

# EFFECTIVE AID: HELPING MILLIONS

Each year aid saves the lives of millions of people and dramatically improves the lives of millions of others. Because of the huge difference in income between rich and poor countries and the strong desire and capacity of poor communities to improve their situation, investments in developing countries often achieve much more than in wealthy countries. What other area of Australian Government expenditure provides such large benefits for so little money? Aid alone will not solve all problems, but equally, aid has been a critical driver of many global successes by providing additional resources to low income countries and countries in crisis and focusing on the poorest and most marginalised groups.

Overseas aid is complex and involves working in environments with many challenges that may include extremes of poverty and injustice, weak government, corruption, powerful belief systems and inter-country politics. While the challenges are large, the level of aid resources from donor governments is relatively low – just one-third of one percent of donor country income. Put another way, global military expenditure was 13 times higher than all aid from wealthy countries in 2009<sup>1</sup> and even soft drink sales each year are greater than total aid to poor countries.<sup>2</sup>

Given the huge issues involved in overseas aid and the relatively few resources available, you would expect that not much is achieved by giving aid. However, the evidence tells us that this is definitely not the case. Aid is one of the most effective investments that donor countries can make.

This paper gives a bird's eye view of the many aid successes.

**SINCE 1990, 45 MILLION CHILD DEATHS HAVE BEEN PREVENTED GLOBALLY. OVERSEAS AID HAS PLAYED A LARGE PART IN THIS SUCCESS.**

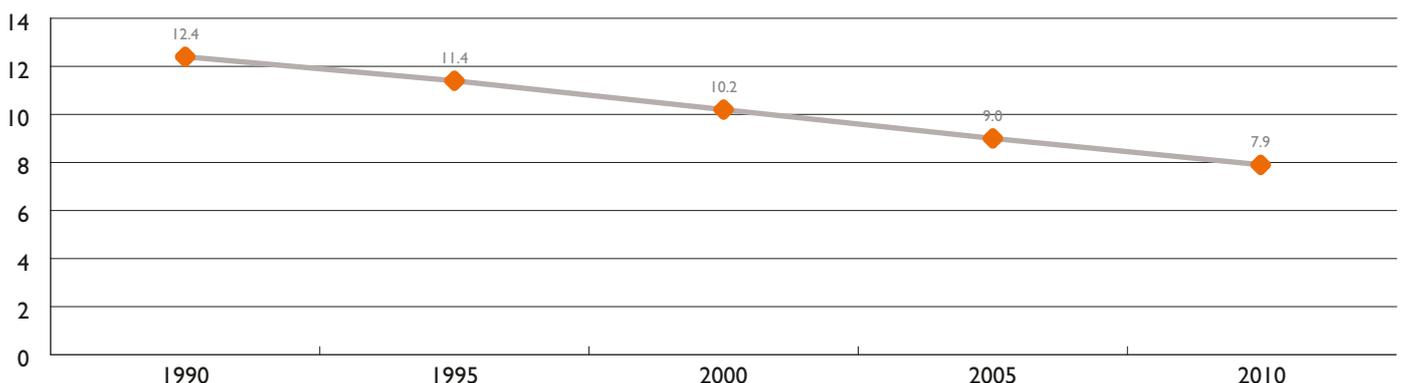
## HEALTH

Good health and the provision of health services are fundamental to poverty relief. In many ways health outcomes are the ultimate test of any global aid program and nothing shows the impact of aid better than its effect on the health of children.

Figure 1<sup>3</sup> plots the number of children under five years of age who have died each year from 1990 to 2010. Since 1990, there has been a 36 percent reduction in the number of children who have died, from over 12 million to around 8 million each year. This amazing improvement has resulted from a combination of economic growth, technological advances and the provision of aid. Aid's role has been large<sup>4</sup> – it has helped to provide clean water, skilled birth attendants, better nutrition, child immunisation, anti-malarial mosquito nets, medicine and new technologies for childhood diseases. It has helped to ensure that health services have reached the poorest and has also played a large role in educating parents and children in better health practices.

### Figure 1. Global child deaths in millions

Source: UNICEF Levels and Trends in Child Mortality 2010

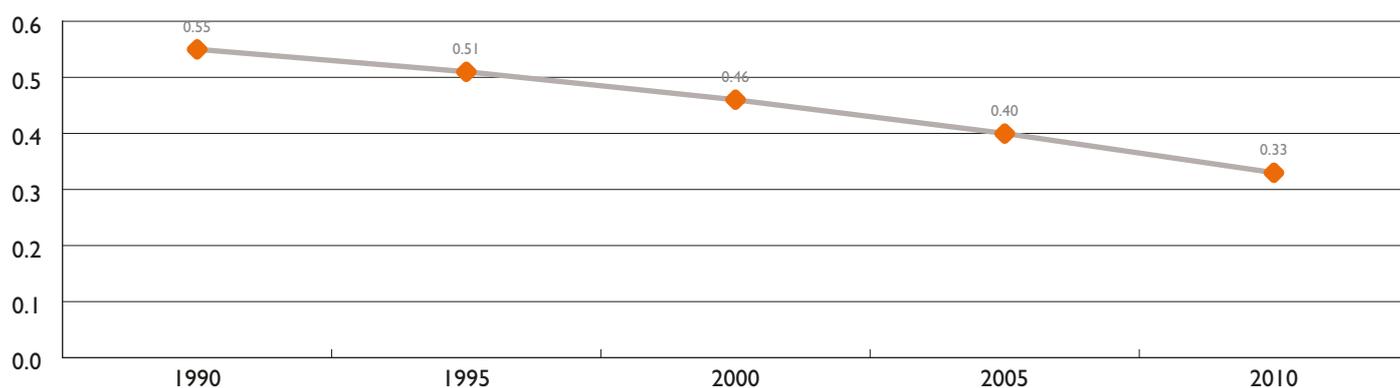


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However, improvements in health have not been confined to children. Figure 2 shows that there has been a similar reduction in maternal deaths and Figure 3 demonstrates that the incredible global aid effort to fight HIV and AIDS is now showing results. Since 2005, global deaths from AIDS have started to fall and other data indicates that the number of people newly infected with HIV is also falling.<sup>5</sup> Similar successes have also been achieved for the two other major infectious diseases, malaria and TB.<sup>6</sup> The lesson from all these health improvements is clear – the world knows how to deliver effective health programs; the major constraint to further health improvements is a shortage of resources provided by donor and developing countries.

**Figure 2. Global maternal deaths in millions**

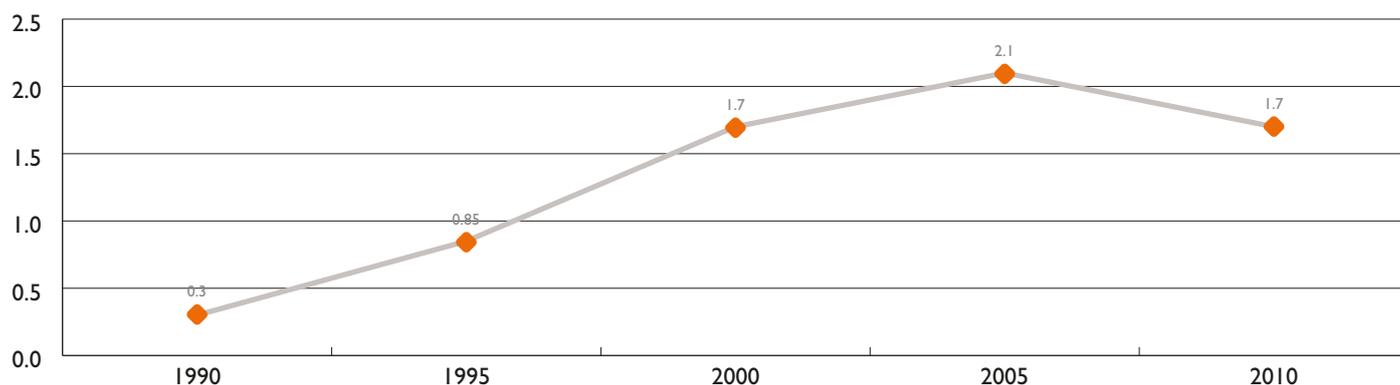
Source: WHO Trends in Maternal Mortality 1990 to 2008



Australia has played a significant part in these successes through the work of AusAID and non-government organisations such as World Vision. AusAID has supported the global campaigns to fight AIDS, TB and malaria, has assisted the push to immunise children, and has worked closely with regional governments to improve health services. Specific successes include improved child and maternal health services in Timor-Leste, Nepal and other countries, turning around the AIDS epidemic in Papua New Guinea and Cambodia, and helping to improve health services throughout the Pacific.

**Figure 3. Global deaths from AIDS in millions**

Source: UNAIDS Report on the Global AIDS Epidemic 2010



Given the extensive experience and successes of donor assistance to health programs over the last decade, it is now possible to estimate with some precision the number of lives that are likely to be saved with a given amount of funding. The Global Fund estimates that the investment of US\$10 billion between 2002 and 2009 has prevented 4.9 million deaths – this is an average cost of approximately A\$2,300 per life saved. This means that, with the increases planned, the Australian aid program should be able to prevent at least 500,000 deaths each year by 2015.

## Helping solve the HIV and AIDS crisis in Papua New Guinea<sup>7</sup>

The Australian Government aid agency, AusAID, the PNG Government and other donors have been fighting the HIV epidemic in PNG for the last 16 years. These efforts appear to be finally paying off:

- counselling, testing and treatment services have been expanded from 61 sites nationally in 2006 to 201 sites in 2009, with over 180,000 people tested
- more than 6,000 people are receiving life-saving anti-retroviral treatment
- 184,000 adults and school children received formal HIV training and benefited from awareness programs in 2009

The latest data from UNAIDS indicates that these efforts are having a considerable impact on the disease with new recorded infections each year dropping by more than 25 percent between 2003 and 2009.



## Saving mothers and children in Peru<sup>8</sup>

In 2000, a government report found that child mortality and chronic malnutrition were particularly high in the Lamay region of Peru. World Vision focused on improving this situation through its Good Start project aimed at building the capacity of parents to adopt sound practices for their children's wellbeing at home, and at the same time build the capacity of the community to monitor the results. This project has clearly contributed to some remarkable changes in the health of the Lamay community.

From 2000 to 2006:

- the percentage of children aged under three years suffering from chronic malnutrition plummeted from 66 percent to 39 percent;
- the percentage of pregnant women who attended a clinic in the first 10 weeks of their pregnancy rose from 14 percent to 41 percent;
- the percentage of women who gave birth in a health institution (instead of their own home) rose from 30 percent to 90 percent;
- the average birth weight of babies born at the Lamay Health Post rose from 2.7kgs to 3.3kgs.

## EDUCATION

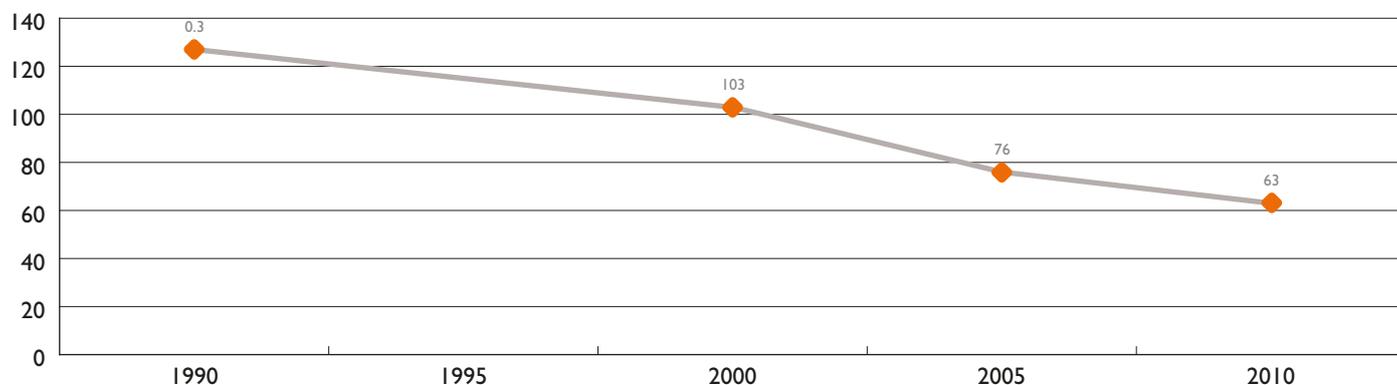
Education is another critical factor in poverty reduction. However, there are still millions of children in the world unable to complete even primary education because their families cannot afford the costs of school or require them to go to work for the family. This is a particular problem for girls who are often removed from school when family economic conditions are tight.

Figure 4 shows significant progress on improving children's access to school, with an extra 40 million children receiving basic education each year compared with 2000. Aid has been one of the major factors that has increased the access of children in poor communities to education – aid has funded school facilities, equipment and text books, and has helped to improve curriculum, staff training and education system management. In a number of countries it has also helped governments cut or abolish school fees which have been a barrier to schooling for the poorest people.

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Figure 4. Children out of school globally in millions

Source: UNESCO



Education is a principal focus for AusAID. AusAID education programs have allowed thousands of people from the region to study in Australia, supported an extensive network of vocational education programs in neighbouring countries, giving people better incomes and providing core skills, and they have also helped build better basic education services in several countries which have improved attendance levels, learning outcomes and equity for girls and boys.

## Giving girls access to school<sup>9</sup>

In the Kochore district of southern Ethiopia there was no secondary school, a shortage of primary teaching materials, and more than 90 children per teacher. The illiteracy rate amongst school-aged children was 68 percent. World Vision's Kochore Area Development Program discussed educational needs with the community and by 2008 the program, in cooperation with the Ethiopian Government, had established two new schools. The school attendance rate for girls increased to 45 percent (up from 13 percent in 2004) and new women's solidarity groups encouraged the schools to also teach about child rights, gender issues, harmful traditional practices and health.

*"It is such a relief that the school is constructed in such close location. Our children had to spend hours travelling to and from the school walking a total of 15 to 18 kilometres. Going to the school was especially worse during the rainy season. Now all my children go to school."* – Azalech, Kochore



## School revolution in Indonesia<sup>10</sup>

Hundreds of thousands of students have benefited from the Australian-Indonesian Basic Education Program which commenced in 2005 and is funded by AusAID. So far more than 2,075 schools have been built and 330,000 school places created. In addition, the program has supported work on teaching quality, national standards, gender mainstreaming in education, and access to school for children with disabilities. In many areas it has been rare for children to go on to high school, however now many more children, both boys and girls, are benefitting from some secondary education. While Indonesia has a fast growing economy, average incomes are still only one twentieth of those in Australia.

## WATER AND SANITATION

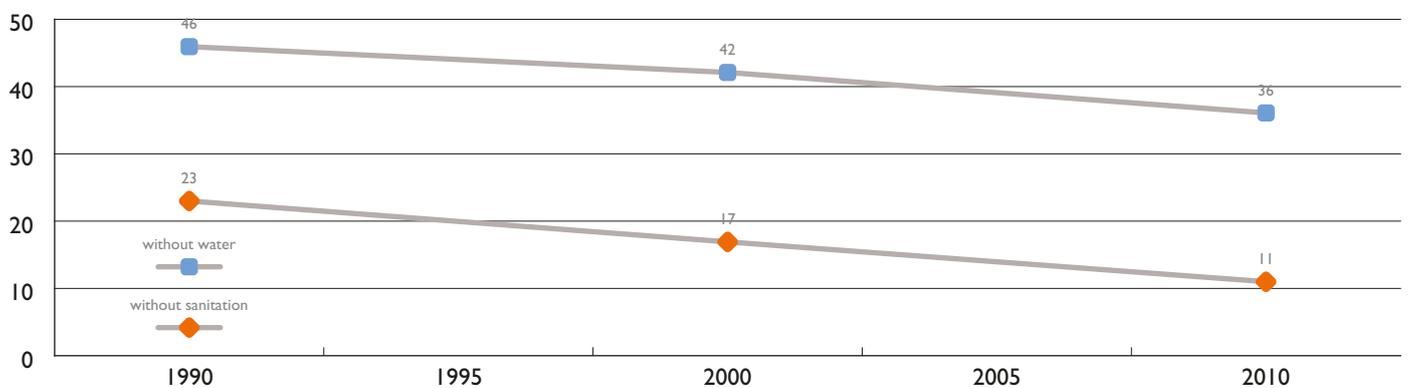
Access to clean water and knowledge of hygiene are essential aspects of improved health. Since 1990, an additional 1.8 billion people have gained access to an improved water source and an additional 1.3 billion have sanitation.<sup>11</sup> Economic development and aid underlie these improvements.

Australia's international aid program has supported effective water and sanitation programs in a number of countries through technical advice, assisting developing countries to access infrastructure loans, and through the direct provision of water and sanitation facilities in urban and rural areas.

Figure 5 shows that despite a growing world population, the proportion of people without access to these essential services is continuing to fall.

**Figure 5. Percentage of global population without water and sanitation**

Source: WHO and UNICEF Progress on Sanitation and Drinking Water



### Helping with clean water and hygiene in rural Vietnam<sup>12</sup>

In 2000, only 59 percent of households in Phu Cu, Vietnam had access to safe water. To improve access to clean water, World Vision assisted poor families, schools and community health centres to build protected wells, water storage facilities, filtration tanks and latrines. In partnership with hamlet facilitators and solidarity group members, training courses were conducted on hygiene and ways to keep the home and local environment clean.

Access to clean water has increased to 87 percent as has knowledge of hygienic practices. At the beginning of the project rates of diarrhoea and trachoma were several times the national average – these have now been reduced by a factor of three for diarrhoea and a factor of five for trachoma.



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## OTHER AID SUCCESSES

The most obvious aid successes are in the provision of essential services such as health and education. However, overseas aid is also instrumental in a range of other areas.

For example, Australia and other donor nations support an international network of agricultural research centres that focus on improving crop and livestock productivity in developing countries – aid has been critical in helping global agricultural production keep pace with population growth<sup>13</sup> and will be essential to help adapt agriculture to the effects of climate change.

Assistance with economic governance has helped to improve the macro-economic stability and growth prospects of a large number of countries and is also helping developing countries to reduce their dependence on aid by generating more of their resources domestically through improved taxation systems.<sup>14</sup>

Overseas aid supports some of the poorest and most marginalised people – those who often have the least power and the least say in their country. Aid, for example, has supported women's groups throughout the world, ensured the provision of services for refugee groups and minorities, and helped to enhance protection of children from exploitation and trafficking.

Aid is also helping to reduce corruption by providing technical assistance to improve judicial systems and anti-corruption bodies, and by supporting poor communities to hold their local, state and national governments to account. Examples include funding for participatory mechanisms to assess the quality of government services and the implementation of more transparent budget processes.

### Improving agricultural productivity<sup>15</sup>

In Timor-Leste, agriculture provides the livelihood for more than 80 percent of the population. AusAID, the Australian Centre for International Agriculture Research, and the Government of Timor-Leste are increasing food production by identifying and trialling high-yield crop varieties. Since 2001, the Seeds of Life program has successfully released nine varieties of five staple food crops that are highly adapted to Timor-Leste's farming systems. Productivity has increased between 23-80 percent using these varieties.

### Supporting key infrastructure<sup>16</sup>

World Vision helped the community in Kochore, Ethiopia to replace its pedestrian bridge during 2010 with one that would allow wheeled vehicle access. The community contributed labour and some materials. This community has now been able to access new markets by forming coffee farmer cooperatives and farmers are getting better prices for their organic and Fairtrade-certified coffee. Some of this fair trade coffee, made possible with assistance from Australian aid donors, is now being exported to Australia.

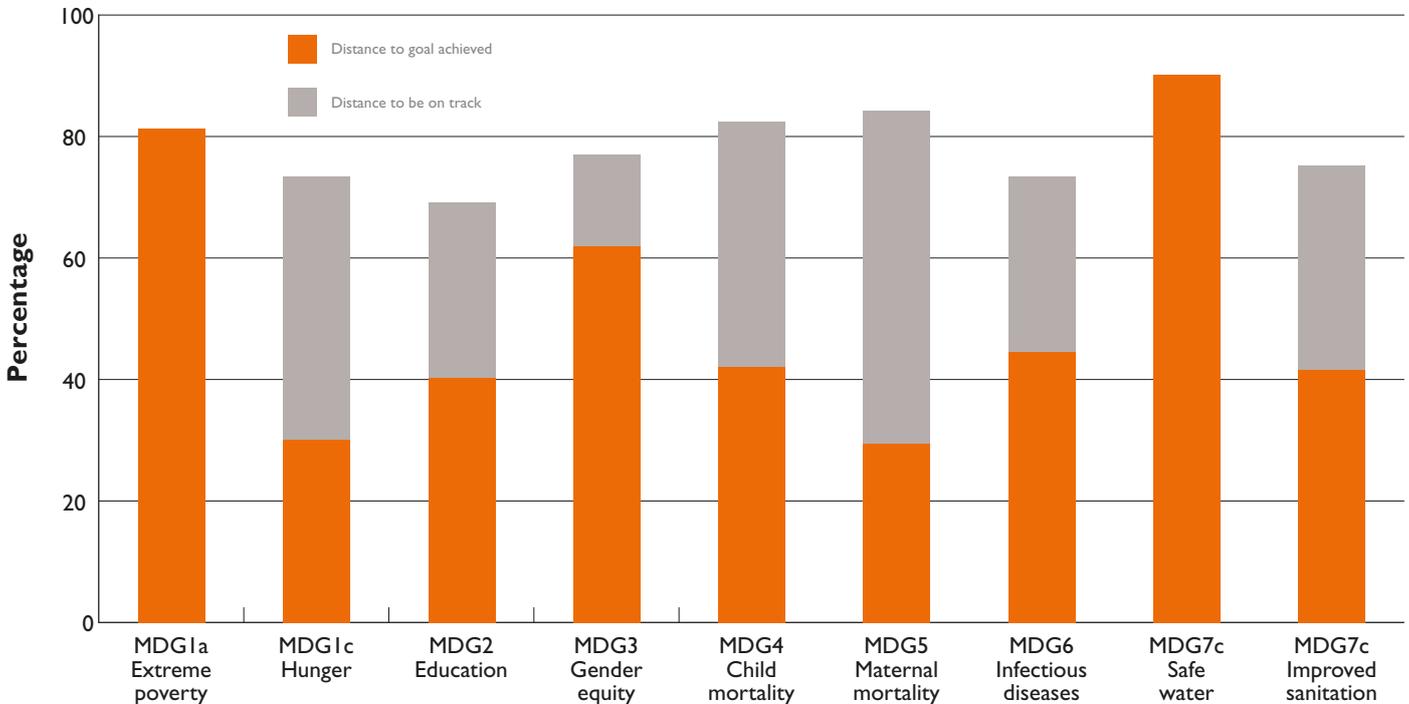


## THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

The MDGs are a set of goals agreed to by all nations in 2000 which focus on many of the core aspects of development such as income, hunger, child and maternal health, infectious diseases, gender equality and environmental sustainability. The MDGs have generated an unprecedented effort by people and governments in both poor and rich nations to work together to reduce poverty. Not all of the goals are on track in every country, but as Figure 6 shows there has been significant progress on most goals. Aid alone would not have been able to achieve such progress; this has also been the product of economic growth and improvements in technology. But equally, aid has been a critical driver of this global success by providing additional resources to low income countries and countries in crisis, focusing on the poorest and most marginalised groups, helping to build healthy and well-educated communities, making critical technologies and strategies more widely available, and by supporting pro-poor policies in developing countries.

## Figure 6. Summary of global progress on the MDGs

Source: Calculations based on UN MDG Report 2009 and Statistical Annex and updated maternal mortality estimates by Hogan et al. 2010 Maternal mortality for 181 countries, 1980-2008



The 10 countries that receive the most Australian aid have also shown significant progress, an indicator that they are generally making good use of Australian support. Excluding Afghanistan, which is affected by war, the average MDG progress score for these countries is 64 percent.<sup>17</sup>

## CONCLUSION

Like most large scale and complex human activities – aid is not perfect. However, it is a proven, critical part of helping to reduce poverty and build a fairer, more prosperous and more secure life for all people in the small world in which we now live.

In fact, aid that is well targeted, evidence-based and aligned with a community's needs is one of the most cost-effective and productive investments that wealthy countries can make.

<sup>1</sup> <http://www.globalissues.org/article/75/world-military-spending>

<sup>2</sup> <http://www.forbes.com/forbes/2003/1222/086.html>

<sup>3</sup> For the charts in this paper the 2010 data values are World Vision projections of recent trends as the most recent data currently available is 2008 or 2009. Also where data points are missing a straight line has been drawn between adjacent points.

<sup>4</sup> For a more detailed examination of aid's contribution to health see Center for Global Development 2007 *Millions Saved*, <http://www.one.org/international/livingproof/> and Kenny C 2011 *Getting Better: Why Global Development Is Succeeding – And How We Can Improve the World Even More*.

<sup>5</sup> UNAIDS Report on the *Global AIDS Epidemic 2010*

<sup>6</sup> See WHO *Global Tuberculosis Control 2010* and UNICEF et al 2010 *Malaria Funding & Resource Utilization: The First Decade of Roll Back Malaria*.

<sup>7</sup> Photo courtesy of AusAID. See <http://www.ausaid.gov.au/country/png/hiv/aids.cfm> and <http://www.unaids.org/en/resources/presscentre/featurestories/2010/august/20100826fspng/>

<sup>8</sup> World Vision Australia 2007 *Putting children first: Lamay Area Development Program in Peru*

<sup>9</sup> World Vision Australia 2011 *Toward Sustainable Development: Kochore Area Development Program in Ethiopia*

<sup>10</sup> <http://www.smh.com.au/national/education/building-an-education-revolution--that-works-20110209-1an29.html> and <http://www.ausaid.gov.au/country/indonesia/education.cfm>

<sup>11</sup> WHO and UNICEF 2010 *Progress on Sanitation and Drinking Water – 2010 Update*

<sup>12</sup> World Vision Australia 2009 *Phu Cu Area Development Program in Vietnam*

<sup>13</sup> Renkow M. and Byerlee D. 2010 *The impacts of CGIAR research: A review of recent evidence*

<sup>14</sup> For example see AfDB 2010 *African Economic Outlook 2010* and AusAID 2008 *Tracking Development and Governance in the Pacific 2008*.

<sup>15</sup> <http://aci.gov.au/country/East+Timor>

<sup>16</sup> World Vision Australia 2011 *Kochore Area Development Program in Ethiopia*

<sup>17</sup> Using the scoring system from Center for Global Development 2010 *Who Are the MDG Trailblazers? A New MDG Progress Index*.

For a more in-depth look at aid effectiveness go to [worldvision.com.au/Learn/ReportsResearchPublications.aspx](http://worldvision.com.au/Learn/ReportsResearchPublications.aspx)

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Effective aid is a bridge in our ever more interconnected world. Photo from Phu Cu Area Development Program in Vietnam, 2009.



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Published by World Vision Australia – Advocacy and Policy Research

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