



Introduction and Key Recommendations



PHOTO KATE HOLT/AFRICA PRACTICE/ CARE OF AUSAID

This document contains ACFID's four **key recommendations** for the 2011-12 Budget for the international development assistance program. In addition, further initiatives for the aid program can be found in six information sheets entitled '**Doing our Fair Share**', '**Improving Health Outcomes**', **Reducing Violence and Empowering Women**', '**Supporting Rural Livelihoods**', '**Responding to Conflict**', and '**Research and Innovation**'.

Annette Nandase, a beneficiary of the Beads of Hope Mbuya project, threads beads inside her home in the Mbuya district of Kampala, Uganda.

Contents

Introduction

The Australian Council for International Development (ACFID)

Australia's Aid and Development Commitments

Key Recommendations

Recommendation 1: An **Evenly Weighted Timetable** for Increasing Australia's ODA

Recommendation 2: Improving Health Outcomes through **Water and Sanitation**

Recommendation 3: A Focus on **Disability Inclusive Primary Education**

Recommendation 4: Improving **Disaster Risk Reduction (DRR)** and tackling **Climate Change** through Communities

ACFID's **Vision for Australian Overseas Development Assistance (ODA)**



Copyright
UNDP
Brazil

ACFID Member Organisations:

40K Foundation Australia	Australian Volunteers International	Live & Learn Environmental Education
Act for Peace – National Council of Churches Australia	Baptist World Aid Australia	Mercy Works Inc.
ActionAid Australia	Burnet Institute	Mission World Aid Inc.
ADRA Australia	CARE Australia	Muslim Aid Australia
Afghan Australian Development Organisation	Caritas Australia	Nusa Tenggara Association Inc.
Anglican Board of Mission - Australia Limited	CBM Australia	Opportunity International Australia
AngliCORD	ChildFund Australia	Oxfam Australia
Archbishop of Sydney's Overseas Relief and Aid Fund	Credit Union Foundation Australia	Oz GREEN - Global Rivers Environmental Education Network Australia Inc.
Assisi Aid Projects	Foresight (Overseas Aid and Prevention of Blindness)	Partners in Aid
Australasian Society for HIV Medicine	Fred Hollows Foundation, The	PLAN International Australia
Australia for UNHCR	Friends of the Earth (Australia)	Project Vietnam
Australian Business Volunteers	Global Development Group	Quaker Service Australia
Australian Conservation Foundation	Habitat for Humanity Australia	RedR Australia
Australian Doctors International	HealthServe Australia	RESULTS Australia
Australian Federation of AIDS Organisations	Hunger Project Australia, The	Salesian Society Incorporated
Australian Foundation for the Peoples of Asia and the Pacific	International Centre for Eyecare Education	Save the Children Australia
Australian Lutheran World Service	International Christian Aid Relief Enterprises Limited	Sexual Health & Family Planning Australia
Australian Marist Solidarity Ltd	International Help Fund Australia	TEAR Australia
Australian Medical Aid Foundation	International Nepal Fellowship (Aust) Ltd	Transparency International Australia
Australian Reproductive Health Alliance	International Women's Development Agency	Union Aid Abroad-APHEDA
Australian Respiratory Council	Interplast Australia & New Zealand	UnitingWorld
	Lasallian Foundation	WaterAid Australia
	Leprosy Mission Australia, The	World Education Australia Limited
		World Vision Australia
		WWF Australia

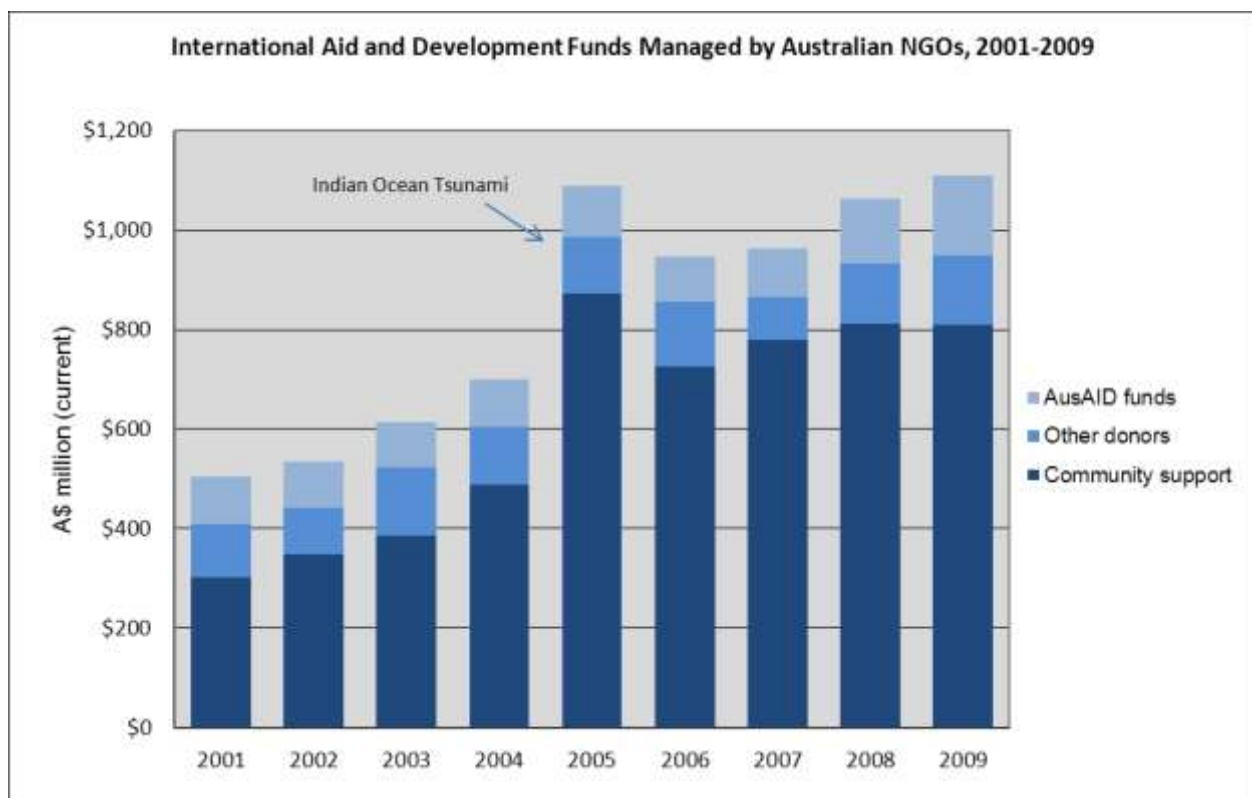
The Australian Council for International Development (ACFID)

ACFID is the peak body for Australian non-government organisations (NGOs) working in the field of international aid and development. ACFID has over 70 members who operate in over 100 developing countries worldwide.

With over 45 years of experience working collaboratively with communities and governments, we bring a critical perspective on international development issues to discussions with the Australian Government. We also enjoy the respect and support of the Australian community. In 2009, 1.08 million Australians were regular donors to Australian development NGOs and community donations totalled over \$800 million. This figure represents about 73% of all funds raised by the sector.

The sector is a partner with the Australian Government in delivering humanitarian aid, operating on-the-ground in developing countries alongside government agencies and working in some countries where there is no other Australian presence.

ACFID administers a rigorous Code of Conduct which represents the active commitment of 120 Australian overseas aid organisations to strive for best practice in the areas of integrity, transparency and accountability.



Australia's Aid and Development Commitments

ACFID sees two areas as central to framing our recommendations for Australian international development assistance in 2011-12: the Millennium Development Goals and the Government's commitments.

1. The Millennium Development Goals (MDGs): In 2000, 189 Heads of State and Government, including Australian Prime Minister John Howard, agreed to halve the number of people in the world living in extreme poverty by 2015. There are bipartisan commitments to these goals:

*"... we said we would be measured by these Millennium Development Goals in 2015 ... The answer is not to push our commitments even further into the future. Nor is the answer simply to sweep it all quietly under the international carpet. The answer is to do that which we say we will do ... **The Gillard Government puts the MDGs at the heart of our aid program.**"*

– The Hon. Kevin Rudd, Minister for Foreign Affairs¹

*"Fundamental to our foreign policy objectives is a renewed focus on overseas aid. **We will honour our commitment to spend 0.5 per cent of gross national income on overseas aid ... We are committed to the millennium development goals both as a moral obligation and as part of our regional security.**"*

– The Hon. Julie Bishop, Shadow Minister for Foreign Affairs²



2. Gillard Government Commitments: In its 2010 Federal Election Platform,³ the Gillard Government made commitments to focus on a number of areas within the aid program, including:

- Improving the effectiveness and accountability of our aid;
- Access to education;
- Better maternal health for women and children;
- Access to water and sanitation;
- Helping our neighbours adapt to climate change;
- Tackling avoidable blindness;
- Eliminating violence against women; and
- Supporting Australian volunteers.

In addition, the Government announced the following commitments at the UN Summit on the Millennium Development Goals on 22 September 2010:⁴

- Working towards providing 0.15% of our GNI in aid to the least developed countries;
- Providing \$5 billion in ODA directed to education by 2015;
- Providing \$1.6 billion in ODA directed to women's and children's health by 2015;
- Providing \$1.8 billion in ODA directed to food security by 2015; and
- Providing \$1.2 billion in ODA directed to climate change adaptation and mitigation in developing countries, including 39 island nations, by 2015.

¹ The Hon. Kevin Rudd, Minister for Foreign Affairs, *Australian Statement to the High-level Plenary Meeting of the United Nations General Assembly (Millennium Development Goals Summit)*, New York, 22 September 2010.

² The Hon. Julie Bishop, Shadow Minister for Foreign Affairs, *Transcript: Foreign Affairs Debate at the National Press Club Canberra*, 12 August 2010.

³ Australian Labor Party, Federal Election Policy Document (2010) *A Good International Citizen: Australia's Development Assistance*.

⁴ The Hon. Kevin Rudd, op. cit.

Key Recommendations⁵

Recommendation 1: An Evenly Weighted Timetable for Increasing Australia's ODA

There is bipartisan support for increasing ODA to 0.5% of Australia's Gross National Income (GNI) by 2015. Further, the Gillard Government's election platform includes a commitment to continue progressively increasing ODA to 0.7% of our GNI as economic and fiscal conditions permit.⁶

Government projections to increase Australia's ODA are currently weighted too unevenly towards the final two years of this commitment. **ACFID recommends that the increase instead be evenly weighted across the period from 2011-12 to 2015-16, as per the table below.**

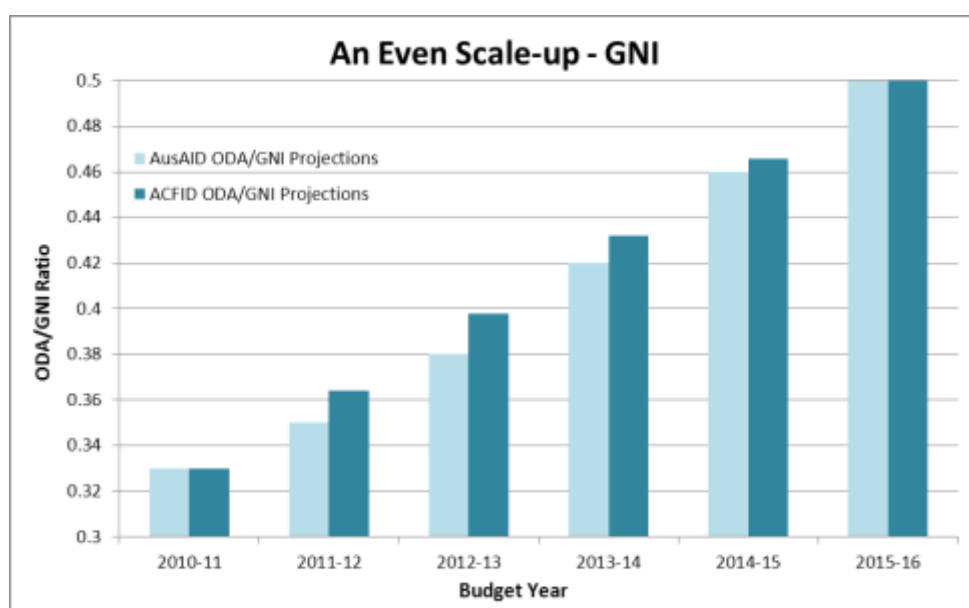
Budget Year	AusAID ODA Projections (AU \$m current)	ACFID ODA Proposal (AU \$m current)	Difference between AusAID and ACFID ODA figures (AU \$m current)	AusAID ODA/GNI Projections	ACFID ODA/GNI Proposal
2010-11	4349	4349	0	0.33	0.33
2011-12	4843	5037	194	0.35	0.364
2012-13	5534	5797	262	0.38	0.398
2013-14	6438	6622	184	0.42	0.432
2014-15	7421	7518	97	0.46	0.466
2015-16	8490	8490	0	0.5	0.5

*Note: GNI based on average nominal growth of 5.5% as suggested by Treasury forecasts.

An evenly weighted scale-up would allow government agencies to adjust to each budget increase progressively, as opposed to adjusting to relatively higher increases during the final years of the commitment.

Furthermore, an even increase would result in approximately an additional \$740 million in ODA over the period from 2011-12 to 2015-16.⁷

Australia currently provides significantly less ODA than the average provided by OECD countries (see table on the following page). Global trends and Australia's relative strength throughout the global financial crisis (GFC) mean that we are in a position to do more. An estimated 64 million people worldwide, for example, have fallen into extreme poverty in 2010 due to the GFC.⁸ A more equally weighted increase in the aid budget is required because of the significant needs for nutrition, education, health care and sanitation that exist now.



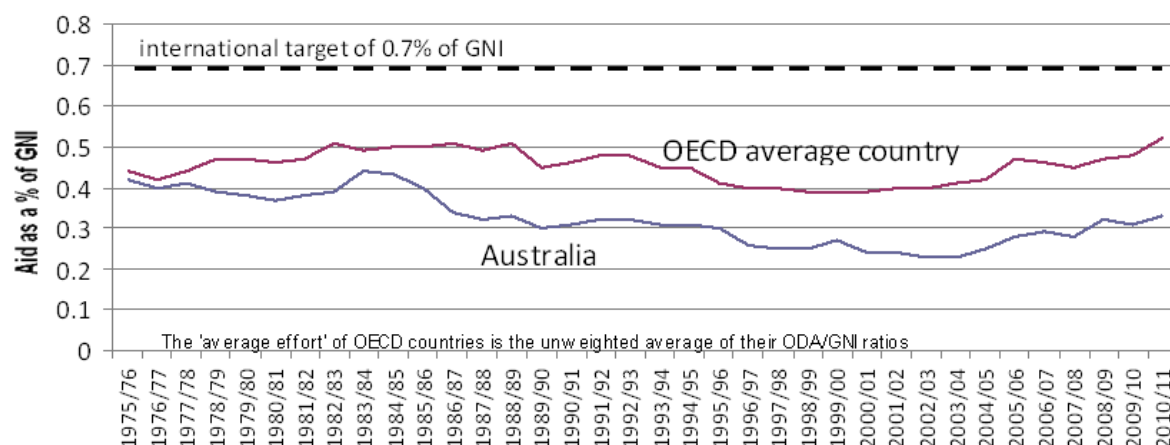
⁵ The recommendations we have made throughout our pre-budget submission include specific dollar amounts and percentages. These are intended to clarify our priorities and suggested budget measures, however our overall aim is to improve funding allocations in the aid program as a whole. Hence, our funding allocations are intended primarily as guides.

⁶ Australian Labor Party, op. cit., p. 4.

⁷ An extra \$740 million that would be available under a program of evenly weighted increases, if applied appropriately, could prevent the deaths of at least 300,000 children. Calculated using the conservative estimate of A\$2300 per life saved – this is the average cost per life saved through the Global Fund for AIDS, TB and Malaria.

⁸ The World Bank <http://www.worldbank.org/financialcrises/bankinitiatives.htm>, last accessed March 2010.

Australia's aid lags behind OECD average



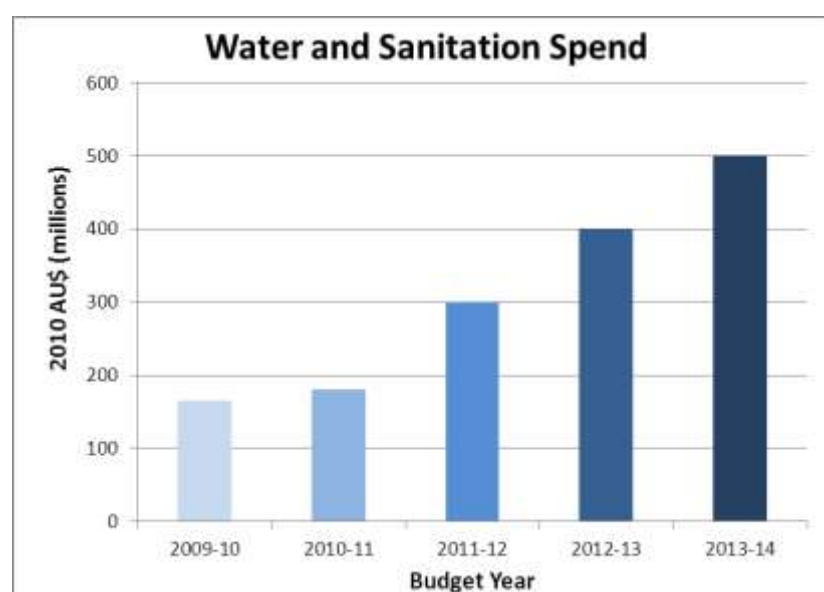
Graph source: DAC Development Cooperation Reports 1982-2010, AusAID budget

Recommendation 2: Improving Health Outcomes through Water and Sanitation

The Government's election platform includes a focus on improving water and sanitation, specifically through:

- Working to give more people access to clean water and sanitation;
- Improving water supply and sanitation infrastructure in poor urban and rural areas;
- Promoting better hygiene to maximise the benefits of improved water and sanitation services;
- Supporting partnerships to strengthen water planning and management, enhance access to safe drinking water, increase water conservation and storage capacity; and
- Enhancing sanitation and waste management to prevent the contamination of water.⁹

ACFID recommends that a clear, predictable timetable be announced to increase Australia's ODA to the area of sanitation, water and hygiene. Australia's commitment should reach \$500 million by 2014, with \$300 million being allocated in 2011-12. This would be an increase on the \$180 million provided for these measures in the 2010-11 aid budget.¹⁰ These basic services are needed to stop the spread of



disease, especially in children.

Diarrhoea is the leading cause of child death in Africa and the second leading cause globally. Over 90% of diarrhoea deaths are caused by dirty water and poor sanitation.

Budget Year	Water and Sanitation Spend (AU \$m current)
2009-10	165
2010-11	180
2011-12	300
2012-13	400
2013-14	500

⁹ Australian Labor Party, op. cit., p.10.

¹⁰ This increased funding should be directed through NGOs commensurate with their capacity and focus on basic services as defined by the UN Global Annual Assessment of Sanitation and Drinking Water (World Health Organisation (2010) *UN Global Annual Assessment of Sanitation and Drinking Water: Targeting resources for better results*) for people who currently do not have access to water and sanitation.

Improving access to sanitation and water is the foundation for gains in other development outcomes, including achieving MDGs 1, 2, 4, 5 and 7 (improving nutrition, school attendance, child health, maternal health and environmental sustainability). Yet globally total aid for all aspects of water and sanitation, as measured by the Organisation for Economic Co-operation and Development (OECD), fell from 8% to 5% of total ODA between 1997 and 2008. This continued neglect is one of the reasons why sanitation is the most off-track MDG target in Sub Saharan Africa and at current rates will not be met until the 23rd century. Lifting aid for water and sanitation from \$180 million to \$300 million in 2011-12 will allow at least 600,000 more people each year to have adequate water and sanitation facilities.¹¹

In Asia and the Pacific, Australia is well placed to play a leading role by establishing a greater number of long-term bilateral programs which include water and sanitation. Similarly, Australian and international NGOs are well placed to assist in the delivery of additional water and sanitation services and programs in this region.¹² Among the thirty most off-track countries worldwide in meeting the MDGs in the areas of water and sanitation are Papua New Guinea, Lao People's Democratic Republic (PDR), Timor-Leste, Cambodia and Nepal, all located in Asia or the Pacific. Lao PDR, Timor-Leste, Cambodia and Nepal are amongst the world's least developed countries (LDCs).¹³ ACFID recommends that this initiative is incorporated into the country strategies for these nations.¹⁴

Recommendation 3: A Focus on Disability Inclusive Primary Education

The Gillard Government has committed Australia to providing \$5 billion in ODA to education between 2010 and 2015.¹⁵ Further to this, the Government's election platform includes a focus on improving access to education, specifically through:

- Maintaining the priority that education is given in the aid budget;
- Reducing or abolishing school fees;
- Supporting girls to enrol and complete primary school;
- Supporting disabled children to enrol and complete primary school;
- Improving the quality of learning through better trained teachers and teaching materials;
- Improving school infrastructure, including water supply and sanitation; and
- Investing in technical and vocational training and higher education.¹⁶

ACFID recommends that a clear, incremental timetable be announced for providing the committed \$5 billion in ODA directed towards education between the 2011-12 and 2014-15 aid budgets. In 2011-12 at least \$855 million should be provided in ODA for education, including at least \$340 million (or approximately 40%) targeted towards basic primary education.

Specific focus should be given within education funding to abolishing primary school fees where they still exist and assisting girls and children with disabilities to complete primary school. ACFID would also support a proportion of this funding being allocated towards early childhood care and education initiatives.

¹¹Using the average per capita cost of providing low-cost improved water (A\$68 pc) and sanitation (A\$127 pc) services estimated by Hutton G and Bartram J (2008) *Global costs of attaining the Millennium Development Goals for water supply and sanitation*.

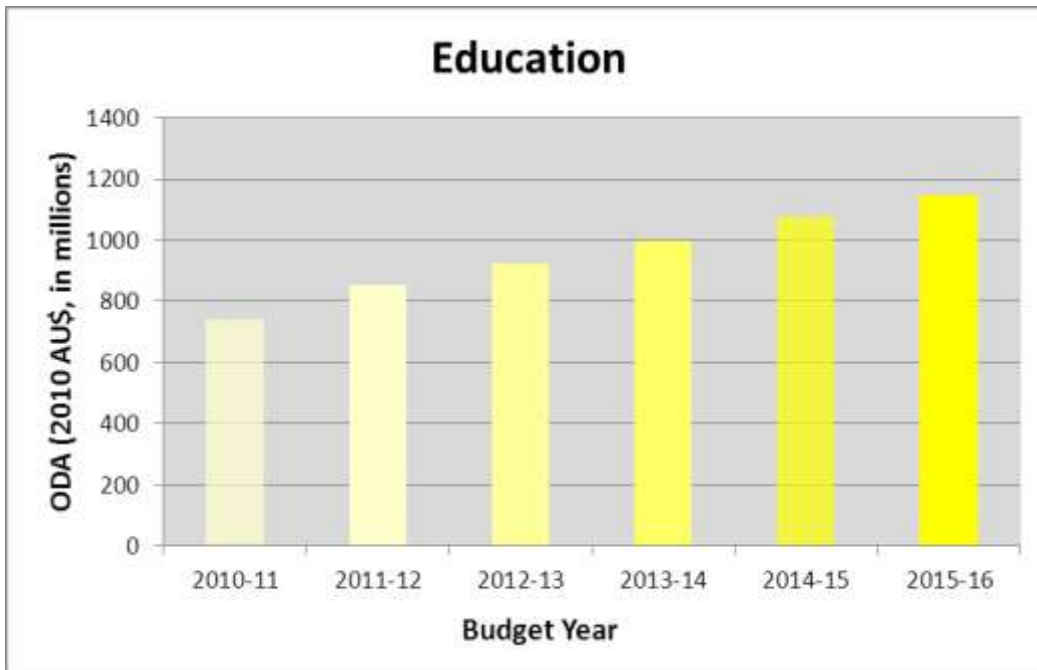
¹² The AusAID commissioned report *NGO Partnerships and capacity development in the water, sanitation and hygiene sector* (2008) found absorptive capacity to be significantly greater than current levels of water, sanitation and hygiene (WASH) funding allocated to Australian NGOs.

¹³ The United Nations Economic and Social Council decides which nations are classified as LDCs. Currently there are 49 nations which have the lowest national incomes and populations with the highest malnutrition, child mortality and illiteracy rates in the globe. Fifteen of these nations are our neighbours in Asia and the Pacific.

¹⁴ Water and sanitation assistance is critical to improving the health of people in developing countries. However much greater effort is also needed to improve health systems in these countries. This will require an approximate doubling of the current level of health funding from Australia and is detailed in the accompanying information sheet on 'Improving Health Outcomes'.

¹⁵ The Hon. Kevin Rudd, op. cit.

¹⁶ Australian Labor Party, op. cit., p.8.



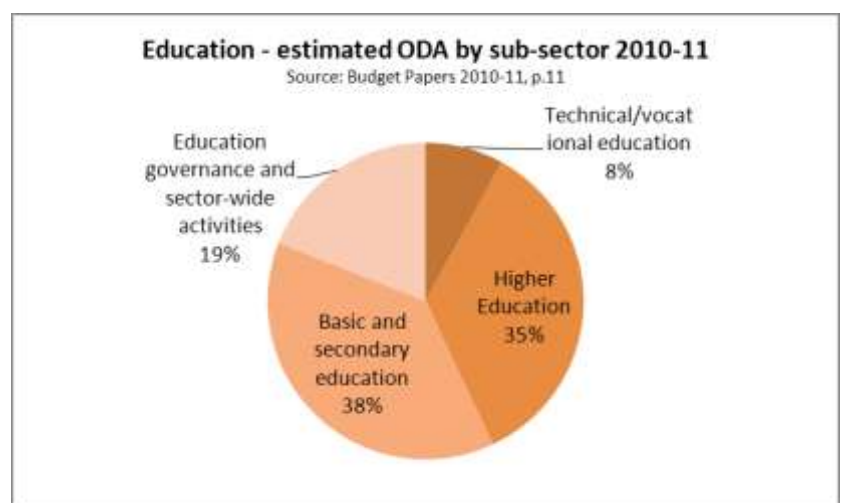
Budget Year	Funding for Education (AU \$m current)
2010-11	744
2011-12	855
2012-13	925
2013-14	1000
2014-15	1075

Additionally, ACFID recommends that a pilot disability inclusive education initiative of approximately \$6 million targeted towards Pacific Island nations be included in the 2011-12 aid budget. This initiative should include:

- Developing disability awareness and teacher strategies for including children who live with a disability in mainstream classes;
- Increasing access to disability-specific resources such as adaptive technology and alternative format reading materials;
- Self-advocacy training; and
- Improving infrastructure for accessibility.

In the 2010-11 aid budget, funding to both primary (basic) and secondary education **combined** made up only 38% of the total ODA funds allocated to education. ACFID further recommends that the 2011-12 aid budget include separate line items showing the allocations to primary education and secondary education.

Completing basic schooling is the first step towards meaningful employment, allowing individuals to comprehend and function more easily within their society. Primary and early education are also the stepping stones for further education. For girls and children with disabilities, accessing education presents even greater challenges than for other children living in developing countries.¹⁷



¹⁷ It is noted in the Pacific Regional Strategy on Disability 2010-15 (endorsed Rarotonga, October 2009), that “Children with disabilities are consistently excluded from attending school (less than 10% have access to any form of education and many not attending at any time in their life)” and “In some countries, women with disabilities are less educated, experience higher rates of unemployment, are more likely to be abused, are poorer, are more isolated, experience worse health outcomes and generally have lower social status.”

UNESCO and UNDP figures show that 90% of children living with a disability in developing countries do not attend school. The global literacy rate for adults living with a disability is as low as 3%, and 1% for women living with a disability. Australia is recognised as a world leader in early education and disability-inclusive practices. Additionally, there is a clear strategic direction for disability-inclusiveness within the Australian aid program. These practices have received strong stakeholder recognition from aid recipients in Asia and the Pacific.¹⁸ A focus on early, primary and disability inclusive education would also assist in achieving MDG 1 (universal primary education).

Recommendation 4: Improving Disaster Risk Reduction (DRR) and tackling Climate Change through Communities

The Government's election platform includes a commitment to tackle climate change, giving priority to the needs of the most vulnerable and meeting our fair share of international efforts.¹⁹

ACFID recommends that \$100 million be allocated over the period from 2011-12 to 2013-14 to support and uphold the implementation of the AusAID Disaster Risk Reduction (DRR) Policy. This funding should be directed towards incorporating DRR principles into all of our country strategies, targeting first the Pacific Island nations in our region which are most susceptible to the effects of climate change.

Additionally, we recommend that a further \$100 million be allocated over three years, beginning in 2011-12 with a \$30 million commitment, for a community based climate change initiative. This initiative may be incorporated into a scale up of existing AusAID programs²⁰ and should include:

- Extending direct grants to national organisations such as NGOs and community based organisations in vulnerable neighbouring countries for mitigation, including REDD²¹ establishment, low carbon technology, adaptation, and civil society engagement; and
- Support for Australian NGO community based programming for mitigation, including REDD establishment, low carbon technology, adaptation, and civil society engagement.

Why should Australia focus on disaster risk reduction and tackling climate change through Communities?

Disasters are increasing: There is strong evidence that natural and man-made disasters are increasing. Global trends of increasing vulnerability related to intra-state conflict, migration, food insecurity, climate change and increases in refugee flows have had, and will continue to have, increasing impact on Australian initiatives for long-term development.

In the period between July 2009 and June 2010, ACFID member agencies coordinated responses to emergencies across 13 countries. The sector dealt with a series of complex emergencies within the short period of September to October 2009, which placed enormous strain on agency resources. These emergencies included earthquakes in West Java and Padang in Indonesia, the tsunami that struck Samoa and Tonga, and Typhoon Ketsana, which affected up to five million people across Southeast Asia.

¹⁸ In six of the Pacific Partnerships for Development between Australia and respective Pacific Island Governments, improved education has been identified as a priority outcome, including the Partnerships with Papua New Guinea, Samoa, Kiribati, Vanuatu, Tonga and Nauru. The Pacific Regional Strategy also calls on countries to facilitate coordination with the Pacific Education Development Framework (PEDF), which incorporates inclusive education as a cross-cutting theme.

¹⁹ Australian Labor Party, *op.cit.*, p.11.

²⁰ Including the existing Community-based Adaptation Activity Grants component of the International Climate Change Adaptation Initiative.

²¹ Reducing carbon emissions from deforestation and forest degradation (REDD) - The basic premise of REDD is to financially compensate developing countries that reduce carbon emissions from deforestation and forest degradation. This definition has been extended to include the maintenance and enhancement of forest carbon stocks (collectively known as REDD-plus). The ACFID research paper, *Can money grow on trees?* by Andrew Macintosh (2010), recommends that these schemes be implemented cautiously, with due consideration given to both the risks and benefits posed by REDD. Specifically, measures should be put in place to avoid corruption and ensure funding is directed to communities.

Implementing the DRR policy within country strategies would ensure Australia is better prepared for disasters such as these.

Funding the implementation of the DRR policy will save lives and bring a return on investment: The Australian Government has been proactive in developing a policy on disaster risk reduction (DRR) and has demonstrated its commitment to this through over \$40 million in funding being allocated to DRR. However, this is inadequate to the scale of need. Greater funding would provide for the implementation of the policy and address linkages in humanitarian and development programs and help reduce the future number of casualties and potential economic loss from future disasters.

A 2010 study by the Asia Pacific Civil-Military Centre of Excellence and ACFID²² evaluated the response to recent disasters; highlighting the vulnerability of the Asia and the Pacific to disasters and the importance of DRR for developing a more coordinated and effective approach to disaster management. Implementing the DRR policy within country strategies would strengthen preparedness and mitigation measures, thus reducing the need for the persistent mobilisation of resources when disasters strike. A more integrated approach to DRR would also improve the impact of Australia's development program by strengthening community resiliency and reducing the impacts of disasters on livelihoods throughout the region.

Countries in our region need support: The impacts of climate change in Asia will be extreme due to high population levels, land areas and environmental diversity. The Copenhagen Accord calls for the prioritisation of climate change assistance for the LDCs, small island developing states (SIDS) and Africa, and the Gillard Government has announced that climate change funds will assist 39 small island developing states.²³

ACFID recommends that support be increased to nations vulnerable to climate change that are both LDCs and SIDS in Australia's region, including Kiribati, the Solomon Islands, Tuvalu, Vanuatu, Samoa, and Timor-Leste. Increased resources should be given at the community level to assist people of South and South East Asia.

Climate change cannot be tackled without communities: Community based initiatives to support the most vulnerable developing counties in our region are an essential component of the commitment to tackling climate change. The UNDP has assessed that businesses and households will account for over 80% of the additional climate investment required in 2020.²⁴ Increased support is needed for communities to build their own capacity and devise bottom up, locally relevant strategies. This includes the ability to adapt to the impacts of climate change, implement low carbon development and benefit from the mitigation and carbon reduction systems being developed. Such action will also inform national policy processes and the development and implementation of climate change strategies. A minimum of three years' programming is needed to allow communities to contextualise, build capacity and implement initiatives.

²² Michele Lipner and Louis Henley (2010) *Working Better Together: An NGO Perspective on Improving Australia's Coordination in Disaster Response*: www.acfid.asn.au/resources.

²³ The Hon. Kevin Rudd, op. cit.

²⁴ UNDP (2010) *Discussion Paper, Human Development in a Changing Climate: A Framework for Climate Finance*.

Vision for the delivery of Australian Overseas Development Assistance (ODA)

Our 'Call to the Parties' in the 2010 Federal Election asked for **More, Better and Just Aid**. To achieve this we need Australian ODA to be:

Transparent: increase transparency of the approximate 20% of Australian ODA that is channelled through government departments other than AusAID. A whole-of-ODA approach is imperative to ensure that all ODA is managed and implemented in line with key principles of aid effectiveness as outlined in the Paris Declaration and Accra Agenda for Action.

Strategic: clearly articulate how the MDGs; the Paris Declaration; country, regional and thematic aid strategies; the multilateral engagement strategy; least developed country (LDC) targets and the civil society engagement strategy all interact in a systematic and strategic way to uphold an effective aid program that focuses on poverty alleviation.

Targeted: assess Australia's comparative capacity among other OECD donors and better determine Australia's distinctive contribution to poverty reduction in the global context.²⁵ This should include an assessment of the impact of the geographic expansion of the aid program into new regions and the importance of a greater investment in a sectoral approach to the implementation of the aid program.

Accountable: establish a whole-of-ODA approach to greater multi-stakeholder accountability for increased development effectiveness, including learning from good practice initiatives like Publish What You Fund and the Japan International Cooperation Agency accountability framework.

Fair: an improved approach to monitoring the impact of our aid program on the poorest recipients of Australian ODA, the 'bottom quintile' and the least developed countries (LDCs).

Efficient: clearly articulate the government's operations policy by building on the broad reform agenda in light of 2009 ANAO review.

Evidence-based: establish space for debate and dialogue with stakeholders on key strategic questions, such as how and when to use different aid modalities or funding pools, including the use of multilaterals, development research, NGOs, AMCs, direct budget support etc.

Open: consultative in the development of new directions, frameworks and policies with key stakeholders, including civil society and politicians, to ensure public and political legitimacy.

²⁵ In an assessment of the quality of ODA by the Centre for Global Development, Australia ranked 21 out of 31 country and multilateral donors on the indicator of maximizing efficiency or value for money for achieving sustainable growth and poverty reduction.



© Australian Sports Commission



PHOTO KATE HOLT/AFRICA PRACTICE/ CARE OF AUSAID

A woman collects water from a stand pipe in Costa del Sol near Maputo, Mozambique in April 2009. It was installed as part of the World Bank's Water and Sanitation Program, supported by Australia.



Copyright
UNDP
Brazil