



AID: What are the different types?

What is aid?

Aid (also known as **Overseas Development Assistance** or **ODA**) is the assistance governments, non-government organisations (e.g. **World Vision, Red Cross, Caritas**), businesses, and individuals of one country give to the people of another country to help reduce poverty and achieve sustainable development.

What kinds of aid are there?

1. **Bilateral aid** is assistance given by a government directly to the government of another country. This is usually the largest share of a country's aid. It is often directed according to strategic political considerations as well as humanitarian ones. For example, Australia gives 50.8% of its bilateral aid to our Pacific neighbours and only 3% to relieve the poverty in Africa. In 2006-7, Australia committed \$3 billion in bilateral aid to developing countries.
2. **Non-government aid** is assistance provided by non-government organizations (NGOs) like World Vision, the Red Cross and Oxfam. The money for this aid is mainly provided by public donations from individuals and businesses. This includes money raised through events like the 40 Hour Famine or Child Sponsorship programs. However, NGOs also receive some funding from government. In 2006-7, the Australian Government committed \$100 million in joint projects with non government organisations.

The Australian government's aid budget (\$3 billion in 2006-7) is much larger than the combined funds raised by all Australian non-government organisations (\$871 million in 2006). In 2006-7, Australian Government aid is only 0.3% of Gross National Income (GNI) – below the average for other developed donor countries.





3. **Multilateral aid** is assistance provided by governments to international organisations like the World Bank, United Nations and International Monetary Fund that are then used to reduce poverty in developing nations. In 2006-7, the Australian Government committed \$400 million in multilateral aid.

For you to do

1. In your book, write the following sentences under the correct headings:

BILATERAL AID

MULTILATERAL AID

NGO AID

Australian Government aid is distributed by AusAid. In 2006-7, the countries to receive most Australian Government aid are: Indonesia (\$344 million); Papua New Guinea (\$332 million), and the Solomon Islands (\$223 billion). This commitment of aid reflects our geographical and historical ties to these countries.

There are approximately 90 overseas aid and development NGOs in Australia. 1.7 million Australians are involved in supporting NGOs and 936,000 donate to regular supporter programs. In 2006, World Vision Australia funded 678 projects in 57 countries and received \$313 million in donations from the Australian public.

In 2005 – 2006, AusAid worked with UNICEF to provide training for 40,000 primary teachers in Bangladesh. In 2006-7, the Australian Government committed \$15 million to the Global Fund to Fight Aids, Tuberculosis and Malaria.

2. What is the message or issue being addressed by the cartoonist? What opinion or perspective is the cartoonist expressing? How do you respond to news of a humanitarian disaster? What role does the media play in this?
3. Suggest reasons why people donate to particular non-government organisations? What factors do people consider when making a donation to a non-government organization?
4. Write a discussion text or debate the topic: 'Australia gives generously to overseas aid and development'.