

Summary of Australia's Overseas Aid Program 2013-14

Budget Highlights—14 May 2013

The 2013-14 Budget will increase Australia's Official Development Assistance (ODA) to a record \$5.7 billion.

This is a substantial increase on the 2012-13 ODA budget, delivering on the Government's commitment of providing 0.37 per cent of gross national income (GNI) - the highest since 1985-86.

Foreign Minister Senator Bob Carr said the Australian Government remained committed to increasing its aid budget to 0.5 per cent of GNI to meet the UN's Millennium Development Goals, but this would be delayed to 2017-18 due to a write-down in budget revenues.

To reach the revised 0.5 per cent target, the Government expects to increase Australian aid to around 0.39 per cent in 2014-15, 0.41 per cent in 2015-16 and 0.45 per cent in 2016-17.

The Asia-Pacific region remains the aid program's highest priority, and will receive about 86 per cent of country specific aid in 2013-14. Australian aid tackles poverty through saving lives, promoting opportunities for all, supporting sustainable economic development and effective governance, and by responding to humanitarian crises and disasters.

Australian aid will promote prosperity in our region and is delivered by Australian volunteers, businesses, non-government organisations, and government agencies working together with developing countries and international organisations.

The Aid Program at a glance

The fundamental purpose of Australian aid is to help people overcome poverty. In 2013-14, 0.37 per cent of GNI will be provided as development assistance. The Government expects to increase Australian aid to around 0.39 per cent in 2014-15, 0.41 per cent in 2015-16 and 0.45 per cent in 2016-17.

In 2013-14:

- our top 12 aid recipients will all be in the Asia-Pacific region, namely: Indonesia, Papua New Guinea, Solomon Islands, Afghanistan, Vietnam, Philippines, Timor-Leste, Bangladesh, Cambodia, Pakistan, Myanmar and Vanuatu;
- more than 30 per cent of the aid budget is expected to be delivered by international organisations, significantly increasing the reach and influence of Australian aid, and helping these organisations focus on the needs of poor people in our region;
- the World Bank Group, Asian Development Bank, Global Partnership for Education, World Food Programme, Global Fund and UNICEF will be our main multilateral partners;
- given its centrality to the achievement of all the Millennium Development Goals over \$1.16 billion of the aid budget will be spent on 'Promoting opportunities for all' through education, the flagship sector of the aid program; and

- over \$2 billion will also be spent on 'Saving lives' and on 'Sustainable economic development', while the strategic goals of 'Effective governance' will account for around \$870 million and 'Humanitarian and disaster preparedness and response' will make up around \$890 million of the aid program.

The 2013-14 Aid Budget at a glance

Asia-Pacific Region

The 2013-14 Budget delivers increased funding to key countries in the Asia-Pacific region to continue to assist developing country partners meet the MDG targets. This includes:

- **Indonesia** from \$541.6 million to \$646.8 million to improve health and education outcomes, justice and governance;
- **Myanmar** from \$64.2 million to \$82.8 million to help reduce poverty by supporting education, health and livelihoods; and
- **Fiji** from \$49.2 million to \$58.2 million to strengthen health and education and improve economic livelihoods.

In addition, the 2013-14 Budget provides around \$900 million over four years in new initiatives for the Asia-Pacific region and in support of our global and humanitarian commitments, comprising:

- **Enhancing Australia's commitment to development in the Asia-Pacific region (\$390.9 million over four years)**. This new measure will help make the MDGs more achievable in our region. This measure includes funding to improve outcomes against MDG1 (poverty and hunger), MDG2 (universal education) and MDG5 (maternal health) in target countries in the Asia-Pacific region
- **Continuing Australia's support to Solomon Islands (\$480.7 million over four years, of which \$354.5 million is ODA-eligible)** with renewed funding during the RAMSI transition phase for key development programs in the Law and Justice and Governance sectors. From 1 July these will form an important part of Australia's bilateral development assistance to Solomon Islands. In addition, this initiative will provide funding for ongoing support to the Participating Police Force by the Australian Federal Police and funding for the Department of Foreign Affairs and Trade to coordinate RAMSI and support civilian aid activities.

Global

- **Extending Australia's commitment to the United Nations Mission in South Sudan (\$2.1 million over two years)** to continue to assist with peace and security consolidation efforts in the new republic.
- **Combating people smuggling — enhancing the regional response to irregular migration (\$65.8 million over four years of which \$53.2 million is ODA eligible)** to implement a whole-of-government response to key recommendations of the Expert Panel Report on Asylum Seekers.
- **In line with the *Australia in the Asian Century White Paper*** the aid program is building skills and strengthening institutions in developing countries in the region through initiatives such as the Australia Awards. The Australia Awards allow the best and brightest from developing countries to study in Australia and return home to assist in national development helping to build long lasting people-to-people links.

- \$375 million in ODA will support some of the costs of asylum seekers in Australia. The amount of money spent on supporting onshore asylum seekers in 2013-14 will be capped at the same amount as 2012-13 – \$375 million.