and private investors globally.²⁷ Through the provision of financial services, including savings, credit, insurance and transfer and remittances products, the poor can manage their money, plan for the future and be more financially resilient when shocks hit. The provision of financial services to the poor is an important factor in achieving progress towards the MDGs.

Response

Australia has long supported microfinance initiatives and is committed to broadening its focus on access to financial services to further break down the barriers to economic participation by the poor. By 2012-13, Australia will double its microfinance expenditure on 2007-08 levels to between \$18-20 million per annum. From training women entrepreneurs in Peru to building the capacity of financial institutions to serve poor people in Afghanistan, Australia will support the expansion of financial services across the world, including in the Pacific, West Asia, Latin America, and Africa. We will build the capacity of financial institutions to offer quality, affordable and fair financial services to the poor, assist governments to create an enabling policy and regulatory environment and support financial literacy programs to help clients understand their finances and the services offered to them to make informed decisions for their future.

Australia is also working with the international community by drawing on its experience and expertise. Australia remains a long-standing member of the Consultative Group to Assist the Poor and, with Brazil, co-chairs one of two sub-groups undertaking work under the auspices of the G-20 Financial Inclusion Experts Group. The sub-group will focus on branchless banking and other innovative delivery mechanisms which have the potential to reduce transaction costs and reach people who do not have access to banking services.

Infrastructure

Context

Investment in economic infrastructure, including transport, energy and information communication technology, and in water and sanitation has a positive impact on economic growth and can help progress towards the MDGs. Reliable transport infrastructure improves people's access to services and markets, encourages entrepreneurial activity and promotes economic integration. Information and communication technology promotes broad-based growth through the integration of markets and economies. Reliable and affordable energy supplies promote agricultural and private sector development and improve living standards in poor households. Functioning water and sanitation services help reduce the spread of diseases, improving people's health and their ability to participate in education and employment.

In the Asia Pacific region and Africa, governments face significant challenges in the provision of infrastructure. In East and South Asia, seven out of ten people still do not have access to a telephone.²⁸ In some Pacific Island Countries up to 85 per cent of the population have no access to electricity and many Pacific Island Countries are highly dependent on imported fuel for energy generation, making them vulnerable to changes in the price of oil.²⁹ In Africa and South Asia only one in three people have access to basic sanitation and only half of the population of the Pacific has access to an improved water source.³⁰

Response

Direct spending on economic infrastructure, water and sanitation will increase to \$562 million in 2010-11, or approximately 14 per cent of total ODA. Australia will provide assistance to help partner governments maintain and enhance investments in essential infrastructure across the Asia Pacific region and increasingly, in Africa.

Major components of infrastructure assistance in 2010-11 will comprise support for transport (estimated 40 per cent of total infrastructure expenditure), water and sanitation (estimated 31 per cent) and energy development (estimated 14 per cent).

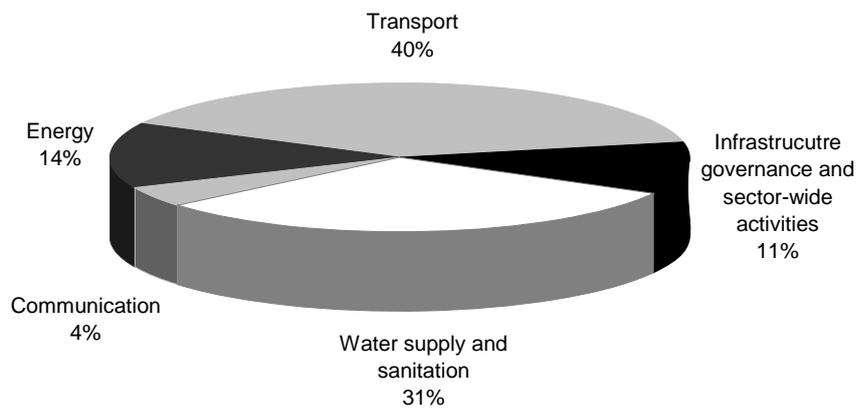
Australia's support for transport will focus on contributions for the development of the Central Mekong Delta Connectivity Project, in particular the design of the Cao Lanh Bridge, which will deliver significant economic and social benefits by improving transport access for residents in the densely populated central Mekong Delta region of Vietnam. Major programs are also underway to improve transport infrastructure in Indonesia, the Philippines, East Timor, Papua New Guinea and the Pacific.

In 2010-11, Australia will provide increased assistance to the energy sector in the Pacific through the Pacific Region Infrastructure Facility. This includes continuing Australia's commitment of \$25 million over four years, from 2009-10, to improve access to clean and affordable energy services. A focus of this support is on energy sector planning. For instance, Australia will assist the Government of Tonga to more

efficiently manage its energy resources, explore options, such as renewable energy, to broaden its energy base and expand access to quality energy services.

In the water and sanitation sector, Australia will assist countries to increase access to basic sanitation and water supply services and increase hygiene promotion. In Indonesia, for example, Australia will extend existing support for rural sanitation and water supply services. Australia will also support a new program that will connect up to 10,000 households to improved sanitation facilities in two cities in Indonesia. In Africa, Australia will support regional policy development and research and contribute to improving sanitation and water supply in Mozambique and Malawi.

Diagram 5: Infrastructure – estimated ODA by sub-sector 2010-11



GOVERNANCE

Context

Good governance is central to the operations of an effective state, which is one of the most important factors determining whether or not development takes place. Successful governance means better delivery of health, education and other services, stronger and more equitable economic growth, stability and security, and a population that has an open and responsive government.

Government and the public sector – the institutions and people within them – need to be capable and willing to deliver results for their countries' growth and development. Building public sector capacity is important to ensure the delivery of basic services, particularly at levels of government closest to and of greatest relevance to citizens.

Providing assistance in the law and justice sector makes an important contribution to promoting effective states, including improving accountability and combating corruption and enhancing economic growth, human rights and the rule of law.

Responsive, legitimate, and accountable governments are more robust, make better policy decisions, and are better able to withstand and respond to external shocks. Responsive, accountable and participatory governments lead to better long-term development outcomes because they encourage the alignment of government activity with the interests of citizens. Enhancing engagement between government, civil society and citizens is critical.

The political processes within which leadership operates at all levels of society directly influences the type and quality of governance institutions. Leaders, institutions, and the people who influence and are influenced by leadership decisions all make an important contribution to the vision, pace and effectiveness of a country's development.

Response

Governance cuts across all aspects of people's lives including services in those areas closest to their personal well being, such as health and education and is important to promote economic growth and social stability.

In 2010-11, it is estimated that governance related ODA will total approximately \$845 million or 21 per cent of total ODA. Australia's governance support will focus on enhancing government effectiveness, building accountability, supporting democratic institution and processes and understanding leadership.

Australia will support efforts to improve public sector management; economic management including public financial management; human resources development such as public sector improvement strategies and workforce planning; and improving the collection and analysis of public sector data. Support will be provided regionally,

for example through the Pacific Islands Centre for Public Administration, as well as bilaterally through such activities as the PNG – Australia Partnership for Development on Public Service.

The Australian aid program is continuing to help strengthen law and justice systems, addressing the causes of instability and conflict, and investing in peace. As part of these efforts, work will include a range of police and legal institutional reforms, regional security initiatives, customary and community-based justice mechanisms and crime prevention.

Australia will continue to support developing countries tackle anti-corruption at the country level and through multilateral partnerships. Australia will dedicate effort to improving transparency and social accountability, increasing opportunities for civic engagement. In the Solomon Islands, the RAMSI initiative has assisted with the establishment of an Anti-Corruption Taskforce to develop a national anti-corruption policy and to make recommendations on anti-corruption reform. The taskforce has begun a series of consultative workshops to facilitate community feedback to promote a responsive reform agenda for Solomon Islanders.

The Australian Government is working to increase accountability in the extractive industry sector. This includes supporting the World Bank's Extractive Industries Transparency Initiative for the full verification and publication of company payments and government revenue from oil, gas and mining.

In 2010-11, Australia will continue to support democratic institutions and processes. Australia will work with partner governments, and their citizens, to support parliaments, develop effective accountability mechanisms, provide civic education, strengthen electoral processes, and facilitate greater participation of women and other disadvantaged groups in political processes. Australia will provide support to enhance democracy in the region through the Centre for Democratic Institutions and the Indonesian-led Bali Democracy Forum. At a global and multilateral level, Australia will continue to contribute to the work of the United Nations Democracy Fund and the International Institute for Democracy and Electoral Assistance.

Successful reform of governance will be driven by leaders, communities and countries themselves through local institutions and processes. Australia will work to increase understanding of the role leadership plays in the political processes of building effective institutions and states. Through activities such as the Pacific Leadership Program, Australia will continue to support organisations which are in positions of leadership, whose members are leaders, and which can influence change in leadership practice.

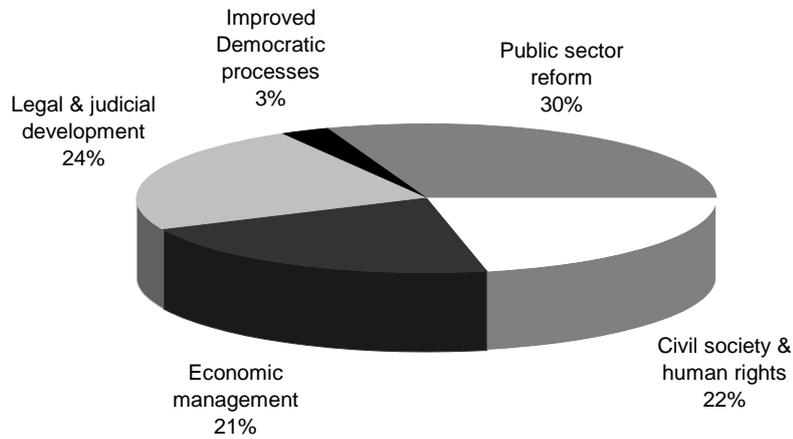
Performance-linked aid

Performance-linked aid is the provision of additional assistance to partner governments and agencies to recognise progress in implementing mutually agreed

reforms or for achieving specific development outcomes. In 2010-11, Australia will continue its four year \$336.1 million commitment to assist partner countries in Asia and the Pacific to implement performance-linked aid initiatives.

Early evidence suggests performance-linked aid is assisting governments to implement their own reform agenda and provides a robust basis for measuring development results. To date, performance-linked approaches under the Pacific Partnerships for Development are being implemented in Kiribati, Papua New Guinea, Samoa, the Solomon Islands and Tonga with further activities planned for Vanuatu and in the Cook Islands. Performance-linked aid initiatives are also planned for Asia.

Diagram 6: Governance – estimated ODA by sub-sector 2010-11



EQUITABLE DEVELOPMENT

Gender equality

Context

The Australian Government continues to build on its internationally recognised commitment to promote gender equality and support women's full participation in economic, social and political life. Progress on advancing gender equality and empowering women (MDG 3) lags behind the progress of other MDG targets yet is necessary to the achievement of all MDGs.

While increasing numbers of women are participating in processes of governance, significant challenges remain. Women hold an average of 2.5 per cent of seats in national parliaments in Pacific Island Countries, and an average of 17 per cent of seats in South East Asia.³¹

Women continue to lag behind men in workforce participation globally (they earn on average 17 per cent less than men).³² It is more common for women to have unequal access to, and control over, economic and financial resources. The global economic crisis has disproportionately impacted women and girls. Maximising women's incomes by expanding economic opportunities for women and ensuring social protection measures (including social safety nets and food security programs) are important. Of equal importance is improving access to benefits, and supporting governments to maintain expenditure on social services, particularly on health and education.³³

Improving maternal health (MDG 5) is a priority of the Australian aid program. Over 500,000 women die annually from complications during pregnancy – 99 per cent of them live in developing countries and many are adolescent girls.³⁴ Women and girls represent two thirds of the almost one billion people globally who lack basic literacy skills.³⁵ According to the World Bank, investing in the education of girls may yield a higher rate of return than any other investment.³⁶ An educated girl will use 90 per cent of her future income within her family, while boys will invest 35 per cent.³⁷ Educated girls go on to earn better wages, marry later in life and have fewer and healthier children, leading to improvements in MDG 4 (reduce child mortality) and MDG 5 (improve maternal health).

Violence against women is a serious global problem, affecting all countries (as many as two in three women have experienced physical or sexual violence in some countries in the Pacific). It traumatises women, their families, and communities. Addressing violence against women leads to better development outcomes,³⁸ and significantly progresses achievement towards promoting gender equality and empowering women (MDG 3).

Response

Australia is committed to addressing gender inequality globally, both to improve the lives of women and men, girls and boys, and inequality leads to more effective, sustainable development.

Efforts to address violence against women have gained significant momentum globally. Australia has a zero tolerance to violence against women. Reducing violence against women is crucial to achieve equality between men and women and deliver good development outcomes.

Australia has made important gains in helping increase women's participation in governance. In Papua New Guinea, for example, the number of female village court magistrates has increased from 10 in 2004 to 384 by the end of 2009, leading to better access to justice and greater representation of women at the village level. The Australian Government is providing \$150 million over five years from 2009-10 to 2013-14 to improve law and justice services at local and national levels through the PNG – Australia Law and Justice Partnership.

In response to the global economic crisis, Australia has worked with the World Bank and the International Finance Corporation to assess gender barriers to women's economic participation, particularly in trade and in the private sector. Australia will support the World Bank's pilot Adolescent Girls' Initiative in Papua New Guinea and Laos to assist the transition of young women aged 16-24 from school to productive employment. In the Pacific, Australia supports the improvement of Pacific women's economic participation in private sector development.

Australia's support for education development assistance includes a focus on promoting equity (providing education for all girls and boys). Australia's education assistance including technical and vocational education and training is provided through bilateral and regional programs, focused in the Asia Pacific region. Through gender parity in development awards and technical and vocational programs, Australia seeks to increase the number of women in the next generation of leaders.

The Australian Government will promote gender equality and empower women through its multilateral partnerships. The AusAID – UNFPA agreement, signed on 4 December 2009, will provide UNFPA with \$42.5 million over four years to advance UNFPA's work to eliminate gender-based violence, promote gender equality as well as improve maternal and child health. Similarly, through its Partnership Framework with the United Nations Development Fund for Women (UNIFEM), signed in August 2009 and worth \$17.7 million over four years (to 2012), the Australian Government will work to reduce violence against women by increasing the capacities of law and justice bodies and civil society organisations.

Including people with disability

Context

People with disability make up 20 per cent of the poor in developing countries and are the world's largest and most disadvantaged minority.³⁹ To progress the achievement of all MDGs, people with disability need to be included in the development process. Of all the children of primary school age that are out of school, around one-third are children with disability.⁴⁰

The cost of excluding people with disability and carers from economic activity is high, between USD 1.71 trillion and USD 2.23 trillion or between 5.35 and 6.97 per cent of total global GNI.⁴¹

Under the United Nations Convention on the Rights of Persons with Disabilities, Australia has committed to supporting developing countries to protect and promote the rights of people with disability, including through its aid program.

Response

In line with Australia's *Development for All* strategy,⁴² in 2010-11 the Australian Government will support initiatives to improve the quality of life of people with disability and build leadership in, and increase understanding of, disability and development.

Australia will support multilateral partners, such as the United Nations Children's Fund (UNICEF), to ensure children with disability have improved access to education and will promote action on the Convention on the Rights of Persons with Disabilities through supporting organisations such as the Disability Rights Fund.

Aid activities will be designed to ensure education and infrastructure initiatives, such as water and sanitation, roads and public buildings, are accessible to all people.

Australia will improve provision of disability services and facilities including investing in rehabilitation, assistive devices, technologies and equipment, initially in the Pacific region. Australia will also support the Pacific Disability Forum to build the capacity of Disabled Peoples' Organisations in the Pacific to be effective advocates and leaders for people with disability.

In 2010-11, the Government will continue to provide support for reducing avoidable blindness by improving access to quality eye health services, including training eye health workers in the Pacific, East Timor and Papua New Guinea, preventing childhood and diabetes-related blindness in Pakistan, and supporting the implementation of the Government of Vietnam's national blindness prevention and eye care plan.

Australia's aid program is also investing in road safety programs to reduce preventable impairments, including road safety audits in Indonesia and Papua New Guinea, and initiatives to increase helmet-wearing in Vietnam.

New Initiative: Disability – Fair Development Accessible to All

The Government will invest \$30.2 million over four years to support developing country partners improve the quality of life of people with disability and improve access to social and economic opportunities.

The initiative will strengthen leadership on **disability and development** by ensuring that disability is recognised internationally as a development priority. It will also focus on **supporting leadership development** and the efforts of people with disability to be advocates and leaders in their own right.

HUMAN SECURITY AND STABILITY

Context

Natural disasters, wars, internal conflicts and poor governance pose significant challenges to global and regional security and threaten progress towards achieving the MDGs. Natural disasters and conflicts can reverse years of development gains, heightening human insecurity and disproportionately affecting poor and displaced populations. The increasing frequency and ferocity of natural disasters and greater public awareness of their impact is leading to greater efforts to mitigate and prepare for disasters before they happen.

The consequences of natural disasters and conflict can have widespread impacts as vulnerable populations are forced to move within a country or seek safety across borders. These displaced populations may be prevented from returning home for long periods due to destroyed infrastructure, inadequate livelihoods and instability.

Over 57 per cent of AusAID's major bilateral programs operate in countries that are considered fragile or affected by conflict. In these settings, government and state structures often lack the capacity to provide public safety, security and basic services for their citizens.

Response

In 2010-11 humanitarian, emergency and refugee-related expenditure is estimated to be \$400 million or approximately 10 per cent of total Australian ODA.

Through its leadership role as the chair of the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) Donor Support Group in 2009-10, Australia will continue to take an active leadership role in humanitarian policy and enhancing international humanitarian preparedness and response systems.

The Australian Government will continue to assist countries with disaster risk reduction activities in over 30 countries including Indonesia, Vietnam, the Philippines and Pacific Island Countries. Disaster risk reduction aims to mitigate the devastating humanitarian, economic and environmental impacts of natural hazard events. This includes providing support to governments and communities to reinforce critical infrastructure such as schools and hospitals, planting drought or flood resistant crops, improving weather forecasting and developing evacuation plans.

When disasters do strike, Australia is committed to helping those impacted to rebuild communities and livelihoods. This includes identifying the structural and social causes of damage and ensuring that the recovery and reconstruction will make people safer in the future.

Australia will continue to improve the effectiveness of humanitarian action through better donor coordination, greater engagement across Government agencies and

increased accountability and support for key humanitarian agencies such as the World Food Programme (WFP) and the Office of the United Nations High Commissioner for Refugees (UNHCR).

The Australian Government responds to humanitarian emergencies through a range of mechanisms including providing supplies to affected countries; deploying medical teams and urban search and rescue teams under the Government's AUSASSIST Plan; RedR Australia and the Australian Red Cross; and rapidly disbursing funding to partner governments, the UN, Australian non-government organisations (NGOs) and the Red Cross Movement. The Government will add to its humanitarian response capability by deploying qualified Australian relief workers through the Australian Civilian Corps (see the box below).

Australia will continue to contribute to international responses to humanitarian crises and take a leadership role in response operations in the Asia Pacific region where we have the proximity and experience to be among the first and most effective responders. When circumstances require, the close relationship between AusAID and the Australian Defence Force (ADF) enables the rapid deployment of Australian humanitarian assistance into often remote and challenging post disaster environments. This relationship has improved coordination and resulted in a decrease in deployment times for Australian humanitarian assistance using ADF means. Australia was the only donor country to provide a large international response, through deploying relief personnel and emergency stores, to the simultaneous disasters in Samoa and Tonga (tsunami) and in Padang Indonesia (earthquake) during October 2009.

In April 2009, AusAID created the Crisis Prevention, Stabilisation and Recovery Group to respond more effectively to the Australian Government's national security policy agenda and lead AusAID's policy and program development in situations of conflict and fragility. Key areas of focus for the Group in 2010-11 will be to strengthen AusAID's engagement with international and whole of government stakeholders in the areas of stabilisation, early recovery, peace building and state building. The Group will deliver a range of training programs to AusAID and partner organisation staff to increase their skills in working in situations of conflict and fragility and support AusAID's, the ADF's and the Australian Federal Police's (AFP) programs working in complex operating environments in the Middle East, Africa and South Asia.

The Australia-Indonesia Facility for Disaster Reduction was announced by the Australian Prime Minister and Indonesian President at the November 2008 Asia Pacific Economic Cooperation (APEC) Leaders' Meeting. In 2009-10 technical experts built models to better inform disaster management response planning and assisted with reconstruction efforts in West Sumatra following the September 2009 Earthquake. In 2010-11, the Facility will enhance its regional links, primarily through the ASEAN Secretariat and support to the UN, including WFP.

Australian Civilian Corps

The Australian Civilian Corps will enable the deployment of civilian specialists to countries affected by natural disaster or conflict. These civilian specialists will contribute to Australia's efforts to assist stabilisation and recovery in affected countries to start the recovery process earlier.

The Australian Civilian Corps will comprise a register of civilian specialists, chosen for their skills in areas such as stabilisation and recovery, public administration and finance, law and justice, agriculture, engineering, health administration and community development. Personnel will be sought from all levels of Government and the broader Australian community. The Australian Civilian Corps established an interim deployment capacity in 2009-10 and will become fully operational in 2010-11.

New Initiative: Afghanistan

In 2010-11, the Government will increase support for development in Afghanistan with an additional \$141.0 million over two years. Australia will support the Afghanistan Development Assistance Program and joint stabilisation efforts with the ADF, the AFP and the Afghan Government.

AusAID and the AFP will increase the Australian civilian effort in Afghanistan, working alongside the ADF and other civilian agencies in Kabul, Kandahar and Tarin Kowt. The Government will **support international efforts to build the capacity of the Afghan Government** and link the capital Kabul with provincial level government, particularly in Oruzgan, to ensure that **basic services are delivered to the Afghan people**. Increased support will focus on health, education, agriculture, rural development and humanitarian assistance.

STRENGTHENING THE EFFECTIVENESS OF DEVELOPMENT ASSISTANCE

Context

The 2009 Australian National Audit Office (ANAO) performance audit report, *AusAID's Management of the Expanding Australian Aid Program*,⁴³ noted that since 2006, AusAID has strengthened its monitoring and evaluation of aid. The report noted that Australia's position as a signatory to the international aid effectiveness agenda, as articulated in the 2005 *Paris Declaration of Aid Effectiveness* and the 2008 *Accra Agenda for Action*, demonstrates a strong commitment to use partner country systems, reduce aid fragmentation, and increase the predictability of aid flows. AusAID's implementation of a robust performance assessment system for aid investments is an important part of meeting these commitments.

The ANAO report noted that this system will require continued improvement in monitoring and evaluation of aid if the agency is to meet the challenges of the coming years. In addition, the report identified the need for country strategies to provide a basis for assessment and to raise compliance with design and review requirements for aid activities.

Response

AusAID continues to build on the strengths of its quality reporting system and the principles outlined in its Performance Management and Evaluation policy. AusAID's Office of Development Effectiveness reviews and contributes to the broader development effectiveness agenda of the agency through thematic evaluations, strategy reviews, spot checking of the robustness of internal quality processes and overall analysis of results. The separation of monitoring and evaluation functions more closely aligns with a strategic use of performance information as identified in the ANAO report.

To effectively respond to ANAO recommendations, AusAID will focus on rolling out a comprehensive operational policy and management framework to reform business systems, operational guidance on new country strategy and planning architecture, updating the quality of reporting systems, and providing guidance on working through partner country systems in aid delivery. AusAID will showcase significant achievements and best practice approaches to aid delivery to promote continuous improvement. In addition, supporting systems will be established to foster more effective relations with whole of government partners. Internal capacity will be built to equip the workforce to take on the challenges of a changing operational environment and to improve agency compliance with design and review requirements.

AusAID is investing in strategic workforce planning and developing policies and practices aimed at attracting and retaining a skilled, knowledgeable and motivated workforce, including locally engaged staff.

In 2010-11 AusAID will undertake a review, together with partner governments, of advisers working in the aid program. The review will ensure that each adviser is the most effective, value-for-money response to meeting agreed needs and priorities. The review will also aim to provide a basis for more substantive changes to the way aid is delivered to increase aid effectiveness.

The review will be undertaken in selected partner countries and involve representatives of partner government central and line agencies. The Pacific Partnerships for Development offer a key framework within which this dialogue can occur in Pacific Island Countries. Papua New Guinea, the Solomon Islands, Vanuatu and East Timor, which have the highest proportion of advisers in their development assistance programs, will be reviewed first.

Policy and guidance on the use of advisers and alternative approaches will be developed following the review. The information will also inform the design of future programs and the development of new country and regional strategies.

COUNTRY AND REGIONAL PROGRAMS

PAPUA NEW GUINEA AND THE PACIFIC

Estimated ODA to Papua New Guinea and the Pacific in 2010-11 \$1,085.4 million

The Pacific region's progress in achieving the MDGs by 2015 is mixed. Good progress has been made in some countries, but the region as a whole is significantly off-track to meet the MDGs.

Australia will continue to support Pacific Island Countries and Papua New Guinea to deal with their development challenges. This requires resources to be well-targeted and effectively coordinated. At the 2009 Pacific Islands Forum, Pacific Leaders and key donors committed to improving the coordination of aid, through the Cairns Compact on Strengthening Development Coordination. The Cairns Compact aims to drive more effective use of all development funds from the Pacific Island Countries themselves and their development partners including Australia. For further details on the Cairns Compact, see the box below.

Australia has established Pacific Partnerships for Development with Papua New Guinea, Samoa, Solomon Islands, Kiribati, Vanuatu, Tonga, Nauru and Tuvalu. Partnerships with the Federated States of Micronesia, Marshall Islands and Palau will be finalised during 2010. All of these partnerships have an overriding objective of achieving better development outcomes, including faster progress towards the MDGs. The partnerships focus on how the partner country will strengthen its own efforts to achieve agreed development outcomes and on how Australia can better target its support. This approach is based on principles of international best practice for effective aid – mutual respect and mutual responsibility.

Key development indicators for Papua New Guinea and the Pacific

Country	GNI per capita (\$US)	Access to water (% of population)	Life expectancy (years)	Adult literacy rates (% of population)
Papua New Guinea	1,010	40	61	58
Solomon Islands	1,180	70	66	77
Vanuatu	2,330	59	70	78
Fiji	3,930	47	69	n/a
Tonga	2,560	100	72	99
Samoa	2,780	88	71	99
Kiribati	2,000	65	61	n/a
Federated States of Micronesia	2,340	94	68	n/a

Sources: Human Development Indices 2009, UNDP; and for GNI per capita - World Development Indicators Online, World Bank, 2009.

2010-11 will see Australia and Papua New Guinea respond jointly to recommendations from two recent reviews, one of the PNG University system and the other of the Australia – PNG Treaty on Development Cooperation.

Cairns Compact on Strengthening Development Coordination

The Government will invest \$1.4 million over two years in the Pacific Islands Forum Secretariat to lead the implementation of the Cairns Compact on Strengthening Development Coordination in the Pacific. The Cairns Compact, agreed by Forum Leaders and endorsed by development partners at the Leader’s meeting in Cairns in August 2009, brings new determination and an invigorated commitment to lift the economic and development performance of the Pacific region.

The objective of the Cairns Compact is to drive more effective coordination of available development resources from both Forum developing country partners and all donors to increase progress towards the MDGs. The Cairns Compact introduces new reporting and review mechanisms which aim to better guide budget and partner government support, strengthen delivery systems and enhance development data to improve decision making.

The Cairns Compact draws on international development best-practice as outlined in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action and will help to ensure the best use of Australia’s development resources. The Forum Secretariat has ongoing responsibility for implementing the Cairns Compact and will report on its progress to leaders and partners annually.

Table 3: Assistance to Papua New Guinea and the Pacific in 2010-11

Country/Program	Focus
Estimate 2010-11 (\$m)	
Papua New Guinea Country Program: 415.0 Total ODA: 457.2	<p>Assistance to PNG is guided by the initial five priority areas under the PNG-Australia Partnership for Development and will:</p> <p><u>Provide better access to markets and services through improving transport infrastructure</u> by supporting the implementation of PNG’s National Transport Development Plan and National Transport Strategy 2010-2030 to improve key national roads, ports and airports.</p> <p><u>Promote faster progress towards universal basic education</u> by supporting PNG’s Universal Basic Education Plan, targeting increasing primary and elementary enrolment rates and achieving a net enrolment rate of 70 per cent by 2015. Support will also focus on increasing the percentage of female students and improve the quality of education by training teachers.</p> <p><u>Improve health outcomes</u> by supporting the Government of PNG’s national health strategy, including reducing the prevalence of malaria and tuberculosis, achieving targets relating to immunisation and increasing the percentage of supervised births by skilled staff.</p> <p><u>Strengthen the PNG public service</u> by improving public administration through enhanced governance and service delivery assistance at national, provincial and district levels, including strengthening public financial management and improving public accountability.</p> <p><u>Improve statistical data</u> by supporting the development of a PNG national statistics development strategy, household surveys and the PNG census</p>

Country/Program Estimate 2010-11 (\$m)	Focus
	<p>that was launched in February 2010.</p> <p>Assistance in the following areas will:</p> <p><u>Provide a strengthened, coordinated and effective response to the HIV crisis</u> through a program to prevent the spread of HIV and provide treatment and care for those most affected. Australia will also support the implementation of the PNG government's new national HIV/AIDS strategy.</p> <p><u>Provide support to PNG's law and justice sector</u> by continuing to assist the ability of PNG agencies to improve the application of the rule of law.</p> <p><u>Provide support to the higher education sector</u> by providing assistance to PNG universities and technical and vocational training institutions and providing development awards to Papua New Guineans.</p> <p>Other assistance to PNG will:</p> <p><u>Improve governance and community development</u> by engaging with civil society, communities, the private sector and all levels of government to support enhanced governance, civic education and local development.</p> <p><u>Promote sustainable broad based economic growth and increased productivity</u> through continued support for macroeconomic management, enhanced private sector development and improved agricultural productivity in rural areas.</p> <p><u>Improve service delivery</u> and public administration and governance at the sub-national level through the Provincial Performance Improvement Initiative, which covers 18 provinces and Bougainville.</p> <p><u>Improve security and stability</u> including through an AFP-managed policing partnership.</p> <p><u>Develop PNG's border management capabilities</u> through the PNG-Australia Customs Border Security Project.</p>
<p>Solomon Islands <i>Country Program:</i> 114.0 Total ODA: 225.7</p>	<p>Under the Solomon Islands-Australia Partnership for Development assistance to the Solomon Islands will:</p> <p><u>Improve service delivery</u> by strengthening public health functions that respond to community health needs and improve progress towards MDG targets for health facility access, reducing the incidence of malaria, reducing maternal and infant mortality rates and increasing access to clean water and proper sanitation.</p> <p><u>Improve economic livelihoods</u> by working to create long-term economic opportunities and livelihood security, particularly in rural areas. The focus will be on supporting more productive and sustainable utilisation of agricultural land, forests and marine resources, and the improved operation of markets for rural households.</p> <p><u>Improve economic infrastructure</u> by improving access to transport, energy and telecommunication services. Assistance will focus on rehabilitating and maintaining priority transport infrastructure, improving the Government's capacity to manage the transport network and enhancing the capability of the local private sector to implement contracted works. Support will also improve access to and reduce the costs of energy supply by expanding the use of renewable energy technologies and improving access to and the affordability of telecommunications, including in remote areas.</p> <p><u>Address economic and fiscal challenges</u> by encouraging economic and fiscal reforms aimed at ensuring an affordable and sustainable budget that improves Government decision-making processes. Progressing structural reforms that promote economic growth and make Solomon Islands an attractive and reliable place for investment. This work will be complementary to RAMSI capacity building efforts.</p> <p>Development assistance delivered through the Regional Assistance Mission to Solomon Islands (RAMSI) will:</p>

Country/Program Estimate 2010-11 (\$m)	Focus
	<p><u>Contribute to a safer and more secure Solomon Islands</u> by strengthening the law and justice system to improve access to justice. Programs will provide assistance including prosecution and defence lawyers to build capacity of the justice agencies, support to the corrections system, and provide assistance for upgrading court and prison infrastructure.</p> <p><u>Contribute to a better functioning government</u> to improve accountability and service delivery. This will include initiatives to improve the public service and provincial governments, improve electoral processes, strengthen Parliament's representative, oversight and law-making functions, and increase women's participation in government.</p> <p><u>Contribute to improved standards of living</u> for Solomon Islanders by building Government capacity to implement and maintain policies which support sustainable economic growth. Efforts will focus on enhancing the Government's public financial management capacity, including budget development and expenditure processes, managing Government debt at sustainable levels, and reforming state-owned enterprises.</p>
<p>Vanuatu Country Program: 49.3 Total ODA: 66.4</p>	<p>Under the Australia-Vanuatu Partnership for Development, assistance to Vanuatu will:</p> <p><u>Increase access to and quality of education</u> through reducing the cost of sending children to primary school, improving teacher training, providing new learning materials and renovating school facilities.</p> <p><u>Enhance health care</u> by training nurses and doctors, strengthening budget management capacity and improving the distribution of pharmaceutical supplies. Support will also be provided to reduce and progressively eliminate malaria through the distribution of bed nets, improved treatments and rapid diagnostic tests.</p> <p><u>Develop infrastructure to improve transport links and create job opportunities</u> through the maintenance of Vanuatu's road network and to enhance export opportunities through improved wharf facilities in Port Vila.</p> <p><u>Assist with economic governance reforms</u> by enhancing the transparency and accountability of the Government of Vanuatu's budget systems, improved collection of statistics to track progress towards the MDGs, and microeconomic reform to encourage investment in agriculture.</p>
<p>Fiji Country Program: 18.0 Total ODA: 37.2</p>	<p>Ahead of progress towards a return to democratic governance, assistance to Fiji will:</p> <p><u>Improve essential health and education services</u> by supporting community-based interventions, especially for vulnerable communities.</p> <p><u>Support human rights</u> by partnering with civil society and regional organisations, enhancing community dialogue and income generation and eliminating violence against women.</p> <p><u>Support rural enterprise development</u> by enhancing social protection, financial inclusion measures and improving access to financial services.</p>
<p>Tonga Country Program: 17.0 Total ODA: 27.8</p>	<p>Under the Tonga-Australia Partnership for Development, assistance to Tonga will:</p> <p><u>Build a more efficient public sector</u> by strengthening policy formulation and implementation and improving public financial and economic management.</p> <p><u>Improve health</u> by reducing the prevalence of non-communicable disease risk factors, including obesity and tobacco use, and strengthening the Government of Tonga's focus on primary health care.</p> <p><u>Improve technical and vocational skills</u> in areas of industry demand both domestically and abroad, through improving the management and teaching capabilities of technical and vocational education and training institutions in Tonga and promoting access to training and employment opportunities in the region.</p> <p><u>Develop infrastructure</u> by increasing the public's access to reliable and affordable transport links to markets and services, increasing private sector involvement and ensuring budgetary provision for infrastructure maintenance.</p>

Country/Program Estimate 2010-11 (\$m)	Focus
Samoa <i>Country Program:</i> 26.4 Total ODA: 39.8	Under the Samoa-Australia Partnership for Development , assistance to Samoa will: <u>Promote private sector growth and employment</u> with an emphasis on agriculture and fisheries, regional economic integration and trade liberalisation, economic infrastructure and lowering costs of doing business. <u>Improve education</u> through supporting equitable access to schools, including for people with disability, and reducing student and teacher retention rates. <u>Improve health</u> by supporting the reduction of non-communicable diseases through a program of health promotion and prevention at community and institutional levels; and workforce development by strengthening training institutions and governance. <u>Improve governance</u> through enhancing public financial management and strengthening statistics and data on development and governance indicators. <u>Strengthen law and justice</u> by supporting an integrated approach to policing, law and justice sector reform. <u>Provide climate change assistance</u> by supporting Samoa's National Adaptation Programme of Action that will monitor the impacts of climate change, provide adaptation measures for vulnerable communities and develop viable options for renewable energy. Additional support will be provided in the short to medium term to <u>assist with tsunami recovery and reconstruction activities</u> in Samoa, in accordance with the Government of Samoa Tsunami Recovery Plan 2009-12.
Kiribati <i>Country Program:</i> 16.9 Total ODA: 23.9	Under the Kiribati-Australia Partnership for Development , assistance to Kiribati will: <u>Improve basic education</u> through supporting improved access to primary and junior secondary schools, and improving the quality of education delivered in these institutions. <u>Develop workforce skills in areas of industry demand</u> both domestically and abroad to decrease youth unemployment in Tarawa and the outer islands. <u>Improve growth and economic management</u> by supporting reforms that improve public financial management, increase the Government of Kiribati's revenues, reduce the cost of public enterprises, and improve service delivery.
Tuvalu <i>Country Program:</i> 6.1 Total ODA: 8.9	Under the Tuvalu-Australia Partnership for Development , assistance to Tuvalu will: <u>Support long-term revenue</u> through contributions to the Tuvalu Trust Fund. <u>Enhance education and health care services</u> through performance-linked budget support to the Consolidated Investment Fund linked to reform and expenditure commitments.
Nauru <i>Country Program:</i> 17.4 Total ODA: 26.6	Under the Nauru-Australia Partnership for Development , assistance to Nauru will: <u>Improve public sector management</u> by enhancing its efficiency and accountability. <u>Improve health outcomes and education services</u> including technical and vocational education and training. <u>Support essential infrastructure services</u> by increasing opportunities for private sector growth and improving cost effectiveness.
Micronesia (Federated States of Micronesia, Marshall Islands and Palau)	Assistance to each of the three North Pacific/Micronesian states will be delivered through separate Pacific Partnerships for Development . Each partnership will focus on mutually-agreed, targeted priority development sectors.

Country/Program Estimate 2010-11 (\$m)	Focus
<i>Country Program:</i> 4.2 Total ODA: 10.4	<u>Improve governance, public financial management and energy policy</u> through the provision of advisory services and regional development awards. <u>Support community organisations and government agencies</u> through a small grants scheme.
Cook Islands <i>Country Program:</i> 2.2 Total ODA: 5.0	Assistance to Cook Islands will be provided through a delegated cooperation program with New Zealand. It will focus on the outer islands. Assistance will be provided for <u>economic growth, infrastructure, service delivery, and governance.</u>
Niue and Tokelau <i>Country Program:</i> 2.2 Total ODA: 4.4	Assistance to Niue and Tokelau will be implemented in close consultation with New Zealand and will: <u>Promote social and economic development</u> through support to the Niue and Tokelau International Trust Funds. <u>Support human resource development</u> through the provision of development awards and assistance to strengthen capacity for management and policy development.
Pacific Regional <i>Regional Program:</i> 152.0	Major Pacific regional assistance programs will: <u>Strengthen health systems</u> through health workforce development and services to provide significant investment in health workforce planning and training, as well as coordination of specialist surgical and training visits in the Pacific region. <u>Address HIV and other sexually transmitted infections</u> through the Pacific Island HIV and STI Response Fund. This initiative, in partnership with other donors, will improve the focus on prevention and continues support for testing, treatment and research. <u>Combat malaria</u> in the Solomon Islands, Vanuatu and regionally. <u>Tackle non-communicable diseases</u> in Pacific Island Countries by supporting prevention, workforce training in clinical management, surveillance and research on disease burden and supporting lifestyle and nutrition improvements in schools and communities. <u>Improve education</u> through the Pacific education program to increase access to and the quality of basic education and vocational skills training through both regional and bilateral programs. Continuing support will be provided for the Australia-Pacific Technical College to promote skills development in the Pacific. The College aims to graduate 3,000 students over four years. <u>Promote adaptation to climate change</u> by helping developing partner countries meet high priority climate adaptation needs. It includes a region-wide community-based adaptation program, as well as assistance to Pacific Island Countries to implement priority adaptation actions. <u>Build public sector capacity</u> by working with the University of the South Pacific to establish the Pacific Islands Centre for Public Administration to improve the performance of public service organisations and the capacity of public servants in the Pacific. <u>Enhance engagement with and support for Pacific regional organisations</u> which play an important role in coordinating and developing regional solutions to shared development challenges. <u>Promote private sector development</u> by partnering with International Financial Institutions to improve the regulatory framework for business and broaden access to finance. <u>Strengthen the capacity of Pacific Island Countries to benefit from global trade and economic opportunities</u> including through the Pacific Regional Agricultural Market Access program and ongoing support for Forum Island country engagement in the Pacific Agreement on Closer Economic Relations Plus. <u>Improve infrastructure services</u> through the Pacific Region Infrastructure Facility to support much needed infrastructure for improved domestic and

Country/Program	Focus
Estimate 2010-11 (\$m)	<p>international connectivity such as in the telecommunications and transport sectors and reliable access to services such as health and education. Addressing water security, particularly in the vulnerable atoll countries of the Pacific, will be an increasing focus of aid assistance.</p> <p><u>Improve law and justice</u> through the AFP managed Pacific Police Development Program by building national level capacity through the provision of bilateral assistance and enhanced regional collaboration.</p>

INDONESIA AND EAST ASIA

Estimated ODA to Indonesia and East Asia in 2010-11

\$1,092.3 million

Australia will further enhance its development relationships in Indonesia and East Asia. In Indonesia, Australia will provide assistance to strengthen economic management, improve natural resource management, and support infrastructure initiatives such as roads and household water connections. In 2010-11, Australia will support provincial and district governments in Eastern Indonesia (including Papua and West Papua) to improve service delivery in the health, education and infrastructure sectors. Australia will support the Government of Indonesia's National Program for Community Empowerment, to help Indonesia distribute grants for small scale infrastructure and other community services.

In 2010-11, Australia will support East Timor to use its resources to improve its service delivery to districts including in the areas of health and water and sanitation. Support will also assist East Timor expand employment and training opportunities.

Australia will provide support for East Asia in key areas such as education, health, economic growth and sustainable development. Australia will support infrastructure initiatives in the Philippines, Vietnam, Cambodia and Laos by improving transport links to enhance regional trade and drive economic growth. Australia will work to enhance disaster response capabilities in the Philippines and support agricultural productivity and food security initiatives in Cambodia, Laos and Burma.

Key development indicators for partner countries in East Asia

Country	GNI per capita (\$US)	Access to water (% of population)	Life expectancy (years)	Adult literacy rate (% of population)
Indonesia	2,010	80	71	92
Vietnam	890	92	74	90
Cambodia	600	65	61	76
Laos	740	60	65	73
East Timor	2,460	62	61	50
Burma	n/a	80	61	90
Philippines	1,890	93	72	93
China	2,940	88	73	93
Mongolia	1,680	72	66	97

Sources: Human Development Indices 2009, UNDP; and for GNI per capita - World Development Indicators Online, World Bank, 2009.

Table 4: Assistance to Indonesia and East Asia in 2010-11

Country/Program Estimate 2010-11 (\$m)	Focus
Indonesia <i>Country Program: 325.4</i> <i>AIPRD: 73.7</i> Total ODA: 458.7	Assistance to Indonesia will: <u>Promote sustainable growth and economic management</u> by improving economic policy and strengthening economic management at a national level. <u>Support climate change mitigation and natural resource management</u> by developing the capacity of key economic agencies to implement pilot

Country/Program Estimate 2010-11 (\$m)	Focus
	<p>projects in Kalimantan and Jambi to reduce emissions from deforestation and degradation.</p> <p><u>Improve service delivery and infrastructure</u> through reducing infrastructure constraints and supporting Indonesia's national poverty alleviation program to help Indonesia distribute grants across the country to build small-scale infrastructure and deliver local services. Support will also construct national road systems in Bali, Sulawesi and Nusa Tenggara Barat in eastern Indonesia.</p> <p><u>Support health services</u> by improving Indonesia's public health system, including developing a universal insurance scheme to complement existing programs.</p> <p><u>Improve water and sanitation facilities</u> by supporting a new national program to improve access to clean drinking water for people across Indonesia from 2009 to 2011.</p> <p><u>Improve access to education</u> by continuing the construction and rehabilitation of additional junior secondary schools and training of principals and district managers. In 2010-11, approximately 300 development awards will be offered and a new program will help build social and economic research capacity.</p> <p><u>Improve democracy, justice and governance</u> by enhancing the capacity, accountability and responsiveness of legal, democratic and oversight institutions. Support will be provided to improve the capacity of Indonesia's courts, prosecutors and human rights institutions to supply quality legal information and services to all people. Work with the electoral commission will help enhance the management of elections.</p> <p><u>Improve safety and peace</u> through enhancing the response to humanitarian needs, improving capacity to ensure transport safety and security and developing capability to counter threats from transnational crime. The Australia-Indonesia Facility for Disaster Reduction will provide support to further enhance disaster response management.</p>
<p>Philippines Country Program: 105.0 Total ODA: 118.1</p>	<p>Assistance to the Philippines will:</p> <p><u>Improve basic education</u> by supporting improved access to and the quality of education for Filipino girls and boys including Muslim and Indigenous children, those living in disadvantaged and conflict affected areas of the Autonomous Region of Muslim Mindanao, and children with disabilities. Support for education reforms at the national level will assist the Philippines to make progress towards achieving its MDG target for universal primary education. Assistance will support decision-making at the school level, provide more effective allocation of teachers to needy regions including remote schools, provide teaching and learning materials and support school classroom construction.</p> <p><u>Promote national stability and human security</u> in conflict-affected areas. This includes support for community based peace building, increased opportunities for women and small-scale infrastructure development to conflict-affected communities. Assistance will also focus on the delivery of maternal and newborn health services through a joint United Nation's program implemented by UNFPA, WHO, and UNICEF.</p> <p><u>Enhance disaster response capabilities</u> by working with the Government of the Philippines and the public to provide better protection from natural disasters, climate change and emergencies. Australia will support reconstruction efforts, early warning systems and disaster preparedness in response to the devastation caused by Typhoons Ketsana and Parma in late 2009.</p> <p><u>Support economic growth and infrastructure</u> by supporting improvements to national level budgeting, public financial management and governance capacity of key service delivery institutions. The program will rehabilitate rural roads in poorer provinces to ensure Filipinos have better access to jobs, markets, health services and schools.</p>

Country/Program Estimate 2010-11 (\$m)	Focus
Vietnam <i>Country Program:</i> 96.0 Total ODA: 119.8	<p>Assistance to Vietnam will:</p> <p><u>Improve access to markets</u> for the rural poor by supporting the construction of around 60km of feeder roads and canals in the Mekong Delta that will connect through to major transport corridors that are also being built with Australian support.</p> <p><u>Stimulate regional trade</u> by supporting major infrastructure projects like the Cao Lanh Bridge in the Central Mekong Delta.</p> <p><u>Strengthen access to water and sanitation services</u> by supporting the Government of Vietnam's own program to bring basic water and sanitation services to support approximately 7.4 million people, build more than 10,000 school latrines, and provide 1.3 million households with hygienic latrines.</p> <p><u>Help mitigate climate change challenges</u> by improving the Government of Vietnam's capacity to manage the impacts of natural disasters, understand future impacts and possible solutions in the Mekong Delta and rehabilitate mangrove forests to protect coastlines.</p> <p><u>Strengthen Vietnam's human resource foundation</u> by further increasing the number of development awards for study in Australia in 2010-11 to 225 per year.</p>
Cambodia <i>Country Program:</i> 50.1 Total ODA: 64.2	<p>Assistance to Cambodia will:</p> <p><u>Reduce rural poverty and increase farmer income</u> through stronger linkages between farmers and markets, rehabilitating irrigation infrastructure and improving agricultural productivity to increase the value of agriculture in Cambodia, especially rice production. School meal programs and other food assistance will increase food security for the rural poor. Assistance will also be provided for landmine clearance.</p> <p><u>Improve the health of Cambodians</u> by supporting the health sector and reform of the Cambodian health system. Assistance will also be provided for the physical rehabilitation and reintegration of people with disability into their communities.</p> <p><u>Improve infrastructure through upgrading key transport routes</u>, including Cambodia's national railways and major road networks to help drive economic growth and improve access to regional and global markets. Improve and expand the <u>coverage of electricity</u> in rural Cambodia.</p> <p><u>Strengthen law and justice</u> by supporting the rule of law and access to justice, especially for juveniles, women and other vulnerable groups.</p> <p><u>Strengthen crime prevention</u> and community safety organisations.</p> <p><u>Build government and private sector capacity</u> by providing approximately 25 development awards for study in Australia.</p>
Laos <i>Country Program:</i> 32.5 Total ODA: 41.0	<p>Assistance to Laos will:</p> <p><u>Increase access to quality basic education</u> by contributing to the construction of up to 325 schools, training over 7,000 teachers, improving curriculum materials and providing school meals to over 113,000 school children in poor and remote areas. This support will directly assist the Government of Laos to implement its Education Sector Development Framework.</p> <p><u>Support growth through trade and investment facilitation</u> focusing on goods and services which have the potential to create significant employment and reduce poverty. Support will improve the capacity of ministries to engage in reforms, improve regulatory frameworks and increase the competitiveness of products and services.</p> <p><u>Integrate livelihood development</u> in remote and poor rural areas through community based programs addressing food security and income generation. Assistance will also support reduced vulnerability to unexploded ordnance and disasters.</p> <p>Improve access to <u>electricity</u> and <u>road infrastructure</u> in rural areas.</p> <p><u>Build government and private sector human resource capacity</u> through the</p>

Country/Program Estimate 2010-11 (\$m)	Focus
	provision of up to 40 development awards for study in Australia and ongoing support for provincial students to undertake tertiary studies within Laos.
East Timor <i>Country Program:</i> 69.0 Total ODA: 102.7	<p>Assistance to East Timor will:</p> <p><u>Strengthen basic health and education service delivery</u> by improving the Government of East Timor's ability to deliver services, particularly for maternal and child health, in the districts of East Timor.</p> <p><u>Expand employment and training opportunities</u> by increasing agricultural productivity, improving infrastructure, promoting vocational education, and promoting private sector development.</p> <p><u>Improve government accountability, transparency and integrity</u> by building the capacity of local government in public financial management and improving transparency of government and parliamentary processes.</p> <p><u>Build the foundations of a safer community</u> by establishing a more effective and accountable police service through an AFP managed program.</p>
Burma <i>Country Program:</i> 32.0 Total ODA: 48.6	<p>Assistance to Burma will:</p> <p><u>Provide assistance to highly vulnerable populations</u> across Burma including in the border regions.</p> <p><u>Improve food security</u> and reduce the number of people living in acute poverty in rural communities through the provision of food assistance and livelihood development activities including access to microfinance and agricultural and fishing assets. The Australian funded Livelihoods and Food Security Trust Fund aims to assist at least 50,000 households affected by Cyclone Nargis to meet basic needs including adequate food.</p> <p><u>Improve health outcomes</u> with a continued focus on HIV/AIDS and maternal and child health. The Australian funded Three Diseases Multi-Donor Fund implements activities focused on the prevention, treatment and care for people affected by HIV/AIDS, tuberculosis and malaria, including expanding access to anti-retroviral treatment for people living with HIV from 7,000 to 9,000.</p> <p><u>Improve access to quality basic education</u> by providing books, pens, paper and other basic school supplies to reduce the cost to families and by building the capacity of community teachers.</p> <p>Continue to <u>assist communities affected by Cyclone Nargis</u> which struck in May 2008. Australian support will continue to target assistance to the most vulnerable Cyclone Nargis survivors, including women, and orphaned and displaced children in order to address recovery needs.</p> <p>Australia will continue to <u>work closely with key donor partners</u> to support the people of Burma with assistance provided through UN agencies and international NGOs, including UNICEF, CARE Australia and Save the Children.</p>
East Asia Regional <i>Regional Program:</i> 88.5	<p>Assistance through the East Asia Regional Program will:</p> <p><u>Strengthen regional economic integration</u> through assistance to achieve an ASEAN Economic Community by 2015; implementing the ASEAN Australia New Zealand Free Trade Agreement; and continuing support for the East Asia Summit economic and trade priorities and APEC's capacity building initiatives for developing economies.</p> <p><u>Strengthen capacities of key regional institutions to tackle transboundary challenges in health and human security</u>, including:</p> <ul style="list-style-type: none"> • combating the threat of pandemics and emerging infectious diseases by enhancing surveillance, prevention and response systems for animal and human health; preventing the spread of HIV and reducing HIV-related harm associated with drug use in the region; and • reducing the commercial sexual exploitation of children; addressing people trafficking by improving coordinated responses within and across criminal justice systems in

Country/Program Estimate 2010-11 (\$m)	Focus
	Southeast Asia; and reducing labour exploitation and trafficking by increasing labour rights protection and decent work opportunities for migrant workers.
China Country Program: 22.0 Total ODA: 36.8	Assistance to China will focus on : Policy engagement on global and regional development, partnerships and skills enhancement in <u>governance</u> (economic reform), <u>environment</u> (water and climate change) and <u>health</u> (strengthening health systems and improving the response to HIV) sectors by promoting shared knowledge and expertise.
Mongolia Country Program: 4.0 Total ODA: 7.4	Assistance to Mongolia will: Provide around <u>28 development awards</u> for study in Australia to assist the Mongolian Government achieve its human resource development goals, in line with Mongolia's priority sectors, including mining and mineral resources.
North Korea	Assistance to the Democratic People's Republic of Korea will: Respond to the protracted humanitarian emergency through funding to the UN and international agencies providing assistance in areas such as food aid, water and sanitation and disaster response and preparedness. The provision of other development assistance will depend on progress on denuclearisation.

New Initiative: Development Partnership with Indonesia

The Government will invest \$323.0 million over four years to expand our development partnership with Indonesia. This initiative will support the newly elected Indonesian Government's priorities and expand the current Australia-Indonesia Partnership bilateral program. The focus areas of the new partnership will be education, health and governance.

The first component of the initiative will **increase education and development awards funding** and assist Indonesia in meeting its *Education for All* targets which are ensuring 90 per cent of districts in Indonesia achieve a gross enrolment rate of 90 per cent of junior secondary aged children. The initiative will improve the quality of education and increase the number of development awards offered each year.

The second component will help Indonesia to improve its ability to meet its health MDGs by halting the spread of HIV/AIDS and improving access to anti-retroviral treatment.

The third component will deliver a **complementary program of governance and decentralisation support** with a focus on economic and public sector reforms, supporting the roll out of the National Program for Community Empowerment to strengthen the electoral system, law and justice reform and promote a more effective district level planning and budgeting system.

AFRICA, SOUTH AND CENTRAL ASIA, MIDDLE EAST AND THE CARIBBEAN AND LATIN AMERICA

Africa

Estimated ODA to Africa in 2010-11

\$200.9 million

The Australian Government is expanding its engagement in Africa through increased humanitarian and development assistance, enhanced trade and commercial linkages and strengthened diplomatic relations. Australia will provide increased development assistance by working closely with African Governments, regional and multilateral organisations and NGOs, aligning activities with the priorities of African countries in support of long-term development.

Africa lags behind other regions in its progress towards achieving the MDGs, with the majority of sub-Saharan African countries not on track to meet the MDGs by 2015. The goals focused on eradicating poverty and hunger (MDG 1), health (MDGs 4, 5 and 6) and environmental sustainability (MDG 7) are particularly off track.

Australia's assistance will support Africa in areas of real need and where Australia can make a difference, including food security, maternal and child health, water and sanitation and human resource capacity building. Australia will continue providing humanitarian assistance in response to emergencies and protracted crises, including those resulting from conflict and long-term droughts. Australia will also support peace building efforts of the African Union and the UN.

Australia will provide assistance to build Africa's human resource capacity through an expanded development awards program, delivering up to 1,000 development awards each year by 2012-13. Through the Australia - Africa Partnerships Facility, Australia responds to African requests for assistance in areas they have identified as priorities including trade policy, economic governance, public sector reform, agriculture and mineral resource management.

The Government will also support recovery efforts in priority areas of Zimbabwe, in particular in the water and sanitation, agriculture, health and education sectors.

Key development indicators for sub-Saharan Africa

Region	GDP per capita (\$US)	Access to water (% of population)	Life expectancy (years)	Literacy rate (% of population aged 15-24 years)
Sub-Saharan Africa	2,031	60	52	62

Source: Millennium Development Goals Report 2009; UN Human Development Report 2009.

Table 5: Assistance to Africa in 2010-11

Program	Focus
Estimate 2010-11 (\$m)	
<i>Regional Program: 139.2</i>	Assistance to Africa will:
Total ODA: 200.9	<u>Improve water and sanitation services, maternal and child health and food security</u> to help progress towards the MDGs. Assistance will be delivered through regional and multilateral institutions and NGOs.
	<u>Enhance natural resource management, governance, trade policy and private sector development</u> by providing timely and flexible responses to capacity building needs identified as priorities by African governments.
	<u>Enhance education</u> through providing around 250 development awards for study in over 19 countries.
	<u>Restore basic health and education services</u> and promote economic recovery by supporting Zimbabwe's 'Humanitarian plus' program for the provision of extended emergency relief.
	<u>Build capacity of African governments and institutions</u> to respond to natural disasters, conflicts or droughts through the provision of humanitarian assistance to displaced communities.

New Initiative: Africa – Increased Development Assistance

Australia will continue its development assistance to African nations in areas such as water and sanitation, maternal and child health and food security and will provide humanitarian assistance to support African nations respond to emergencies and crises. In 2010-11, the Government will invest \$346.9 million over four years in Africa. The initiative will support **capacity building** and **address key development challenges**. Australia will scale up the number of **development award opportunities** in Africa. This will include the provision of up to 1,000 long and short-term awards annually throughout Africa by 2012-13. The awards will be responsive to partner government priorities and will assist in **strengthening Africa's leadership capacity**.

South Asia

Estimated ODA to South Asia in 2010-11

\$171.3 million

Australia is committed to strengthening links with South Asia. In 2008, Australia became an observer to the South Asian Association for Regional Cooperation to forge closer relationships with the region.

Australia is committed to progressing South Asia's achievement of the MDGs and gives high priority to addressing health, education and improving the livelihoods of the poor by providing assistance for food security and rural development, especially in Bangladesh. An expanding engagement in water and sanitation programs will extend the reach of Australian assistance to the urban and rural poor. Australia will assist recovery and reconstruction efforts in Sri Lanka following natural disasters or conflict.

A critical challenge for Australia is responding to the impacts of climate change on water resources and food security in South Asia. Australia recognises the urgency of improving water resource management in South Asia in light of climate change induced variations. Engaging in water resource management, expanding the use of renewable energy resources and assisting climate change adaptation are priorities for Australia's international development assistance in South Asia.

Key development indicators for partner countries in South Asia

Country	GNI per capita (\$US)	Access to water (% of population)	Life expectancy (years)	Adult literacy rates (% of population)
Sri Lanka	1,780	82	74	91
Nepal	400	89	66	57
Bangladesh	520	80	66	54
India	1,070	89	63	66
Maldives	3,630	83	71	97
Bhutan	1,900	81	66	53

Sources: Human Development Indices 2009, UNDP; and for GNI per capita - World Development Indicators Online, World Bank, 2009.

Table 6: Assistance to South Asia in 2010-11

Country/Program Estimate 2010-11 (\$m)	Focus
Bangladesh Country Program: 57.0 Total ODA: 70.0	<p>Assistance to Bangladesh will:</p> <p><u>Improve livelihoods of the rural poor</u> through supporting programs with the Bangladesh Rural Advancement Committee (BRAC) and a partnership with the UK aid agency (DFID) by supporting communities in need through the provision of humanitarian assistance.</p> <p><u>Increase support for health services</u> through new and expanded partnerships to enhance the capacity for health service delivery by government and NGO providers and by supporting human resources, particularly midwifery.</p> <p><u>Reduce maternal, neonatal and child deaths</u> in rural areas by improving the skills of health providers, improve referral linkages between public and</p>

Country/Program Estimate 2010-11 (\$m)	Focus
	<p>private health facilities, increasing demand for obstetric services and provide improved emergency obstetric care.</p> <p><u>Increase support for education</u> through expanded programs with UNICEF and BRAC to enhance teacher education and local-level planning for government primary schools. Assistance will reach a nationwide non-government network of around 33,750 primary schools serving a total of approximately 989,000 children (65 per cent of whom are girls). These BRAC managed schools also seek to address the multiple disadvantages faced by poor children with disability.</p> <p><u>Improve water and sanitation services</u> for the urban and rural poor through a partnership with Denmark's aid agency (DANIDA) to deliver sustainable hygiene, sanitation and water supply services to 400,000 people in 40 local government areas.</p> <p><u>Enhance community resilience to climate change</u> through support for the joint UNDP and Government of Bangladesh Comprehensive Disaster Management Program to reduce the impacts of floods and cyclones.</p>
<p>Sri Lanka Country Program: 37.0 Total ODA: 46.0</p>	<p>Assistance to Sri Lanka will:</p> <p><u>Provide humanitarian and resettlement support</u> for conflict affected communities in northern Sri Lanka including food, shelter, water and sanitation, agriculture, housing and demining, delivered through the UN, NGOs and Development Banks.</p> <p><u>Promote community rehabilitation, livelihood development and peace building</u>, delivered primarily through UN and international NGOs in conjunction with local NGOs and community business organisations.</p> <p><u>Improve the quality of and access to basic education</u> for the most vulnerable and marginalised children affected by conflict and support the Government of Sri Lanka to plan, manage and assess schooling at provincial and local levels.</p> <p><u>Continue support for improved natural resource management</u>, including through a community and forestry management program.</p> <p><u>Continue support for education</u> through the provision of up to 20 development awards.</p>
<p>India Country Program: 9.9 Total ODA: 22.2</p>	<p>Assistance to India will:</p> <p><u>Address energy security and climate change impacts on water resources and agriculture</u> through partnerships with Indian partners.</p> <p><u>Support water and sanitation and water resource management</u> through the World Bank and the South Asia Water Initiative (SAWI) to build capacity of the recently established Ganges River Basin Authority.</p> <p><u>Continue support for fostering agricultural research</u>.</p> <p><u>Improve health measures</u> targeted towards reducing the risk and impact of HIV/AIDS, particularly among high risk groups in the northeast region of India.</p>
<p>Nepal Country Program: 13.0 Total ODA: 18.4</p>	<p>Assistance to Nepal will :</p> <p><u>Improve access to health care services</u>, reduce maternal mortality, enable participation in a multi-donor program to build the capacity of the Government of Nepal and fund UNICEF child health programs.</p> <p><u>Strengthen governance and democracy</u> by promoting democratic practices and increasing the inclusion of marginalised communities through AusAID's continuing partnership with the UK's aid agency DFID.</p> <p><u>Improve access to and the quality of education</u> through participating in a multi donor program that works with the Government of Nepal to improve its education system. Net enrolment rates are expected to increase from 73 per cent in 2008-09 to 77 per cent in 2010-11 and the number of appropriately trained and qualified teachers is expected to increase from 66 per cent to 74 per cent over the same period.</p> <p><u>Contribute to poverty alleviation</u> through a partnership with UNDP to help develop up to 7,250 micro-enterprises creating up to 9,425 jobs for the</p>

Country/Program	Focus
Estimate 2010-11 (\$m)	<p>poor and disadvantaged.</p> <p><u>Improve access to water and sanitation</u> through governance programs and constructing water and sanitation schemes in four rural districts benefitting up to 15,500 people in partnership with WaterAid Australia.</p>
<p>Maldives</p> <p><i>Country Program: 3.0</i></p> <p>Total ODA: 4.4</p>	<p>Assistance to the Maldives will:</p> <p><u>Support post-tsunami reconstruction, governance activities and education</u> through the provision of approximately 14 development awards and around 5 volunteer program awards.</p>
<p>Bhutan</p> <p><i>Country Program: 3.0</i></p> <p>Total ODA: 5.4</p>	<p><u>Continue education support</u> delivered through the provision of development awards and small scale environment and education activities through partnerships with Australian universities.</p>
<p>South Asia Regional</p> <p><i>Regional Program: 4.9</i></p>	<p><u>Continue support to address priority regional development issues</u> including adaptation for climate change, water and sanitation, HIV/AIDS, health, education and regional integration, delivered through key regional partners including UNAIDS, the World Bank and the Asian Development Bank.</p> <p><u>Support improved governance and economic management</u> through the public sector linkages program which enables Australian public sector agencies to provide training to their counterparts in the region.</p>

Central Asia and the Middle East

Estimated ODA to Central Asia and the Middle East in 2010-11 \$273.8 million

The Australian Government is committed to international efforts to reduce conflict and improve humanitarian conditions in Central Asia and the Middle East. Australia is increasing its development assistance programs in Afghanistan and Pakistan and will provide ongoing support to Iraq and the Palestinian Territories.

In Afghanistan, our increased civilian support will focus on health, education, agriculture, rural economic development and humanitarian assistance. Australia will work to improve the capacity of the Oruzgan provincial government to deliver services to its people. Assistance will be devoted to strengthen and sustain Government of Afghanistan connections between Kabul and provinces, particularly Oruzgan. Australia will continue to provide strong support through the World Bank Afghanistan Reconstruction Trust Fund and other key multilateral partners. Increased bilateral assistance will be provided through AusAID's Development Assistance Facility for Afghanistan including capacity building, reconstruction and development activities.

In Pakistan, Australia's assistance will be strengthened through a multi-year Australia-Pakistan Development Partnership. Programs will focus on supporting service delivery in health and education, improving rural livelihoods, and strengthening democratic governance. Ongoing humanitarian and reconstruction assistance will be provided to vulnerable and conflict-affected populations.

In Iraq, Australia's assistance will continue to focus on strengthening agriculture, improving basic services, improving governance, and supporting vulnerable populations. In the Middle East, our support aims to strengthen essential services for Palestinians while promoting democracy and good governance.

Key development indicators for Central Asia and the Middle East

Country	GNI per capita (\$US)	Access to water (% of population)	Life expectancy (years)	Adult literacy rate (% of population)
Pakistan	980	90	66	54
Afghanistan	n/a	22	44	28
Iraq	n/a	77	68	74

Sources: Human Development Indices 2009, UNDP; and for GNI per capita - World Development Indicators Online, World Bank, 2009.

Table 7: Assistance to Central Asia and the Middle East in 2010-11

Country/Program	Focus
Estimate 2010-11 (\$m)	
Pakistan	Assistance to Pakistan will:
Country Program: 55.4	<u>Improve maternal and child health</u> , including through the Government of Pakistan's National Maternal, Neonatal and Child Health Program.

Country/Program Estimate 2010-11 (\$m)	Focus
Total ODA: 66.5	<p><u>Improve basic education</u> by increasing the quality of and access to early childhood education and education sector reform in the North West Frontier Province and Baluchistan.</p> <p><u>Support rural development</u> through developing agricultural linkages between Pakistani and Australian institutions, improving rural livelihoods and providing postgraduate, undergraduate and short-term agricultural development awards.</p> <p><u>Provide humanitarian relief and reconstruction assistance</u> through support towards the reconstruction and rehabilitation of the conflict-affected Malakand Division and ongoing assistance for the reconstruction of schools destroyed during the 2005 earthquake.</p> <p><u>Promote democratic governance</u> by improving the capacity of civil society groups to demand better governance and service delivery and improving access to social services.</p>
Afghanistan <i>Country Program:</i> 106.0 Total ODA: 123.1	<p>Assistance to Afghanistan will:</p> <p><u>Support basic service delivery in education and health</u> by providing assistance to effective national government programs and targeted health and education activities in Oruzgan Province. Support will also focus on building service delivery capacity of the Afghan education, health, agriculture and rural development ministries through the provision of teacher training programs, development awards and technical assistance.</p> <p><u>Build the capacity of the Afghan state at both the national and provincial level</u> through the provision of experts to key ministries in Kabul and support for national programs in health, education, agriculture and rural development. In Oruzgan Province, support will drive the economic development of Afghanistan, build the capacity of the provincial government and deliver services to the local population and improve governance.</p> <p><u>Improve agriculture and rural development</u> through programs supporting improved agricultural production, food security, rural livelihoods and microfinance that create jobs and economic opportunities for rural workers.</p> <p><u>Assist vulnerable populations by supporting delivery of emergency relief and humanitarian assistance</u> to vulnerable communities. The program will also support human rights and mine action programs.</p>
Iraq <i>Country Program:</i> 39.4 Total ODA: 46.5	<p>Assistance to Iraq will:</p> <p><u>Enhance agricultural productivity and food security</u> through the provision of development awards, specialist short courses, in-country research and implementation of best-practice farming and soil management techniques and supporting the creation of rural businesses through microfinance.</p> <p><u>Support improved governance and public sector capacity</u> through short courses in public financial management, trade, human rights, public sector reform and training in quarantine and border control.</p> <p><u>Assist the Government of Iraq to restore basic services</u> by building emergency medical capacity, reducing the threat of landmines, improving water and sanitation and addressing gender based violence.</p> <p><u>Support vulnerable populations</u> particularly Iraqi refugees, returnees and Internally Displaced Persons through multilateral organisations.</p> <p><u>Strengthen Australia's bilateral relationship with Iraq</u> by supporting six Memoranda of Understanding with the Government of Iraq with the following ministries: Agriculture, Resources and Energy, Trade Cooperation, Education, Research and Training, Public Health, and Security and Border Control.</p>

Country/Program	Focus
Estimate 2010-11 (\$m)	
Palestinian Territories <i>Country Program: 27.5</i> Total ODA: 35.8	Assistance to the Palestinian Territories will: <u>Provide humanitarian and emergency assistance</u> to Palestinian refugees and vulnerable people. <u>Improve food security, water and sanitation and income-generating opportunities for vulnerable populations</u> through programs undertaken by Australian NGOs and UN agencies. <u>Strengthen service delivery particularly in the health and education sectors</u> by supporting the Palestinian Authority's Reform and Development Plan.

The Caribbean and Latin America

Estimated ODA to the Caribbean and Latin America in 2010-11 **\$39.8 million**

The Caribbean

The new relationship between Australia and the 15 members of Caribbean Community (CARICOM) is based on building regional resilience and supporting small island states address the threats of natural disasters and climate change, to which many are vulnerable. It will also help improve the links between small island states in the Caribbean and the Pacific which face similar development challenges.

The centrepiece of the Memorandum of Understanding signed with CARICOM members by the Prime Minister in November 2009 is the new development assistance partnership which will provide \$60 million over four years. This provides the framework for cooperation on climate change adaptation, renewable energy, disaster risk reduction, natural disaster management, food security, education, and other agreed areas. It will also help strengthen the people to people links between small island states in the Caribbean and the Pacific.

Latin America

In 2010-11, Australia will expand its development cooperation program with Latin America. Australia will join the efforts of other donors to help Latin American countries progress towards achieving the MDGs and help address key development issues in the region.

Australia will work to develop the microfinance sector and support will be provided for sustainable agricultural development. Development assistance will help to build professional and institutional capacity in Latin American countries and strengthen people to people links. Over the next four years, up to 200 short and long term development awards will be made available to people from Latin American countries and we will begin to place Australian volunteers in Latin American countries from 2010-11.

Table 9: Assistance to the Caribbean and Latin America in 2010-11

Country/Program	Focus
The Caribbean	Assistance to the Caribbean will: <u>Enhance cooperation on climate change adaptation and disaster management</u> through support to the Caribbean Community Climate Change Centre and the Caribbean Disaster Emergency Management Agency in the areas of climate change adaptation for small island states, disaster risk reduction and natural disaster management. <u>Support regional economic development</u> by promoting regional integration including support for renewable energy, trade facilitation food security and agriculture. Support will also promote the capacity and governance of microfinance and micro-enterprise activities.

	<p><u>Strengthen people to people and institutional linkages</u> by promoting relationships and linkages between the Caribbean, Australia and the Pacific through the provision of development awards; the expansion of the Trinidad and Tobago Alliance for Sports and Physical Education development program; diplomatic training; placement of Australian volunteers and experts; and establishing education linkages between Australian institutions and the University of the West Indies and University of the South Pacific.</p>
Latin America	<p>Assistance to Latin America will:</p> <p><u>Support inclusive and sustainable development</u> to help Latin American countries progress towards achieving the MDGs.</p> <p><u>Support microfinance, agriculture and capacity building</u> by working in partnership with Latin American countries, multilateral organisations and other donors to support initiatives that reduce poverty.</p> <p><u>Support development award opportunities</u> for study at Australian institutions through Australian Leadership Awards and the volunteer program. The Direct Aid Program and the Human Rights Small Grants Scheme will also expand.</p>

CROSS REGIONAL PROGRAMS

Cross regional programs include funding allocations for health and HIV, education and development awards, gender, infrastructure, environment and rural development, governance and for measures to improve overall development assistance effectiveness.

Table 10: Cross regional programs in 2010-11

Program Estimate 2010-11 (\$m)	Focus
Cross regional programs 325.6	Includes funding allocations for sectoral, thematic, development awards and aid effectiveness program expenditure, predominately for activities across geographic regions.
Direct Aid Program 8.0	<u>Advancing developmental objectives and addressing humanitarian hardship in developing countries</u> administered through 54 overseas diplomatic posts to over 80 developing partner countries.
Human Rights Fund 6.5	Supporting a <u>Human Rights Small Grants Scheme</u> , the <u>UN, Office of the High Commissioner for Human Rights</u> , the <u>Asia Pacific Forum of National Human Rights Institutions</u> , and emerging human rights issues.
Enterprise Challenge Fund 4.0	<u>Supporting business projects</u> that demonstrate results benefiting the poor and future commercial viability, through grants awarded under open competition.
Australian Leadership Awards	<u>Supporting social and economic growth through the development of leadership</u> , partnerships and linkages for current and emerging leaders in the Asia Pacific region through development awards and fellowship placements with Australian host organisations.

GLOBAL PROGRAMS

HUMANITARIAN, EMERGENCY AND REFUGEE PROGRAMS

Humanitarian, emergency and refugee programs in 2010-11 **\$301.5 million**

The Australian Government's humanitarian, emergency and refugee programs aim to protect lives, alleviate suffering, maintain human dignity, and assist recovery from conflict, and natural and other disasters through effective prevention, preparedness, response, and risk reduction. Continued and expanded engagement across Australian Government agencies and with humanitarian agencies such as WFP, UNOCHA, the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the Australian Civilian Corps and Australian NGOs will strengthen Australia's capacity to contribute to international responses, support better coordination and efficiency in the international humanitarian system, and provide a foundation for development gains.

Table 11: Humanitarian, emergency and refugee programs in 2010-11

Program Estimate 2010-11 (\$m)	Focus
Humanitarian and Emergency Response 194.0	Emergency response and support for global, regional and country level humanitarian initiatives that save lives, alleviate suffering, and maintain human dignity during, and in the aftermath, of human made crises and natural disasters, including humanitarian assistance and protection for refugees and internally displaced peoples.
International Committee of the Red Cross and Red Crescent (ICRC) 18.0	Core support for the ICRC, one of the largest and most respected humanitarian agencies and mandated in international law to protect and assist civilians affected by armed conflict.
UN humanitarian agencies: 89.5 <i>of which</i>	Australia will continue to support the work of UN humanitarian agencies.
<i>UN Office for the Coordination of Humanitarian Affairs (UNOCHA) 7.0</i>	Australia will provide core support for UNOCHA which plays a lead role in strengthening the UN's response to humanitarian crises through coordination, policy development and advocacy of the UN humanitarian reform agenda. Australia entered into a partnership agreement with UNOCHA in 2009 to provide \$26 million in support over four years.
<i>World Food Programme (WFP) 45.0</i>	Food assistance is an important element of Australia's humanitarian program. Through a new Strategic Partnership Agreement with the WFP Australia will provide \$180 million over four years to support WFP in their key role as the lead UN agency in humanitarian food assistance.
<i>UN Central Emergency Response Fund (UNCERF) 14.0</i>	Australia will support UNCERF which improves the speed and efficiency of humanitarian funding in the immediate aftermath of a crisis as well as providing funding for protracted and under-funded emergencies. This funding forms part of Australia's commitment to provide \$60 million to UNCERF over four years.

Program	Focus
Estimate 2010-11 (\$m)	
<i>UN Office of the High Commissioner for Refugees (UNHCR) 16.0</i>	Australia will continue to provide core support to the UNHCR as the mandated lead agency to assist refugees and internally displaced people.
<i>UN Relief and Works Agency for Palestinian Refugees (UNRWA) 7.5</i>	Australia will support UNRWA to deliver basic services to over 4.7 million registered Palestinian refugees across its five fields of operation (the West Bank, Gaza, Jordan, Syria and Lebanon) and to respond to humanitarian and emergency needs.
Australian Civilian Corps	Australia will support the rapid deployment of civilian specialists to countries affected by natural disaster or conflict. These civilian specialists will contribute to Australia's efforts to assist stabilisation and recovery in affected countries to start the recovery process earlier.

MULTILATERAL ENGAGEMENT

Estimated 2010-11 funding for multilateral replenishments **\$298.3 million**

Estimated 2010-11 funding for United Nations, Commonwealth and other international organisations **\$227.8 million**

Australia's engagement with multilateral organisations extends the reach and scope of Australia's country and regional aid programs. The World Bank and Asian Development Bank continue to be central partners for Australia's aid program. The Banks' convening power often allows them to lead donor coordination at country and sectoral levels. Drawing on their technical expertise they undertake innovative analytical work and engage with developing country governments on important and sensitive policy issues. The Banks are essential partners for implementing the Cairns Compact on Strengthening Development Coordination in the Pacific. In addition, their response to the global economic crisis – through timely analysis, fiscal support and coordination – continues to shape an effective international response that helps developing countries minimise the impact of the crisis.

In 2010-11, Australia will be an active member of the Multilateral Organisations Performance Assessment Network (MOPAN). Australia currently works with 15 other members to support the objectives of a harmonised approach to assessing the effectiveness of multilateral organisations. MOPAN conducts an annual assessment of a select group of multilateral organisations in several developing countries.

In 2010-11, Australia will implement partnerships to advance the capacity of UN agencies to lead global efforts to achieve progress towards the MDGs. UN development and humanitarian agencies support Australia's aid program as they tackle global challenges of high priority to Australia, pool resources from many donors which brings advantages of scale as well as lower transaction costs for countries receiving aid and bring donors together to coordinate aid and maximise its impact.

Australia has signed partnership frameworks with seven UN development and humanitarian agencies: UNICEF; the United Nations Development Program (UNDP); UNOCHA; UNFPA; UNIFEM; the Joint United Nations Programme on HIV/AIDS (UNAIDS); and WHO. The frameworks provide multi-year and increased core funding to these agencies (\$342.6 million total core funding) from 2008-09 until 2011-12. The frameworks reflect Australia's increased engagement with the UN and commit multilateral organisations to delivering Australia's priorities such as the MDGs and focus on the Asia and Pacific region. They also deepen Australia's level of influence over issues that concern the aid program.

Australia became a member of the United Nations Peacebuilding Commission (PBC) on 1 January 2010. The PBC is a unique forum for relevant peace building bodies to provide advice and support for countries emerging from conflict. The Commission works with post-conflict countries and highlights any gaps that exist in the response which might undermine peace building efforts.

Australia will provide \$6 million over three years to support peace building initiatives in countries emerging from conflict. Australia's contribution will help support peace agreements and political dialogue, strengthen local conflict resolution systems, and encourage efforts to stimulate the economies of affected countries.

Table 12: Assistance through multilateral organisations in 2010-11

Program Estimate 2010-11 (\$m)	Focus
World Bank (through the International Development Association (IDA)) 157.3	In 2010-11, Australia will negotiate the sixteenth replenishment of the IDA. Payments in 2010-11 reflect Australia's commitments made under previous replenishments to IDA which is the arm of the World Bank that assists the world's poorest 79 countries. The replenishment will promote sustainable development by providing resources to low-income countries reduce poverty. It will allow Australia to leverage IDA resources to advance our international and development objectives and promote Australia as a responsible international citizen among IDA donors and recipients.
Asian Development Bank (through the Asian Development Fund) 70.3	Payments in 2010-11 reflect Australia's commitments made under previous replenishments to the Asian Development Fund which is the concessional lending arm of the ADB.
Heavily Indebted Poor Countries Initiative (HIPC) 22.6	The HIPC initiative provides multilateral debt relief to the world's poorest and most heavily indebted countries that have a demonstrated commitment to reform.
Global Environment Facility (GEF) 20.1	Australia will negotiate the fifth replenishment of the GEF. The GEF funds practical programs and shapes policy reform in developing countries to tackle climate change, biodiversity loss, ozone depletion, contamination by persistent organic pollutants and degradation of land and transboundary water systems.
Multilateral Fund for the Implementation of the Montreal Protocol (MPMF) 3.1	The MPMF assists developing countries to phase out the production and consumption of ozone-depleting substances, in line with their commitments under the Montreal Protocol on Substances that Deplete the Ozone Layer.
World Bank Clean Technology Fund 25.0	Payments made in 2010-11 reflect Australia's pledge of \$100 million over three years to the Clean Technology Fund, financing demonstration and deployment of low carbon technologies in high greenhouse gas emitting developing countries.
UN development agencies 91.7 <i>UN Children's Fund (UNICEF) 25.4</i>	Core funding to these areas supports UN efforts to progress the MDGs. UNICEF's program will focus 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 has entered into a partnership with UNICEF which prioritises funding for the MDGs in the Asia Pacific region.
<i>World Health Organisation (WHO) 18.0</i>	Expanded support for WHO's lead role on global health and advocacy with partner countries to improve the delivery of health services and the systems that underpin it. Australia signed a partnership framework with WHO in March 2009.
<i>UN Population Fund (UNFPA) 11.5</i>	Expanded support to progress the health and gender MDGs in key areas of reproductive health, maternal health, HIV, gender-based violence and gender equality. Australia signed a partnership framework with UNFPA in December 2009.
<i>Joint UN Programme on HIV/AIDS (UNAIDS) 8.5</i>	Expanded support for UNAIDS's lead role in coordinating the global and regional response to HIV including scaling up universal access to

Program	Focus
Estimate 2010-11 (\$m)	
	prevention, treatment and care. Australia signed a partnership framework with UNAIDS in September 2009.
<i>UN Development Fund for Women (UNIFEM) 5.4</i>	In August 2009 Australia signed a partnership framework with UNIFEM. The partnership framework will strengthen efforts to achieve gender equality and reduce violence towards women in the developing world.
<i>UN Development Programme (UNDP) 17.9</i>	Assistance will strengthen UNDP's central role in coordinating the UN development system and the UN's implementation of the MDGs. Australia has entered into a partnership framework with UNDP to prioritise funding for the MDGs in the Asia and Pacific region.
<i>United Nations Peacebuilding Commission (UNPBC) 2.0</i>	Australia will provide support for country specific peace building programs within the UN system.
<i>Other UN development agencies 5.0</i>	Support for development and associated activities by other United Nations agencies, including the International Atomic Energy Agency, the United Nations Drug Control Program and the United Nations Environment Programme. Support for UN humanitarian agencies is outlined on page 57 under Humanitarian, Emergency and Refugee Programs.
Commonwealth organisations 13.7	Australia will continue to support the development related work of the Commonwealth, focusing primarily on the Commonwealth Fund for Technical Cooperation which provides small scale, short-term assistance in a range of sectors.
Global environment programs 44.8	Support for global environment programs including the International Tropical Timber Organisation, the Global Crop Diversity Trust, international climate change adaptation funds programs and international forest carbon programs.
Global education programs 25.7	Continued support for the World Bank hosted <i>Education For All</i> Fast Track Initiative global fund focussed on accelerating progress towards the goal of universal primary education.

New Initiative: International Bank for Reconstruction and Development

Australia will contribute to a capital increase of 45 per cent for the World Bank's main arm, the International Bank for Reconstruction and Development (IBRD). This requires an estimated USD 51.6 million in ODA payments over a five year period from 2011-12. These contributions will ensure the World Bank has sufficient funds to support developing countries as they recover from the effects of the global recession.

NON-GOVERNMENT ORGANISATIONS AND COMMUNITY ENGAGEMENT

In support of the principles of '*A Stronger, Fairer Australia*',⁴⁴ the Australian Government's social inclusion strategy, AusAID will strengthen partnerships and work with a range of Australian organisations including volunteer, business, research and community organisations. Under the partnership with the Australian Council for International Development (ACFID) the Government will also support the development of an enhanced Code of Conduct for Australian NGOs. The enhanced Code will improve the quality of programs and increase public confidence in Australian NGOs.

The Government will increase funding for the AusAID-NGO Cooperation Program (ANCP) to support the development programs of over 40 accredited Australian NGOs to reduce poverty worldwide. In 2010-11, funding under the program will increase to \$69.0 million, a 25.0 per cent increase over 2009-10 funding support. This will include support for partnerships with larger NGOs with significant Australian community support. It is expected that the ANCP will directly assist up to two million people living in poverty.

In 2010-11, the ANCP Innovations Fund (established in 2009-10) will continue to disseminate knowledge and understanding of good development practice and highlight innovative approaches for Australian aid organisations to reduce poverty. In 2009-10, the ANCP Innovations Fund supported projects that promoted alternative approaches to address climate change in rural India and improved the health of women and children living along the Mozambique-Zimbabwe border.

Communicating the work of the Australian aid program is an important public accountability responsibility and is a means of increasing the Australian community's understanding of and involvement in the aid program. In 2010-11, the Australian Government seeks to build on progress made by working with Australian non-government and community organisations to raise awareness of and build support for Australia's efforts to reduce global poverty. Community engagement and development education programs will expand in 2010-11 to further support community organisations, peak bodies and small business to engage effectively in international development.

The Government is developing a new volunteer program in 2010-11. The new program will make it easier for skilled Australians to become international development volunteers, contribute directly to challenges in developing countries and strengthen people to people links. The volunteer program will continue to provide opportunities for adult Australians (including young and indigenous Australians) and business professionals to contribute their expertise in fields such as health, disability support, education, environment and rural development.

Table 13: Community engagement programs in 2010-11

Program Estimate 2010-11 (\$m)	Focus
AusAID-NGO Cooperation Program (ANCP) 69.0	The ANCP will support more than 40 accredited Australian NGOs undertaking community-based development work. This includes a competitive scheme for innovation and good practice programs for Australian NGOs. The Australian Government will also partner with large Australian NGOs with significant support from the Australian public, working together to progress developing countries' achievement of the MDGs.
Volunteer programs 42.0	Volunteer programs support the recruitment, placement and management of skilled Australian volunteers in developing countries. Working in partnership with international volunteer agencies, a new program will be implemented in 2010-11 to support the placement of an estimated 1,200 volunteers.
Australian Council for International Development (ACFID) 0.8	Supports the partnership between AusAID and ACFID to increase Australia's impact in promoting effective community-based development to help achieve the MDGs. In 2010-11, AusAID and ACFID will work together to maintain the accountability of the Australian international development NGO sector.
NGO policy and development effectiveness 1.0	Supports analysis and the development of policies that promote more effective NGO programs. In 2010-11, a formal monitoring and evaluation framework for AusAID's NGO programs will be developed.
Community engagement and development education 12.1	Supports the engagement with non-government and community organisations with the aid program through the Community Call to Action and tax deductibility applications under the Overseas Aid Gift Deductibility Scheme. Improves awareness and understanding of overseas development-related issues in Australia, and provides organisations with opportunities for funding for related activities.
Development Research Program 10.2	Supports local and international research to improve development. In 2010-11 additional investment in research capacity and communication will be provided, particularly in the Pacific. AusAID will work with other government agencies and international research donors to increase the reach of Australia's research program.

AUSTRALIAN CENTRE FOR INTERNATIONAL AND AGRICULTURAL RESEARCH

In 2010-11, total ODA for ACIAR is estimated at \$68.3 million. ACIAR's program delivers research outcomes that closely integrate with the Australian Government's broader aid program strategies including the Food Security through Rural Development initiative. The Centre's projects link Australian scientists with their counterparts in developing countries in the Asia Pacific region to increase agricultural productivity and sustainability and to improve livelihoods by delivering food security, particularly in rural areas where poverty is most prevalent. ACIAR's two largest overall programs are in Indonesia and Papua New Guinea respectively, with its two largest initiatives being in Africa and the Pacific.

Estimated ODA in 2010-11

\$68.3 million

Table 14: ACIAR programs in 2010-11

Program	Focus
Bilateral programs	<p>ACIAR's bilateral work will continue to implement key programs under the Food Security through Rural Development initiative. Ongoing country programs will operate in developing countries in the Asia Pacific region, and southern Africa. Initiatives to support the Food Security initiative through sustainably enhancing agricultural productivity and profitability are:</p> <ul style="list-style-type: none"> • Implementation of the 'Sustainable intensification of maize legume cropping systems in eastern and southern Africa' project, with partnerships in Ethiopia, Kenya, Malawi, Mozambique and Tanzania with input from the Republic of South Africa, focusing on lifting the productivity of maize-legume systems through introduction of productive varieties and strengthening value chains; • Identifying opportunities for developing high-value agricultural, forestry and fisheries products in the Pacific through the Pacific Agribusiness Research for Development initiative, focusing on developing high-value agricultural, fisheries and forestry products in Solomon Islands, Vanuatu and Fiji, with expansion into Tonga, Samoa and Kiribati; • Improving the productivity of rice-based farming systems in South Asia and South East Asia, concentrating on adapting existing technologies to improve yields of staple crops in Laos, Cambodia and Bangladesh; and • Climate change adaptation in the rice-based farming systems in the Mekong and South Asia through the integration of seasonal climate forecasting and crop modelling with locally adapted staple crop varieties and more efficient water resource management. <p>ACIAR will continue to align its investment of resources with the broader priorities of the aid program, focusing on poorer countries and, in particular, lagging regions within developing countries. Priorities for 2010-11 include:</p> <ul style="list-style-type: none"> • Improving livelihoods of smallholder farmers engaged in coffee-based farming systems, aquaculture, vegetable and cocoa production in Papua New Guinea through technology innovation and improving marketing within a socio-cultural context that reduces constraints to adoption; • Contributing to poverty reduction in Indonesia through a focus

Program	Focus
	<p>on policies and systems relating to livestock health and production, competitive horticulture and aquaculture industries, and agribusiness systems;</p> <ul style="list-style-type: none"> • Managing the research and extension component of the AusAID-funded Cambodian Agricultural Value Chain program, and linkages to project activities to help farmers diversify their agricultural activities while strengthening their rice production base; and • Enhancing productive and competitive horticulture and livestock systems in Pakistan, improved crop varieties in East Timor, sustainable agricultural practices in Iraq's cropping sector and stronger supply and marketing chains for Philippines horticulture and aquaculture producers.
Multilateral programs	<p>Expanded multilateral funding will be provided primarily on an unrestricted basis to the CGIAR in accordance with the ongoing reform process of the CGIAR system.</p> <p>Priorities for future funding will be set in consultation with the Donor Fund Council once the reforms are finalised. In the interim period, ACIAR will allocate both restricted and increased unrestricted funds to individual centres in accordance with the current approach.</p> <p>Total funding provided to the CGIAR is estimated at \$23.4 million including total anticipated allocations.</p>
Training programs	<p>Training programs will develop the skills of partner country research scientists involved in ACIAR projects, through formal training courses, and informal project activities and interactions, including:</p> <ul style="list-style-type: none"> • Continuing two fellowship schemes, the first of which offers developing country scientists post-graduate study opportunities in Australia and the second via short-term research management training of outstanding leaders; and • Continued support through the Crawford Fund for training activities, including master classes which complement ACIAR training and projects.
Communicating research results	<p>ACIAR will communicate the results from its research activities via electronic media and publications raising awareness of research and development activities through:</p> <ul style="list-style-type: none"> • Scientific publications produced and disseminated, including through the ACIAR website, CD-ROMs and in hard-copy formats; and • Implementing a website strategy that supports and encourages project and stakeholder collaboration and interaction.
Evaluating impacts	<p>ACIAR will commission independent studies of the impacts arising from projects through the ACIAR Impact Assessment program, working closely with AusAID's Office of Development Effectiveness;</p> <p>Five major studies of projects or suites of projects will be undertaken to assess their impacts, including a major program in Papua New Guinea, and impacts emerging from past animal health and International Agricultural Research Centre activities; and</p> <p>An adoption study will be conducted to determine levels of adoption based on a large research project completed in 2006-07.</p>

The majority of ACIAR's research expenditure in 2010-11 will be in South East Asia (55 per cent), followed by South Asia (18 per cent), Papua New Guinea and the Pacific (18 per cent), and sub-Saharan Africa (9 per cent). ACIAR's Annual Operational Plan provides further details of the Centre's priorities and programs for the 2010-11 financial year.

APPENDIX

AusAID Country and Global Programs

Table 15: AusAID country programs

Country/Region	Notes	Actual (\$m)	Estimated Outcome (\$m)	Budget Estimate (\$m)
		2008-09	2009-10	2010-11
Papua New Guinea		356.3	401.2	415.0
Solomon Islands		105.7	114.8	114.0
Vanuatu		41.9	46.1	49.3
Fiji		19.5	18.0	18.0
Tonga		13.5	16.1	17.0
Samoa		23.7	24.1	26.4
Kiribati		10.8	15.5	16.9
Tuvalu		4.7	5.5	6.1
Nauru		18.3	16.4	17.4
Micronesia		2.6	2.7	4.2
Cook Islands		2.7	2.2	2.2
Niue and Tokelau		1.5	1.7	2.2
Pacific Regional		155.5	197.5	214.8
Total Papua New Guinea and Pacific		756.8	861.7	903.4
Indonesia		396.5	394.1	399.1
Philippines		104.2	112.5	105.0
Vietnam		77.8	91.2	96.0
Cambodia		40.5	48.2	50.1
Laos		17.6	29.4	32.5
East Timor		59.7	67.2	69.0
Burma		6.9	16.0	32.0
China		24.9	26.0	22.0
Mongolia		8.0	3.3	4.0
Thailand		0.0	0.0	1.4
East Asia Regional		89.6	77.5	72.3
Total Indonesia and East Asia		825.5	865.4	883.4
Africa		70.6	103.5	139.2
Bangladesh		34.5	48.4	57.0
Sri Lanka		12.2	36.0	37.0
India		2.2	5.3	9.9
Nepal		5.7	11.6	13.0
Maldives		2.5	3.4	3.0
Bhutan		2.0	2.2	3.0
South Asia Regional		10.9	15.3	16.2
Pakistan		29.6	51.3	55.4
Afghanistan		41.5	53.6	106.0
Iraq		39.5	39.4	39.4
Palestinian Territories		38.4	26.5	27.5
South & Central America		0.0	20.0	36.0
Total Africa, South and Central Asia, and Middle East		289.6	416.4	542.5
Cross Regional Programs		253.1	235.5	325.6
AusAID COUNTRY PROGRAMS		2,125.1	2,379.0	2,654.9

Notes: see page 73.

Table 16: AusAID global programs

Global Program	Notes	Actual (\$m)	Estimated Outcome (\$m)	Budget Estimate (\$m)
		2008-09	2009-10	2010-11
Humanitarian and Emergency Response		222.3	177.8	194.0
International Committee of the Red Cross		14.5	16.0	18.0
United Nations Humanitarian Agencies		107.1	52.5	89.5
UNOCHA		6.0	6.0	7.0
WFP		75.0	15.0	45.0
UNCERF		12.0	12.0	14.0
UNHCR		9.9	14.3	16.0
UNRWA		4.2	5.2	7.5
International Refugee Fund	a	15.0	0.0	0.0
Humanitarian, Emergency and Refugee Programs		358.9	246.3	301.5
IDA		4.8	0.0	0.0
ADF		332.8	0.0	0.0
MDRI		40.8	0.0	0.0
HIPC		27.5	0.0	0.0
GEF		0.0	0.0	0.0
MPMF		9.4	0.0	0.0
World Bank Clean Technologies Fund		100.0	0.0	0.0
Multilateral Replenishments	b	515.4	0.0	0.0
United Nations Development Agencies		58.9	72.3	91.7
of which:				
UNDP		12.5	14.6	17.9
UNICEF		14.5	19.6	25.4
UNFPA		7.0	9.0	11.5
UNAIDS		5.0	8.0	8.5
WHO		12.8	13.0	18.0
Other UN Development Agencies		7.1	8.1	10.4
Global Health Programs	c	57.2	57.5	50.0
Global Environment Programs	d	64.9	62.8	44.8
Global Education Programs	e	0.0	22.5	25.7
Commonwealth Organisations and Other	f	13.0	12.4	15.7
UN, Commonwealth and Other International Organisations		193.9	227.5	227.8
Non-Government Organisations		45.3	56.6	70.8
of which:				
AusAID-NGO Cooperation Program		44.0	55.0	69.0
Volunteer Programs		20.4	18.0	21.5
Australian Youth Ambassadors for Development		14.9	17.2	20.5
Community Engagement and Development Research		19.3	18.5	22.3
NGO, Volunteer and Community Programs		100.0	110.3	135.1
Total AusAID Global Programs	g	1,168.1	584.1	664.5
Less: new multi-year commitments	h	-515.4	0.0	0.0
Add: cash paid to multi-year liabilities	i	250.5	263.5	302.2
AusAID GLOBAL PROGRAMS	j	903.2	847.6	966.7

Notes: see page 74.

Total Australian Official Development Assistance

Table 17: Australia's ODA 1971-72 to 2010-11

Year	Current prices (\$m)	Constant 2009-10 prices (\$m)	Real change over previous year (%)	ODA/GNI ratio (%)
1971-72	200.5	1,817.2	4.0	0.45
1972-73	219.2	1,889.0	4.0	0.43
1973-74	264.9	2,003.5	6.1	0.44
1974-75	334.6	2,069.0	3.3	0.46
1975-76	356.0	1,919.1	-7.2	0.42
1976-77	386.2	1,853.8	-3.4	0.40
1977-78	426.1	1,874.3	1.1	0.41
1978-79	468.4	1,953.9	4.2	0.39
1979-80	508.7	1,937.4	-0.8	0.38
1980-81	568.0	1,957.7	1.0	0.37
1981-82	657.8	2,004.3	2.4	0.38
1982-83	744.6	2,033.2	1.4	0.39
1983-84	931.8	2,389.1	17.5	0.44
1984-85	1,011.4	2,466.9	3.3	0.43
1985-86	1,031.0	2,366.3	-4.1	0.40
1986-87	975.6	2,088.8	-11.7	0.34
1987-88	1,019.6	2,022.3	-3.2	0.32
1988-89	1,194.6	2,184.0	8.0	0.33
1989-90	1,173.8	1,999.9	-8.4	0.30
1990-91	1,261.0	2,048.8	2.4	0.31
1991-92	1,330.3	2,128.5	3.9	0.32
1992-93	1,386.1	2,194.4	3.1	0.32
1993-94	1,410.8	2,216.9	1.0	0.31
1994-95	1,483.7	2,303.9	3.9	0.31
1995-96	1,556.5	2,357.7	2.3	0.30
1996-97	1,432.0	2,138.3	-9.3	0.26
1997-98	1,443.0	2,133.5	-0.2	0.25
1998-99	1,528.6	2,250.6	5.5	0.25
1999-00	1,748.7	2,514.8	11.7	0.27
2000-01	1,623.1	2,236.3	-11.1	0.24
2001-02	1,755.1	2,362.4	5.6	0.24
2002-03	1,830.8	2,393.8	1.3	0.23
2003-04	1,973.1	2,487.0	3.9	0.23
2004-05	2,198.1	2,659.0	6.9	0.25
2005-06	2,697.7	3,109.5	16.9	0.28
2006-07	3,017.9	3,311.6	6.5	0.29
2007-08	3,173.7	3,336.3	0.7	0.28
2008-09	3,799.5	3,796.7	13.8	0.32
2009-10 (Estimated outcome)	3,820.9	3,820.9	0.6	0.31
2010-11 (Budget estimate)	4,349.3	4,170.0	9.1	0.33

Notes: see page 74.

Notes

Figures in tables and generally in the text have been rounded. Totals and percentages are calculated on un-rounded 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.

Intensifying progress towards the MDGs (from page 1)

1. World Bank (2010) *Global Economic Prospects 2010: Crisis, Finance, and Growth*, World Bank February 2010
<http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/GEPEXT/EXTGEP2010/0..contentMDK:22438006~menuPK:6665268~pagePK:64167689~piPK:64167673~theSitePK:6665253,00.html>
2. Ibid.
3. Ibid.
4. Information adapted from: http://www.un-ngls.org/spip.php?page=article_s&id_article=1963

Table 1: Composition of Australian ODA (page 4)

The column 'Budget Estimate 2009-10' shows estimates provided in the 2009-10 Budget at May 2009. The column 'Estimated Outcome 2009-10' shows outcomes for 2009-10 as estimated at May 2010.

- a) 'AusAID Country Programs' is detailed in Table 15 on page 66, and includes country and regional programs, as well as AIRPD grants and loans.
- b) 'AusAID Global Programs' is detailed in Table 16 on page 67, and is 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 14 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 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, and Fringe Benefits Tax. 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.

Table 2: Australian ODA by partner countries and regions (page 5)

The column 'Budget Estimate 2009-10' shows estimates provided in the 2009-10 Budget at May 2009. The column 'Estimated Outcome 2009-10' shows outcomes for 2009-10 as estimated at May 2010.

- a) 'Solomon Islands' includes ODA eligible Australian Government expenditure under the Regional Assistance Mission to Solomon Islands.
- b) 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 15 on page 66).
- c) For the purposes of this table, 'Micronesia' includes the Federated States of Micronesia, Palau, and the Republic of the Marshall Islands.
- d) 'Regional and Other Pacific' includes amounts attributable to the Pacific region (but not to a specific country) from the Pacific Regional program (see Table 16 for amounts and Table 3 for program details) as well as AusAID global programs and other government departments.
- e) 'Indonesia' estimated expenditure includes AIPRD.
- f) 'East Asia Regional' shows amounts attributable to the East Asia region (but not to a specific country) from the East Asia Regional program (see Table 15 for amounts and Table 4 for program details), AusAID global programs (see Table 16 for a breakdown), and other government departments.
- g) 'South Asia Regional' shows amounts attributable to the South Asia region (but not a specific country) from the South Asia Regional program (see Table 15 for amounts and Table 6 for program details), AusAID global program (see Table 16 for a breakdown), and other government departments.
- h) 'Core contributions to multilateral organisations and other ODA not attributed to particular countries or regions' includes payments to some UN and Commonwealth organisations, and ODA eligible departmental expenditure. The ODA eligible components of cash payments to IDA, ADF, GEF, CTF, HIPC and the MPMF are also included in this line item (see page 60 for 2010-11 funding levels).
- i) 'Adjustments' – see notes to Table 1 (f) above.
- j) ODA is reported on a cash basis.

Diagrams 2,3,4,5 and 6 (from page 6)

AusAID budget allocations are made to country, regional and global programs, rather than to specific sectors. The projections of expenditure in each sector for 2010-11 shown in Diagram 2 are generated using an analysis of the nature of actual and planned expenditure in the current (2009-10) year combined with the expected sectoral allocation of new resources through this 2010-11 Budget. Further, while AusAID tracks ODA expenditure according to sector and sub-sector classifications endorsed by the OECD DAC, information on projected sectoral allocations in this document is presented in line with the strategic direction and priorities of the development assistance program and in some cases will not directly align with DAC Sector definitions.

Priorities for Australia's International Development Assistance (from page 7)

Education

5. United Nations Educational, Scientific and Cultural Organisation (UNESCO) (2010), *Education for All Global Monitoring Report 2010; Highlights of the Education for All Report 2010*, UNESCO Publishing and Oxford University Press, p 1 and *Progress Towards the Education for All Goals*, p 56.

<http://www.unesco.org/en/efareport/reports/2010-marginalization>

6. Ibid p 6.

7. Ibid p 119.

8. Ibid p 119.

9. Australian Agency for International Development (AusAID) (2008-09): *Education Annual Thematic Performance Review 2008-09*, p 8.
10. UNESCO (2010), *Education for All Global Monitoring Report 2010*, Selected Education Indicators, p 15 and 17.
11. AusAID: Development for All – towards a disability inclusive aid program 2009-2014. http://www.ausaid.gov.au/publications/pubout.cfm?ID=801_2718_8655_7741_2575&Type adopted from Draft Annual Education Thematic Performance Report, p 8 (based on findings from UNESCAP profile of 28 countries and areas in the Asia and the Pacific in 2006).
12. The six goals for *Education for All* are:
1. Expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children;
 2. Ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to, and complete, free and compulsory primary education of good quality;
 3. Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programs;
 4. Achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults;
 5. Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality, in all levels of education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality; and
 6. Improving all aspects of the quality of education and ensuring excellence of all so that recognised and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life-skills.

Source: UNESCO, The Dakar Framework for Action, *Education for All: Meeting our Collective Commitments*, Text adopted by the World Education Forum, Dakar, Senegal, 26-28 April 2000.

13. UNESCO (2010), *Education for All Global Monitoring Report 2010; Highlights of the Education for All Report 2010*, UNESCO Publishing and Oxford University Press, p 1.

Health and HIV

14. United Nations Population Fund (UNFPA) (2008) *State of the World Population Report 2008: Reaching Common Ground: Culture, Gender and Human Rights*, New York
<http://www.unfpa.org/swp/2008/presskit/docs/en-swop08-report.pdf>
15. Ibid.
16. National Statistical Office Port Moresby (2009) Papua New Guinea Demographic and Health Survey 2006 National Report 2006, p 102.
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Multilateral Engagement (page 59)

The 41 borrowing country members of the Asian Development Bank are: Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Burma, Cambodia, China, Cook Islands, East Timor, Federated States of Micronesia, Fiji, Georgia, India, Indonesia, Kazakhstan, Kiribati, Kyrgyz Republic, Laos, Maldives, Malaysia, Marshall Islands, Mongolia, Nauru, Nepal, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Sri Lanka, Pakistan, Palau, Tajikistan, Thailand, Tonga, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu, Vietnam.

Non-Government Organisations and Community Engagement (page 62)

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Table 15: AusAID country programs (page 66)

This table includes AusAID country and regional program expenses for all partner countries and regions, and also includes AIPRD grants and loans. The column 'Estimated Outcome 2009-10' shows estimates for 2009-10 as at May 2010.

- a) 'Solomon Islands' includes an ODA eligible AusAID estimate of \$63 million for the Regional Assistance Mission to Solomon Islands.
- b) '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).
- c) For the purposes of this table, 'Micronesia' includes the Federated States of Micronesia, Palau, and the Republic of the Marshall Islands.
- d) 'Indonesia' includes AIPRD grants and loans.
- e) 'AusAID Country Programs' includes country and regional programs, as well as AIRPD grants and loans. It is also shown as a line item in Table 1 on page 6.

Table 16: AusAID global programs (page 67)

The column labelled 'Estimated Outcome 2009-10' shows estimates for 2009-10 as at May 2010.

- a) From 2008-09, funding for the International Refugee Fund has been redistributed within 'Humanitarian, Emergency, and Refugee Programs'. Redistributed funding will continue to support

responses to refugee and displacement issues, predominately through United Nations and other international organisations.

- b) 'Multilateral Replenishments' includes expenses for new commitments to multilateral development banks and other multilateral funds. There are no new commitments budgeted for in 2010-11 as at May 2010. See Table 12 on page 59 for multilateral program details, including a breakdown of the \$298.4 million estimated cash by multilateral institution in 2010-11 (items for IDA, ADF, HIPC, GEF, CTF and MPMF in Table 12).
- 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 Education Programs' includes the Education for All Fast Track Initiative and UNICEF's Back on Track Initiative.
- e) 'Commonwealth organisations and Other' includes the Commonwealth Fund for Technical Cooperation, Commonwealth Foundation, Commonwealth Youth Program, the Consultative Group to Assist the Poor and some other minor Commonwealth organisations.
- f) 'AusAID Global Programs' includes expense items only. This is converted to an expenditure figure by adjustments detailed at (h) and (i) below.
- g) 'Less: new multi-year commitments' removes the total expense commitment for new multi year liabilities. There are no new commitments budgeted for in 2010-11 as at May 2010.
- h) 'Add: cash paid to multi-year liabilities' adds back \$302.2 million in cash expected to be paid to multilateral commitments in 2010-11, of which \$298.4 million relates to cash funding for multilateral organisations – see Table 12 on page 65 for program details and amounts in 2010-11 for each multilateral organisation. The \$3.8 million in cash for this item ('Add: cash paid to multi-year liabilities') also includes other cash paid against multi year liabilities such as the Nauru Settlement Treaty (also discussed in note (b) to Table 2 on page 70).
- i) 'AusAID Global Programs' includes AusAID global program expenses, adjusted for multi year liabilities. It is also shown as a line item in Table 1 on page 4.

Table 17: Australia's ODA 1971-72 to 2010-11 (page 68)

This table has been amended to reflect new GNI.

Glossary

ACFID	Australian Council for International Development
ACIAR	Australian Centre for International Agricultural Research
ACC	Australian Civilian Capacity
ADB	Asian Development Bank
ADF	Australian Development Fund
AIDS	Acquire Immune Deficiency Syndrome
AIPRD	Australia-Indonesia Partnership for Reconstruction and Development
ANAO	Australian National Audit Office
ANCP	Australian-NGO Cooperation Program
APEC	Asia-Pacific Economic Cooperation
AusAID	Australian Agency for International Development
ASEAN	Association of South East Asian Nations
BRAC	Bangladesh Rural Advancement Committee
CARICOM	Caribbean Community
CGIAR	Consultative Group on International Agricultural Research
CSIRO	Commonwealth Scientific and Industrial Research Organisation
G-20	The Group of Twenty Finance Ministers and Central Bank Governors
FTI	Education for All Fast Track Initiative
GAVI Alliance	Formerly the GAVI Alliance for Vaccines and Immunisation
GDP	Gross Domestic Product

GEF	Global Environment Facility
GNI	Gross National Income
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
IBRD	International Bank for Reconstruction and Development
ICRC	International Committee of the Red Cross and the Red Crescent
IDA	International Development Association
m	Million
MNCH	Maternal, neonatal and child health
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MOPAN	Multilateral Organisations Performance Assessment Network
MPMF	Multilateral Fund for the Implementation of the Montreal Protocol
NCD	Non-communicable diseases
NGO	Non-government organisation
ODA	Official development assistance
ODE	Office of Development Effectiveness
OECD	Organisation for Economic Cooperation and Development
PNG	Papua New Guinea
RAMSI	Regional Assistance Mission to Solomon Islands
REDD+	Reducing deforestation and forest degradation
STI	Sexually transmitted infection
UNAIDS	Joint United Nations Programme on HIV/AIDS

UNCERF	United Nations Central Emergency Response Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNPBC	United Nations Peacebuilding Commission
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
WFP	World Food Programme
WHO	World Health Organisation