



# Australia's International Development Assistance Program 2008-09

## BUDGET HIGHLIGHTS

MAY 2008

The 2008-09 Budget launches a package of significant international development assistance initiatives to reduce poverty, support economic growth and boost progress towards the Millennium Development Goals.

This Budget is a building block in the Government's scaling up in Australia's development assistance, official development assistance (ODA) in 2008-09 will total \$3.7 billion, equal to 0.32 per cent of Gross National Income (GNI). This is an increase on the figure of 0.30 per cent in 2007-08.

The Budget includes a package of new measures designed to take forward the Government's development assistance priorities. In particular, the Budget gives effect to the Government's election commitments on climate change adaptation, fighting avoidable blindness, disability and access to clean water and sanitation. The Budget also increases Australia's core funding for key United Nations agencies, addresses humanitarian and reconstruction needs in Iraq and lays the foundations for new Pacific Partnerships for Development.

An increasing volume of Australia's development assistance will be provided in major sectors influencing the Millennium Development Goals, in particular to health (up by 8 per cent), education (up by 5 per cent), infrastructure including transport and water supply and sanitation (up by 17 per cent) and rural development and environment (up by 7 per cent). Reflecting the Australian Government's concern to ensure the benefits of development reach the most vulnerable, funding will also increase for humanitarian, emergency and refugee programs and for people with disabilities.



*In 2008-09, the Government will commence a package of initiatives to boost progress towards the Millennium Development Goals (MDGs)*

## A GLOBAL RESPONSE

### UNITED NATIONS PARTNERSHIP FOR MDGS

*\$200 million over four years*

Strengthened partnerships with seven key United Nations agencies will boost their capacity to lead global efforts to realise the Millennium Development Goals. Australia will contribute directly to United Nations' efforts on issues as diverse as increasing child literacy, improving maternal and child health and the empowerment of women.

### PARTNERSHIPS FOR DEVELOPMENT TO TARGET THE MDGS IN THE PACIFIC

#### PACIFIC REGIONAL INFRASTRUCTURE FACILITY

*\$127 million over four years*

Basic infrastructure services in Pacific island countries will be improved through performance-linked support, working with multilateral development banks. This initiative will address local constraints to economic growth and social development, including in transport, water, sanitation, waste management, energy and communications.

#### PACIFIC PUBLIC SECTOR CAPACITY

*\$107 million over four years*

Public sector administration in the Pacific will be strengthened to help improve service delivery and enable faster growth. Strong and enduring partnerships between Australia and the region will be established, public workforce development needs will be systematically addressed, and support provided for the planning and implementation of important public sector reforms.

#### PACIFIC LAND PROGRAM

*\$54 million over four years*

A new Pacific Land Program aims to protect customary land rights, promote economic and social development and reduce the potential for land-related conflict. Assistance, initially to Papua New Guinea, Vanuatu, Solomon Islands and East Timor, will support partner government-led improvements in land administration. Regional support will help address the challenges of urbanisation and improve skills of professionals and semi-professionals in areas such as planning, surveying and valuing.

## INCREASED ATTENTION TO THE GLOBAL CHALLENGE OF CLIMATE CHANGE

### ADAPTATION TO CLIMATE CHANGE

*\$150 million over three years*

High priority climate change adaptation needs in vulnerable countries in our region will be addressed through improved understanding of climate change impacts and vulnerabilities, financing the implementation of priority adaptation measures and contributing to major multilateral adaptation funds.

### REACHING THE MOST VULNERABLE

#### ACCESS TO CLEAN WATER AND SANITATION

*\$300 million over three years*

A critical challenge to health and wellbeing will be addressed by improving access to clean water and effective sanitation in urban, peri-urban and rural areas, and improving water security by protecting freshwater sources.

#### FIGHTING AVOIDABLE BLINDNESS IN THE REGION

*\$45 million over two years*

Australia will lead efforts to eliminate avoidable blindness in the region and develop practical ways to help people with disabilities. A pilot eye and vision care program will address primary and secondary eye care needs. Increased training support will expand the number of eye health workers. A new Disability Strategy for the development assistance program will be developed through national and international consultation.

#### IRAQ HUMANITARIAN AND RECONSTRUCTION ASSISTANCE

*\$140 million over three years*

New funding will address the immediate humanitarian needs of Iraq's vulnerable groups especially those displaced from their homes and women and children. Assistance will also be provided to support reconstruction efforts, enabling better access to basic health and education, improving agricultural productivity and supporting mine risk education.



## COUNTRY, REGIONAL AND GLOBAL PROGRAMS

Summary information on country and regional programs is included in the table below, along with total ODA flows to each country. These flows include components of the following global programs:

### HUMANITARIAN, EMERGENCY AND REFUGEE PROGRAMS

*Estimated funding: \$320 million*

This humanitarian and emergency funding will boost support for emergency response and programs to assist displaced people, including through key international humanitarian agencies such as the World Food Programme and the International Committee of the Red Cross. Enhancing preparations for improved emergency response will continue to be a priority, for example by pre-positioning emergency supplies and disaster risk reduction efforts.

### MULTILATERAL REPLENISHMENTS

*Estimated funding: \$175 million (in cash payments)*

Australia will continue to work closely with effective global and regional multilateral development institutions, in particular by supporting highly concessional development financing through the World Bank and Asian Development Bank.

## UNITED NATIONS, COMMONWEALTH AND OTHER INTERNATIONAL ORGANISATIONS

*Estimated funding: \$175 million*

This includes funding for a new United Nations Partnership for the Millennium Development Goals, which will invest \$200 million over four years, with \$10 million in 2008-09. Partnerships will be strengthened in particular with the United Nations Children's Fund, the World Health Organisation, the United Nations Population Fund, United Nations Development Fund for Women, United Nations Development Programme, United Nations Office for the Coordination of Humanitarian Affairs and the Joint United Nations Programme on HIV/AIDS. Continuing support will also be provided to international health and environment programs.

## NGO, VOLUNTEER AND COMMUNITY PROGRAMS

*Estimated funding: \$95 million*

Increased support will be provided through up to 40 accredited Australian non-government organisations working on development issues and through the placement of approximately 850 volunteers in developing countries.

## TOTAL AUSTRALIAN ODA TO PARTNER COUNTRIES (\$m)

Country/Region	Focus	Estimated total ODA 2008-09
<b>Papua New Guinea &amp; Pacific</b>		<b>999.5</b>
Papua New Guinea	Supporting improved governance, increasing economic growth and productivity (including through transport infrastructure) and improving basic service delivery (health, education). Supporting a coordinated and effective response to the HIV/AIDS crisis	389.4
Solomon Islands	Supporting improved governance, sustainable broad-based growth, improved delivery of basic services and community development	236.4
Vanuatu	Improving governance, service delivery (health, education) and economic growth	51.8
Fiji	Community development, contributing to an enabling environment for better governance and economic recovery	26.9
Tonga	Improving governance, promoting private sector-led economic growth, and improving service delivery in health and education	19.3
Samoa	Supporting improved service delivery in health, education, energy and law and justice	28.3
Kiribati	Improving basic education and public sector capacity. Reducing vulnerability to climate change	18.4
Other Pacific (including Tuvalu, Nauru, Micronesia, Cook Islands, Niue and Tokelau)	Supporting public financial management, infrastructure, economic growth, vocational skills training, scholarships and community organisations	47.1
Pacific regional	Supporting health systems and the prevention and treatment of HIV/AIDS, sexually transmitted infections, malaria and non-communicable diseases. Supporting basic and technical/ vocational education, adaptation to climate change and improved governance	181.9

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**TOTAL AUSTRALIAN ODA TO PARTNER COUNTRIES (\$m) *cont'd***

Country/Region	Focus	Estimated total ODA 2008-09
<b>Indonesia &amp; East Asia</b>		<b>1 038.7</b>
<b>Indonesia</b>	Promoting sustainable growth and improved economic management and infrastructure, improving access to basic services including health, education, water and sanitation, strengthening legal and democratic institutions and local governance, and improving capacity for emergency responses and disaster mitigation	462.0
<b>Philippines</b>	Supporting basic education focusing on quality improvement and access for Islamic and indigenous groups, economic growth for at risk groups, national stability and human security, including support for peace building efforts in southern Philippines	109.3
<b>Vietnam</b>	Improving livelihoods of the rural poor, strengthening health service delivery and supporting effective international economic integration	93.1
<b>Cambodia</b>	Strengthening the justice system, reducing rural poverty, and contributing to reduce infant, child and maternal mortality	55.0
<b>East Timor</b>	Strengthening security and community access to justice, supporting democratic institutions, promoting economic opportunities and the delivery of basic services, particularly in rural areas and improving public sector management	96.3
<b>China</b>	Building capacity in governance, environment and health	34.8
<b>Other East Asia</b> (including Laos, Burma and Mongolia)	In Laos, improving basic education, economic growth through trade reforms, and reducing rural poverty. In Burma, providing humanitarian assistance. In Mongolia, providing targeted scholarships	55.3
<b>East Asia regional</b>	In East Asia, strengthening regional strategies to promote sustainable economic integration and safeguard health and human security. In the Mekong sub-region, assisting growth through investing in infrastructure and facilitating cooperation	132.8
<b>Africa, South &amp; Central Asia, Middle East</b>		<b>727.5</b>
<b>Africa</b>	Improving maternal and child health and water and sanitation. Providing targeted humanitarian assistance	116.4
<b>Bangladesh</b>	Improving livelihoods of the rural poor, supporting health services and basic education	52.6
<b>Sri Lanka</b>	Assisting rehabilitation of conflict affected communities, and supporting basic education and natural resource management	27.0
<b>Other South Asia</b> (including India, Nepal, Maldives and Bhutan)	Reducing the risk and impact of HIV/AIDS, improving maternal and child health, agricultural research and governance, supporting basic education, scholarships	21.4
<b>South Asia regional</b>	Reducing the risk and impact of HIV/AIDS, improving health services and basic education, water and sanitation and addressing adaptation for climate change. Supporting improved economic management	12.5
<b>Pakistan</b>	Addressing rural poverty, supporting basic health care and education, scholarships and continuing reconstruction following the October 2005 earthquake	30.5
<b>Afghanistan</b>	Strengthening governance capacity, supporting basic health and education and reconstruction	122.4
<b>Iraq</b>	Debt relief, responding to humanitarian needs, building capacity (including in agricultural management) and supporting reconstruction efforts	313.4
<b>Other Middle East</b>	Responding to humanitarian needs, including those of refugees, and supporting economic development, basic health and education services in the Palestinian Territories	31.3
Core contributions to multilateral organisations, other ODA not yet allocated or not attributed to particular countries or regions and reconciliation of expenses to cash		894.2
<b>Total ODA</b>		<b>3 659.9</b>
<b>ODA/GNI ratio</b>		<b>0.32%</b>

Source: AusAID. Refer to the Ministerial Budget Statement Australia's International Development Assistance Program 2008-09 for more detail.

For further information on the Australian Government's international development assistance program contact:

AusAID Public Affairs—phone + 61 2 6206 4000, fax +61 2 6206 4880 or write to GPO Box 887 Canberra ACT 2601.

The full Ministerial Budget Statement is at [www.ausaid.gov.au](http://www.ausaid.gov.au)