

World Vision

# ISLAND NATION

OR GLOBAL CITIZEN?

2009



HOW IS AUSTRALIA FARING IN THE GLOBAL  
CHALLENGE TO MAKE POVERTY HISTORY?

**A REPORT FROM  
WORLD VISION AUSTRALIA**



Karen harvests squash and bitter melon in the Philippines.





# PREFACE - TIM COSTELLO

WORLD VISION AUSTRALIA CHIEF EXECUTIVE

Australia has faced its share of disasters this year, with wildfire storms in Victoria in February and a series of floods in Queensland and northern NSW. We witnessed with horror the fragility of human defences against mighty climatic forces, and the lasting consequences of disaster.

Australians are generous to people in a crisis, donating time and money to help set things right. This isn't restricted. After the Boxing Day tsunami in 2004 money poured in, and this was repeated after Cyclone Nargis and the earthquake in China last year.

This report recognises the humanitarian spirit behind that giving. The results of World Vision's second Quantum Research survey into attitudes to overseas aid reveal that despite the hardships felt by Australians in the global financial crisis, they are even more committed to helping people left worse off by the impact of the downturn.

World Vision Australia's fifth Island Nation report paints a bleaker picture when it comes to the Millennium Development Goals. Australia's Prime Minister, Kevin Rudd, personally committed the government to help achieve the halving of global poverty by 2015 in several key areas lagging badly. It was pleasing to see that the 2009 Federal Budget allocated additional funds to some of the worst performing areas including maternal and child health programs, and to water and sanitation projects.

I commend this report to you. As good global citizens Australians are committed to helping those experiencing disadvantage, particularly those in our region of Asia and the Pacific. Progress is being made to combat poverty and build sustainable communities in poor nations within our neighbourhood. But Australia's rate of national investment in this effort must grow further if we are to do our fair share towards meeting this compelling humanitarian need. And as the research shows, four out of five people believe Australia's aid budget should double from its current level of 0.34% of Gross National Income (GNI) to the globally-agreed standard for developed nations of 0.7% of GNI.



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Silay, 10, from Laos, says his favourite subject at school is mathematics.



# SUMMARY



Is Australia a leader in global poverty reduction? This Island Nation report finds that the Australian Government has significantly improved the quality and focus of its aid program over the last two years and that the government is beginning to work much more effectively with other nations to achieve the Millennium Development Goals. We are not yet a leader in poverty reduction but Australia is heading in the right direction and we are a contender for most improved.

Progress to date on the goals has been mixed. Both donor and developing countries have taken significant steps since the goals were agreed in 2000 – income poverty has dropped, there are more boys and girls in school, fewer children are dying and many more people are being effectively treated for diseases such as AIDS and malaria. However with just six years to go to 2015, progress on many of the goals needs to increase; child mortality, maternal health and environmental sustainability are the biggest challenges.

In this report we detail the next steps that we think the Australian Government should take to further improve the aid program. These include increasing the growth rate of the program, providing long-term predictable assistance, increasing the involvement of the poor in planning and implementation, and supporting low-carbon development paths.

Finally, we look at new public opinion research which shows that Australians continue to support a larger and more active aid program despite the global economic crisis, and that they want our country to be at the forefront of global development and poverty reduction efforts.

IN 2000, 11.1 MILLION CHILDREN DIED AROUND THE WORLD; BY 2007, THIS HAD DROPPED TO 9.2 MILLION.

AN ADDITIONAL 34 MILLION CHILDREN ARE IN PRIMARY SCHOOL TODAY THAN THERE WERE IN 2000.

AT CURRENT RATES, GIRLS BORN TODAY WILL HAVE THE SAME CHANCE OF ENTERING PARLIAMENT AS THEIR BROTHERS.

AUSTRALIA IS STILL LAGGING BEHIND OTHER COUNTRIES IN THE AMOUNT IT CONTRIBUTES TO AID – BY 2015 WE WILL STILL BE RANKED 14 OUT OF 22 OECD MEMBER COUNTRIES IN OUR LEVEL OF AID.

AID MAKES UP ONLY 1.1% OF THE FEDERAL BUDGET.

FOUR OUT OF FIVE PEOPLE BELIEVE THE AUSTRALIAN GOVERNMENT SHOULD GIVE 0.7% OF GROSS NATIONAL INCOME (GNI) TO AID.



In Ghana, World Vision is working with schools and communities to promote primary school completion.



# AUSTRALIAN AID, THE MILLENNIUM DEVELOPMENT GOALS AND CHILDREN



## INTRODUCTION

*Island Nation or Global Citizen* is a series looking at Australia's relationship with the developing world. In the 2007 Island Nation report we reviewed the efforts countries around the world were making towards achieving the Millennium Development Goals (MDGs). We found that the Australian Government was improving its aid program but that it had a long way to go to catch up to the efforts many other developed countries were making.

This contrasted with the efforts of millions of Australians who were giving time and money to development non-governmental organisations (NGOs) and supporting major campaigns for international justice and equality such as Make Poverty History and Micah Challenge. The Australian public was increasing its support for development NGOs at almost twice the rate that the government<sup>1</sup> was increasing aid. Opinion surveys also showed that there was widespread public support for increased government aid, achievement of the 0.7% of national income aid target, and the desire for Australia to be a leader in global poverty reduction efforts.

Two years on, in this report, we will examine progress in our region and internationally on the achievement of the MDGs through the eyes of the most vulnerable and important beneficiaries of development – children – and see whether the Australian Government has met public expectations and become a leader in global poverty reduction.

Throughout the report, you will see pictures taken by children with whom World Vision works. These pictures give an insight into their day to day experiences and how the MDGs affect their lives.

“ OPINION SURVEYS ALSO SHOWED THAT THERE WAS WIDESPREAD PUBLIC SUPPORT FOR INCREASED GOVERNMENT AID, ACHIEVEMENT OF THE 0.7% OF NATIONAL INCOME AID TARGET, AND THE DESIRE FOR AUSTRALIA TO BE A LEADER IN GLOBAL POVERTY REDUCTION EFFORTS ”



# AUSTRALIA'S AID PROGRAM

In *Island Nation or Global Citizen 2007*, World Vision highlighted a number of weaknesses in Australia's overseas aid program, including:

- low overall aid volume;
- poor cooperation with other donors and lack of support for important international development initiatives;
- inadequate support for key human services such as basic health, basic education and water and sanitation; and
- failure to meet our commitments under the Millennium Development Goals which were signed by all UN member countries in 2000.

At the time of the last report we noted that the government was beginning to remedy some of these weaknesses. However, we concluded:

*"The government is not yet operating from the premise that we should carry our share of the global responsibility for reducing poverty."*

World Vision is pleased to report that the Australian aid program and

the government's approach to international development have improved significantly since then.

The main improvements are:

- **lifting aid to 0.34% of Gross National Income (GNI) by 2009 and making a commitment to lift aid to 0.5% of GNI by 2015** – while this is still short of the international target of 0.7%, it is a meaningful move in the right direction and growth in the program has been maintained despite budget constraints;
- **integration of the MDGs into the planning and evaluation frameworks of the aid program** - the government has shown by its public statements, allocation of funding, cooperation with other donors and planning changes that it is serious about the commitments it made to support the MDGs;
- **greater cooperation with key international development and aid effectiveness initiatives** – increased financial support for key UN

agencies and cooperation on a number of key international actions including the International Health Partnership, the Global Fund to Fight AIDS, TB and Malaria, and the Paris and Accra aid effectiveness strategies will help to improve the impact of aid globally;

- **more genuine consultation and engagement with Australian civil society on development issues** – earlier and more comprehensive consultation on policy, a more open approach to criticism of the program, and significant new partnership arrangements between the Australian Agency for International Development (AusAID) and Australian development NGOs;
- **increased support for critical development activities such as basic health and education, water, sanitation and rural development** – since the 2007-08 Federal Budget, funding for these areas has increased from 25% to 33% of the budget<sup>2</sup>.
- **a more cooperative approach to relationships with Pacific Island nations.**

As the recent Organisation for Economic Co-operation and Development (OECD) review of the Australian aid program concluded:

*"Substantial, positive changes have taken place in the Australian aid programme since the last Peer Review<sup>3</sup>."*

Nonetheless, World Vision believes that there are still a number of improvements required in the Australian aid program. These will be outlined later in this report.





# PROGRESS FOR CHILDREN

## ARE WE ACHIEVING THE MDGS?

Since 2007, progress on the MDGs has been mixed. There continue to be advances toward a number of the goals. However, this varies greatly from country to country and from goal to goal. Time is running out to meet a number of the goals by the target date of 2015. Most children born in 2000, the year the international community, including Australia, committed to achieving the MDGs, will have seen some significant improvements, however it is likely that many will still face considerable challenges.

These challenges have been intensified by the effects of the global economic downturn on the developing world which has drastically cut foreign investment and trade, reduced credit availability, increased unemployment and which is threatening aid commitments<sup>4</sup>. The worst is probably yet to come. The G20 has agreed to respond to these threats, however the scale of their response has been inadequate to date<sup>5</sup>.

There are eight Millennium Development Goals. They seek to improve income, nutrition, basic education, gender equity, child and maternal health, environmental sustainability and international cooperation. In this section we will briefly review the progress on each of the goals and look at how this affects the lives of children in developing countries.



Improving nutrition is a key factor in the success of the Millennium Development Goals.

# GOAL I

## HALVE THE PROPORTION OF PEOPLE LIVING IN EXTREME POVERTY AND HALVE THE PROPORTION OF PEOPLE WHO SUFFER FROM HUNGER

Until the global economic downturn took hold in 2008, a child born in 2000 in most developing countries would have seen significant economic growth in their lifetime. Children in China, Southeast Asia or India would have probably seen considerable growth in their countries' economies; however this is also true of African countries to a lesser extent. In recent years, economic growth has averaged around 6% in African countries<sup>6</sup>.

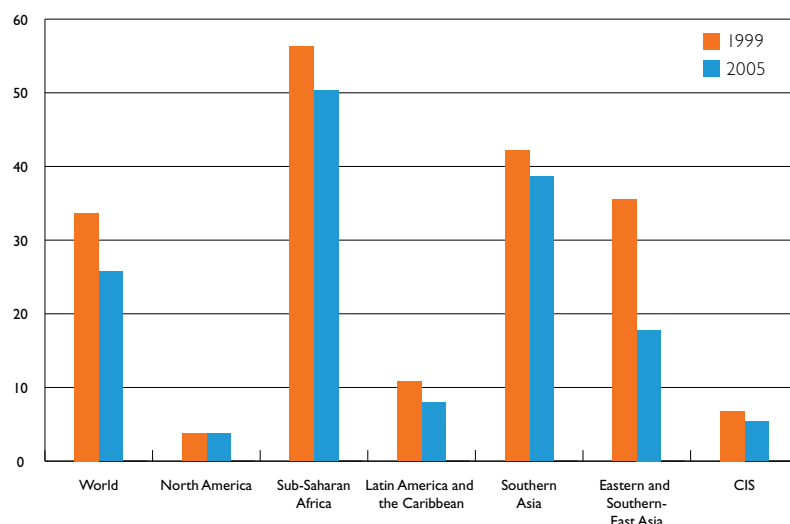
Nonetheless, even in those countries with the most rapid growth, not all children have benefited. In many countries, rapid economic growth has been accompanied by greater inequality within their population. Many of the children born in 2000 have benefited very little from economic growth or have been negatively impacted by this growth through damage to the environment or loss of traditional homes.

Figure I below highlights the very large decrease in extremely poor people in China and Southeast Asia in recent years, but also shows that extreme income poverty has decreased across the world.

The World Bank estimates that 55-90 million people may be added to the ranks of the extremely poor (income less than US\$1.25 a day) in 2009 due to the global economic downturn<sup>8</sup>.



Figure I: Percentage living on less than US\$1.25 a day<sup>7</sup>





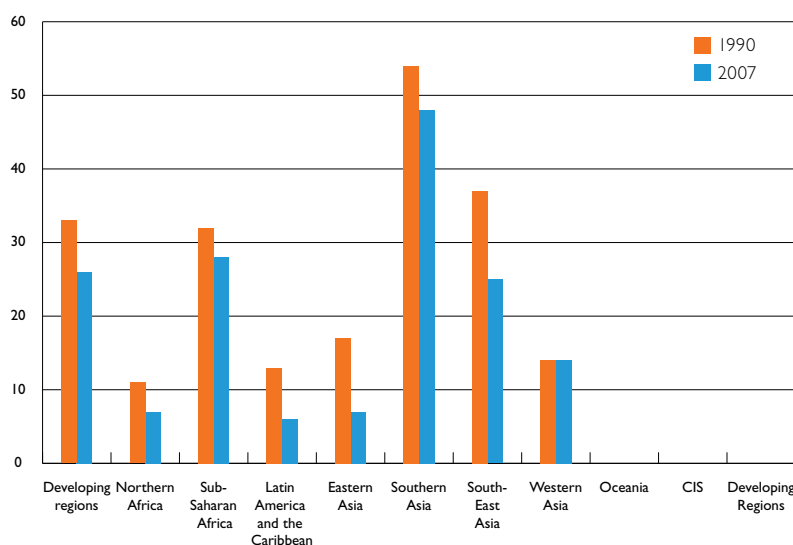
There has also been a long-term, though modest, decrease in hunger and malnutrition in most regions since 1990, as shown in Figure 2. Children in many countries are still accustomed to hunger and the illness, stunted growth and low energy levels that accompany it. Eating small portions or skipping meals, especially during lean seasons, is still commonplace.

Nonetheless, increased incomes, better emergency support, provision of micronutrient supplements, and nutrition information have seen less children experiencing extreme hunger.

Unfortunately, these gains have been threatened by a massive increase in food prices during 2007 and 2008, caused by a range of factors including market speculation, increased fuel and fertiliser costs, extreme weather conditions and diversion of food grains and oils for biofuels<sup>9</sup>.

During this time, average cereal prices increased by around 300%. While prices have since dropped from these extremes, average cereal prices are still almost twice as high as in 2006<sup>10</sup> and the poor's ability to pay for them has been threatened by the global economic downturn. The Food and Agriculture Organization now estimates that the number of people suffering from hunger in the world will rise from 915 million in 2008 to 1.02 billion in 2009<sup>11</sup>.

Figure 2: Percentage of children under 5 yrs who are underweight



## GROWTH IN A HARSH CLIMATE

Senegal is located on the edge of the Sahara desert. As a result of higher temperatures, reducing rainfalls and land degradation, the Sahara is spreading southwards into previously arable land. This has resulted in decreased agricultural productivity, increased soil salinity and acute food shortages during the lean period.

World Vision is working with vulnerable rural communities in Senegal to help them adapt to the changing environment and address food supply needs.

In the village of Djilla, a local women's association has been assisted to establish a market garden. The women were taught methods of sustainable gardening, such as rotating crop types over a number of years, and the application of compost and manure to improve soil health and increase production.

The garden has made a tremendous contribution to household wellbeing and especially children's nutrition. Mothers in the area talk about how the nature of daily meals has changed. Before, meals consisted of millet with a small amount of plant or meat. Now, daily meals are couscous with a rich mix of vegetables such as eggplant, onions, cabbage and carrots. Surplus production is then sold to contribute to household income.



Mrs Aida Faye, President of Djilor Village Women's Association, in the community vegetable garden established with the help of World Vision.

# GOAL 2

## ACHIEVE UNIVERSAL PRIMARY EDUCATION

Since 1999, the number of children unable to go to primary school globally has dropped from 103 million to 75 million<sup>12</sup> and the proportion of children completing primary education has increased. By 2006, 86% of children worldwide were completing primary school and young people had greater access to secondary school and other forms of education.

As Figure 3 below highlights, most regions are achieving high levels of primary completion with the exception of sub-Saharan Africa and Oceania.

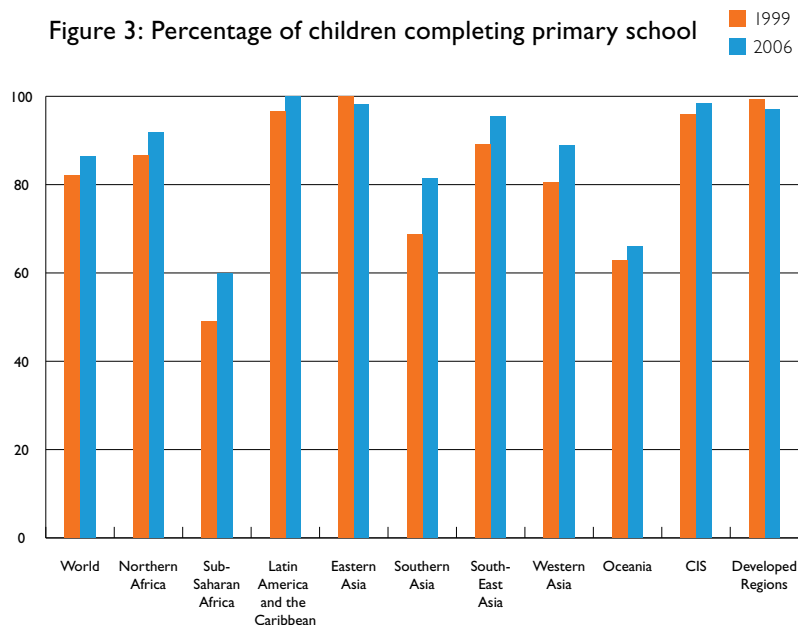
Despite these improvements, there are still 75 million children not receiving primary education and there are still significant concerns about the quality of education in many places. Many children are

receiving a poor education because teachers are often inadequately supported and trained, have large numbers of students in their classrooms, have inadequate teaching resources, or are working multiple jobs because of poor salaries. In some countries, 40% of children completing primary education are still unable to read simple sentences in their own language<sup>13</sup>.



Through the eyes of our photographer (below), Abir, 11, from Bangladesh: "These are my mates in the school with whom I attend classes and play during recess period."

Figure 3: Percentage of children completing primary school





# GOAL 3

## PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Girls' access to education has been improving. Overall, girls now have almost the same participation rates as boys in primary and secondary education <sup>14</sup>.

However, there is still a long way to go in many countries before females have equal access to power and resources, despite some promising signs

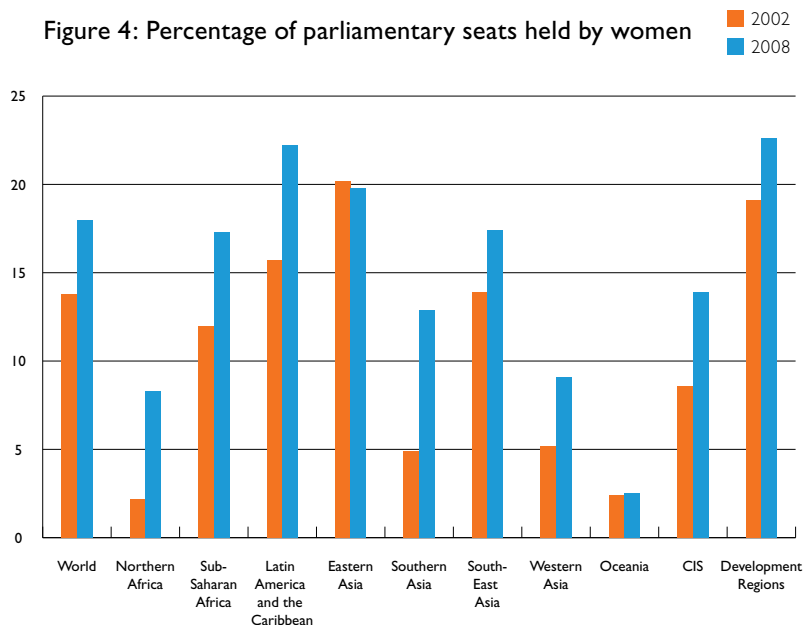
of improvement across the world, such as the increasingly rapid improvement in women's parliamentary representation. The figure below shows that with the exception of Oceania, women's share of parliamentary seats has been increasing rapidly in the last few years. If this global rate of increase is maintained, girls born this year will have the same chance

as males to sit in parliament soon after they become adults.

In the meantime, despite continuing improvements in gender equity, girls today remain victims of violence, intimidation and sexual coercion, have too little say in decisions about their health and finance, and are burdened by the bulk of family workloads and restricted opportunity <sup>15</sup>.



Figure 4: Percentage of parliamentary seats held by women



## CHILDREN RAISE THEIR VOICES FOR EDUCATION

Children in India are demanding quality education for all. In November 2008, around 200 children were selected from all over the country to score the government's performance on education and other fundamental child rights, and present their proposals to policy makers in time for the national election.

Rakhi\*, age 16, was chosen to represent the children of West Mumbai at the children's assembly. "Every village should have a school up to the 12th standard. There should be one teacher for every 25 students," she says. Recommendations from children such as these were captured in a manifesto which was presented to the Congress Party leader, Shri. Rahul Gandhi in February 2009. In a country where many children work and do not go to school, other demands included free and compulsory education for all children up to the age of 18 years, and equal education opportunities for boys and girls, and children with a disability.

Reflecting on her experience in the national children's assembly, Rakhi feels it was a great privilege to represent the children of her community. "We have hope for the future and will fight for our rights." An enthusiastic advocate, Rakhi has now started educating other youth about child rights, and privately tutors underprivileged children. She hopes to become a teacher herself and will continue lobbying the government for equal access to quality education.

\* Name has been changed in accordance with World Vision's Child Protection Policy.

Rakhi, 16, proudly represented the children of West Mumbai at the National Children's Assembly.





# GOAL 4

## REDUCE CHILD MORTALITY BY TWO-THIRDS BETWEEN 1990 AND 2015

Child mortality continues to fall in most countries but not at a rate which is sufficient to reach the Millennium Development Goal. The global child mortality rate has dropped from 93 per 1,000 in 1990, to 68 per 1,000 in 2007<sup>16</sup> but must fall to 31 per 1,000 by 2015 if the goal is to be reached. Last year, around 9.2 million children under five died throughout the world<sup>17</sup>.

As Figure 5 below shows, the child mortality rate has dropped in every region, however the absolute rate is much higher in sub-Saharan Africa than anywhere else and there is considerable room for improvement in all regions when compared with the very low rate of child deaths in the developed world.

The major causes of child mortality - pneumonia, diarrhoea, malaria, pre-term birth and other birth complications<sup>18</sup> - are well understood, and proven, cost effective solutions are available.

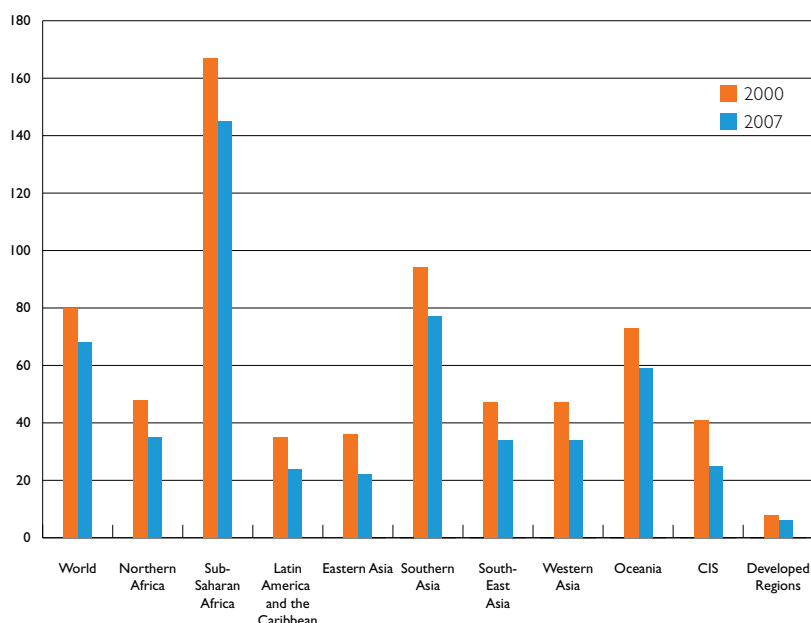
The main barrier at this stage is sufficient political will in both developing and donor countries to ensure that adequate resources are made available to provide the basic health services communities require<sup>19</sup>.

The World Bank has warned that child deaths could increase by 200,000 to 400,000 per year as a result of the global economic downturn<sup>20</sup>.

In November 2009, the World Vision International Partnership will launch a five-year global child health campaign with the aim of marshalling all of World Vision's global resources for the task of improving child health. This campaign will focus on ensuring all families and communities have access to the knowledge and resources they need to keep their children healthy.



Figure 5: Under 5 mortality rate per 1,000 live births



# GOAL 5

## REDUCE MATERNAL MORTALITY BY THREE-QUARTERS BETWEEN 1990 AND 2015

Every year, around 500,000 women die of pregnancy-related causes and around 10 million are injured or disabled<sup>21</sup>. Unfortunately this is the most off-track of all the MDGs<sup>22</sup>. A child born today in sub-Saharan Africa has a one in 22 chance of losing their mother in child birth<sup>23</sup>. On top of this tragedy, nothing reduces a child's chances more than the death of a mother<sup>24</sup>.

While Figure 6 below shows improvement in some regions, the comparison is with the situation in 1990 and the MDG is to reduce rates by three-quarters by 2015. At this stage the average global rate of maternal mortality has only been reduced by around 8%.

The strategies required to reduce maternal deaths are well understood and the difference in survival chances between poor and rich countries are extreme. A woman giving birth in sub-Saharan Africa is on average 100 times more likely to die due

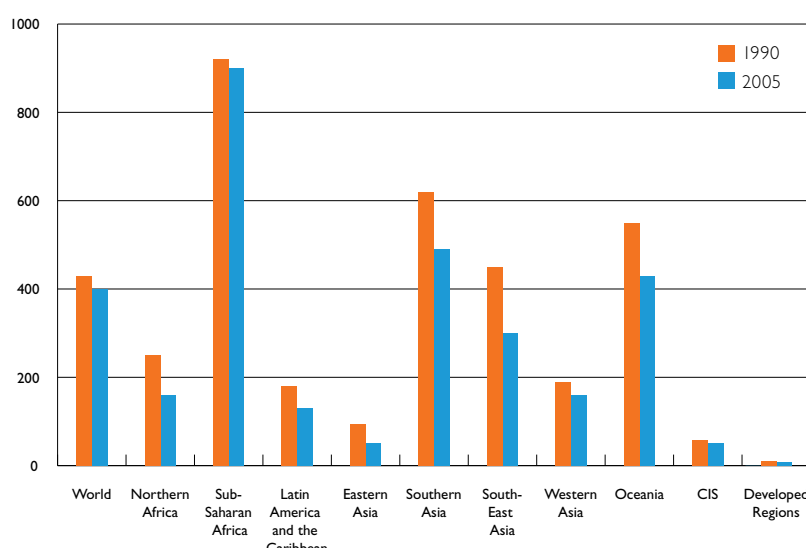


to pregnancy related causes than a woman in a developed country<sup>25</sup>. The main causes of maternal death are bleeding, anaemia, infection, obstructed labour, hypertension and unsafe abortions<sup>26</sup>. Progress is lagging on this goal partly because dealing effectively with obstetric emergencies requires 24-hour ready access to skilled care in every part of a country; that is, an

accessible and effective community and district health system<sup>27</sup>. This is in contrast with interventions that can improve child health such as immunisations, which can be provided by visiting service providers and which do not depend on 24-hour availability. Other contributors to maternal mortality include some traditional practices such as early marriage, acceptance of maternal deaths, poor access to family planning services, male dominance in decision making and women's lack of power in many societies. At its core, the solution to maternal deaths involves securing greater rights for women.

The global community has now finally recognised that increased effort is needed in this area and the attention of global bodies and national governments is clearly focused on reducing maternal deaths<sup>28</sup>. Hopefully, this will result in significant improvements in this area.

**Figure 6: maternal mortality per 100,000 births**





# GOAL 6

## HALT AND REVERSE THE SPREAD OF HIV, MALARIA AND OTHER MAJOR INFECTIOUS DISEASES

In some places in the world, a child has a very high chance of being caught up in the devastation caused by HIV and AIDS. There are now 12 million children in Africa alone orphaned by AIDS<sup>29</sup> with the number continuing to climb, and around 2 million children living with the HIV infection<sup>30</sup>.

On the good news front, new infections appear to be peaking in many countries; the number and proportion of people receiving adequate anti-retroviral treatment is increasing; and the number of deaths each year from AIDS has reached a plateau and appears to be dropping for the first time<sup>31</sup>. This is the result of an unprecedented effort around the world by both developing country governments and donor countries to prevent and treat the disease. For example, the number of people receiving anti-retroviral treatment has increased from 250,000 in 2002 to over 4 million in 2009<sup>32</sup>.



Figure 7 below highlights the overall drop in the proportion of people infected with HIV, the relatively high infection rates in sub-Saharan Africa, and the growing infection rates in Oceania and the Commonwealth of Independent States.

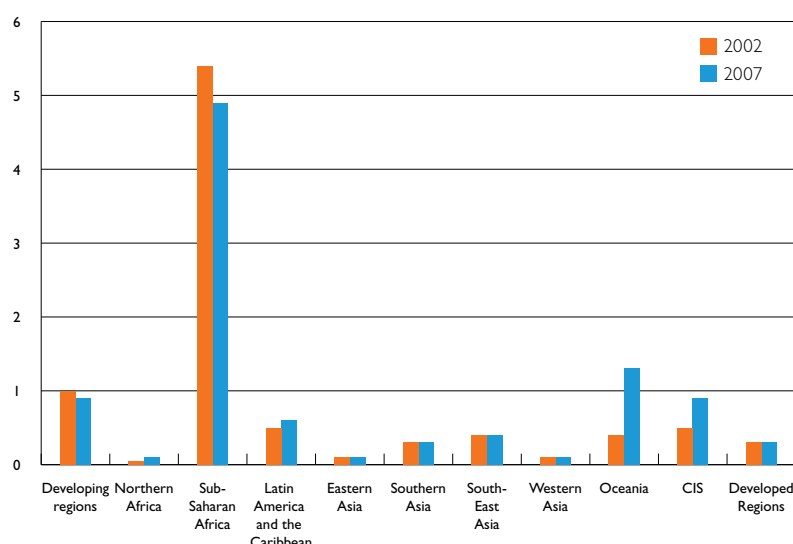
There are 8,000 deaths from AIDS around the world each day and around 350,000 babies were infected with HIV

last year. Close to home in Papua New Guinea, the number of people infected with HIV is increasing rapidly each year<sup>33</sup>.

Another major preventable killer is malaria<sup>34</sup>. In 2006, around one million people, mainly children, died of malaria. The threat of malaria has been overcome in the developed world, however in Africa and parts of Asia and the Pacific, it is still a huge problem. A child in sub-Saharan Africa dies of malaria every 30 seconds.

During the last few years there has been a massive effort by developing countries and donors to beat malaria through a combination of prevention strategies, including indoor spraying and insecticide treated bed nets, and better treatment. The early results of these efforts are very positive with a reduction in deaths of 50% or more in many countries<sup>35</sup>. Unfortunately the threat of malaria and a number of other diseases affected by changes in air temperature and rainfall patterns is likely to increase as climate change continues<sup>36</sup>.

**Figure 7: Percentage of population 15-49 years with HIV**



# GOAL 7

## ENSURE ENVIRONMENTAL SUSTAINABILITY

Achieving environmental sustainability is a hard goal to measure and the picture is at best mixed. While there have been some improvements in land and marine protection and in environmental regulation and planning, in many countries there are also increasing pressures from development and population growth, and of course the concerns of global warming. Today, children in most developing countries are unlikely to see a picture of humanity in harmony with nature. They are more likely to see trees disappearing, to breathe filthy air and to play by polluted rivers.



Figure 8 below shows the changes to global CO<sub>2</sub> emissions since 1990. It is clear that there have been very large increases and that developed nations, while being the single biggest source of emissions, are being overtaken by the developing countries in total. The

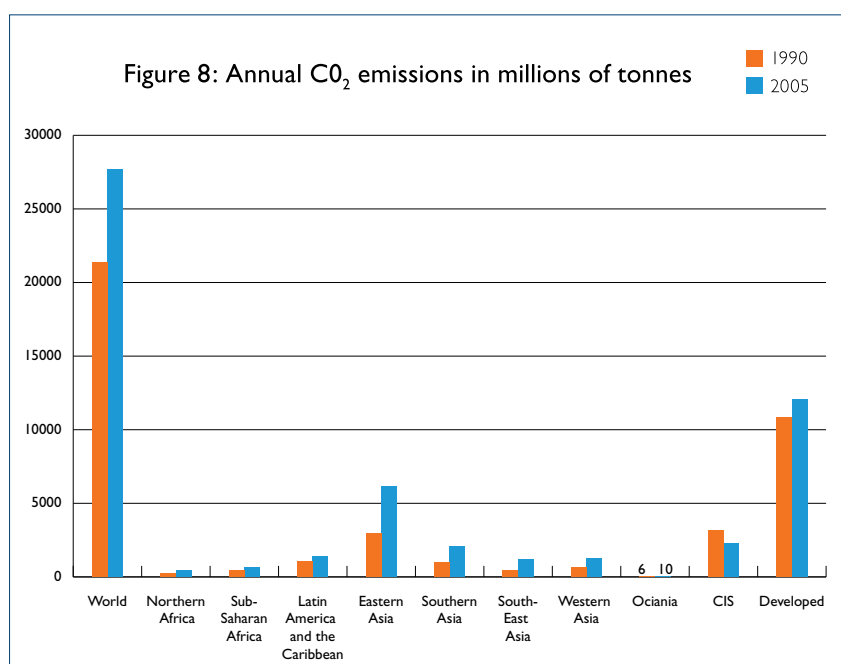
picture provided by this chart does not provide a positive assessment of our world's first attempts to control carbon emissions, and it does not bode well for the children growing up today. Climate change is one of the greatest threats to development

and is likely to hit the poorest people hardest as they often live in the most marginal environments and have the least resources to respond.

For this reason World Vision believes it is critical that a fair and effective agreement on reducing CO<sub>2</sub> emissions is reached at the United Nations Climate Change Conference in Copenhagen in December 2009<sup>37</sup>.

One of the other targets of this goal is to halve the proportion of people without access to clean water and adequate sanitation. The clean water goal is likely to be achieved in most countries, however sanitation is lagging. Diarrhoea associated with poor hygiene and dirty water is still one of the major killers of children, causing some 1.7 million child deaths around the world in 2008<sup>38</sup>. Since 1990, the proportion of people with access to improved sanitation has only increased a small amount – from 41% to 53%<sup>39</sup>.

**Figure 8: Annual CO<sub>2</sub> emissions in millions of tonnes**





# GOAL 8

## DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Achievement of the MDGs rests on improved cooperation between developing and developed countries to meet the needs of the poor. Since 2000, the world has seen unprecedented action in this area: most developing countries have improved their economic management and also the targeting of their support programs for the poor, and have taken a range of other steps to implement their MDG-based development plans<sup>40</sup>.

At the same time, donor governments from the rich world have worked to improve the effectiveness of their aid by working cooperatively to support developing country plans, by reducing tied aid and by focusing



more on the MDG priorities; and by increasing the amount of aid they provide.

As with most of the other MDGs, there is still a fair way to go, but there has been some significant progress.

The challenge now is to accelerate that progress by ensuring that all leaders in developing and developed countries meet all of their commitments to the poor and give high priority to the needs of the most vulnerable citizens.





Mrs Diem, from Vietnam, weighs children under five in her village to assess their nutrition status.





# CONTINUING GAPS – STEPS THAT MUST BE TAKEN BY AUSTRALIA



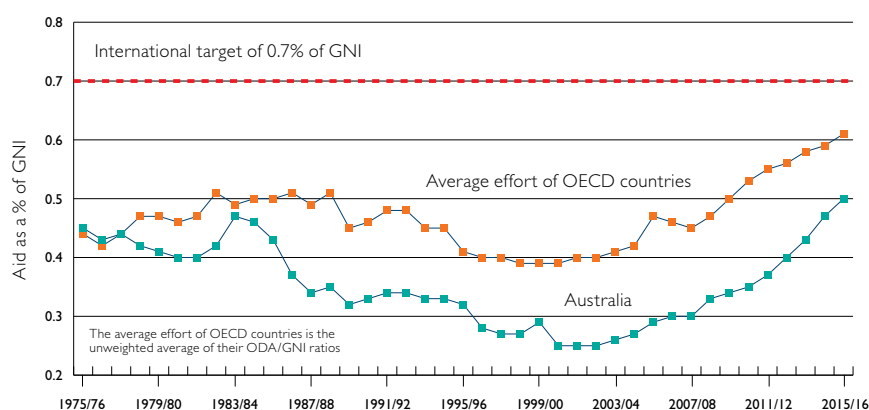
Earlier in this report we described many of the recent significant improvements in the Australian Government aid program. In this section we will cover the additional steps that World Vision believes need to be taken by the government if Australia is to commit its fair share towards achieving the MDGs.

## AID VOLUME NEEDS TO INCREASE MORE RAPIDLY.

The lower line in the following chart shows Australia's aid level as a share of national income and projects this to 2015 based on the current government's plans. The top line is the average country effort of all the OECD donor countries. The chart shows that despite the planned aid increase to 0.5% of GNI by 2015, we will still lag well behind the average aid effort of other donors. In 2015, Australia is still likely to be in the second half of donors at 14th place out of 22 countries. We can afford to do better than this and the poor in our region need us to do better than this.

When aid requirements are expressed in billions of dollars they seem very large. For example, the internationally agreed target of 0.7% of GNI to aid is around US\$280 billion dollars per year<sup>41</sup> and Australia's share of this is currently A\$8 billion or around twice current aid levels.

**Figure 9: Australian aid levels compared with the average effort of OECD donor countries including projections to 2015**



However, Australia's current aid allocation is only 1.1% of the Federal Budget and our international commitment of 0.7% of GNI would make up only 2.3% of the budget<sup>42</sup>. When looked at in this way, aid is a very low cost way to save many lives and make the world a safer place for all people.

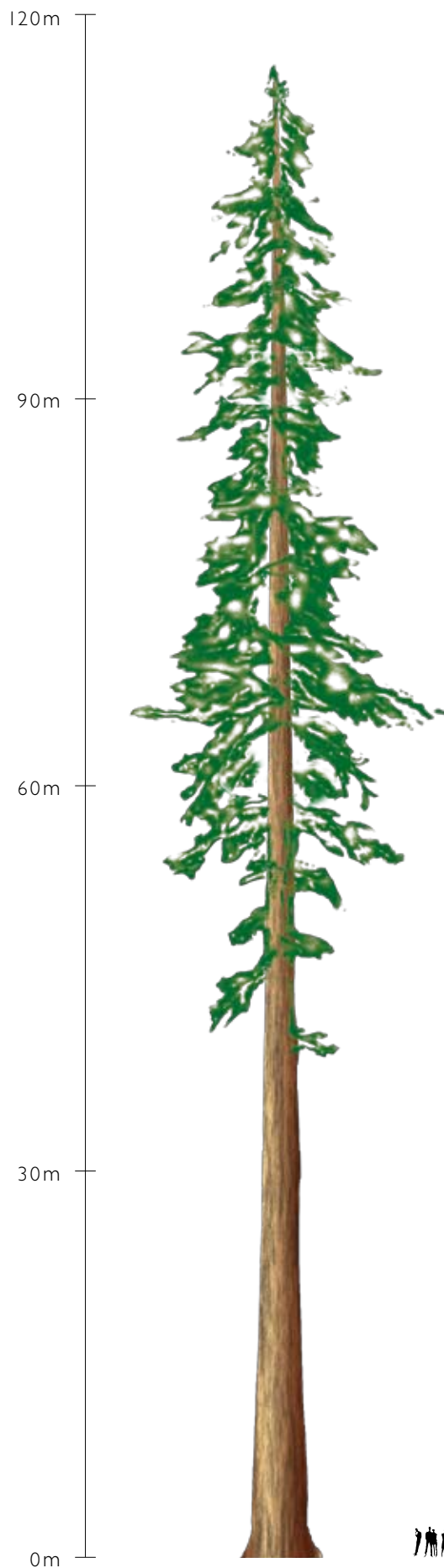
The reason aid only requires a small proportion of our budget is because of the relative wealth of countries like our own. In fact, our society is now so well off that we can have trouble understanding the scale of our wealth. The average income of people in developed countries is now 60 times higher than that of the average for people in low income countries<sup>43</sup>.

The chart on the right demonstrates the difference between the national income in Australia and the average national income in low income countries. Given the huge disparity, it is easy to see why a contribution of just 0.7% of our national income to aid is easily affordable and can make a huge difference to the lives of people in the poorest countries.

#### KEY MDG AREAS NEED SIGNIFICANTLY MORE FUNDING.

Under the current plans to increase aid, Australia will not be able to contribute its fair share of funding to a number of key MDG target areas. This is one of the reasons that Australia needs to lift its aid volume targets.

The government's current plan is to lift aid to 0.35% of GNI in 2010-11, up from 0.34% this year. Using the Treasury's estimates of economic growth and inflation<sup>44</sup> this will mean that an additional A\$260 million in aid will be available. However, as Table 1 shows, if Australia is to contribute its fair share of aid for key activities such as basic education, health, water and sanitation, and rural development, then an additional A\$930 million will be required



The tallest tree in the world, the largest of all Californian redwoods, compared to a person - this is the scale of difference between the average income in Australia and the average income in low income countries. This is the reason that just 0.7% of our income to aid can make such a difference in low income countries.



Table 1: Current Australian funding and fair share for key MDG sectors<sup>45</sup>.

	2009-10 (A\$ MILLION)	2010-11 MINIMUM FAIR SHARE (A\$ MILLION)
<b>BASIC AND SECONDARY EDUCATION</b>	270	470
<b>BASIC HEALTH</b>	600	900
<b>WATER AND SANITATION</b>	170	350
<b>RURAL DEVELOPMENT AND AGRICULTURE</b>	230	480
<b>TOTAL</b>	1,270	2,200

in 2010-11. While some additional funds could come from redistribution within the aid program, this is unlikely to cover the entire shortfall.

Such large increases are needed because, despite significant increases for these areas in 2009-10, this was coming from a low base caused by years of neglect. If there is any doubt that much greater effort is required in these areas, then one should consider the millions of children and half a million mothers still dying needlessly each year.

#### PROVIDE CONSISTENT, LONG TERM, PREDICTABLE AID.

AusAID should expand the timeframe and predictability of its aid commitments so that partner countries are able to effectively expand services. Even with high levels of economic growth, it will take a number of years before many of the poorest countries have the resources to fund key services such as basic healthcare through their own resources alone. At present the bulk of aid from donors is relatively short term and often not guaranteed from one year to the next. This makes it very difficult for developing country governments to expand services and train and employ staff, as they have no certainty that they will be able to pay these staff in the next year. Most aid should move towards a minimum five-year funding commitment,

contingent only upon the partner government meeting mutually agreed criteria for effective implementation.

#### INCREASE EFFORTS FOR WOMEN.

AusAID is one of the global leaders in integrating gender rights into its aid program. Not only are the needs of women and girls overlooked by decision makers in many countries, but many development problems have a gender dimension and a gender solution. For example, programs that provide women with extra financial support have been found to improve the health and educational outcomes of whole families much more than general family support funding<sup>46</sup>. The effective prevention of HIV and AIDS is also closely linked to improving the rights of women who too often have little control over when and how they have sex. Reducing poverty is intimately linked to the rights of women.

#### FURTHER IMPROVE MONITORING AND EVALUATION AND INCLUDE LOCAL PEOPLE.

AusAID should further develop its monitoring and evaluation processes and improve the application of the results of these in future program planning. Local people should also be involved much more in the monitoring and evaluation of programs that affect them – partly because the accuracy

and relevance of findings are likely to be better; but also because people have a right to shape programs in which they are involved.

There would also be benefits in increasing cooperative evaluation with other donors and international agencies (such as the International Initiative for Impact Evaluation). Such large-scale, cooperative evaluation enables high quality, innovative designs which are likely to provide significant lessons for future development assistance around the world.

#### INCREASE EFFORTS TO SUPPORT GRASSROOTS ACCOUNTABILITY.

Improving governance in developing countries requires not only that governments are equipped to govern effectively, but also that their citizens have the capacity to actively demand better government performance. AusAID is increasing its support for such grassroots governance activities; however this needs to grow substantially to ensure a balanced approach to governance improvement. AusAID should also apply these lessons to the development of its own programs and ensure that local people from poor communities are involved much more in the planning and implementation of programs that affect them.

## PLAY A GREATER LEADERSHIP AND COORDINATION ROLE IN THE REGION AND ELSEWHERE.

Australia should play a more active role in ensuring that donor support for countries in our immediate region of Southeast Asia and the Pacific is well coordinated and focused on high priority needs. Poor targeting and fragmentation of aid has been a major barrier to effectiveness. While Australia is already active in donor consultation mechanisms in a number of countries, the benefits of aid from all donors could be greatly improved if AusAID took a more proactive approach to ensure coordination of funding and to encourage donors to work together to meet priority funding needs. In our region, Australia needs to take the responsibility to ensure gaps are filled (by us or others) in donor support.

## MEET OUR COMMITMENTS UNDER THE AID EFFECTIVENESS AGREEMENTS.

Australia is working to improve the effectiveness of its aid by aligning its approach with the Paris Declaration and Accra Agenda for Action agreements. In essence, these agreements commit all countries to improve the effectiveness of aid by:

- providing coordinated donor support for each developing country's own development plans;
- harmonising aid with developing country financial, planning and service implementation systems;
- focusing on results; and
- building mutual accountability mechanisms between donors and developing country governments.

Australia is already working to meet these commitments, however our adherence to date is patchy<sup>47</sup>. As pointed out in the recent Peer Review,



Ni-Vans, 12, learns basic reading and writing skills at World Vision facilitated classes, held three times a week in Vanuatu.

Australia in particular has to increase its use of partner country systems and improve the effectiveness of its technical assistance which is frequently provided by expensive Western consultants who are often ineffective at building local skills and making themselves redundant.

### FOCUS ON INCENTIVES.

There is a growing body of evidence to suggest that the quality of services in many parts of the world is hampered by poor incentive structures which fail to encourage action to improve service quality. For example, health service staff may get paid whether they turn up for work or not, or whether the quality of their care is good or bad. Construction companies may take short cuts in building because they are not held responsible for the longer term maintenance of the building or road. AusAID should be working more closely with governments in the region to help them apply lessons on effective incentive structures to improve the effectiveness of their public services at all staffing levels.

### IMPROVE THE ACCOUNTABILITY OF MULTILATERALS.

AusAID is increasing the proportion of its aid program delivered through multilateral organisations, such as the World Bank and the Asian Development Bank. This is appropriate as it is likely to improve the targeting and coordination of aid. However, at present Australia does not have a sufficiently comprehensive and robust approach to ensuring that its multilateral contributions are spent as effectively and efficiently as possible. AusAID needs to increase its active oversight of the multilateral agencies to which it contributes and play a more active role in shaping the direction of these agencies. The UK Government's development agency, DFID, offers a good model to draw from.

### CHANGE THE REGIONAL DISTRIBUTION OF FUNDS.

The relatively slow progress against the MDGs in the Pacific confirms that the aid program's focus on the Pacific Island countries needs to continue. However as the budget grows, a much greater proportion of the aid program must address the needs of people in the other parts of our region that have the highest numbers of poor and vulnerable people – Southeast Asia and South Asia. In 2009-10, the Australian aid budget has allocated 39% of bilateral funds to the Pacific compared with 38% for Southeast Asia, yet the Pacific has just 6% of our region's very poor people and accounts for only 3% of all child deaths<sup>48</sup>.

### PROVIDE MORE ASSISTANCE FOR RESEARCH.

One of the ways that Australia can assist developing countries most is by using our research skills to work with people in developing countries to help solve critical technical problems. Australia already finances some research (for example in the field of agriculture through the Australian Centre for International Agricultural Research). However, unlike some other donor nations, we do not allocate much funding for dedicated research into developing country needs. Most technical research on these issues must compete for funds through existing research funding bodies such as the Australian Research Council and the National Health and Medical Research Council which prioritise *Australia's* research needs.

Australian researchers, in cooperation with researchers in developing countries, could help to find effective responses for a wide range of issues including: diseases (such as prevention and treatment of malaria, TB, HIV and AIDS, and maternal deaths), environmental management (such as low cost water

treatment, indoor and outdoor air pollution, erosion and habitat management), and energy needs (low cost renewable energy sources and energy efficiency).

Australian scientific and technical research capacity is one of our country's great strengths and we are not using it effectively to help meet the very significant needs of people in developing countries.

### INCREASE ENVIRONMENTAL FOCUS.

The harmful environmental impacts of economic growth, increases in population and continuing and growing carbon emissions necessitate a much larger and better integrated response in the aid program. Environmental concerns should be a key consideration in all aid planning and implementation, and there needs to be a substantial increase in the level of funding for programs that address environmental issues.

The negative effects of climate change alone will cause huge problems for developing countries and will require very significant additional resources for amelioration and adaptation. In addition, the economic growth of many developing countries is likely to generate very large increases in carbon emissions unless advanced economies are able to help these countries implement a low carbon development path. Resolving these problems will require much larger resource flows to developing countries which should be additional to the current development assistance commitment of 0.7% of GNI. The most appropriate source of these resources is the revenue generated from the proposed emissions trading scheme as we work to reduce our own emissions.



Korotimi attended a health workshop with her child: "I like the nutrition training because it protects my child from malnutrition."



# AUSTRALIAN ATTITUDES TO AID



In May 2009, World Vision commissioned a public opinion survey <sup>49</sup> to gauge the level of support for government aid amongst the Australian public. This survey is largely a repeat of questions we asked the public in 2007 and was designed to see whether the high levels of support identified in that survey had been maintained given the economic downturn and its effect on Australian families.

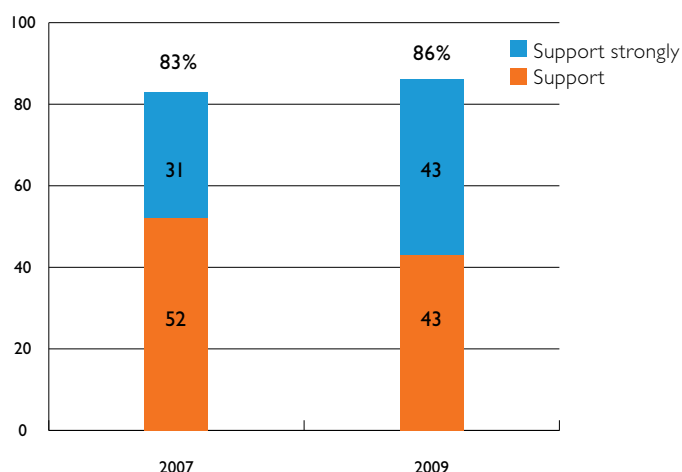
The main results of the survey are:

- **support for government aid has further increased, despite the economic crisis;**
- **four out of five Australians believe Australia should give 0.7% of GNI to aid;**
- **only 5% of people oppose the government giving aid and most of those support aid if it is effective and does not prevent decent services for the poor in Australia;**
- **most people believe that the global economic crisis requires Australia to give more aid, not less.**

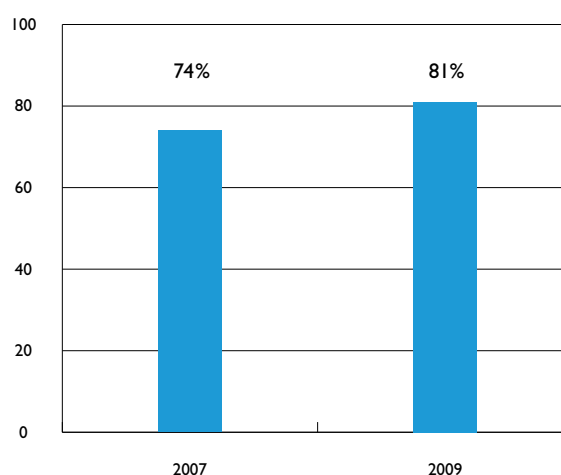
**SUPPORT FOR GOVERNMENT AID HAS INCREASED FURTHER DESPITE THE ECONOMIC CRISIS.**

In response to the question, "In general, do you support or oppose the Australian Government giving aid to poor countries?" 86% of people said that they supported the Australian Government giving aid – up from 83% in 2007. Most importantly, the share that strongly supported government aid increased from 31% to 43% of total respondents.

**Figure 10: In general, do you support or oppose the Australian Government giving aid to poor countries?**



**Figure 11: Percentage of people who agree Australia should join the countries that have committed to lift aid to 0.7% of GNI by 2015**





In Thailand, school children receive health and hygiene education.





#### FOUR OUT OF FIVE AUSTRALIANS BELIEVE AUSTRALIA SHOULD GIVE 0.7% OF GNI TO AID.

The proportion of people who support Australian aid reaching 0.7% of GNI by 2015 increased from 74% in the 2007 survey to 81% this year.

#### ONLY A SMALL PROPORTION OF PEOPLE OPPOSE THE GOVERNMENT GIVING AID AND MOST OF THOSE SUPPORT AID IF IT IS EFFECTIVE AND DOES NOT PREVENT DECENT SERVICES FOR THE POOR IN AUSTRALIA.

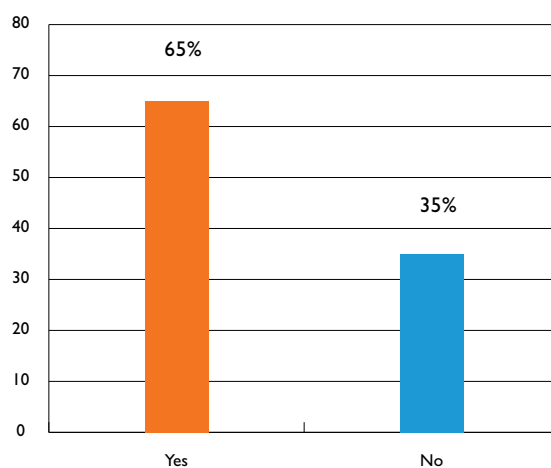
Only 5% of people said they opposed government aid in 2009 (down from 7% in 2007). When questioned further around two-thirds of those who opposed aid said they would support it if they knew it would make a difference and if they knew that the government could afford to provide both aid and decent services for poor people in Australia.

#### MOST PEOPLE BELIEVE THAT THE GLOBAL ECONOMIC CRISIS REQUIRES AUSTRALIA TO GIVE MORE AID, NOT LESS.

Around half of the respondents felt that the economic crisis had impacted upon them and a similar

proportion had modified their spending in response. Nonetheless, two-thirds of people agreed with the statement that the "impact would be much worse for people in poor countries". A similar proportion of people believed that extra assistance should be provided by the Australian Government during the crisis.

**Figure 12: Should the Australian Government provide extra assistance to the poorest countries during the economic crisis?**



## CONCLUSION



It is clear from these survey results that the Australian public is overwhelmingly supportive of the direction the government is taking with aid and wants to see Australia go further and become one of the leaders in global development and poverty reduction.

Increased efforts by Australia to help achieve the Millennium Development Goals will directly make a difference to the lives of millions of people. However, the impact of Australian leadership action on development could be many times greater because of the positive influence this is likely to have on the quantity and quality of support from the two largest donors – the United States and Japan.





Soth Sokha, 10. World Vision is helping to provide access to clean water in Cambodia.





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