

# The Australian Council for International Development

*A world where gross inequality and extreme poverty are eradicated*



The treasurer of Beletech's (far left) community water committee in her village in Ethiopia displays the community savings box.

Photo: Josh Estey/CARE Australia

## Federal Budget Analysis 2012-2013

8 May 2012

*The Australian Council for international Development (ACFID) is the peak Council for Australian not-for-profit aid and development organisations, working towards a world where gross inequality and extreme poverty are eradicated.*

## ACFID Member Organisations:

|   |  |   |   |
|---|--|---|---|
| 40K Foundation Australia                                      | Australian Lutheran World Service                    | GraceWorks Myanmar  | Plan International Australia  |
| Act for Peace – National Council of Churches Australia        | Australian Marist Solidarity Ltd                     | Habitat for Humanity Australia                                | Project Vietnam   |
| ActionAid Australia   | Australian Medical Aid Foundation                    | HealthServe Australia   | Quaker Service Australia  |
| ADRA Australia  | Australian Red Cross*                                | Hunger Project Australia, The                                 | RedR Australia  |
| Afghan Australian Development Organisation                    | Australian Respiratory Council                       | International Centre for Eyecare Education                    | Refugee Council of Australia*   |
| Anglican Board of Mission - Australia Limited                 | Australian Volunteers International                  | International Nepal Fellowship (Aust) Ltd                     | RESULTS Australia   |
| AngliCORD   | Baptist World Aid Australia                          | International Women's Development Agency                      | Salesian Society Incorporated   |
| Archbishop of Sydney's Overseas Relief and Aid Fund           | Burnet Institute                                     | Interplast Australia – Royal Australasian College of Surgeons | The Salvation Army**  |
| Assisi Aid Projects   | Care Australia                                       | Islamic Relief**  | Save the Children Australia   |
| Australasian Society for HIV Medicine                         | Caring and Living as Neighbours (CLAN)               | Lasallian Foundation  | Sexual Health & Family Planning Australia   |
| Australia for UNHCR   | Caritas Australia                                    | Leprosy Mission Australia, The                                | TEAR Australia  |
| Australian Aid International                                  | CBM Australia  | Live & Learn Environmental Education                          | Transparency International Australia  |
| Australian Business Volunteers                                | Charities Aid Foundation**                           | Marie Stopes International Australia                          | Union Aid Abroad-APHEDA   |
| Australian Conservation Foundation                            | ChildFund Australia                                  | Mercy Works Inc.  | UnitingWorld  |
| Australian Doctors for Africa**                               | Credit Union Foundation Australia                    | Mission World Aid Inc.  | WaterAid Australia  |
| Australian Doctors International                              | Emergency Architects Australia Ltd                   | Motivation Australia  | World Education Australia Limited   |
| Australian Federation of AIDS Organisations                   | Foresight (Overseas Aid and Prevention of Blindness) | Nusa Tenggara Association Inc.                                | World Vision Australia  |
| Australian Foundation for the Peoples of Asia and the Pacific | Fred Hollows Foundation, The                         | Opportunity International Australia                           | WWF Australia   |
| Australian Himalayan Foundation                               | Friends of the Earth (Australia)                     | Oxfam Australia   | <small>* Denotes Consulting Affiliates<br/>** Denotes Preliminary Members</small> |
|   | Global Development Group                             | Partners in Aid   |   |

## The Australian Council for International Development (ACFID)

ACFID is the peak body for Australian non-government organisations (NGOs) working in the field of international aid and development. ACFID has 76 members who operate in over 100 developing countries.

With over 45 years of experience working collaboratively with communities and governments, we bring a critical perspective on international development issues to discussions with the Australian Government. We also enjoy the respect and support of the Australian community. In 2010, over 2 million Australian households were regular donors to Australian development NGOs and community donations totalled over \$850 million. This figure represents over 70% of all funds raised by the sector.

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

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

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## Executive Summary: 2012-2013 commitment to Official Development Assistance

ACFID made a [pre-budget submission](#) in January 2012. We met with the Whole-of-Government Development Effectiveness Steering Committee and over 100 Parliamentarians to explain our key recommendations. ACFID's response to the Government's Aid Budget [Blue Book](#), *Helping the world's poor: implementing effective aid* is framed around the recommendations of the [Independent Aid Review](#) and the [Government's Response](#), which were also welcomed by the Coalition.<sup>1</sup>

This is a watershed year for Australian Official Development Assistance. This year's budget measures must assist the Government to pursue the five **new Strategic Goals** of Australia's aid program (below). In addition, this Blue Book comes with the [Comprehensive Aid Policy Framework](#) which covers the **four-year period to 2015-16**. This is in line with the recommendation of the Independent Aid Review, agreed to by the Government, a four year, Cabinet-endorsed strategy for the entire aid program has been developed to govern the scale-up and guarantee effectiveness. This brings us to the end of the [Millennium Development Goals](#) in 2015.

The Australian Government commitment to reaching **0.38% of Gross National Income (GNI) (approx. \$5.6 billion)** for Official Development Assistance this year and staying **on course to reach the 0.5% goal in 2015-16** has been broken. Official Development Assistance is **staying at 0.35% this year**, which represents spending rising from \$4.9 billion to **\$5.2 billion**. This does represent an increase in real terms of **\$315 million**, a nominal increase of 6%. In general terms, this Budget departs from the [ALP election platform](#) promises by delaying the scale-up by one year (i.e. 2016-17). No previously announced commitments have been cut, but several have been delayed, and most announcements in this Budget begin in 2014-15. The main ramifications of these changes relate to missing the key date for the achievement of the Millennium Development Goals by 2015. It also means that the major increases take place in 2016-17, which is another electoral cycle for the Federal Parliament.

Aid as share of total budget revenue in 2012-13 is 1.4%.

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<sup>1</sup> The Hon. Julie Bishop, Shadow Minister for Foreign Affairs, Media Release: *Review of Aid Effectiveness*, 6 July 2011.

## **Strategic Goals of the Aid Program: Fundamental purpose is to help people in developing countries overcome poverty**

- 1. Saving lives:** Improving public health by increasing access to safe water and sanitation; Saving the lives of poor women and children through greater access to quality maternal and child health services; and supporting large scale disease prevention, vaccination and treatment.
- 2. Promoting opportunities for all:** Giving more children access to school; Empowering women to participate in the economy, leadership and education; Enhancing the lives of people with disabilities.
- 3. Sustainable economic development:** Improving food security; Improving incomes, employment and enterprise opportunities; Reducing the negative impacts of climate change and other environmental factors.
- 4. Effective governance:** Improving governance to deliver better services, improve security, and enhance justice and human rights.
- 5. Humanitarian and disaster response:** More effective preparedness and response to disasters and crises.

### *Domestic Political Context: finding a surplus*

The Minister for Foreign Affairs changed from the Hon Kevin Rudd MP to the Hon Senator Bob Carr in March 2012. The Federal Budget 2012-13 was announced as a ‘fair go’ budget in the words of Treasurer Wayne Swan but contained spending cuts of \$33.6 billion, which are the deepest cuts in many years, as the Gillard Government was committed to bringing this Budget into surplus of \$1.5 billion.

Media speculation was rife in April 2012 that the aid program would be targeted for cuts or the scale-up delayed. The ACFID community united in a public campaign to prevent any such actions. Over 150 prominent Australians including Hugh Jackman, Geoffrey Rush, Jimmy Barnes and the Wiggles joined forces with our members in an [Open Letter to the Prime Minister](#) to ask her to keep the bipartisan promise to increase Official Development Assistance to 0.5% of GNI by 2015. Attention will now turn to the Coalition’s stated electoral promise to meet 0.5% GNI by 2015.

### *International context: the Global Financial Crisis*

The OECD confirmed that [total net ODA from all OECD donors in 2011](#) had fallen to US\$133.5 billion, a 2.7% drop in real terms on last year. Australia is now in 13<sup>th</sup> place by ODA/GNI ratio – 0.35% in 2011. The average country effort is 0.46%.<sup>2</sup> Many European donors, especially Spain, have cut their aid budgets in 2012.<sup>3</sup> The [United Kingdom](#), though experiencing a recession, have committed to and achieved the 0.7% of GNI target.

### *New money*

There is very little new money as a result of the funding ‘pause’, most of the spending under ‘Budget Highlights’ is back-ended to the later years. There is no clear correlation with the Treasury Budget Papers. This is probably due to last minute changes to the aid target affecting an inability to clearly stipulate timeframes and exact dollars in the Blue Book. For example, we do not know how much money has been given to Disaster Preparedness Training in Vietnam as a proportion of new East Asia announcement on page 39 (\$208.6 million over 4 years). ACFID will need to reconfirm with AusAID many of the initiatives we advocated for in our Pre-Budget submission.

<sup>2</sup> Aid flows from new and emerging donors such as Brazil, Russia, India and China (BRICs) are not collated and do not adhere to standardized indicators of effectiveness.

<sup>3</sup> See further Kathryn Zealand and Stephen Howes, ‘The end of the Aid Boom? The Impact of Austerity on Aid Budgets’ [Development Policy Brief](#), May 2012.

Highlights include:

- Increase in funding to the Australian NGO Cooperation Agreement by \$12 million this year, then \$55 million more over 3 years.
- Highlights are identified as *Closing development gaps in East Asia, Australia's development partnerships with the UN, and Increased assistance to Fiji* (in Carr's media release) but the pockets of different funding contained in each initiative are not broken down into dollars or timeframes.
- Good directions in the Pacific *Overcoming poverty and building stability* initiative but may not come online until 2014-15.
- Assistance to the Asian Development Bank has increased - Australia is now second largest donor. Multilateral spend has increased.
- Increased funding to several UN agencies was announced (UNICEF, UN Women, UNDP, WHO and UNFPA).
- Burma and Afghanistan funding increased.
- Real dollar increase for Humanitarian and Disaster Response pillar but yet to grow as overall percentage of Official Development Assistance(ACFID to confirm with AusAID).

#### *Reaction*

ACFID's [media release](#) on Budget night showed extreme disappointment that the Government had abandoned its commitment to lift foreign aid to 50 cents in every \$100 of Australia's national income by 2015.

'Pushing this commitment back to 2016-17 is not good enough,' said Marc Purcell, ACFID Executive Director. 'Australia alone cannot fling aside the international goal to halve poverty by 2015, agreed by over 180 nations.'

#### *New Blue Book Format*

The format of the Aid Budget Blue Book this year represents a distinct deterioration from last year, despite the new Transparency Charter.

The Comprehensive Aid Policy Framework does show strategic directions by 2015-16 that Official Development Assistance will achieve:

- Asia and the Pacific will continue to be the highest priority regions for the aid program, receiving an estimated 75 per cent of Australian aid.
- Our 12 largest bilateral aid recipients will be Indonesia, Papua New Guinea, Afghanistan, Solomon Islands, Vietnam, the Philippines, Bangladesh, East Timor, Pakistan, Cambodia, Burma and Vanuatu.
- Over 30 per cent of our aid will be delivered through partnerships with multilateral organisations—with the World Bank, Asian Development Bank, World Food Programme and UNICEF our major partners.
- 25 per cent of aid will be spent on education assistance, to get 4 million more children into school and provide 20 million children with a better quality of education.
- At least 10 per cent of the aid budget (up from 6 per cent in 2007) will be delivered through partnerships with non-government organisations.

Tables:

**NGO funding, development research and community engagement**

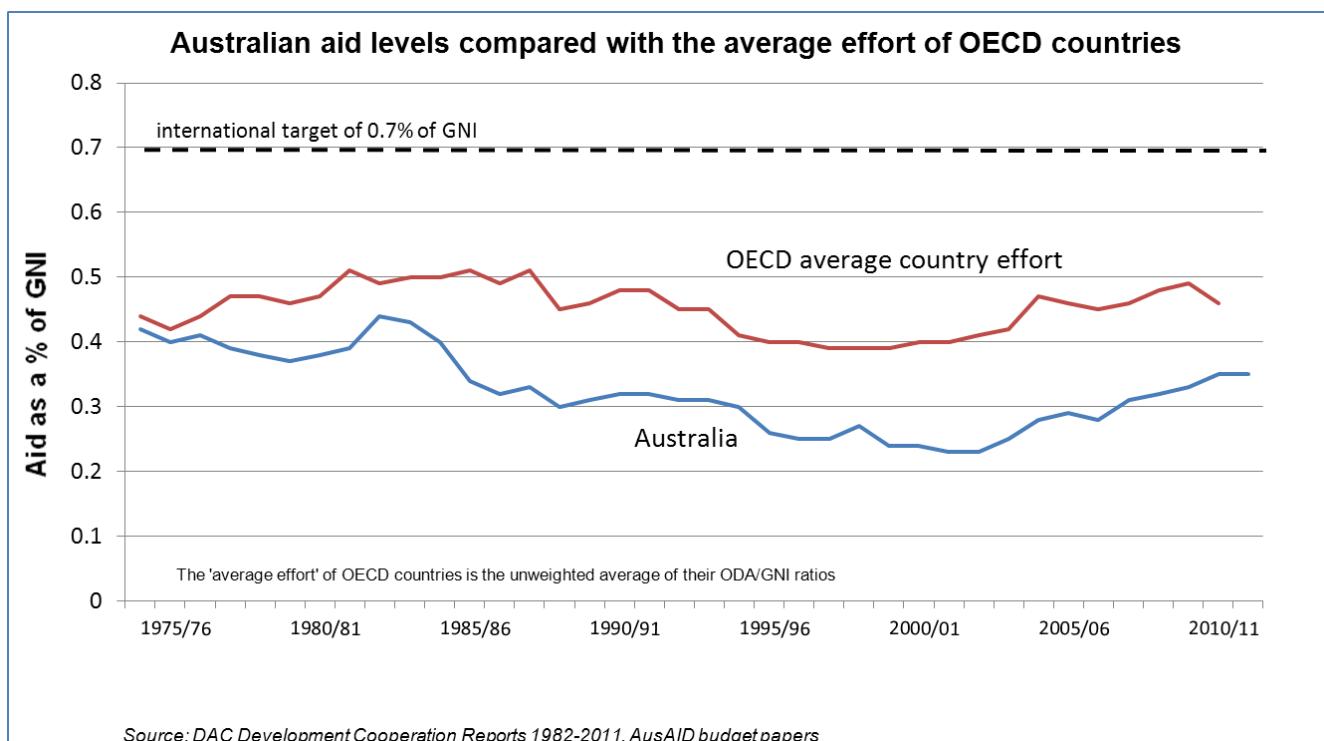
| Program and focus                                      | Budget 2011/12<br>(million) | Budget 2012/13<br>(million) | % change<br>after inflation |
|--|-----------------------------|-----------------------------|-----------------------------|
| NGOs (ANCP funding)                                    | 98.1                        | 110                         | 10.1%                       |
| Volunteer programs, includes AYAD                      | 55                          | 63                          | 12.4%                       |
| Community engagement and development research programs | 16                          | 18.1                        | 11.0%                       |
| ACFID  | 0.9                         | 0.9                         | -1.8%                       |
| NGO policy and development effectiveness               | 1.1                         | 1.1                         | -1.8%                       |
| Other  |                             | 0.4                         |                             |
| <b>Total</b>   | <b>171.1</b>                | <b>193.5</b>                | <b>11.0%</b>                |

**Country and Regional Breakdown**

| Region                                       | Estimated ODA in 2011/12<br>(million) | Estimated ODA in 2012/13<br>(million) | % change after inflation | Share of aid in 2011/12 | Share of aid in 2012/13 |
|--|---------------------------------------|---------------------------------------|--------------------------|-------------------------|-------------------------|
| PNG and the Pacific                          | 1160.9                                | 1170.9                                | -1.0%                    | 35%                     | 33%                     |
| Indonesia and East Asia                      | 1247.2                                | 1321.2                                | 4.0%                     | 38%                     | 37%                     |
| South & West Asia                            | 465                                   | 525.3                                 | 10.9%                    | 14%                     | 15%                     |
| Africa & Middle East                         | 384                                   | 465                                   | 18.9%                    | 12%                     | 13%                     |
| Latin America and Caribbean                  | 48                                    | 47.7                                  | -2.4%                    | 1%                      | 1%                      |
| <b>Total of geographically allocated aid</b> | <b>3305.1</b>                         | <b>3530.1</b>                         | <b>4.8%</b>              |                         |                         |

**Sectoral Breakdown via Strategic Goals of the Aid Program**

|  | Estimated share 2011/12 | Estimated amount 2011/12 | Estimated share 2012/13 | Estimated amount 2012/13 | % change after inflation |
|--|-------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| <b>Saving lives</b>  | 18%                     | 879                      | 18%                     | 927.54                   | 4%                       |
| <b>Health</b>  | 15%                     | 642                      | 15%                     | 763.54                   | 17%                      |
| <b>Water, Sanitation and Hygiene (WASH)</b>  | 3%                      | 117                      | 3%                      | 164                      | 38%                      |
| <b>Promoting opportunities for all</b>   | 20%                     | 959                      | 21%                     | 1082.13                  | 11%                      |
| <b>Education</b>   | 12%                     | 614                      | 13%                     | 630                      | 1%                       |
| <b>Scholarships</b>  | 7%                      | 345                      | 7%                      | 350                      | 0%                       |
| <b>Sustainable economic development</b>  | 25%                     | 1220                     | 27%                     | 1391.31                  | 12%                      |
| <b>Effective governance</b>  | 20%                     | 1001                     | 18%                     | 927.54                   | -9%                      |
| <b>Humanitarian and disaster response</b>  | 10%                     | 466                      | 10%                     | 515.3                    | 8%                       |
| <b>Cross cutting</b>   | 7%                      | 357                      | 6%                      | 309.18                   | -15%                     |
| <b>Total program budget</b>  |                         | <b>4836</b>              |                         | <b>5153</b>              | <b>-23%</b>              |
| <i>Note: these figures are based on the shares of the budget AusAID has indicated rather than the \$ figures they have provided - at this stage it is unclear which is most accurate</i> |                         |                          |                         |                          |                          |



#### Yearly Aid Budget and GNI Forecast

| Budget Year    | ODA/G NI ratio | Estimated ODA in A\$ current (million) | Nominal GDP increase | Estimated increase in dollars |
|----------------|----------------|--|----------------------|-------------------------------|
| 2010-11        | 0.33           | 4362                                   |                      |                               |
| 2011-12        | 0.35           | 4836                                   |                      |                               |
| <b>2012-13</b> | <b>0.35</b>    | <b>5153</b>                            | <b>5</b>             | <b>317</b>                    |
| <b>2013-14</b> | <b>0.37</b>    | <b>5733</b>                            | <b>5.25</b>          | <b>580</b>                    |
| <b>2014-15</b> | <b>0.41</b>    | <b>6687</b>                            | <b>5.25</b>          | <b>953</b>                    |
| <b>2015-16</b> | <b>0.45</b>    | <b>7725</b>                            | <b>5.25</b>          | <b>1038</b>                   |
| <b>2016-17</b> | <b>0.5</b>     | <b>9033</b>                            | <b>5.25</b>          | <b>1038</b>                   |

**Note:** Nominal GDP growth projections come from Budget Overview

## **Accountability across Whole-of-Government**

The total of Official Development Assistance that will be spent by government departments other than AusAID will amount to \$505 million. This is a decrease from the previous year's figure of \$535 million. This represents a percentage decrease of 11% to 8%.

The biggest share of Official Development Assistance for Other Government Departments was the Australian Federal Police, whose share was \$175 million. This was a \$28 million decrease from the previous year. The major funding initiative was a program to support efforts in Afghanistan that aim to develop the Afghan National Police and support Afghan rule of law. This is in addition to the partnership with the Attorney General's Department which will see \$97 million spent over four years towards the continuation of the Pacific Police Development Program.

The Department of Foreign Affairs and Trade received a substantial increase from \$33 million to \$50 million, with the most notable increase a \$5 million contribution to the Queen Elizabeth II Diamond Jubilee Trust. Programs in the Trust are intended to act as a fitting and enduring tribute to the Queen.

The Official Development Assistance total for the Defence budget decreased this year from \$19.7 million in 2011-12 to \$11.7 million in 2012-13.

However, the real winner out of the Other Government Departments from the 2012-13 Budget was the Australian Centre for International Agricultural Research. Its funding has increased from \$82 million to \$100 million to continue its work of improving food security by lifting agricultural productivity in developing countries.

Official Development Assistance dispersed by Other Government Departments requires a higher level of transparency than other Government expenditure. This is because there is a greater array of stakeholders additional to the Australian taxpayer: the governments and citizens in partner countries depend on the effectiveness of this spending. Added to this, transparency in other government spending of Official Development Assistance is important because our development assistance to poor countries should be pro-poor spending. Greater transparency of Other Government Department's Official Development Assistance spending will help to ensure this.

ACFID therefore welcomes the push for greater transparency in Official Development Assistance spending across the whole-of-Government. The Annual Review of Aid Effectiveness will include a review of the performance of the relevant federal agencies that disburse Australian Overseas Development Assistance. The publishing of clear information about Other Government Departments' budget estimates and activities counted as Official Development Assistance in the budget papers is also a welcome first step, but more transparency is needed.

The Australian Government will need to ensure that the new processes to increase transparency are adequate. The level of spending in Other Government Departments demands this. Transparency is imperative as an accountability mechanism that allows stakeholders to better assess whether this part of the Australian aid program has contributed to its aim of helping people to overcome poverty.

## **Key Recommendations:**

### **Partnerships with NGOs:**

***Recommendation 1: 'Team Australia'- \$469 million over four years towards initiating Country and Regional Partnership Agreements with NGOs.***

*This proposal capitalised on the strong connection between Australian NGOs (ANGOs) and the Australian public. It proposed that ANGOs work with the Australian Government through a 'Team Australia' approach. The proposal aimed at ensuring that our partnerships grow in the most effective, coherent manner possible. Further impact on the ground can be achieved by aligning existing NGO capacities and country presence with AusAID country strategies and priority sectors. This can be done by initiating a greater use of partnership agreements between the Government and ANGOs, focused on geographical regions and countries.*

### **In the 2012-13 Budget:**

The Government increased funding to the AusAID NGO Cooperation Program (ANCP) to \$110 million in 2012-2013 projected to reach \$165 million in 2015-2016. This means \$12 million additional funding in 2012-2013 and \$55 million between 2013-2014 and 2015-2016.

The newly-released Comprehensive Aid Policy Framework states on pages 16-17 that the direction of the funding to NGOs will increase from roughly \$500 million in 2011-12 (with no breakdown of who the NGOs are) to between \$700-\$800 million by 2015-16. More than half will be channelled through partnerships between AusAID and Australian NGOs. This must mean that more money will be funded through NGOs by country programs.

### **The ACFID Response:**

**ACFID welcomes this increase and the Government's decision to channel funding to Australian NGOs through the AusAID NGO Cooperation Program. ACFID also welcomes the Government's recognition of the important work of Australian aid and development non-government organisations.**

## **Female Health Workers:**

### ***Recommendation 2: \$300 million over four years to invest in Female Health Workers***

*Investing in female health workers will save babies' and mothers' lives. We proposed that an investment in female health workers be made in the eight countries where improving maternal health has been identified jointly by the Australian Government and partner governments as a priority for our support. These countries are PNG, Indonesia, Timor Leste, Burma, Bangladesh, Pakistan, Afghanistan and Ethiopia. Together they have around 1.4 million child deaths and 70,000 maternal deaths each year. Most have very low rates of skilled attendance at birth. The current global shortage of 4.3 million health workers (doctors, nurses, midwives and community health workers) and the related migration of health professionals from developing countries are contributing factors to child mortality*

### **In the 2012-13 Budget:**

There are many scattered references to programs which may feature female health workers throughout the Blue Book, but no clear overall focus.

- Afghanistan: *no mention.*
- Bangladesh: Australia will support Bangladesh's national health sector and civil society programs to help it deliver better health services, particularly to women and children. This will be complemented with funding for civil society programs that will reach up to 22 million people. This year Australian funding will ensure approximately 33,600 births are attended by skilled attendants, up to 90,000 children under the age of one are vaccinated, and around 300,000 people are treated for diarrhoea-related diseases.
- Burma: From 2012, Australia's support will help avert more than 25,000 deaths of children under five, and more than 3,000 maternal deaths. Our support will help an estimated 46,000 births to be attended by skilled health professionals, an additional 30,000 women to receive full antenatal care... Australia will also support mobile outreach services in 3,000 remote villages treating common causes of death for mothers and babies.
- Cambodia: our assistance will save lives by providing 8000 women to receive improved antenatal, delivery and post natal care. By 2014-15, Australia will have helped the Government of Cambodia to achieve its goal of 80 per cent of all births in Cambodia being attended by trained health staff, and 85 per cent of the population having access to health financing and health insurance. Australian support will include funding health facilities and training health practitioners.
- Ethiopia: In 2012-13, Australia will continue to help the Hamlin Fistula Foundation expand services in Ethiopia, including treating 2,300 women for obstetric fistula and graduating 16 new midwives. Australia will also help the Government of Ethiopia to deliver an ambitious maternal and child health program. This will help increase the proportion of births attended by skilled birth attendants from 18.4 per cent to 58 per cent and increase immunisation coverage from 66 per cent to 88 per cent of children.
- Indonesia: By 2015-16, Australia will have helped approximately 4,500 villages gain better access to health care.
- Pakistan: *no mention.*
- PNG: Australia will train 500 midwives meaning that an additional 6000 births will be supervised. This will mean an increase in the proportion of births supervised by skilled birth attendants from 40 per cent in 2010 to 44 per cent in 2015.
- Timor Leste: In 2012-13, Australian assistance will improve the health of mothers and children in East Timor. This will include support for essential health services such as the monthly mobile clinics that visit 440 villages to immunise children and monitor their development, and advice on family planning and basic nutrition. Australia will support the delivery of specialist surgical services, including assistance to help mothers deliver their babies safely.

Under *Maternal and Child Health, Combating Disease and Other Health Investments*, it states that Australia expects to allocate \$1.6 billion between 2010 and 2015 to women's and children's health. This will focus inter alia on reducing maternal deaths, through increased access to skilled birth attendants, emergency obstetric care and family planning; and increased use and improved quality of affordable health services, underpinned by stronger country health systems.

#### **The ACFID Response:**

Minister Carr states in the [\*\*foreword\*\*](#) to the Blue Book what an impact Australian support of female health workers has made. 'And then in Phnom Penh, I saw local women being trained to be midwives. Consider this statistic – in Cambodia 500 women used to die for every 100,000 births. This is an appalling figure. It has been brought down to around 200 per 100,000 births as a result of the training of midwives'.

Despite this, the Blue Book does not give the impression of a strategic approach to the training of female health workers based on the evidence of their effectiveness. We urge the Government to commit to a strategic approach to investing in female health outcomes as realised through an increase in trained, female health workers.

#### **Recommendation 3: \$140 million over four years to improve Sexual and Reproductive Health**

Currently, it is estimated that more than 200 million women worldwide want to use contraceptives but don't have access.<sup>4</sup> The leading cause of death for girls aged between 15 and 19 in developing countries is pregnancy. Up-skilling health workers in family planning and other sexual and reproductive health initiatives will save lives, support women's rights, prevent unintended pregnancies, save years of productive life lost to disability through childbirth injuries, and save billions in family and healthcare system expenditure.

#### **In the 2012-13 Budget:**

A key priority acknowledged in the 2012/13 aid budget is to reduce maternal deaths through a number of initiatives including family planning (p 110, Blue Book).

Further to this, there was commitment for:

- Australian representation to the Family Planning Summit 2011 with representation from the Australian Government.
- an increasing (yet to be finalised) SRHR budget envelope, that would complement existing commitments from the Bill & Melinda Gates Foundation, bilateral donors and civil society already engaged in shaping the Family Planning Summit.
- a commitment to strengthening commodities and supplies, (so that contraceptives were available for women who wanted them) within the AusAID 'better governance' remit.

#### **The ACFID Response:**

**Australia is committed, but all too often the second part of the Millennium Development Goal 5, on maternal health is overlooked.**

**Currently it is estimated that more than 215 million women want to use contraceptives but don't have access. Unintended pregnancy remains one of the biggest health burdens, resulting in high maternal death rates. A**

<sup>4</sup> International Alliance Launched to Support Country-Led Advances in Reproductive, Maternal and Newborn Health, 22 September 2010, available at [http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=9391\\_2537\\_8958\\_992\\_5475](http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=9391_2537_8958_992_5475)

**historical global commitment, led by the Bill & Melinda Gates Foundation will be announced at the Family Planning Summit on 11 July 2012.**

ACFID's pre budget recommendation it was that \$140 million be directed over four years to countries where national governments had already identified a national commitment to saving maternal lives. This initiative would assist 26.5 million families, and prevent tens of thousands of maternal deaths.

**Given Australia's commitment to current global initiatives, ACFID recommends that:**

- Sexual and reproductive health rights should be included within the Comprehensive Aid Policy Framework, so that AusAID can deliver results and demonstrate value for money.
- Sexual and reproductive health rights should be a priority indicator within the Framework, as per other bilateral donor frameworks, and that AusAID engage with implementing partners and bilaterals to ensure global harmonisation with indicators.

## **Forgotten Emergencies Fund:**

### ***Recommendation 4: The Forgotten Emergencies Fund – \$56 million over four years to Strengthen our Humanitarian Response***

*ACFID recommended the establishment of a multi-year funding mechanism, the ‘Forgotten Emergencies Fund’, targeted at providing on-going and multi-year funding commitments to situations of protracted or slow-onset humanitarian crises.*

*At present there is no systematic analysis or review to guide Australia’s contributions to countries experiencing protracted crises or slow onset emergencies. Current funding remains discretionary, ad-hoc and short term.*

*Protracted crises by their very nature stretch into the longer term and require a mix of multiyear humanitarian, early recovery and development assistance to meet both immediate and longer term needs. Situations that have chronic emergency indicators or which slip in and out of crises over long periods often do not attract ODA in amounts or through mechanisms suitable to address their needs.*

## **In the 2012-13 Budget:**

The aid program’s focus on humanitarian assistance is enshrined as one of its five Strategic Goals. In 2012-13 humanitarian assistance will increase to around \$493 million equivalent to 10% of the aid budget. The funding will cover the global humanitarian program, humanitarian capacity building and disaster risk reduction assistance through the country programs and humanitarian programs of other, whole-of-Government partners such as the Department for Immigration and Citizenship.

Within the global humanitarian program the Government is focused largely on providing support for humanitarian assistance and relief through multilateral partners. The Government further commits to strengthening its response to crises by supporting effective non-government partners. The Global Program accounts for \$278.5 million in 2012-13, an increase of \$61.8 million from 2011-12. The balance of humanitarian funding, it seems, will be allocated at the country-program level.

## **The ACFID Response:**

**Despite clear government language recognising the importance of certainty in humanitarian funding, in order to plan and procure for resilience building, particularly in areas of chronic crisis, this has not explicitly been extended to NGOs. The 2012-13 Budget highlights a four year partnership agreement with World Food Programme and other UN agencies commending their approach as ‘donor best practice’ by the United Nations. Despite such a strong recognition of the value of multiyear and predictable funding to support humanitarian partners, the Budget papers are quite vague in whether this will be extended to its NGO humanitarian partners.**

**There can be no doubt that the value of early, predictable funding allows for better planning, more effective disaster risk reduction, prevention and mitigation programming as the Government itself makes these comments. It has been recognised and acknowledged that the response to the slow-onset food crisis in the Horn of Africa in 2011 came too late. Non-government organisations have long-term programming and relationships with communities and are well placed to provide resilience building early-action initiatives in these complex contexts.**

**The problem is most visible when examining the Middle East and Africa program. In 2012-13 that program is anticipated to reach \$465 million with 14% of this funding allocated to the Strategic Goal of humanitarian and disaster response. That would mean a mere \$65.1 million for humanitarian and disaster response across the whole of the Middle East and Africa region. In comparison with the \$128 million that the Government allocated to the 2011-12 Horn of Africa crisis, this is equal to just 45.5% of that amount. The disbursement of**

that funding will necessarily, due to its volume, and the volume of need, remain ad hoc and discretionary reducing dramatically the NGO partners' ability to plan.

The importance of having the ability to work in risk reduction, mitigation and prevention has never been more important as the Contingency Reserve from which the Government can make allocations to unforeseen emergencies is shrinking by \$2.7 billion over four years (see Budget Paper No.2, pg 165). With diminished ability for the Government to provide agile funding support in a reactive capacity to unforeseen emergencies, the value of a proactive approach is rising. The Government must be able to manage the risks rather than the crisis. This is invaluable to achieving the Strategic Goals related to saving lives and improving humanitarian and disaster response.

### **Building Peace and Security:**

#### ***Recommendation 5: \$360 million over four years to Build Peace and Security***

*The 2011 Aid Review acknowledged that it is the countries trapped by conflict which will be left behind as other developing countries overcome poverty and that 'donors tend to under-invest in efforts to end violence'. Around 60% of Australia's major bilateral aid programs are in conflict-affected and fragile states.<sup>5</sup> However, in the last reported year, in the ten most conflict-affected countries that receive Australian aid funding, only 3% of Australian funding was spent on conflict prevention and resolution, peace and security programs.*

### **In the 2012-13 Budget:**

In the ACFID Pre-Budget Submission we asked for \$360 million over four years to support the building of peace and stability in fragile and conflict affected states. ACFID highlighted the following ten countries as critical to receive such support: Afghanistan, Burma, DR Congo, Iraq, Libya, Pakistan, Palestinian Territories, Somalia and South Sudan. Information is not available in the budget for Africa expenditure by country and there are no references to explicit funding support for conflict prevention, resolution, peace and security barring the following: \$3.5 million has been allocated to the Australian Federal Police in Timor Leste; and, Afghanistan will continue to receive an Australian Federal Police program aimed at strengthening the strategic capability of the Afghan National Police

### **The ACFID Response:**

ACFID recognises that as part of the Strategic Goal on humanitarian and disaster relief, the Government has a focus on a number of areas of peace and security including mine action and support for the UN Peacebuilding Commission and Peacebuilding Fund.

In the context of an aid program where 8 of the top 12 recipients of aid are fragile or conflict-affected states, and more than half of the aid budget is directed towards fragile and conflict affected states, the lack of explicit support for building peace and stability is notable. Likewise, the lack of clearly disaggregated data by country in Africa remains a fundamental concern.

We urge the Government to take steps towards ensuring that building Peace and Security is a primary undertaking of the aid program aligning with 4 of the 5 Strategic Goals related to: saving lives, promoting opportunities for all, sustainable economic development and humanitarian and disaster relief and preparedness.

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<sup>5</sup> 2010 Federal Budget statement: *Australia's International Development Assistance: A Good International Citizen*, 11 May 2010, p29.

## The Pacific

### **Recommendation 6: Protecting our Climate Change Investment**

*The negative effects of climate change cannot be tackled without communities: community based initiatives to support the most vulnerable developing countries in our region are an essential component of the commitment to tackling the impacts of climate change. This funding should be directed towards incorporating DRR principles into Australia's Pacific country programs because these countries are very susceptible to the effects of climate change. The Australian Government's current \$30 million commitment over 2011-13 through the community-based climate change action grants is very welcome, but needs to be scaled up from 2012 to 2015.*

- **\$100 million over four years for increased support for community-based climate change action**
- **A \$40 million, four-year, Regional commitment to Disaster Risk Reduction (DRR) in the Pacific**

#### **In the 2012-13 Budget:**

AusAID predicts that on current projections, in 2012-13, around \$246 million, or 5 per cent of total Official Development Assistance is expected to be spent on climate change and environmental activities, which include continued support for:

- The Global Environment Facility (\$20.1 million);
- The Multilateral Fund for the Implementation of the Montreal Protocol (\$3.2 million);
- Contributions to other Global Environment Programs \$81.6m;
- Australia's continued spending of its 2010 contribution of \$599 million (2010-2012) in fast-start finance to assist developing countries address climate change, which includes action to Reduce Emissions from Deforestation and Forest Degradation in developing countries (REDD+) and other initiatives.

AusAID also announced its new \$384.5 million initiative *Overcoming Poverty and Building Stability in the Pacific*, which includes funding for climate change adaptation in the Pacific through building weather resilient infrastructure including roads, bridges and so forth.

A further \$1 million to assist small island states attend the Rio+20 Summit is reflected in the Blue Book.

#### **The ACFID Response:**

**The Government's 2012-13 Budget does not clearly identify specific allocations in enough detail in order to make considered analysis in terms of dollars relating directly to climate change in the Pacific.**

**While ACFID was pleased with the announcement in 2012 of \$30 million for the Community Based Action Grants for Climate Change Adaptation and Mitigation, which included \$10 million (distributed in \$1-2 million dollar grants) for adaptation in the Pacific, there was no commitment or announcement to scaling up this initiative, which is disappointing.**

**The Government also announced it estimates a \$1.17 billion investment in the Pacific 2012-13 with just one per cent allocated to the Strategic Goal on humanitarian response. This is equivalent to \$11.7 million.**

**Given the budget data on climate change is interspersed among a plethora of funding mechanisms and agencies as well as previous and existing funding commitments, it is simply impossible (without further data) to isolate clear budget allocations to the Pacific in relation to climate change, which is extremely frustrating for providing meaningful commentary on either community-based climate change action or disaster risk reduction.**

**Overall, ACFID is disappointed about this lack of clarity and urges AusAID to be clearer in its announcements in terms of objectives (which are generally positive) to actual funding allocations.**

## **Recommendations 7 and 8: Promoting Gender Equality**

ACFID applauds recent funding announcements and initiatives aimed at reducing violence against women in the Pacific, including hosting the Pacific Women's Empowerment Policy Dialogue and appointing Australia's first Global Ambassador for Women and Girls. Violence against women and girls is a pressing issue in the Pacific. It is a threat to the lives and safety of women and children and a violation of their human rights.

- **\$10 million over four years to help young women and girls become leaders in the Pacific**
- **\$150 million over four years towards stopping violence against women in the Pacific**

### **In the 2012-13 Budget:**

The Government has stated that ending violence against women is one of the foci of its cross regional programs on gender. In 2012-13, the Government's focus will be in countries with the most severe gender gaps and constraints, mostly in Asia and the Pacific. Australia's investment will, among other objectives, increase the number of women survivors of violence receiving support services such as counselling. Australia will support global efforts, including assisting UN Women to meet its international commitments on gender equality. In 2012-13, Australia will become the second largest contributor to UN Women with an allocation of \$8 million.

It is not clear the amounts allocated in the Budget to stopping violence against women in the Pacific. Specific references made to Australia's support for such efforts are:

- In the Solomon Islands, Australian support will help more than 400 survivors of domestic and family violence in 2012-13.
- In PNG, Australia supports three new police family and sexual violence units, which provided specialised services to an estimated 1,050 victims in 2010;
- In Vanuatu, Australia supported the Vanuatu Women's Centre, which provides services to address violence against women in four of the six provinces. More than 3,200 clients received counselling and support services in 2011.
- In 2012-13, around \$314 million, or 6 per cent of total Overseas Development Assistance, is expected to be spent on law and justice activities. Priorities for assistance include ending violence against women, children and marginalised people. Law and justice support will be delivered in PNG, Solomon Islands, East Timor, Indonesia, Cambodia, Vanuatu and Samoa.

As part of the \$141 million allocated to the Pacific Regional Program, the Pacific Leadership Program will support UN Women in the Pacific to equip women with the skills and knowledge to participate in democratic political leadership and to provide legislative assistance to address barriers to women's participation as political representatives.

As part of \$172.7 million allocated to cross regional programs to promote opportunities for all, Australia will fund cross regional programs relating to education, including scholarships for emerging leaders as well as research and expertise to improve the effectiveness of education programs.

### **The ACFID Response:**

**ACFID welcomes the Government's commitment to ending violence against women and helping women to participate in democratic leadership through the Australian international development assistance program. It is difficult to evaluate the commitments in the budget, however, without a clear indication of the amounts allocated to these objectives in country or cross regional programs. We welcome the new funding to UN Women, making Australia the second largest donor. The AusAID Blue Book figure is \$8 million, while the Treasury papers say \$16.5 million. ACFID will confirm this discrepancy.**

## **Recommendation 9: Addressing the Needs of People with Disabilities in the Pacific**

Australia's aid program has a world-leading Disability Inclusion Strategy.<sup>6</sup> We commend the Government for this Strategy and for recent announcements, including \$2 million towards a new United Nations Trust Fund to assist countries to implement the Convention on the Rights of Persons with Disabilities. Severe and moderate disability is prevalent throughout the Pacific, and in many of these countries poverty means that people are unable to access assistance. In Tonga, for example, only 6% of people with a disability ever receive assistance.

ACFID recommended that the Australian Government complement the work it is currently undertaking in this area by addressing disability needs in the Pacific, allocating a total of \$71 million over the 4 year period until 2015-16.

- **\$15 million, four-year, Community-Based Rehabilitation Initiative**
- **\$6 million over four years for Funding Research on Disability in Development**
- **\$50 million over four years for Inclusive Education Pilot Programs in the Pacific**

### **In the 2012-13 Budget:**

The 2012-13 Budget did not include a \$15 million four- year community based rehabilitation initiative or anything similar. No plans were made to conduct new research into disability in the Pacific and no new education pilot programs were announced.

### **The ACFID Response:**

ACFID is disappointed with the lack of additional disability-specific measures in the Pacific in this year's budget. There was a new initiative to increase higher education enrolment rates for students with disabilities in Melanesia. However, it is unclear how many students this will affect, how many years the program will run for and how much it will cost. Disability inclusive development programs reach the poorest and most marginalised people, especially in the Pacific, whilst also providing value for money.

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<sup>6</sup> Australian Government, 2009, *Development for All: Towards a Disability Inclusive Australian Aid Program 2009-2014*.

## **Recommendation 10: Combatting Avoidable Blindness**

*As was discussed at the Ninth Meeting of the Ministers of Health for the Pacific Island Countries in Honiara in 2011, Pacific Island countries are experiencing an overwhelming non communicable disease epidemic. Blinding non communicable diseases like diabetes (diabetic retinopathy), cataract and glaucoma are among the most severe of all non-communicable diseases, and need to be addressed to ensure that Pacific countries achieve the MDGs.*

*ACFID recommended the allocation of \$54.7 million over the four year period to 2015-16 to further current efforts to combat avoidable blindness in the Pacific.*

- **\$36.6 million over four years for avoidable blindness initiatives in the Pacific**
- **\$10 million over four years for the Pacific Eye Institute**
- **\$5.6 million over four years to Eliminate Trachoma in the Pacific**
- **\$2.5 million over four years for a new Childhood Blindness Initiative – Pacific and East Asia**

### **In the 2012-13 Budget:**

The 2012-2013 Budget did not include \$36.6 million over four years for avoidable blindness initiatives in the Pacific. Equally, there was no new funding for the Pacific Eye Institute announced. Added to that, no Government plans were put in place to eliminate trachoma in the Pacific. Moreover, the Australian Government did not decide to create a new Pacific and East Asia- based Childhood Blindness Initiative.

### **The ACFID Response:**

**The Government again failed to deliver on ACFID's requests for substantial funding for avoidable blindness, with no new money announced. Last year's Aid Budget contained a four year \$21.3 million allocation for efforts to eliminate avoidable blindness and it seems that the Government is content with last year's efforts for now. This is a big blow to add to last year's disappointment in avoidable blindness funding. There are millions of people globally who are going blind needlessly. This is shocking considering 80% of blindness and vision impairment is preventable or treatable. A simple pair of glasses or sight restoring cataract surgery can have an extraordinary impact on people who are vision impaired or blind. The Australian Government needs to consider future investment in avoidable blindness initiatives.**

## **Recommendation 11: Increased Funding for Water, Sanitation and Hygiene in the Pacific**

*The Pacific remains off track to meet the sanitation and drinking water MDG targets and is the only region in the world where coverage trends are reversing. Recent statistics show that less than half of the more than 13 million Pacific Islanders have access to safe drinking water.*

*The Independent Aid Review and the Government's Response made it clear that WASH is a key priority for the aid program. The experience of designing the Water and Sanitation Initiative from 2008-2011 means that AusAID is now in a strong position to effectively program increased levels of funding for WASH. However, overall funding in the current year is expected to drop by over a quarter on last year's spend (\$180m down to \$130m). The government now needs to allocate more and predictable resources to WASH over the long-term.*

- **\$185 million over four years for WASH in the Pacific**
- **\$34 million over four years for WASH in Papua New Guinea**

### **In the 2012-13 Budget:**

WASH falls under AusAID's Strategic Goal of "Saving Lives", which (overall) will account for over 18 per cent of total Official Development Assistance – however, it is not clear as to what percentage of this is specifically allocated to WASH as a sector or by region. AusAID have announced that this year's WASH budget will increase from \$130 to \$164 million as a part of its commitment to spend \$1 billion on WASH from 2012-13 to 2015-16. This investment is expected to provide access to basic sanitation to 4.6 million people and safe water to 5.8 million people across Asia, Africa and the Pacific.

Under its announced \$384.5 million initiative *Overcoming Poverty and Building Stability* in the Pacific, there is mention this funding will help improve the reliability of potable water to households in Kiribati, with 60,000 people supplied with 15 litres of drinkable water per day.

AusAID will also become the Asian Development Bank's second largest donor. The Asian Development Bank supports approximately 450,000 households connect to a fresh water supply. However, specific funding measures to the Asian Development Bank and how much this is further broken down to WASH geographically is not clear.

### **The ACFID Response:**

AusAID, in general states that it remains committed to saving lives by improving public health by increasing access to safe water and sanitation. Existing budget allocations appear to remain unchanged. However, no significant or new funding announcements specifically relating to WASH in the Pacific or PNG are made clear in the 2012-13 Budget apart from the Kiribati initiative mentioned above.

Overall, ACFID is disappointed that yet again budget data is interspersed amongst many initiatives and agencies, and also continually refers to what *has* been achieved to date and that AusAID will build on these achievements.

It is, due to the nature in which the data has been presented in the budget, too hard to specify or speculate where the smaller increase of \$34 million WASH funding will be allocated, and as such, there are no obvious, new or bold initiatives in this sector for the Pacific and PNG.

ACFID notes that Australia's new Comprehensive Aid Policy Framework indicates that 5.8 million people will be provided with access to safe water and 4.6 million access to sanitation. This scenario should be reversed as the MDG for safe water access has been achieved, whereas the sanitation MDG has not.

It is also important to note that the Blue Book does not separate sanitation and water funding allocations, which is an important differentiation to be made as the sector needs more funding for sanitation and the sector also needs to be able to track these separate funding streams.

**ACFID welcomes the increase from \$130 to \$164 million, which is an additional \$34 million. This is on track with AusAID's planned scaling up to \$1 billion on WASH by 2015-16, and is a welcome announcement.**

**ACFID's major concern is the back-ending of the WASH scale up as it is such a high amount to achieve in such a small period of time.**

## **East Asia**

Inequality is a key development issue in East Asia. AusAID should therefore place greater emphasis on addressing this issue in its target countries. While East Asia will likely remain a region of high economic growth, it is equally likely that the most marginalised people in these countries will not benefit significantly from this growth.

### ***Recommendation 12: Women's Empowerment in East Asia***

*ACFID welcomes recent initiatives to help eliminate violence against women, including the allocation of \$96.4 million in the 2011-12 Federal Budget for such strategies in East Asia and the Pacific. However, given the scale of these problems and the low base from which efforts are beginning, this is likely to be considerably less than what is needed. We recommended an investment in promoting women's empowerment in East Asia.*

- ***\$65 million over four years towards Strengthening Women's Organisations and Government Structures in Indonesia in the 2012-13 Budget***
- ***A \$35 million, four-year, investment in female small holders in Vietnam***
- ***\$38 million over four years towards combatting violence against women in Cambodia***
- ***\$27 million over four years towards Strengthening Women's Organisations in Lao PDR***

#### **In the 2012-13 Budget:**

As noted above the Australian Government has identified gender equality as the key cross-cutting theme of Australia's aid program. In 2012-13, the Government's focus will be in countries with the most severe gender gaps and constraints, mostly in Asia and the Pacific. Australia will support global efforts, including assisting UN Women to meet its international commitments on gender equality. Among other objectives, Australia's investment will increase the number of women participating on community management committees. The Government also has allocated \$23.3 million to the UN Development Programme, which provides direct assistance on the ground in 177 countries and focuses on women's empowerment and capacity development as part of its mandate.

There is a commitment to train 55,000 women's savings and loans groups in Indonesia by 2015, resulting in about 540,000 borrowers, which will improve women's livelihood and security. None of the recommendations above, however, have been funded in the Budget.

#### **The ACFID Response:**

**ACFID welcomes the Government's commitment to gender equality through the Australian international development assistance program. It is difficult to evaluate the commitments in the budget, however, without a clear indication of the amounts allocated to these objectives in country or cross regional programs. While the Aid Review recommended a country-based funding approach, the Panel did not mean for gender to disappear or for Australia to lose any transparency or accountability to gender equality outcomes, as is clear by Recommendation 11, accepted by the Government. There needs to be a better way of tracking gender equality outcomes throughout all areas of the Blue Book.**

### **Recommendation 13: Strengthening Humanitarian and Disaster Response in East Asia**

ACFID welcomes the commitment of both the Government and the Federal Opposition to assisting our regional neighbours to cope with humanitarian disasters. As noted in the Prime Minister's 19 November 2011 press release, the East Asian region bares the significant brunt of natural disasters which occur worldwide, with 8 of the 10 most significant such disasters occurring in this region in 2009 and 5 of the 10 most significant disasters in 2010. Further to this, we noted that the Aid Review recommended a significant increase in humanitarian funding, and that humanitarian and disaster response is a stand-alone Strategic Goal of the Australian aid program.

As such, ACFID recommended a significant increase of \$200 million over the four year period to 2015-16, in funding to initiatives which will make preparedness and response to disasters in East Asia more efficient and effective – as set out below.

- **\$71 million over four years for Disaster Response Education and Pilot Nurse Training Program in Indonesia**
- **\$47 million over four years for National Early Warning Systems in Timor Leste**
- **\$24 million over four years towards supporting Disaster Management and Preparedness in Cambodia**
- **A \$10 million, four-year, investment in Disaster Risk Reduction and Humanitarian Response in Lao PDR**
- **A \$48 million, four-year, investment in Community Resilience and Emergency Response in Vietnam**

#### **In the 2012-13 Budget:**

Over the next four years Australia is set to become the largest bilateral donor to East Asia. Assistance to East Asia will reach \$1.32 billion in 2012-13 and is estimated to increase to \$1.95 billion by 2015-16. Humanitarian and disaster response will make up 4% of the East Asian assistance or \$52 million in 2012-13.

The Government has committed to reaching up to 750,000 people in Vietnam from disaster-preparedness training, risk-management plans and strengthened community infrastructure. The Government is further committed to assisting communities in the Mekong Delta to adapt to the impacts of climate change. Finally in Vietnam the Government is committed to rolling out the Community Based Disaster Risk Management program reaching 150 communities by 2015.

The 2012-13 Budget also provides for support to more than 12 million Indonesians to benefit from natural disaster early warning systems through funding support to the Australia-Indonesia Facility for Disaster Reduction.

#### **The ACFID Response:**

ACFID commends the commitments for disaster risk management, climate change adaptation and disaster preparedness in Vietnam and Indonesia. In a highly-disaster-prone part of the world, these initiatives protect Australia's investment in long term development in these countries and are critical to achieving 3 of the 5 Strategic Goals of Australia's aid program: saving lives, sustainable economic development and humanitarian and disaster response. The role of Community Based Disaster Risk Management in Vietnam will ensure that long term recovery of livelihoods and response to small and medium-scale disasters can adequately address the needs of communities. This initiative recognises the impact of participatory planning and small-scale investment.

The Government continues to support Timor Leste in increasing agricultural productivity but with food insecurity affecting up to 80% of households in some districts the requirement for a coordinated, national mechanism to monitor the food security situation remains acute. As a fragile and conflict-affected state, investments in long term development must be carefully protected and the establishment of an integrated flood and food security early warning system can assist in ensuring that the most vulnerable communities do not experience a reversal in fragile gains due to lack of information.

**In Cambodia and Lao PDR, ACFID welcomes the Government's role in providing support against the Strategic Goal of humanitarian and disaster response. We re-emphasise, however, a need for the Government to further examine how to support the disaster management and preparedness as well as the disaster risk reduction capacity in both countries.**

***Recommendations 14: \$47.6 million over four years for Avoidable Blindness Initiatives in East Asia***

*Activities under the Government's Avoidable Blindness Initiative are currently being implemented in Vietnam, Cambodia, and Timor Leste, and will be further enhanced with funding from the 2011-12 Aid Budget allocation of \$21.3 million. However, more funding is needed in these three countries to ensure that the causes of blindness are holistically addressed and that health systems are strengthened.*

*ACFID recommended a commitment of \$47.6 million over the four year period to 2015-16 for avoidable blindness initiatives in East Asia. It was envisaged that this commitment would include a further \$19.8 million over four years for Vietnam, Cambodia and Timor Leste and a new commitment of \$27.8 million over four years to fund the expansion of Australia's leadership role in Indonesia, Burma, the Philippines, Laos and Mongolia*

**In the 2012-13 Budget:**

There were no new announcements for avoidable blindness in East Asia.

**The ACFID Response:**

As per recommendation 10

***Recommendations 15: \$15 million over four years for assistance to Refugees on the Thai-Burma Border***

*ACFID welcomed the Government's Interim Statement on Australia's Strategic Approach to Aid in Burma (December 2010), which says that Australia will expand on activities that target immediate needs in health, education and livelihoods and food security, focusing on vulnerable populations across Burma and on the borders with Thailand and Bangladesh. To support these efforts, ACFID recommended an allocation of \$15 million, over four years, for ANGOs and in-country community based organisations that would allow NGOs to assist around 146,000 refugees annually.*

**In the 2012-13 Budget:**

Although the amount is not specified, Australia will support the Thailand-Burma Border Consortium (an alliance of 11 non-government organisations) to assist programs for child care and other care functions and provide women with access to justice and support services. Australia also has allocated \$19 million to the Office of the United Nations High Commissioner for Refugees (UNHCR) to assist it to provide protection from violence and exploitation, and shelter and sanitation to some 34 million refugees and displaced persons in humanitarian crises.

**The ACFID Response:**

The funding of UNHCR is welcomed but it is difficult to evaluate this item due to the unspecified amount allocated to the Consortium.

**Recommendations 16: \$50 million over four years for Water, Sanitation and Hygiene (WASH) initiatives in Cambodia**

*Cambodia has one of the lowest rates of access to improved water and sanitation in the Asian region. Recent reporting shows only 56% of the population have access to improved water in rural areas. Even worse is access to improved sanitation, at 67% for urban areas and as low as 18% in rural areas. The financing situation for WASH in Cambodia is shocking. The country is heavily reliant on donor finance in this area. Estimated financing needs are \$US470 million to achieve MDG water and sanitation targets. Despite these statistics, Cambodia receives minimal support for WASH from Australia. The only bilateral donor which currently provides strong support for WASH in Cambodia is the UK. As such, there is an opportunity for Australia to show leadership in this area by increasing WASH funding.*

**In the 2012-13 Budget:**

Due to the lack of clarity in the AusAID 2012-13 Budget, it is unclear as to specific funding allocations to WASH as a sector or by geographic region.

For further information on the ACFID budget analysis see our response to Recommendation 11.

**The ACFID Response:**

ACFID is disappointed that no announcements were made in relation to our request for WASH funding in Cambodia. Instead, AusAID consistently states in the Blue Book that they will continue to build on existing achievements in this sector.

## South and West Asia

### **Recommendations 17: \$100 million over four years for a South and West Asia Human Rights Regional Fund**

*ACFID recommended that the Australian Government explores alternatives to traditional bi-lateral donor aid delivery channels in the South and West Asia region. Specifically, we recommended the establishment of a Human Rights Regional Fund, which would enable international and local partners to access funding. This funding would be targeted specifically at the most marginalised and vulnerable segments of populations in the region, increasing their capacity to hold governments to account for the delivery of entitlements and services at the local level.*

#### **In the 2012-13 Budget:**

The South West Asia Human Rights Regional Fund has not been funded. As part of \$40.1 million allocated for effective governance, however, the Government will provide ongoing support through the Human Rights Fund for a range of partners including the Asia Pacific Forum of National Human Rights Institutions, the United States State Department Lifeline Embattled NGO Fund, and the United Nations Office of the High Commissioner for Human Rights. These programs address the rights of people with disabilities, the rights of women and children, and the rights of poor, marginalised and disempowered people in developing countries. The Human Rights Grants Scheme will continue to be supported by the Fund.

In addition to the Fund, Australia's aid program supports human rights through bilateral, regional and thematic programs, and through high-level dialogues on human rights. Support for the Afghanistan Independent Human Rights Commission and for electoral reform will also continue. Targeted support for issues such as human rights and health in Tibet will continue through the North Asia Regional Program.

#### **The ACFID Response:**

**ACFID is disappointed that the Regional Fund was not established but welcome the Government's commitment to improve governance in developing countries to enhance justice and human rights for the poor. This is an area of spending that should increase if the Government is to meet its new mandate of helping people in developing countries overcome poverty in a meaningful and sustainable manner.**

### **Recommendations 18: \$150 million over four years for Disaster Risk Reduction in Pakistan**

2010 saw the worst floods to have ever hit Pakistan sweep across the country. As of July 2011, more than 800 000 Pakistanis were still in need of permanent shelters and more than 1 million were in need of food assistance. To help reduce the risk of future disasters, a greater focus on disaster risk reduction is needed in Pakistan. Disaster risk reduction is acknowledged as a ‘cross cutting theme’ in the Government’s Pakistan Country Strategy.

#### **In the 2012-13 Budget:**

The 2012-13 budget paper outlines that Australia’s assistance to Pakistan in support of achieving the humanitarian and disaster response goal will focus on post-disaster assistance as required and will support disaster risk reduction activities across Pakistan. There is no dollar figure allocated to this assistance in the papers.

#### **The ACFID Response:**

**ACFID is pleased that the Australian Government will focus on supporting Pakistan’s need to increase disaster risk reduction. With a mega crisis in 2010, and the cumulative impact of a secondary flooding crisis in 2011, improvements in disaster risk reduction across Pakistan will have a significantly positive impact on the lives of millions of people.**

### **Recommendation 19: \$50 million over four years for Water, Sanitation and Hygiene initiatives in Nepal**

*Despite making headway in providing water to the population, Nepal is off track to meet the sanitation targets set out in the MDGs. In 2010 more than 50% of the population practiced open defecation. There is also a danger of overstating service coverage for water supply, particularly in relation to improved drinking water services, as it is estimated about that about 50% of existing water supply schemes are partly or totally dysfunctional. Australia currently supports the Health and Education sectors in Nepal and is therefore well placed to ensure better integration between planning in the health and education sectors and WASH.*

#### **In the 2012-13 Budget:**

Due to the lack of clarity in the AusAID 2012-13 Budget, it is unclear as to specific funding allocations to WASH as a sector or by geographic region.

For further information on the ACFID budget analysis see our response to Recommendation 11.

#### **The ACFID Response:**

**ACFID is disappointed that no announcements were made in relation to our request for WASH funding in Nepal. Instead, AusAID consistently states in the Blue Book that they will continue to build on existing achievements in this sector.**

## Africa and the Middle East

### ***Recommendation 20: \$380 million over four years towards investment in Water, Sanitation and Hygiene (WASH) initiatives across Africa***

*Throughout Africa, the need for WASH funding is pressing. Only nine African countries are on track to meet the sanitation target for MDG 7 and only four of these are in Sub-Saharan Africa. 231 million people still practice open defecation. Many more do not wash their hands with soap after using the toilet, with figures ranging from 70% in Kenya, 85% in Tanzania and 97% in Ghana. Sub-Saharan Africa accounts for over a third of total number of people without access to improved drinking water, and is lagging behind in progress towards the MDG target, with only 60% of the population using improved sources of drinking-water despite an increase of 11 percentage points since 1990. It is these low WASH coverage rates that serve to explain why diarrhoea remains the leading cause of under five child death in Africa.*

#### **In the 2012-13 Budget:**

Due to the lack of clarity in the AusAID 2012-13 Budget, it is unclear as to specific funding allocations to WASH as a sector or by geographic region.

For further information on the ACFID Blue Book analysis see our response to Recommendation 11.

#### **The ACFID Response:**

**ACFID is disappointed that no announcements were made in relation to our request for WASH funding in Africa. Instead, AusAID consistently states in the Blue Book that they will continue to build on existing achievements in this sector.**

### ***Recommendation 21: \$200 million over four years towards Building Resilience and Sustainable Livelihoods in Africa***

*Within the context of the Government's existing plans for growth in Africa, a key priority is the need for long term approaches that will prevent future humanitarian disasters, such as the current crisis in North East Africa.*

#### **In the 2012-13 Budget:**

The 2012-13 budget estimates that 8% of total Official Development Assistance will be spent on agriculture and food security activities. This is equivalent to \$455 million. \$36 million of this will be channelled through the Australian Centre for International Agricultural research which is managing the new International Food Security Centre. Support will also go to improving rural livelihoods by strengthening market systems and building community resilience by supporting establishment and improvement of social protection programs. Australia will focus on four countries for their support in social protection including Kenya.

Under the Middle East and North Africa Program support will go through the Australian Centre for International Agricultural Research to support new conservation and water efficiency techniques with the aim of improving crop production. In the Sub-Saharan Africa Program the Government will:

- support 4,000 smallholder farmers in Kenya and Uganda to increase food production and diversify incomes;
- improve the well-being of 10,000 female-headed households, using village saving and loans;
- reduce hunger and extreme poverty in Northern Kenya with regular, guaranteed cash transfers

#### **The ACFID Response:**

ACFID welcomes the commitments to developing agricultural productivity and food security as well as rural development and social protection for smallholder farmers and female-headed households. We support the Government's partnership with the Australian Centre for International Agricultural Research and look forward to a proportion of this funding being channelled through NGO partners who have links to smallholder farmers and the most marginalised and vulnerable communities.

To further build on these important investments we recommend an additional focus on disaster risk reduction to allow for programming to support disaster risk reduction, mitigation and prevention of humanitarian crises. Taken together this package of investments will be a substantial contribution to building the resilience of vulnerable communities.

#### ***Recommendation 22: \$20 million over four years to support Vocational Training in the Palestinian Territories and for Palestinian Refugees***

*A key problem facing young men and women living in the Palestinian Territories and in refugee camps across Lebanon and Jordan is a lack of opportunity to gain professional skills and to earn a sustainable living. As noted by the Government's Budget Papers in 2011, unemployment in the West Bank and Gaza currently stands at 16 and 37 per cent respectively.<sup>7</sup> These high levels of unemployment can contribute to social and civil unrest. ACFID welcomed the focus on vocational training through the Australia Middle East NGO Co-operation Agreement, and called for further specific funding for vocational training for young people in the Palestinian Territories.*

#### **In the 2012-13 Budget:**

Australian Official Development Assistance to Palestinian Territories increased from \$48.5 million to \$56.7 million in the 2012-13 Blue Book, an increase of \$7.8 million. This will be spent on delivering health services to refugees, improving school and WASH infrastructure as well as helping the Palestinian Authority to implement policies that promote economic development.

#### **The ACFID Response:**

**While our requested \$20 million package to support vocational training for refugees is not reflected, ACFID welcomes the increased support to the pre-existing refugee support services. Programs that encourage economic development in the Palestinian Territories are also encouraged as they are compatible with ACFID's recommendation to provide the opportunity for young men and women to gain professional skills and earn a sustainable living. ACFID recognises the increase in assistance in the 2012-13 Blue Book, but notes that more needs to be done to secure an economic future for the young and unemployed people living in the Palestinian Territories.**

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<sup>7</sup> Australian Government, *Budget 2011-12; An Effective Aid Program for Australia: Reducing Poverty, Saving Lives and Advancing Australia's National Interests*, 11 May 2011, p. 59.

## Latin America

### **Recommendations 23-26:**

- \$5 million over four years to support Rural Livelihoods**

*One of the greatest challenges for small producers in Latin America is inequitable access to markets. Cheap imports are forcing many small producers, particularly those engaged in agriculture, to abandon production and move to urban areas to look for work. ACFID welcomed Australia's support of micro-credit programs in Peru and Colombia, but this must form part of a broader range of pro-poor economic development activities that the Australian aid program should undertake in Latin America.*

- \$3.2 million over four years to provide Economic Opportunities to Youth**

*High levels of unemployment and precarious informal employment conditions are key development challenges for young people in Latin America. Through improving the economic opportunities of adolescents, young people are less likely to become trapped in unfair debt repayment structures, which are prevalent in the informal economy, as well as limiting the need to become involved in the black market and other illegal activities to earn a living.*

- \$2.3 million over four years towards Disaster Risk Reduction Initiatives in Latin America**

*The effects of climate change are damaging land, homes and livelihoods in Latin America. Cyclones are noted to be increasing in Central America whilst increased melt water from the glacial regions of the Andes has resulted in localised flooding in Peru and Bolivia. This has led to communities experiencing decreased productivity in crops and livestock. Community-based disaster risk reduction programs will help the poorest adapt to a changing climate and provide resilience in the face of lower crop yields and changing weather patterns.*

- \$1.8 million over four years for Water, Sanitation and Hygiene (WASH) initiatives in Latin America**

*Access to water in Latin America remains a political issue. Advocacy efforts at a municipal and national level need to be made a priority in order to secure access to clean water for all people. The significant disparity between equitable water availability and security across and within urban and rural areas in Latin America restricts improved access to water sources. The poorest people also have significantly lower levels of access to water and sanitation than the rest of the population.*

### **In the 2012-13 Budget:**

There was no extra funding to support Rural Livelihoods in Latin America. ACFID's recommendation for funding to provide Economic Opportunities to Youth was also not taken up. No action was taken for additional funding for Disaster Risk Reduction Initiatives in Latin America. Further compounding this was the absence of new funding for Water, Sanitation and Hygiene initiatives in Latin America.

There will be no new money spent on Latin America in the 2012-13 Budget.

### **The ACFID Response:**

**In last year's budget, the Australian Government increased funding to Latin America and the Caribbean. It was disappointing that this year saw no further increase in funding. The aid effectiveness review recommended an end to country program aid to Latin America and the Caribbean. Yet ACFID believes that through partnership with NGOs, the Australian Government can leverage NGO expertise and have considerable impact with its aid funding to the region. Through their community-based linkages in Latin America and the Caribbean, Australian NGOs can channel Australian aid to make a big difference to the lives of the poor.**

**That is why it is thoroughly disappointing that no funding was announced for NGOs working in Latin America and no new funding was announced for Latin America at all.**