### World Vision

## DOES AID WORK?

# What is **AID**?

Aid comes in many forms – from small grass roots projects by non-government organisations through to huge infrastructure or government reform programs by the World Bank. One of the main goals of aid and development organisations is to reduce poverty. This can mean increasing the monetary incomes of people or it can mean helping to ensure that people have access to the basic physical and social needs for their survival and development. An ultimate aim of aid is to make itself redundant – for people to be able to support themselves or their own community. This paper looks at how effective aid has been in reducing the many forms of poverty and improving communities' self reliance.

### Does AID WORK?

In discussions about international development the question of whether overseas aid is effective in reducing poverty is never far from people's thoughts.

This is not surprising given that after over fifty years of aid there are still frequent and terrible stories in the media about people suffering from hunger and treatable diseases, and non-government aid agencies like World Vision are still writing asking people to help children who are suffering in the developing world.

This paper takes a look at the evidence on aid and finds that, while it is not perfect, aid has had remarkable successes and has helped to make the world a much better place. The paper concludes with some suggestions to maximise the effectiveness of Australia's aid program.

### The state of global poverty

With 30,000 children still dying each day as a result of extreme poverty, poverty remains the number one global justice issue. But there have been many successes and, as will be demonstrated in this paper, much of this has been due to effective aid projects. Because bad stories seem to sell, news about disasters and war and famine are much more likely to get coverage than the millions of small and large successes throughout the world each day. The graph below summarises one such improvement.

#### CHILD MORTALITY

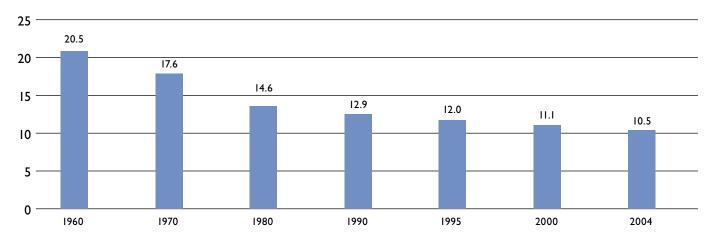
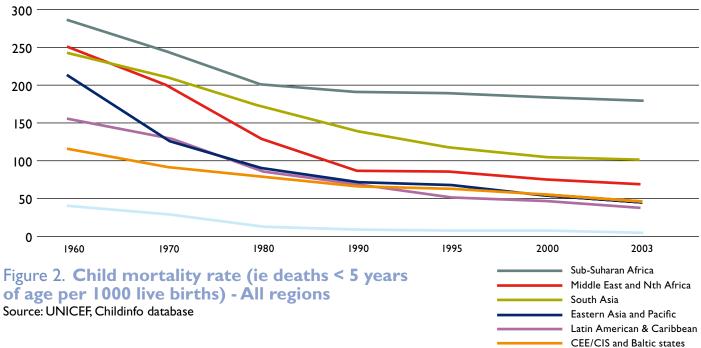


Figure 1. Total number of child deaths < 5 years of age in millions - World Source: UNICEF, Strategic Information Section



Industrialised countries

Economic development and technology have played critical roles in this success but, as we detail later in the paper, so has international aid. These three factors are often closely intertwined.

This has not been the only success. Nutrition has also improved. The figure below highlights the significant decreases in the proportion of people with inadequate dietary energy in almost every region since 1990.

#### NUTRITION

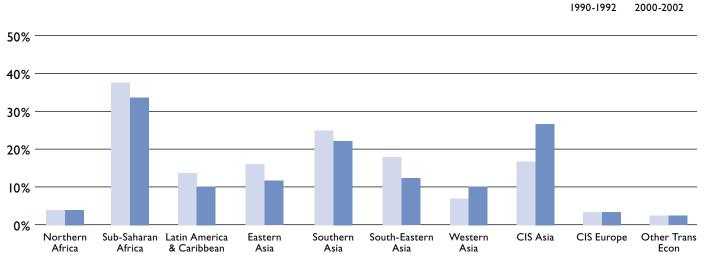


Figure 3. Percent of population under minimum dietary energy requirements - All regions Source: UN Millennium Indicators database

#### SAFE BIRTHS

Birth services have also improved. Skilled midwives are critical to reducing the number of maternal and newborn deaths. As can be seen below there have been large increases in many regions in the proportion of births attended by skilled health personnel since 1990.

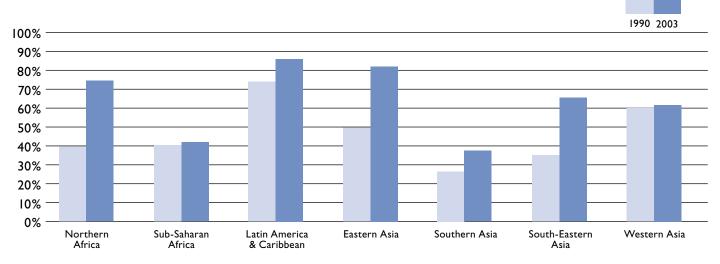


Figure 4. Percent of births attended by skilled health personnel - All regions Source: UN Millennium Indicators database

#### SCHOOL ATTENDANCE

Primary school enrolment levels have increased and more children are completing basic education. The figure below shows that many regions are near to reaching universal primary education.

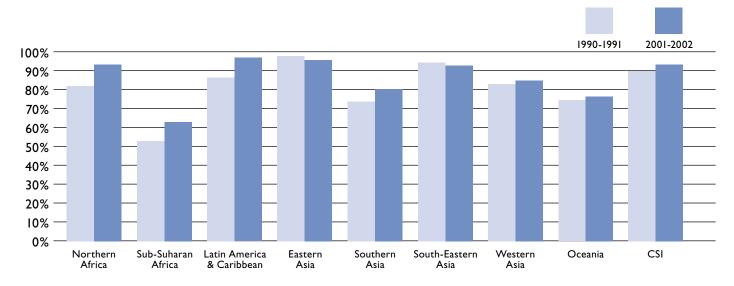


Figure 5. Percent of primary school aged children enrolled in school - All regions Source: UN Millennium Indicators database

#### ACCESS TO CLEAN WATER

People's access to clean water has increased throughout the world with improvements in access shown in every region over the last ten years. The increases in the two poorest regions – Sub-Saharan Africa and South Asia – are most notable.

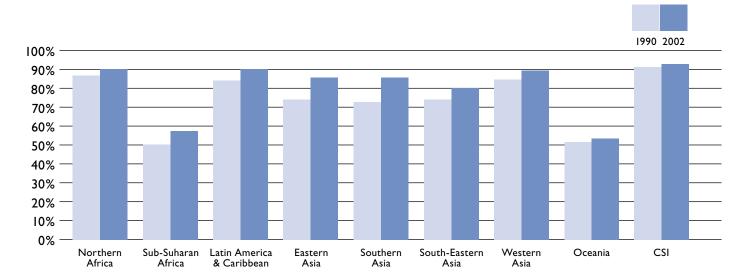
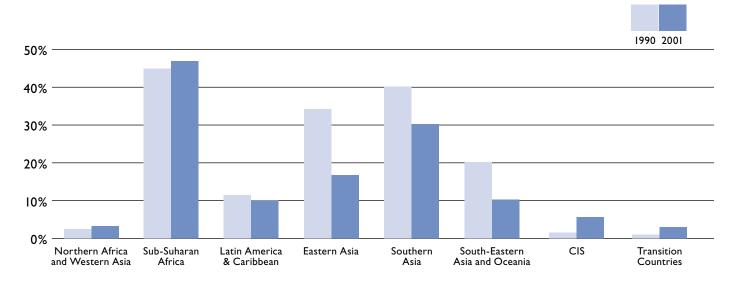


Figure 6. Percentage of population with access to an improved water source - All regions Source: UN Millennium Indicators database

#### POVERTY

And while the picture is more mixed, there have been significant decreases in the proportion of very poor people in a number of regions.



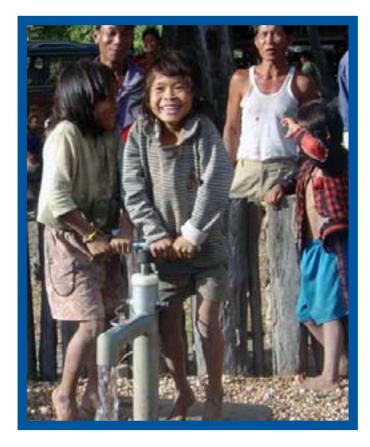
### Figure 7. Percentage of population below US\$1 purchasing power parity a day 1990 vs. 2001 by regions

Source: UN Millennium Indicators database

#### **HUMAN DEVELOPMENT**

A useful summary measure of human welfare is the Human Development Index (HDI) compiled by the United Nations Development Program. The HDI combines measures of a long and healthy life (as measured by life expectancy at birth), knowledge and education (as measured by the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio) and a decent standard of living (as measured by gross domestic product per capita at purchasing power parity).<sup>1</sup>

The Human Development Index goes back to 1975 when 102 countries were ranked. Of these only five have not improved their score between 1975 and the latest index in 2003.<sup>2</sup> Twenty countries have achieved improvements of one third or more in their HDI score since 1975. Those with the greatest improvements include Nepal (78%), Gambia (65%), Oman (58%), Bangladesh (51%), Egypt (50%) and Indonesia (49%).



### **Aid achievements**

The gains in human development identified in the previous section have been achieved through a complex mix of domestic action, technological improvements, economic growth and international aid.

However the role of aid should not be discounted in this mix. Aid has been instrumental in improving health and education, in providing greater access to human rights, building democracy, protecting the environment, increasing economic growth in some countries and improving equity in access to services.

#### HEALTH

In the health area aid has been critical to many improvements including:

- the eradication of smallpox smallpox killed 2 million people a year in the late 1960s.<sup>3</sup>
- the control of river blindness across Africa 600,000 cases of blindness have been prevented, and 25 million hectares of formerly evacuated arable lands have been made safe for settlement and agriculture since 1974.<sup>4</sup>
- the near eradication of polio cases have dropped from 350,000 in 1988 to under 1900 in 2005 and polio is now endemic in only four countries.<sup>5</sup>
- reducing child deaths through vitamin A supplementation

   saving at least 300,000 lives each year since 1997 and
   preventing blindness in many more children.<sup>6</sup>
- global vaccination coverage has increased from 5% in the 1970s to currently over 70%, which has saved millions of deaths each year.<sup>7</sup> The Global Alliance for Vaccines and Immunisation (GAVI) was established in 2000 to further enhance vaccine access in the poorest countries. It is estimated that GAVI has averted nearly 1.7 million deaths in its first five years.<sup>8</sup> Deaths from measles have been cut from an estimated 871,000 in 1999 to 454,000 in 2004. This drop of 48% is largely due to the work of the Global Measles Initiative and is the result of the immunisation of 500 m children from 1999 to 2004.<sup>9</sup>
- clean water, better hygiene and oral rehydration therapy have reduced child deaths due to diarrhoea from 4.6 million in 1980 to 1.5 million in 2000.<sup>10</sup>
- the reduction of intellectual disability and perinatal mortality through iodisation of salt – the number of countries with iodine deficiency has dropped from 110 to 54 in the ten years to 2003.<sup>11</sup>
- reduction of guinea worm disease which causes debilitating illness for many months - from 3.2 million cases in 1986 to just 75,000 cases in 2000.<sup>12</sup>
- successfully treating over 80 million people for elephantiasis and the likely eradication of the disease within 20 years.<sup>13</sup>
- controlling Chagas disease in South America which often causes heart failure – a 94% reduction in infection since 1991.<sup>14</sup>
- HIV and AIDS prevention programs have been effective in a number of countries including Uganda, Cambodia, Kenya and Zimbabwe.<sup>15</sup>



Mauritania has one of the highest maternal mortality ratios in Africa. Pre- and ante-natal check-ups, child vaccinations, routine care, and emergency services have meant that since this clinic opened in 2000, all the mothers and children born at the clinic have survived.

- increased access to anti-retroviral treatment for AIDS – 250–350,000 lives saved in just the last two years.<sup>16</sup>
- the development and spread of cost effective water and sanitation technologies such as water pumping technologies, improved pit latrines and condominial sewerage systems.<sup>17</sup>
- the spread of more efficient and less smoky fuel stoves in many countries which has reduced lung diseases.<sup>18</sup>
- the successful treatment of TB.<sup>19</sup>
- better nutrition through improvements in agricultural yields<sup>20</sup> and micronutrient supplementation.<sup>21</sup>

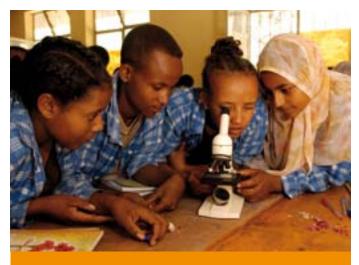
In each of these successes aid has played an important and sometimes the central role. In many instances the successes have been the result of internationally coordinated aid programs such as the Global Measles Initiative, the Global Polio Eradication Initiative and the Global Fund for AIDS, TB and Malaria. In other cases smaller government and non-government aid programs have funded important research, medicines or educational programs that have been critical to the success.

The economic benefits of these interventions are highly significant. For example a study of TB treatment in China found that each dollar invested has a return of about \$60 in savings on treatment costs and lost productivity<sup>22</sup> and AIDS control programs have a return of about \$40-\$50 for each dollar invested.<sup>23</sup>

#### **EDUCATION**

In the education area aid has funded training for thousands of doctors, nurses and other professionals. Debt relief and budget support has allowed free universal primary education in many countries including Tanzania, Ghana, Ethiopia, Uganda and Gambia and has significantly increased educational access for girls.<sup>24</sup> Illiteracy has been almost halved globally in the last 30 years.<sup>25</sup>

The African Girls Education Initiative which commenced in 1994 operates in 34 African countries and has significantly increased levels of girls' participation in school. For example participation rates have increased by 15 percentage points in Guinea, 12 points in Senegal and 18 points in Chad.<sup>26</sup>



Ethiopian biology students look at onion sections in a high school lab class. Thes students live in the region affected by the famine in the 1980s. Aid has been instrumental in rehabilitating the area and provide ongoing opportunities.

#### **DISASTER RELIEF**

Emergency and famine assistance has saved thousands of lives and averted even greater disasters. For example after the Indian Ocean tsunami massive emergency assistance prevented most outbreaks of disease that usually follow such events.<sup>27</sup>Aid has also been instrumental in reducing the impact of future emergencies by helping to increase local preparedness. For example in Bangladesh construction of strong, elevated community buildings has minimised drownings and injuries of local people by providing a safe, flood-free shelter in most villages.<sup>28</sup>

#### DEMOCRACY

There has been a significant increase in the number of democracies in the world – with the proportion of countries classified as free or partially free growing from 59% in 1974 to 74% in 2004.<sup>29</sup> International aid has helped to support movements for democratic reform in many countries and helped countries during times of transition. For example, aid support has assisted many eastern European countries such as Poland develop stable democratic governments and growing economies. In 1990 grant aid allowed Poland to establish an exchange rate stabilisation fund which provided space for other important reforms.<sup>30</sup>

#### **PEACE BUILDING**

Aid has also helped to restore peace in countries such as Rwanda, Bosnia, East Timor and Sierra Leone and helped to reduce the number, intensity and effects of conflict through such assistance as UN peacekeeping missions and reconstruction aid. There has been a 40% decline in the number of armed conflicts since the early 1990s and the number of refugees decreased by 45% between 1992 and 2003. One factor in this has been a large increase in the number and intensity of UN and regional peacebuilding and peacekeeping activities. A recent RAND Corporation study found that two-thirds of UN nation-building missions were successful.<sup>31</sup>

#### **ENVIRONMENT**

Environmental damage has also been reduced by aid. It has helped to reduce population growth by increasing access to contraceptives, improving child survival and increasing rights for women.<sup>32</sup> It has supported local environmental projects such as erosion control and reforestation. It has helped to introduce more efficient technologies like cleaner transport, fuel efficient stoves and less polluting energy generation. It has supported programs which protect endangered species and maintain habitat and it has helped developing country governments better manage their natural resources.<sup>33</sup>

#### **INFRASTRUCTURE**

Physical infrastructure such as roads, power generation and communication has also been strengthened in many countries through aid and this has assisted with the development of trade and industries and improved access to services such as health and education.<sup>34</sup>



Research, training and improved methods can have long-term impacts in communities. Upali shows the difference of two rice plants - one grown with a new method and the other under conventional method.

#### **SKILLS**

Aid has also been effective at transferring skills and capacity to developing countries. While skill transfer has been weak in many contexts most developing countries today have significantly greater scientific, technical and governance capacity than previously. Much of this has been achieved through aid – whether it has been local capacity to monitor and respond to disease outbreaks, the development of local plant breeds or improvements in the ability to deliver services or generate sound macroeconomic conditions. Countries such as Ghana, Ethiopia and Mali are all examples of countries where aid has helped to improve the quality of local institutions.<sup>35</sup> While the rate of skill transfer and institutional improvement has been slower than many would have liked, the rate of change has been unprecedented in human history.<sup>36</sup>

#### **COMMUNITY EMPOWERMENT**

Aid, particularly through non-government organisations, has also played an important role in helping to support poor and disadvantaged communities speak up against corruption and exploitation, call for better services and defend their human rights. In hundreds of thousands of projects throughout the world local groups of the poor, of women, of indigenous people have joined together to have their voices heard and to build their strength. Often these groups have been supported by international aid agencies as well as local organisations.<sup>37</sup> Sometimes these groups have grown to have national and even global influence. Examples include campaigns for child protection and against trafficking of women and children, access to credit and banking services, access to education and protection of traditional fishing grounds and forests.

#### **DEBATES ON AID**

The main area where the effectiveness of aid has been disputed is in achieving economic growth. In some countries such as Uganda and Mozambique there appears to be a link between increased aid and high economic growth. Aid to Uganda was over 20% of GNI in the early 1990s and the country achieved growth rates of more than 7% per annum.<sup>38</sup> In Mozambique aid was around 40% of GNI from 1993 to 2002 and economic growth has averaged 5.5% per capita per annum during this period.<sup>39</sup> However these sort of results are exceptional and economists are still debating whether aid is effective in generating economic growth and under what conditions.<sup>40</sup>

At this stage of the debate our knowledge is probably best summarised by saying that in some circumstances poorly designed aid can reduce growth by minimising pressure for necessary economic and governance reforms<sup>41</sup>, while in others aid can help to accelerate growth by funding essential reform and infrastructure and improving human capital.<sup>42 43</sup> <sup>44</sup> There is also strong evidence that aid in one area works synergistically to boost benefits in other areas. For example improvements in health have a positive effect on economic growth, education (particularly of girls and women) reduces susceptibility to disease and greater child survival reduces population growth rates.<sup>45</sup>

While there is still debate about what specific circumstances allow aid to generate sustainable growth, it is likely that countries with environments that promote investment and trade are most likely to achieve higher economic growth rates<sup>46</sup>, and countries that promote equity are likely to achieve the greatest poverty reduction benefits from that growth.<sup>47</sup> For this reason most donor countries and institutions are now focusing their support on countries with better governance environments and also working to improve the governance of those countries with weaker environments. Despite our incomplete understanding of aid and economic growth there are some signs that developing country economic growth is strengthening. In recent years, as macroeconomic policies have improved in most developed nations, real economic growth has accelerated to an average of 1.9% per capita and inflation rates have halved to around 5% for the poorest countries.<sup>48</sup>

#### **AID WORKS**

In summary, aid has been very effective at providing specific focussed anti-poverty outcomes such as better health, education and assistance after conflict and emergencies.<sup>49</sup> Aid's record in generating economic growth is less clear. The gains in providing basic services such as health and education are in themselves sufficient reason to provide aid however there is also strong evidence that improvements in one area multiply the benefits in others and thus generate even higher returns in terms of development.



Business training and small loans enabled entrepreneurial Maheshwari to expanded her family's business. She now dreams of her daughters' future, making sure that they have access to the best education possible.

### Improving aid effectiveness

While aid has achieved many things its effectiveness can be increased greatly by improvements in donor practices. In recent years aid efforts have improved, especially since the Millennium Development Goals were formulated in 2000, with increases in total aid volume and greater coordination of donors around developing country development plans. However there are still significant steps that need to be taken to make aid more effective. Some of the main improvements required are summarised below:

#### HOW CAN WE IMPROVE AID?

#### Aid levels need to increase

Currently aid from all OECD donors is just 0.26% of GNI<sup>50</sup>, while the agreed target is 0.7% or nearly three times more. In the area of HIV and AIDS for instance there is a serious shortfall in funding.<sup>51</sup> UNAIDS reports that up to 350,000 lives have been saved in the last two years through increased access to anti-retroviral treatment. However over 3 million people still died of AIDS in 2005 because only one in six people needing treatment received it.<sup>52</sup>

#### Aid needs to be untied

Most countries still see aid as a way of supporting their own industries and insist that aid be provided in the form of services and products from the donor country – even if this is not the most appropriate or is more expensive. $^{53}$ 

#### Aid donors work together

Aid donors need to work more closely with each other and ensure that they are giving effective coordinated support to the development plans of each developing country as required by the Millennium Development Goals (MDGs). At present aid is too often poorly coordinated, unreliable, short term and does not help to build developing country capacity.<sup>54</sup> The Millennium Development Goals, as the only generally agreed development framework, can facilitate much better aid coordination - more donor countries need to integrate them into their development planning, implementation and evaluation.

#### Aid focus on poverty reduction

Aid needs to focus on the poorest people and on poverty reduction– government aid often goes to less poor, but strategically important countries, or to projects that are not targeted at helping the poorest people in each country or generating pro-poor growth.<sup>55</sup> At times aid programs can also be subverted or unduly shaped by other foreign policy interests such as the 'war on terror'.<sup>56</sup>

#### Participation

Participation of the poor in aid planning, implementation and evaluation needs to increase. Poor people have a right to participate in projects that affect them. Their participation is also a key factor in increasing the effectiveness and sustainability of projects.

#### Support from developed countries

To maximise the effectiveness of aid there also needs to be greater support and less obstruction in other developed country polices such as reduced trade-distorting protection, greater debt relief, access to essential medicines and more democratic international institutions.

An analysis of US aid to Africa highlights some of the problems. In 2002 the U.S. gave US\$3 per sub-Saharan African. Taking out the parts for U.S. consultants and technical cooperation, food and other emergency aid, administrative costs and debt relief, the author estimates that aid per African came to just 6 cents.<sup>57</sup>



In Mongolia, English and computer lessons for secondary school children are giving this student a chance to compete successfully in a globalised world.

#### **BOTH TRADE AND AID ARE NEEDED**

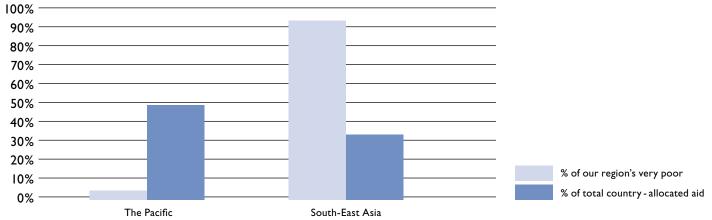
Some people have claimed that increasing trade with developing countries is much more important for reducing poverty than aid. They are right in believing that increased trade is likely to result in greater economic growth - the research evidence is that trade is a very important driver of growth.<sup>58</sup>

However for the people living in poverty trade is not the full answer, at least not in the short term. This is because:

the economic gains from trade are not evenly distributed. The poorest of the developing countries are likely to benefit least from greater trade and some countries will lose out from more open trading regimes (e.g. those countries currently receiving preferential treatment such as the sugar producing nations of Africa, the Caribbean and the Pacific and net food importing countries). A recent study published by the World Bank<sup>59</sup> estimates that the complete liberalisation of agricultural trade would result in benefits of US\$385 billion per year, but that only US\$32 billion or 8% of this would go to low income countries. That would lift their incomes by just 1.6 per cent. These results are

confirmed by an IMF study which estimated that world prices would only rise by 2–8 % for rice, sugar, and wheat, 4% for cotton and 7% for beef.  $^{60}$ 

- aid is necessary to help countries maximise their trade opportunities. This aid includes assistance in negotiating and complying with international trading agreements and standards and assistance in creating necessary infrastructure such as adequate roads and ports. A recent World Vision International study indicates aid is also required to ensure the poor in developing countries can benefit from trade opportunities by addressing the supply-side constraints that prevent small producers from participating in global trade.<sup>61</sup>
- it will take many years for even the most optimistic economic growth rates to significantly reduce poverty. Even if a country like Laos or Cambodia or Nepal can manage 5.5% growth per capita it will take around 25 years for them to reach the current level of income of Indonesia or Sri Lanka, themselves countries with very significant poverty. In the meantime aid is required to help them afford basic services for their people.



### Figure 8. Proportion of our region's very poor people vs. proportion of Australian's county-allocated aid 2005-2006

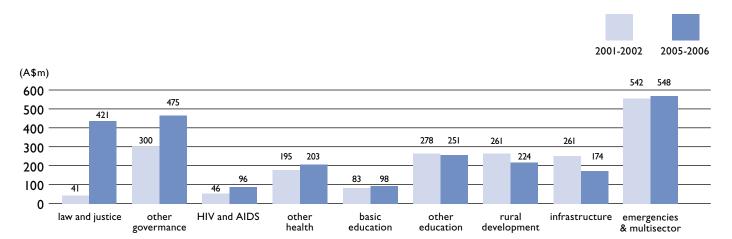
Source: UN Millennium Indicators database

### AUSTRALIAN AID ALLOCATION

### Australia's aid program

Australia's aid program has many positive aspects. There is a strong emphasis on building capacity and improving governance in developing countries, we have effective health, education and rural development programs in many areas, there is a willingness to build long-term partnerships with our neighbours and Australia's coordination with other donors is improving. Australia also has useful experience and skills in government, health, education, agriculture and environmental management which are very relevant to many developing countries.

In September 2005 the Prime Minister announced that the Australian aid program would increase to around A\$4 bn per year by 2010. This would mean an increase from 0.28% of gross national income in 2005 to around 0.36% in 2010. This increase is a valuable step towards contributing our fair share of the costs of the international aid effort and one which deserved the praise it received.



#### LAW AND JUSTICE IN AUSTRALIAN AID

#### Figure 9. Growth of law and justice activities - Australian aid budget 2001-2002 compared with 2005-2006 (all figures in A\$04-05 million)

Source: AusAID Budget Papers and World Development Indicators

#### HOW CAN WE IMPROVE AUSTRALIA'S AID?

However the scope and effectiveness of the Australian aid program could be improved. The main changes that are required are:

- An increase in overall *funding* to allow us to provide our fair share towards achieving the Millennium Development Goals. Australia's current level of aid (0.28% of GNI) is only just over half of the 0.5% required to reach the Millennium Development Goals and just over one-third of the international target of 0.7%. Even if Australia increases it's aid to 0.36% of GNI in 2010 this is likely to still place us 18th out of the 22 OECD donor nations in terms of level of aid.<sup>62</sup> The UN has called for all donor nations to contribute 0.5% in aid by 2010 and 0.7% by 2015.
- 2. Increased support for our poor neighbours in South-East Asia. While Australia provides relatively high levels of funding to the small countries of the Pacific we do not give sufficient aid to our other neighbours. Figure 8 highlights the lack of balance in Australian aid funding between the Pacific and our neighbours in South East Asia. Even though South East Asia contains 95% of our immediate region's very poor people (those living on less than US\$1 per day) it is allocated less aid than the Pacific which contains only 5% of our region's very poor.
- 3. More support for meeting basic human needs such as health, water and education. In recent years almost all growth in the aid program has been in the area of governance, particularly law and justice. This reflects the

government's concern with 'fragile states' and the risks of terrorism in the region as well as the importance of good governance in the reduction of poverty.<sup>63</sup> Figure 9 shows the narrow areas of growth in the program over the last five years. Australia's concern with better law and justice in the Pacific, as important as that is, must be complemented by concern to improve health and education also. These are key needs in their own right and critical to improved economic growth. Funding for health programs has barely grown even though 500,000 children will die of poverty this year in South East Asia. Research by World Vision indicates that increased funding for health programs in the region, applying well proven and cost effective approaches,<sup>64</sup> could save the lives of at least 100,000 children each year. The cost of such an initiative could be accommodated within the government's planned increases in aid funding.<sup>65</sup> As the principal Australian health aid adviser has said "Proven interventions exist to meet the health Millennium Development Goals now".66

Approximately 48% of under 5 deaths in the region are due to pneumonia and diarrhoea – two issues amenable to effective prevention and treatment programs and another 23% are amenable to better care during pregnancy and child birth.<sup>67</sup>

- 4. More support for community projects that fight corruption and hold governments accountable. To date most governance projects have been to fund improvements to institutions and to the training of public servants. This is important but so is the strengthening of people's knowledge of their rights and their ability to hold their public service and government accountable. Research on effective governance indicates that good governance comes from a combination of an effective public service and active civil society.<sup>68</sup> If Australia wants to improve governance in neighbouring countries it must support both.
- 5. Greater coordinated action with other nations around achieving the Millennium Development Goals. Australia has taken some important steps to improve coordination with other donors in countries such as Cambodia and Vietnam but it could do much more. The Millennium Development Goals have been agreed by all donor and developing nations and provide the best framework to ensure more effective coordinated action. Australian aid would be more effective if it worked in a coordinated fashion with other donors to achieve the MDG plans of developing country partners. This would involve coordinated support at the country level and greater assistance for proven effective global initiatives such as the Global Funds for AIDS, TB and Malaria and the Global Alliance for Vaccines and Immunisation.

6. Less dependence on highly paid Australian consultants. Currently at least 80%<sup>69</sup> of Australia's bilateral aid budget is spent on Australian sourced goods and services. While there is a need for technical assistance to developing countries such assistance can often be provided much more cheaply and more effectively by local people who know the local needs better and are more likely to be committed to sustainable improvements in their country. The cost of senior Australian government-funded aid staff working in developing countries can be as high as A\$600,000 per annum<sup>70</sup> and is often in excess of A\$100,000 per year.<sup>71</sup> Greater use of staff who come from the partner country is likely to be less costly and also better at building local capacity – in other words more of the money and the skills are likely to stay there

The Australian government aid program, while making heavy use of a small number of Australian companies, also allocates only a relatively small amount to non-government aid agencies who tend to work more at the grass roots. In 2005-06 just 4.4% of the aid budget was allocated to NGOs.<sup>72</sup> This is much lower than many other donor countries such as the US (16%), Canada (17%) and Norway (22%).<sup>73</sup>

7. Greater involvement of local people in the planning, implementation and evaluation of Australia's aid programs. People have a right to be involved in projects that affect them and sustainable improvements are more likely to be achieved if local people own the process.<sup>74</sup>



Aid can support countries to diversify crop production and develop new agricultural products for export. Mohamedullah, 24, an employee at the World Vision Australia/AusAID-funded nursery in Afghanistan, strips apricot leaf-growth from an apricot stalk holding a grafted peach splicing.

#### **IN SUMMARY**

Aid is not a cure-all for the developing world's problems but it has often been effective in reducing suffering and assisting development. Aid has played a large part in improving the health of children and adults in the poorer countries and has contributed to improved education, literacy, the advancement of human rights, peace and better governance in many developing nations. Economic growth and international trade are critical to the long term reduction of poverty but trade alone is not the answer – both trade and continued aid are needed to further reduce poverty in the world. Australia should build on its already effective aid program by lifting the volume of aid to our fair share, increasing support for our poor neighbours in South East Asia, building our co-operation with other donors around the MDGs and improving the poverty focus and involvement of poor communities in aid planning, implementation and evaluation. At least 100,000 children's lives could be saved each year if these changes were implemented.

- <sup>1</sup> The Human Development Index is the most widely used comparative measure of human development, however no simple measure has been developed which can cover all the important aspects of development such as within-country inequality, sustainability and access to human rights.
- <sup>2</sup> South Africa, Swaziland, Democratic Republic of Congo, Zimbabwe and Zambia.
- <sup>3</sup> see Levine R 2004 Millions Saved: Proven Successes in Global Health, Center for Global Development, Washington and Bloom D, Canning D, Weston M 2005 "The Value of Vaccination" World Economics Vol.6 No. 3 July-Sept 2005 pp15-39
- <sup>4</sup> http://www.worldbank.org/afr/gper/ accessed 15/3/06
- <sup>5</sup> http://www.unicef.org/immunization/index\_polio.html accessed 15/3/06
- <sup>6</sup> http://www.unicef.org/nutrition/index\_vitaminA.html accessed 12/3/06
- 7 http://www.unicef.org/progressforchildren/2005n3/lives.php accessed 5/3/06
- <sup>8</sup> GAVI 2005 GAVI Alliance Progress and Achievements GAVI, Geneva
- <sup>9</sup> http://www.who.int/mediacentre/news/releases/2006/pr11/en/ accessed 14/3/06
- <sup>10</sup> Victora CG, Bryce J, Fontaine O, Monasch R. "Reducing deaths from diarrhoea through oral rehydration therapy" Bulletin of the World Health Organisation 2000;78(10):1246-55
- 11 http://www.who.int/mediacentre/news/releases/2004/pr93/en/ accessed 14/3/06
- <sup>12</sup> http://www.who.int/ctd/dracun/progress.htm accessed 15/3/06
   <sup>13</sup> http://www.gsk.com/ControllerServlet?appId=4&pageId=402&newsid=211 accessed 14/3/06
- <sup>14</sup> see Levine 2004 and http://www.who.int/ctd/chagas/burdens.htm accessed 13/3/06
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