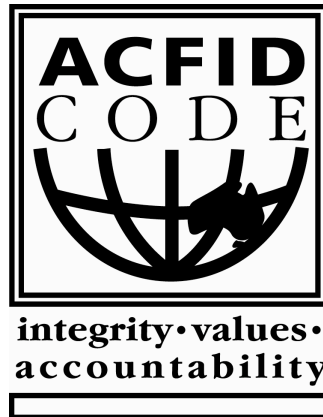




**Australian Council For
International Development**

**Pre-budget Submission to the
Australian Government
for the
Financial Year 2007–2008**



The ACFID Code of Conduct represents the active commitment of Australia's non-profit, overseas aid agencies to integrity and accountability in all their actions. It enhances the professional standards among agencies and thereby maintains public confidence in the way that community contributions to overseas aid are raised and used.

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SUMMARY

The Australian Council for International Development (ACFID) commends the Australian Government's commitment in 2005 to expand the aid program to \$4 billion in expenditure in 2010. Growth in spending in the 2007-08 budget and subsequent two budgets needs to reflect that commitment. At the same time, further consideration should be given for Australia to join the majority of OECD donor governments in their undertaking to spend half of one per cent of Gross National Income on aid and development by 2010. This would be consistent with Australia's outstanding economic record among the OECD group over the last decade, its positive medium-term growth forecast and its status as having the second most generous citizenry of all 22 OECD countries in private aid donations through non-profit agencies.

The Government's 2006 aid White Paper provided a sound framework to expand the program and to build stronger support within Australia for this program. There is now abundant international evidence that aid works. Australia can be proud of many of the outcomes achieved by its aid program, especially within the Asia-Pacific region. ACFID urges the Government to become more active in supporting educational, research and media initiatives to broaden public awareness of aid and development within Australia in 2007-08. This would build on the solid platform of knowledge and networks among NGOs, businesses, State and local governments and educational institutions.

ACFID also commends the Government's commitment to increase the accountability of the aid program in Australia, including by an annual report to parliament on aid effectiveness. Success in building public support for this initiative will depend on whether it translates to regular, practical measures to demonstrate greater transparency, especially where parts of the program may not have achieved optimal results.

The broadening of the Government's policy framework in 2006 for pursuing governance improvements through the aid program is very welcome. ACFID also welcomes the commitment to long-term program planning for pursuing governance, health, education and other complex objectives. A central component of this new agenda needs to be long-term and substantive support for programs that enhance the capacity of civil society to demand improved service delivery, especially in health and education. Recent AusAID initiatives to draw on Australian civil society ideas for shaping such programs are an important step in this direction.

A notable weakness of the Australian aid program is that it under-utilises innovative partnerships with Australian organisations that have expertise in designing, delivering and evaluating the aid activities. They include NGOs, educational institutions, business, State and local governments. Many of these have worked closely and successfully with communities in partner countries over decades. By using these partnerships in a more substantive way, Government will gain from both improved design and delivery of the program and further community support for the program overall.

An expanded aid program also needs to include appropriate funding for research and preparedness relating to the impact of climate change in neighbouring countries. In addition, support through the program for the use of clean energy in partner countries would make a significant contribution to resource utilisation in those countries over the medium to long-term.

RECOMMENDATIONS

(in order of presentation in this submission)

Main issues

1. Increase Australia's aid program to half of one per cent of Gross National Income (GNI) in 2010 and commit to reaching 0.7% by 2015.
2. Expand the proportion of governance-related funding which supports civil society to demand improved governance.
3. Leverage off the skills of Australia's NGOs and others to improve the delivery of new health, education, governance and livelihood initiatives.
4. Use innovative ways to draw on partnership opportunities with the NGO sector, facilitated by an increase in the AusAID-NGO Cooperation Program to 2% of the aid program.
5. Demonstrate transparency in public reporting about the aid program and apply an evaluation methodology that reflects the *Paris Declaration* principles.
6. Invest in a \$20 million, five-year research program to improve the quality of program design and analysis of aid and development issues.
7. Support the UK initiative for extending debt relief to all 66 low income countries and use debt-for-development swaps as a mechanism with Indonesia and the Philippines.
8. Increase funding for disaster risk management and renewable energy initiatives.
9. Place a high priority on aid to South East Asia while increasing aid, on a targeted basis, to Africa and the Middle East.

Sectoral Issues

10. Implement a substantive disability program to meet acute regional needs by using Australia's world-class expertise in this field.
11. Commit to long-term strategies for strengthening national health systems with a focus on district-level capacity, maternal and child health and sexual and reproductive health.
12. Commit to long-term interventions to support national education systems.
13. Provide support to the *Education for All Fast Track Initiative Catalytic Fund* and to the *Education Program Development fund* to assist those countries with inadequate bilateral support for education.

Cross-sectoral Issues

14. Increase Australia's support for the *Global Fund and Central Emergency Response Fund* and similar multilateral initiatives and institute strengthened accountability for multilateral bank replenishments.
15. Provide \$5 million as an humanitarian contribution for neglected disasters.
16. Increase funding in 2007-08 for those non-profit, volunteer-sending agencies which have demonstrated a capacity to deliver significant development outcomes.
17. Create a small Pacific Youth Ambassadors for Development (PYAD) program to bolster the quality of Australia's future links with the region.
18. Implement a robust monitoring system for returning scholarship holders
19. Fund a targeted program within Australia to achieve a higher level of community awareness of aid and development.

INTRODUCTION

ACFID's Role

The Australian Council for International Development (ACFID) represents 72 Australian non-profit aid and development agencies. It also runs an industry Code of Conduct which is recognised internationally as a robust quality assurance tool and has 105 signatories. Private donations to ACFID member agencies in 2005 were \$872 million and the annual growth in annual donations over the period 2000-2005 was 11.4% (excluding the \$350 million in direct donations for the Asian tsunami response).

ACFID members operate in over 100 countries and have worked closely with communities in most developing countries over several decades. Within Australia, ACFID members have over 930,000 regular private donors, many thousands of volunteers and steadily increasing support and sponsorship from the business sector. ACFID is represented on the Foreign Minister's Aid Advisory Council and the Trade Minister's Trade Advisory Council and contributes policy input regularly to government agencies and assists parliamentary enquiries. ACFID is also member of the Make Poverty History Campaign and the National Non-profit Roundtable.

The confidence of the Australian public in the effectiveness and accountability of ACFID member agencies is reflected in the relatively high and sustained growth in donations over the last five years and in a 2005 Roy Morgan Research survey which found that 81% of Australians believe that NGOs make a long-term impact on the lives of poor people overseas.

Aid Volume

Recommendation: Increase Australia's aid program to half of one per cent of Gross National Income (GNI) in 2010 and 0.7% in 2015.

The Government's welcome commitment to increase the aid program to \$4 billion in 2010 will enable Australia to achieve greater impact in partner countries and on program predictability. At the same time, this commitment needs to be matched by a strong focus on improving the effectiveness and accountability of the program.

Australia has been recognised as the OECD's outstanding economy for many years, with 15 consecutive years of growth and nine consecutive federal budget surpluses. No other OECD country has the prospect of sustaining such buoyant economic conditions in coming years. Australia has nearly one million regular private aid donors and ranks equal second among the 22 OECD countries for the generosity of its citizens. It has also had over 800,000, mainly young Australians, supporting Australia's Make Poverty History campaign. The Australian community will support an expanded program as long as it is seen to be effective and accountable.

With a few exceptions, other OECD governments have committed to reach aid spending of 0.5% of GNI by 2010. Many of these donor countries, including all European donors, are committed to achieving the UN target of 0.7% of GNP by 2015. Based on current planning, Australia would remain in the bottom group of OECD donors on the basis of aid/GNI in 2010 despite our superior economic circumstances.¹

MAIN ISSUES

1. Governance

Recommendation: Expand the proportion of governance-related funding which supports civil society to demand improved governance.

Australia has the opportunity and capacity to promote more effective governance practices and cultures of accountability with partner countries and ACFID commends the Government for broadening its approach to the promotion of governance since the aid White Paper. The *Building Demand for Better Governance* initiative provides the basis for developing a long-term and more substantive focus on supporting civil society to demand better services. ACFID has engaged actively in recent efforts to design programs that will promote a stronger community voice for accountability within developing countries. To achieve sustainable gains in this area, it is important for program design and delivery to involve both government and non-government expertise.

The World Bank and the OECD Development Assistance Committee place strong emphasis on developing the capacity of civil society to make governments and non-government service providers responsive to community needs. Programs of this kind can be a powerful tool to improve service delivery, reduce corruption and promote human rights. In some cases, they have demonstrably helped to improve government accountability and citizen 'voice' in gaining access to services. In achieving these results, such programs also foster the pre-conditions for political stability and encourage business confidence for investment and job generation.

The main challenge for donor agencies is to ensure their program design matches the complex operating environment in partner countries and recognises the limited absorptive capacity in many communities. A long-term commitment is vital in pursuing this objective because it is rarely possible to achieve quick tangible outcomes in such complex social change processes. Australia is fortunate to have a pool of skills and networks outside Government on which it can draw throughout these longer-term programs.

¹ The OECD Development Assistance Committee Peer Review (December 2004, p. 14) identified Australia as one of the only OECD countries not to make a timing commitment to the international objective of 0.7 per cent of GNI and concluded, "*Australia should revisit the issue of ODA commitments in view of the fact that it has much to contribute as a bilateral donor and in light of the needs of its partners and its ambitious agenda in the region*".

Some ACFID member agencies have been pioneers in the use of innovative programs to promote a community voice. The recent World Bank/International Monetary Fund (IMF) annual meeting showcased how one of these approaches, called social accountability, can transform the quality of governance if pursued over the medium-term. In PNG, the AusAID-funded Church Partnership Program has already demonstrated the potential for pursuing these objectives and several recent NGO reports have identified practical civil society programs that could be undertaken in that country to address bolster governance programs.²

2. Partnership with NGOs

Recommendations:

- **Leverage off the skills of Australia's NGOs and others to improve the delivery of new health, education, governance and livelihood initiatives.**
- **Use innovative ways to draw on partnership opportunities with the NGO sector, facilitated by an increase in the AusAID-NGO Cooperation Program to 2% of the aid program.**

While the Government faces enormous challenges in achieving its White Paper objectives, it has the benefit of ready access to an under-utilised asset in developing its program. In addition to the skills in educational institutions, business and State and local governments, Australia has NGOs with extensive expertise and valuable networks in partner countries. Leveraging a more effective partnership with these agencies opens the way to greater innovation in the design and implementation of new program initiatives, especially in health, education, governance and livelihoods.

The AusAID-NGO Cooperation Program (ANCP) has been the primary mechanism for partnership with NGOs over many years. Only agencies accredited through a rigorous vetting system access this modest program (currently 0.9% of Australian aid). The ANCP has proved to be a sound vehicle for investment in people development and community capacity in partner countries. This is reflected in AusAID's 2006 evaluation of ANCP projects in Cambodia which concluded that the program was good value for taxpayers' money and that the NGO programs promoted effective and sustainable aid outcomes.

This strong 2006 endorsement of the ANCP reaffirmed earlier AusAID evaluations of NGO programs. It was also consistent with the IMF's evaluation in 2005, *Does foreign aid reduce poverty?*. This evaluation showed that, across a large sample of NGO programs in many countries, some NGO programs were more effective than official aid donor programs.

Increasing the ANCP to 2% of the aid program would enable government to leverage off the long-established relationships and operating systems with

² *A Situational Analysis of Child Sexual Abuse and the Commercial Exploitation of Children in Papua New Guinea*, HELP Resources Inc. with support of UNICEF PNG, January 2005; *Papua New Guinea: Violence Against Women: Not Inevitable, Never Acceptable*, Amnesty International, September 2006; *Gutpela Tingting na Sindaun: Papua New Guinean perspectives on a good life*, World Vision Australia, June 2006; *Bulldozing Progress: Human Rights Abuses and Corruption in Papua New Guinea's Large Scale Logging Industry*, The Centre for Environmental Law and Community Rights (CELCoR), PNG with The Australian Conservation Foundation (ACF). July 2006.

partner communities and the ability to pursue flexible and innovative programs and very low overheads (typically half those of commercial contractors). Recent examples of ANCP-funded projects that align closely with government priorities include:

- CARE Australia's Savings Mobilisation Project in Battambang Province, Cambodia. This project supported private sector-led rural development through the creation of local credit unions whose 21,000 members have been able to break free from exploitative money-lending practices.
- Anglican Board of Mission's Water and Sanitation projects in the Philippines. More than 30 remote communities gained access to reliable water supplies, directly contributing to the reduction in water-borne diseases, poor nutrition and time in fetching water, resulting in improved overall health and productivity.
- World Vision's Xieng Ngeun Maternal and Child Health project in Laos. This project has implemented a model of locally-based health care in 17 target villages using Village Development Committees resulting in strengthened health infrastructure and training for health staff and village-level health workers.

All of these projects can be scaled up and made sustainable. Similar projects could be readily extended to new areas with minimal risk.

3. Aid Effectiveness

Recommendation: Demonstrate transparency in public reporting about the aid program and apply an evaluation methodology that reflects the *Paris Declaration* principles.

The Government made a commitment, when launching its 2006 aid White Paper, that it would demonstrate the value and effectiveness of the aid program to the Australian public. ACFID applauded this commitment because:

- it will directly promote Australian community confidence in, and support for, aid spending over time
- the design and delivery of the aid program will inevitably improve
- it sends a signal to partner countries that Australia practices what it preaches on program accountability.

ACFID believes that the Government should adopt an independent mechanism for evaluating its aid program to ensure public confidence and achieve the maximum benefit of continuous learning for program improvement. However, within the internal process that has been created, ACFID welcomes the fact that relevant overseas knowledge has been used in shaping the process. The quality of this process will become evident by its results in mid-2007.

Australia could usefully draw on the experience of the World Bank's independent evaluation process to avoid pitfalls. This process achieved international credibility because it regularly provided candid information about weaknesses as well as strengths in World Bank programs. To achieve similar credibility, the Government needs to consider the sort of practical measures likely to enhance external confidence. These might include a system of rotating staff from a range of sources inside and outside government, issuing regular reports about specific program evaluations separate to the annual report to parliament and appointing senior staff with expertise which is acknowledged outside government.

The evaluation methodology for this work needs to reflect Australia's commitment to the *Paris Declaration on Aid Effectiveness*. The components of the Paris Declaration are ownership, alignment, harmonisation, management for results and mutual accountability. There is a particular focus on taking full account of both partner government views and those of the target communities which are intended as beneficiaries.

Decades of Australian Government and NGO experience in Melanesia provide living proof for one of the principles of the Paris Declaration. This is that, where we decide to commit to activity in a partner country, we must do so with a long-term view (ie 10-20 years) in mind. This is most obvious when it comes to achieving systemic change in health and education systems. In this context, ACFID welcomes the Government's recent statements re-affirming the long-term nature of its development strategies.

4. Research

Recommendation: Invest in a \$20 million, five-year research program to improve the quality of program design and analysis of aid and development issues.

Australia is behind many other donor countries in using its aid-related research strengths to advantage, including for improvement in aid program design. Despite a range of skills across the private sector, universities and NGOs, we undertake little independent and publishable, applied research. Yet, a modest effort could leverage this pool of knowledge to develop a significant body of internationally-recognised work over time. This could directly assist in the policy analysis of prospective models and practices in the official program. It would certainly forge the kind of synergies which have emerged in some other donor countries.

Australian think-tanks are becoming increasingly interested in development issues. These include the Lowy Institute, Australian Strategic Policy Institute, Australia Institute and the Centre for Independent Studies. In addition, the 13 university-level development studies programs also have under-utilised research capacity. However, the current Australian Research Council (ARC) grant model makes it difficult for NGOs or business to collaborate with academic researchers.

The funding framework used by Australia's National Health and Medical Research Council might be a suitable model for developing this capacity. This would catalyse a range of expertise towards applied research and help bring together clusters of expertise across the think-tanks, NGOs, academics and private companies. Strengthening research capacity through such collaboration is likely to produce noticeable benefits for the design of Australia's aid program within several years.

5. Debt Relief

Recommendation: Support the UK initiative for extending debt relief to all 66 low income countries and use debt-for-development swaps as a mechanism with Indonesia and the Philippines.

ACFID commends the Government's speedy implementation of its commitments under the Multilateral Debt Relief Initiative (MDRI). In 2006/07, this meant that 100% relief of multilateral debts was offered to heavily indebted poor countries eligible under the MDRI. At the same time, many other developing countries stand to benefit from similar debt relief.

In 2005, the UK proposed that a debt relief initiative be provided to all 66 low-income countries to build on the success of the MDRI's work in 19 developing countries. Australia should support this initiative. Using MDRI-style accountability arrangements, such an initiative could be expected to lead to a substantial increase in investment in health and education services in developing countries, as has occurred already in some of the MDRI countries.

Consistent with the Government emphasis on fostering functioning and effective states, Australia should also pursue bilateral 'debt for development' swaps with Indonesia and the Philippines, which owe \$1.2 billion and \$235 million to Australia respectively. Similar swaps have been undertaken by Canada, Germany, France, Italy and Switzerland to boost spending on essential services in partner countries. This led to a 66% increase in primary schooling in Mozambique and access by 2.2 million Ugandans to potable water.

6. Climate Change

Recommendation: Increase funding for disaster risk management and renewable energy initiatives

Climate change threatens to undermine efforts to reduce poverty and promote stability in the Asia and Pacific region. As the regional leader, Australia needs to take action to mitigate the major impacts of climate change by reducing Australia's greenhouse gas emissions and by assisting neighbouring countries to take a low carbon energy path to sustainable development.

ACFID recommends that Australia adopt a national framework to reduce Australia's greenhouse gas emissions by at least 60% of 1990 levels by 2050, with an implementation timetable for a 20% reduction in greenhouse gas emissions by 2020. This would form part of a whole-of-government approach, including an audit of all programs that raise vulnerability to climate change impacts throughout the region.

In relation to the aid program, the AusAID Environment Strategy currently under development should recommend support for renewable energy projects and assist vulnerable communities to adapt, where possible, to the changing environment. Analysis of the impact of climate change should be integrated into all aid program planning and should be based on the best available independent research. The development of strategies for adaptation and mitigation need to include community input in developing countries at each stage of the cycle – in research, design, decision-making and implementation.

ACFID commends the priority given to clean energy initiatives in the aid White Paper. However, in recent years, the proportion of AusAID funding for such projects has been decreasing, with only \$238,000 devoted to such projects in 2006-07.³ Consistent with Australia's commitment to assisting developing countries in the transfer and use of technologies with low-carbon emissions⁴, ACFID recommends that the aid program identify appropriate energy projects and enhance support to the renewable energy sector.

7. Geographic Balance

Recommendation: Place a high priority on aid to South East Asia while increasing aid, on a targeted basis, to Africa and the Middle East.

ACFID welcomed the increase in aid to South East Asia in the 2006-07 Budget. While aid to the Pacific continues to be of great importance, a re-balancing of aid towards Asia was long overdue. Around 99% of the extremely poor people living in Australia's region are Asians. For this reason, scaling up programs in South East Asia, in particular, is warranted.

Within Asia, the aid White Paper identified Indonesia, the southern Philippines and the countries of the Mekong Delta as priority areas for increased spending. The focus on the Philippines is important, but should not be restricted just to the south of that country, given the critical development issues in the north. With the worsening humanitarian situation in Burma and Sri Lanka, maintaining a strong commitment to these countries is also important. This should include, as a component, the use of effective NGO programming to support the delivery of basic services in conflict-affected areas.

Australian aid to the Middle East and Africa is small and largely delivered through multilateral agencies and NGO programs. Recognising that the predominance of EU donors in these regions means AusAID is unlikely to introduce its own programs, Australian's NGO and multilateral commitments to these regions should be expanded to take account of the fact that:

- Sub-Saharan Africa is the only area in the world where the number of people in extreme poverty is consistently increasing at the same time as funding for vital humanitarian work by multilateral agencies is consistently under-subscribed.

³ AusAID Answers to Questions on Notice, June 2005, p. 121.

⁴ Article 4.3 of the United Nations Framework Convention on Climate Change.

- AusAID-NGO Cooperation Agreements in both Africa and the Middle East have been successful in building sustainable communities in a way that has complemented, rather than competed with, other donor activities.
- The impact of these programs is a tangible sign of Australia's continued commitment to some of the world's most troubled regions.

Current AusAID-NGO Cooperation Agreements for Africa and the Middle East will expire in June 2007. ACFID recommends that funding be made available for the renewal and expansion of these programs in the 2007-08 Budget. Existing agreements have delivered high quality, sustainable poverty reduction programs in close partnership with local NGOs and communities. Such agreements could now be expanded to cover other priority countries, especially Sudan, where Australia has been actively engaged in the implementation of the Comprehensive Peace Agreement.

SECTORAL ISSUES

1. Disability

Recommendation: Implement a substantive disability program to meet acute regional needs by using Australia's world-class expertise in this field.

Australia is a world leader in the design and delivery of disability services⁵ and the Government has demonstrated a major commitment to support for people with disability within Australia. At the same time, Australia's immediate region has barely started to identify the needs of people with disability, let alone provide targeted services to assist them. The Government should draw on the large set of disability-related expertise and skills in Australia to design a substantive disability program within the aid program.

The World Bank and the Asian Development Bank (ADB) treat disability as a major cause and consequence of poverty. Many donor programs including DFID, NZAID, USAID, JICA, CIDA⁶ and those of many European Union countries, now have specific disability policies, funding windows and partnerships. This reflects global recognition by donors that disability is not a marginal addition to current program activity. They have accepted that, just as inclusion of people with disability is a fundamental feature of our domestic government service delivery programs, it is essential to achieve effectiveness in aid delivery.

⁵ The Australian peak body for disability services, ACROD, links with ACFID members as the Australian Disability and Development Consortium (ADDC) to provide strong Australian disability expertise with overseas development experience.

⁶ UK Department for International Development (DFID), New Zealand's International Aid and Development Agency (NZAID), US Agency for International Development (USAID), Japan International Cooperation Agency (JICA), Canadian International Development Agency (CIDA).

Pacific Island countries have begun to respond to this vast challenge and a range of ACFID member agencies are assisting their efforts on a small scale. It is encouraging that the Pacific Forum Secretariat has given some priority to disability, including in creating a Disability Coordination Officer to strengthen the capacity of governments and NGOs.

At the October 2006 Pacific Civil Society Forum, Pacific leaders highlighted the importance of upgrading work on disability. They asked ACFID to convey the need of their countries for enhanced Australian support in designing relevant disability programs.

2. Health

Recommendation: Commit to long-term strategies for strengthening national health systems with a focus on district-level capacity, maternal and child health and sexual and reproductive health.

ACFID welcomed the White Paper's identification of maternal and child health, strengthening national health systems and major diseases as priorities for program development. After several years of low health funding levels in the aid program, it is important that the expansion of activity is based on long-term strategies. The key strategy needs to be a 'whole of health system' approach rather than one focussing on individual diseases via vertical programs (eg an immunisation program on its own). This means designing program support to bolster health facilities and equipment, training for staff, sound health information systems and efficient and effective service delivery.

Sexual and reproductive health services need to be part of the expanded support for primary health care in partner countries because targeted work in this area will reduce maternal mortality, peri-natal deaths and the incidence of sexually transmitted infections. In 2002, the World Health Organization estimated that sexual and reproductive health problems accounted for 18% of the total global disease burden and 32% among women of reproductive age. In Thailand, every dollar invested in its family planning program saved the government more than \$16 and in Egypt \$31.⁷

ACFID welcomes the Government's proposed increase in funding for HIV prevention and treatment. At the same time, programming needs to be incorporated into wider reproductive health care to be effective. Australia should support the international initiative to integrate sexual and reproductive health, including family planning, with the management of sexually transmitted infections and HIV prevention and care.

Australian NGOs have already played a significant role in large health programs and provide a cost-effective way to contribute to the scaling up of the health component of the aid program.

⁷ Alan Guttmacher Institute, 2003, *Adding it up: the benefits of Investing in Sexual and Reproductive Health Care*.

3. Education

Recommendations:

- **Commit to long-term interventions to support national education systems.**
- **Provide support to the *Education for All Fast Track Initiative Catalytic Fund* and to the *Education Program Development Fund* to assist those countries with inadequate bilateral support for education.**

The recent draft AusAID Education Policy *Delivering Better Education* provides a sound rationale and framework for intervention coordinated by partner governments. In scaling up this program area, the overall strategy needs to:

- Ensure quality and relevance of learning materials
- Develop adequate teaching skills and relevant remuneration systems
- Reach remote regions by using innovative programs and technology
- Make education accessible to marginalised groups such as women, people with disability and ethnic minorities
- Ensure that a reasonable proportion of primary students can progress to lower secondary school.

The Government's commitment to long-term aid planning is particularly important in expanding this support over coming years as many donor projects have been ineffective in the past due to 3-4 year project time-frames. Australia is a world leader in innovative educational approaches and technologies for remote and other difficult contexts. Therefore, the emerging strategy should use these skills to tailor interventions as needed. In addition to basic education benefits, these mechanisms (eg rural radio programs) can be important sources of information on HIV and other pandemics as well as other topics, raising the overall educational level of the population.

Consistent with the Paris Declaration on Aid Effectiveness, ACFID recommends that funding be provided to the *Education for All Fast Track Initiative Catalytic Fund* and to the *Education Program Development Fund*.

CROSS-SECTORAL ISSUES

1. Multilateral Funding

Recommendation: Increase Australia's support for the Global Fund, Central Emergency Response Fund and similar multilateral initiatives, and institute strengthened accountability for multilateral bank replenishments.

The Government made welcome commitments to multilateral programs for 2006-07. These included UNICEF; UNDP; the Central Emergency Response Fund (CERF); the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccination and Immunisation (GAVI). Given evidence of the capacity of the Global Fund, GAVI and CERF to achieve significant impact in line with Government objectives and Australia's comparative

contribution to date, ACFID recommends increasing the scale of funding support to these agencies in 2007/08.

Active consideration should also be given to supporting other well-coordinated, practical initiatives which have the potential to address major health risks at a global level. These include the Micronutrient Initiative, International Finance Facility for Immunisation, Stop TB Partnership and the Roll Back Malaria Partnership.

The World Bank and ADB are key multilateral partners, with Australian commitments growing by 25% in the most recent replenishment round. These donors clearly have a major role in supporting infrastructure development and other projects in our region. At the same time, the effectiveness and accountability of the World Bank and ADB have been widely criticised, including by their own evaluation departments. For example, the World Bank's Independent Evaluation Department recently reported that the World Bank's education programs did not have an appropriate focus on outcomes and overly emphasised raw student numbers over educational quality.

In order to improve public confidence in the efficacy of Australia's multilateral funding and to demonstrate transparency of this part of the program, a formal review process should be implemented so that the effectiveness of Australia's multilateral contributions can be assessed outside Government on an annual basis. This should involve one or more appropriate people from outside Government.

Australia has used its directorships in multilateral banks in recent years to promote improved governance and accountability in these organisations. It should continue this effort and join other donors in urging these institutions to put in place a more effective framework for engagement with civil society in developing countries.

2. Humanitarian Funding

Recommendation: Provide \$5 million as an humanitarian contribution for neglected disasters.

The Government has a strong track record of funding for humanitarian and emergency situations internationally, with the program reaching \$175 million last year. The timeliness of responses and the effectiveness of joint responses with Australian NGOs has been a highlight of the aid program.

There are some ongoing humanitarian situations which have been a low priority for most donors, including Australia, and which warrant an improved Australian response. As an indication of this 'neglected disaster' issue, the United Nations' appeal for the drought and hunger crisis in the Horn of Africa received only 36% of funding requested, the Republic of Congo appeal received 38% of necessary funding and only 44% of necessary funds went to Burundi. ACFID, therefore, recommends a \$5 million additional contribution to the UN's Consolidated or Flash Appeals.

3. Volunteer Program

Recommendation: Increase funding in 2007-08 for those non-profit, volunteer-sending agencies which have demonstrated a capacity to deliver significant development outcomes.

Volunteering is a cost-effective aid delivery mechanism with significant benefits in terms of building long-term links with partner countries. This is especially important in Australia's neighbourhood where there is the opportunity to influence the perceptions of a new generation about Australia and Australians.

Australia has a proud record of contributing to development outcomes in regional and other countries through volunteering. Making a direct development contribution is the distinctive feature of any good volunteering scheme, rather than simply ensuring that volunteers have a wonderful life experience.

Australia's non-profit volunteer agencies have demonstrated a strong development focus in their programs, including through direct support for AusAID's objective of accelerating economic growth in partner countries and through its objective of 'investing in people'. A modest expansion of funding would enable government to make better use of public/private partnerships in aid delivery (eg the Business Coalition on HIV/AIDS) and of more innovative funding mechanisms (eg government matching funds from the private sector).

4. Pacific Leadership

Recommendation: Create a small Pacific Youth Ambassadors for Development (PYAD) program to bolster the quality of Australia's future links with the region.

The Government's plan to build stronger links with the Pacific region through a *Pacific Leadership Program* is most welcome. ACFID recommends that funding also be provided to create a small and complementary program.

Creating a *Pacific Youth Ambassadors for Development (PYAD)* program would provide a platform for bringing young Pacific leaders to Australia and placing them in temporary work settings at all three levels of Australian government, within the private sector and in NGOs. Based on the evidence of Australia's successful volunteering sector overseas, this would undoubtedly build a long-term and positive set of relationships between these young leaders and their Australian counterparts. The proposed program could be:

- A three-year pilot program
- Targeting Papua New Guinea, Solomon Islands, Vanuatu and East Timor

- Involving two six-monthly attachments per country per year (total of 24 people) twinned with the same number of Australian Youth Ambassadors for Development (AYADs)
- The program would need to twin with Australian Youth Ambassadors currently in employment and would involve a swapping arrangement
- Placement would be within Australian Federal, State and Local Government departments; the Australian private sector and Australian non-government organisations
- Establishment of a PYAD/AYAD Alumni
- Establishment of an in-country selection panel to identify participants (and involving an Australian Government post representative)

5. Australian Development Scholarships (ADS)

Recommendation: Implement a robust monitoring system for returning scholarship holders.

The Government's plan to double the number of scholarships by 2010, representing over \$400 million of new spending, is welcome. It will require a robust monitoring and evaluation system to ensure that the opportunity cost of this form of expanded education expenditure is warranted.

The review of ADS⁸ in 2005 identified a need to assess the broader impact beyond individual gain. This includes monitoring how new learning and skills are being utilised, especially within government service, in the two to three years after return.

The long-term quality of the expanded program will depend on whether a suitable mix of candidates from government, the private sector and NGOs are selected. The quality of the selection process needs to be central to any evaluations. In this regard, ACFID recommends that government seek input from a range of sources, including NGOs which have extensive networks in partner countries, to contribute to the identification of suitable scholarship candidates.

Consideration should be given to providing selected scholarships to refugees (eg from Burma) for study in suitable schools and universities in host countries such as Thailand, India and Malaysia. Education in those countries is often more relevant and cost-effective than study in Australia and provides refugees with greater employment and re-settlement opportunities. In the event of political improvements in the home country, this group would provide a key part of the educated human resources for nation re-building.

⁸ *Australian Development Scholarships: Issues Paper*. August 2005. p. 22.

6. Development Education

Recommendation: Fund a targeted program to achieve a higher level of Australian community awareness of aid and development.

AusAID has undertaken effective development education activities through education contractors over many years. This has included teacher training and development education kits which have been complementary to the development education programs of ACFID member agencies. Together, these programs have helped to build understanding about Australia's overseas aid activities, especially with young people.

ACFID endorses the recommendations of the aid White Paper's *Community Engagement* analytical paper. Australia needs a more substantial development education capacity within the aid program. This step could lead to an innovative mix of communication strategies between government and NGOs to achieve greater awareness of, and support for, the Australian aid program.

The key to such a program would be to build on the existing expertise of Australian development educators. This could include commissioning targeted research and market analysis of communication methods to match different segments of the Australian community. There is also considerable potential to build on existing links with State and local governments, universities and ACFID member agencies.

Proposals

1. A program of support for school-to-school partnerships between Australia and the Pacific

Two-way teacher exchanges would provide exposure to Australian culture and teaching methodologies for Pacific teachers. Equally, exposure to Pacific cultures and aid and development issues would assist interested Australian teachers. Pre-departure training over several weeks would be needed for both the Australian and Pacific teachers and classroom assignments with students on return home. Teachers would also be linked to service clubs and on their return would give talks about their Pacific experiences at these and Parents and Friends nights.

2. Development Forums

Building on the positive experience of AusAID and ACFID member agencies in collaborative work at primary school level, forums should be run to showcase the Australian development sector for a secondary and tertiary audience. This could involve commonwealth and state governments, universities, business and NGOs exhibiting and giving talks on the work of the development program. These forums could be linked with career days, university orientation weeks and other events.

3. Global education curriculum for secondary schools

Development and trialling of innovative modules and materials on international development and poverty could be done collaboratively by state and federal governments and draw upon case study material from NGOs, business and AusAID.

4. Media campaign

A media campaign would highlight the impact of Australia's aid program and could include brief TV spots and short documentaries on initiatives that have had a clear impact on the lives of recipients of Australia's aid program. Given the increasing public awareness of the Millennium Development Goals (MDGs), this program would include the MDGs in its public education.