



Australian Government  
AusAID

# Australia and Africa

FACING THE CHALLENGES AS PARTNERS  
2003–07

GOVERNANCE CUTS ACROSS ALL ELEMENTS OF THE INTERNATIONAL  
DEVELOPMENT AGENDA, AND UNDERPINS ALL OF OUR AID INVESTMENTS.

The Hon. A Downer, Minister for Foreign Affairs, *Australian aid: investing in growth, stability and prosperity*, September 2002

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ISBN 1 920861 40 8 Published by the Australian Agency for International Development (AusAID), Canberra, March 2005.

This document is online at [www.ausaid.gov.au/publications](http://www.ausaid.gov.au/publications)

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## Summary

AFRICA FACES ENORMOUS CHALLENGES AS IT STRIVES TO ACHIEVE ECONOMIC GROWTH, DEVELOPMENT AND POVERTY REDUCTION. THE INTERNATIONAL COMMUNITY HAS MOUNTED HUGE EFFORTS OVER RECENT YEARS TO ASSIST, WITH MANY OF THE MAJOR BILATERAL DONORS DECLARING AFRICA AS THE CENTRAL PLANK OF THEIR COMMITMENT TO REDUCING GLOBAL POVERTY.

Australia understands the concern of the international community and will continue to play a constructive role in Africa through its aid program. The framework for our assistance during the period 2003–07 seeks to maximise the effectiveness of our support to Africa while recognising that the bulk of Australia's aid resources are necessarily focused on our near neighbours in the Asia-Pacific region.

This framework maintains the direction of the previous Africa framework in tightening the sectoral focus of the aid program. At the same time it retains flexibility to meet the requirements of changing Australian priorities in Africa.

The overarching objective of the Africa aid program is to advance Australia's national interests by assisting in reducing poverty and achieving sustainable development, particularly in targeted countries in southern and eastern Africa. The specific objectives are to:

- > promote good governance at both national and community levels
- > improve the delivery of basic services, with a focus on health and food security
- > respond, in line with Australia's capacity, to humanitarian needs, and
- > respond to emerging issues of mutual concern to the governments of Australia and Africa.

Targeted southern and eastern African countries are the major focus including a continuation of support for the post-apartheid transformation in South Africa. Engagement in exceptional circumstances with other countries in sub-Saharan Africa will address, on a small scale, selective development and humanitarian needs.

The delivery of our assistance will be streamlined by maximising the benefits of partnerships with other donors and non-government organisations (NGOs). By 2007 Australian aid to Africa will be delivered almost exclusively through multilateral organisations, NGOs and scholarships. The Africa Governance Fund will be enhanced to ensure flexibility to respond to selected emerging issues of mutual concern to the governments of Australia and Africa.

# Introduction

AUSTRALIA'S DIPLOMATIC, COMMERCIAL AND DEVELOPMENT LINKS WITH AFRICA ARE MODEST COMPARED WITH THOSE IN OUR IMMEDIATE REGION. NONETHELESS THOSE LINKS ARE LONGSTANDING AND SIGNIFICANT.

African countries are an important part of the international security, economic stability and global cooperation that protects Australia's national interests. Australia seeks to maintain an effective engagement with these countries, as their prosperity and stability can contribute to global peace and security. Australia supports a strong African involvement in the Commonwealth, the United Nations and multilateral trade forums.

Aid is a critical component of Australia's broader relations with African countries, particularly in southern Africa and in selected other African countries (Uganda, Kenya and Tanzania) as high levels of poverty increase the risk of conflict and undermine the stability of the region. Equally important is the strong humanitarian concern and support of the Australian community for continued aid efforts aimed at alleviating suffering and poverty in Africa.

For these reasons the Honourable Alexander Downer MP, Minister for Foreign Affairs, in his 2002 statement *Australian aid: investing in growth, stability and prosperity*<sup>1</sup> reiterated Australia's commitment to continuing the provision of selective assistance to Africa through the aid program.

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<sup>1</sup> The Hon. A Downer, Minister for Foreign Affairs, *Australian aid: investing in growth, stability and prosperity*, Eleventh statement to Parliament on Australia's Development Cooperation Program, AusAID, Canberra, September 2002.

## Context

AT THE TURN OF THE CENTURY, 47 PER CENT OF PEOPLE LIVING IN SUB-SAHARAN AFRICA WERE POOR – 10 PERCENTAGE POINTS MORE THAN THE COMPARABLE FIGURE FOR SOUTH ASIA. A FURTHER CHALLENGE IS THE EXPECTED INCREASE IN THE TOTAL NUMBER OF POOR PEOPLE IN SUB-SAHARAN AFRICA.

### POVERTY

Three hundred million people in sub-Saharan Africa live on less than US\$1 a day. While the total number of poor people in South Asia – almost half a billion – is greater, nowhere is the incidence of poverty as high as that experienced in sub-Saharan Africa. Although projections for all other developing regions indicate a reduction in numbers living in poverty, Africa can expect to see an additional 45 million poor people by 2015.

With the high incidence of poverty across the region and annual population growth averaging around 2.4 per cent, substantial economic growth is needed to drag people out of poverty. But the prospects for such growth – estimated to be as much as 7 per cent<sup>2</sup> – are poor. World Bank estimates suggest that the region's annual growth will not exceed 4 per cent in the years to 2010. Even this projection may be optimistic. As international donors focus on their commitments to the Millennium Development Goals, forecasts show Africa consistently failing to meet its social and economic development objectives.

However, the story is not all gloom. Improved business environments, in part the result of donors focusing more on domestic policy settings, will see a diversification in export markets. The recovery in western markets should also translate into higher growth rates. And political reforms are leading to better quality governance and improved management of public expenditure.

Nonetheless, the challenges remain immense. Low levels of investment in human capital and in infrastructure will continue to hold back progress. Many countries will see reverses in the quality of their governance. And in many countries the very high prevalence of HIV/AIDS will destroy prospects.

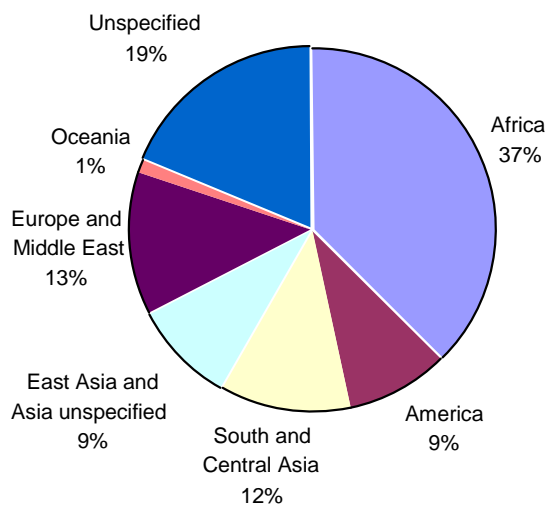
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<sup>2</sup> World Bank, Press Release No. 2002/273/S.

## INTERNATIONAL DONOR RESPONSE

Africa receives 37 per cent of total official development assistance (ODA). The bulk of ODA for Africa comes from G7<sup>3</sup> bilateral donors, multilateral organisations and the European Union. According to the Development Assistance Committee (DAC) of the OECD, Africa received over US\$33.3 billion in ODA in 2003, in contrast with the US\$9.3 billion for East Asia and Asia unspecified, and Oceania.<sup>4</sup> In addition, specific shares of new aid expenditure by the World Bank, the European Union, the United Kingdom and the United States have been reserved for Africa.

## GEOGRAPHICAL DISTRIBUTION OF ODA FROM ALL SOURCES



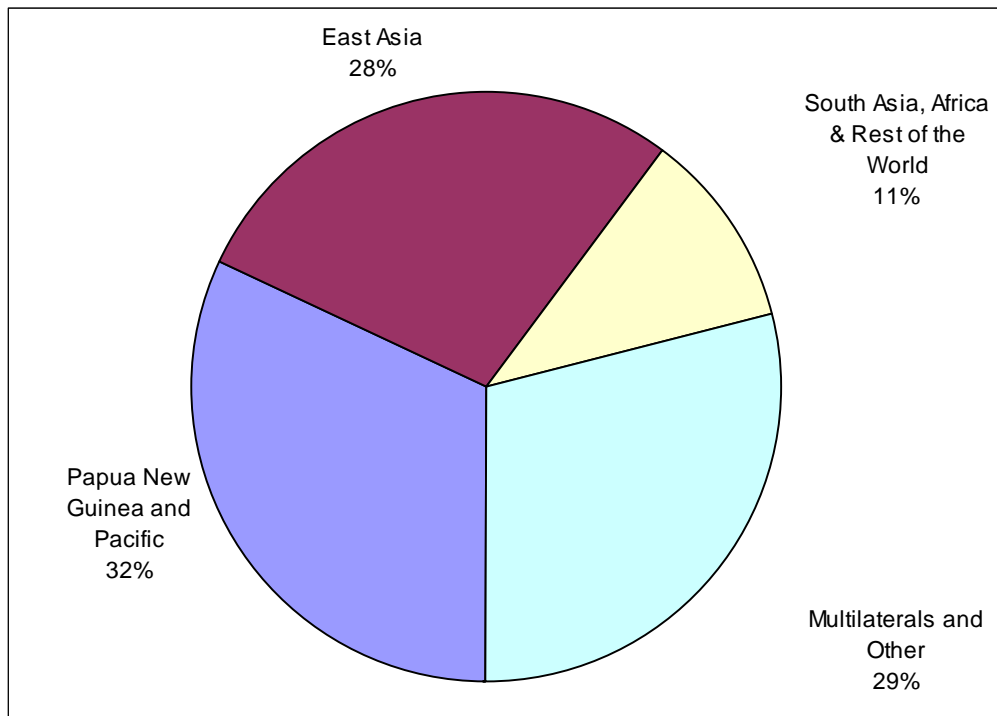
Data source: Development Assistance Committee, *ODA receipts and selected indicators for developing countries and territories*, Organisation for Economic Co-operation and Development, Paris, 2003.

Australia's total aid flows to sub-Saharan Africa ranged from \$55.1 million in 1998–99 to \$72.6 million in 2003–04. Australia's assistance to Africa must be placed within the broader context of the development needs of other regions, and the programs of other donors. Australia's aid is focused on the Asia-Pacific region, where Australia has a leading role and special responsibilities recognised by the international community, while Africa is increasingly the major focus of other international donors. In 2004–05 Africa received 3 per cent of Australia's ODA, while the Asia-Pacific region, which is home to two-thirds of the world's poor, received 66 per cent..

<sup>3</sup> Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.

<sup>4</sup> Development Assistance Committee, *ODA receipts and selected indicators for developing countries and territories*, Organisation for Economic Co-operation and Development, Paris, 2003.

## ESTIMATED TOTAL AUSTRALIAN AID 2004-05



Note: Funding to multilateral and other organisations is not broken down by country. A large percentage of Australia's core donations to UN, Commonwealth and multilateral development banks is expended in Africa.

Data source: Australian Government Department of Foreign Affairs and Trade, Annual Report 2004-2005, Volume 1

## RECENT AFRICAN INITIATIVES IN RESPONSE TO POVERTY

Recently some of Africa's national leaders committed to eradicate poverty on the continent through the New Partnership for Africa's Development (NEPAD). NEPAD is a promising, but as yet unproven, initiative that commits to measures that promote good governance, democracy, active participation in the world economy, and the prevention of wars and conflicts. Numerous African countries, including Lesotho, Malawi, Mozambique and Zambia, have produced or are in the process of developing poverty reduction strategy papers<sup>5</sup> to guide their own development. Australian aid will be designed to be consistent with these overarching frameworks.

<sup>5</sup> The poverty reduction strategy papers describe the countries' macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as external financing needs. The papers are prepared by governments through a participatory process involving civil society and development partners, including the World Bank and the International Monetary Fund.



## Australia's 2003–07 aid framework for Africa

ALTHOUGH AFRICA'S NEEDS ARE IMMENSE ITS CAPACITY TO ABSORB ASSISTANCE IS BEING HEAVILY TAXED. IN THIS ENVIRONMENT A SMALL DONOR SUCH AS AUSTRALIA MUST BE FOCUSED, STRATEGIC AND STREAMLINED IN ITS INTERVENTIONS, AND WORK AS MUCH AS POSSIBLE WITH AND THROUGH ORGANISATIONS THAT HAVE ON-THE-GROUND KNOWLEDGE, SKILLS AND EXPERIENCE.

### OVERVIEW OF THE 1999–2002 FRAMEWORK

Australia's framework for providing aid to Africa from 1999 to 2002<sup>6</sup> took steps to narrow the geographical and sectoral focus.

The framework increased the focus on southern Africa, in accordance with Australia's historical association with that region and its importance to broader economic development in Africa. Country programs were expanded in South Africa and Mozambique, and the Zimbabwe country program was maintained. Eastern Africa received limited assistance through the Small Activities Scheme, NGO programs (including AusAID's NGO Cooperation Program), volunteer programs, some regional projects, and the Africa Governance Facility. Support for western Africa was primarily through the NGO Cooperation Program, volunteer programs, humanitarian programs and the Africa Governance Fund.

The tightening of the sectoral focus was reflected in an increase in governance activities through capacity-building programs and the Africa Governance Fund. Other major sectors that received attention were basic community infrastructure (primarily water supplies and sanitation), food security, health and de-mining.

Bilateral projects, scholarships and Australian NGO programs remained the principal mechanisms for delivering aid to Africa. The Africa program also included strategic activities with a number of multilateral organisations. In addition, Australia made significant contributions to humanitarian relief, particularly in southern Africa and the Horn of Africa.

### OBJECTIVES

The overarching objective of the Africa program, in keeping with the objective of the Australian aid program as a whole, is to advance Australia's national interests by

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<sup>6</sup> AusAID, *Australia and Africa: addressing the challenges – in partnership 1999–2002*, Canberra.

assisting to reduce poverty and achieve sustainable development, particularly in targeted countries in southern and eastern Africa.

As a relatively small player in providing aid to Africa, Australia needs to be strategic in its interventions to maximise impact. The specific objectives of the program for 2003–07 are to:

- > promote good governance at both national and community levels
- > improve the delivery of basic services, with a focus on health (including communicable diseases, water supplies and sanitation) and food security
- > respond, in line with Australia's capacity, to humanitarian needs, and
- > respond to emerging issues of mutual concern to the governments of Australia and Africa.

#### PROMOTING GOOD GOVERNANCE

Good governance means competent management of a country's resources and affairs in a manner that is open, transparent, accountable, equitable and responsive to people's needs.

Numerous studies have confirmed that the quality of governance and people's incomes are strongly correlated. Sound governance enables greater gains in poverty reduction and a more equitable distribution of the benefits of development. Without good governance basic services are less likely to be delivered efficiently and equitably to the poor, the benefits of humanitarian relief are constrained, and further crises can be expected.

Good governance is a requirement of not only central government agencies but also the service delivery areas of governments, local administrations, civil society and the private sector.

Australia is recognised for its expertise in many areas of governance, particularly in macroeconomic and financial management, legal and judicial systems and broader public sector reform processes. Our assistance in governance will focus largely on providing small-scale strategic technical and expert assistance to improve economic and financial management and increase public sector effectiveness, thus enabling governments to improve their own delivery of basic services. The program will support civil society, including non-government and community-based organisations to enhance their engagement with government and increase their capacity to deliver basic services.

Assistance will extend beyond these areas in the case of priorities of mutual concern to the governments of Australia and Africa, particularly through the Africa Governance Facility and the Australian Development Scholarships Scheme.

#### IMPROVING BASIC SERVICE DELIVERY

Poverty reduction can be accelerated when the poor have the necessary tools to participate in economic growth. Most fundamentally they require sustained access to health services, basic food supplies and education services. Before providing support to improve the delivery of basic services it is particularly important to include a gender perspective in an analysis of needs, to promote the unrealised potential of women.

Australia's investment in health under this framework will focus on communicable diseases, particularly HIV/AIDS and malaria, and water supply and sanitation to reduce the impact of disease on livelihoods. Apart from the compelling humanitarian dimension of the African HIV/AIDS pandemic, the impact of HIV/AIDS is reversing decades of economic progress, posing a major threat to human and national security.

Australia's contribution to food security will include support for sustainable resource management and other community-based efforts to ensure adequate food supplies. It is increasingly clear that addressing the debilitating effects of HIV/AIDS is also an important part of food security efforts. Recurring food shortages in Africa on the devastating scale during the 2002–03 drought in southern Africa and the Horn of Africa emphasise the importance of enhancing long-term food security by addressing governance, HIV/AIDS and other aspects of such complex crises.

In these areas of focus, community-level programs will benefit the poor directly, and postgraduate training will equip service providers and policy makers with the skills essential to improve governance and service delivery.

#### RESPONDING TO HUMANITARIAN NEEDS

As part of the international community, Australia is committed to providing support to Africa in humanitarian crises to meet the immediate needs of affected people. Such support reflects the longstanding desire of the Australian community to assist Africa in such emergencies, while acknowledging that we are not in a position to be a major player in the large-scale appeals that are anticipated over the period of this framework.

Assistance will be prioritised as part of Australia's annual global assistance for emergencies. We will contribute through international appeals by UN agencies and international organisations, and through grants to the World Food Programme and Australian NGOs where relevant. As in previous years, a significant proportion of emergency assistance will be provided as food aid. In addition, the emergency program, where appropriate, will continue to support schemes that deploy skilled Australian medical and technical experts in relief operations.

In line with Australia's Humanitarian Program Strategy and the Peace, Conflict and Development Policy, this framework seeks to better align and integrate humanitarian and development issues into program planning. The framework's focus on the delivery of health services and food security has a strong humanitarian emphasis and will contribute to meeting protracted humanitarian needs.

The United Nations has described the HIV/AIDS pandemic as an unprecedented emergency that is threatening to engulf sub-Saharan Africa, not least because it exacerbates and prolongs the effects of all other emergencies. Our longer term support for governance, too, will be part of broader efforts to improve the ability of governments and civil society to mitigate the impact of natural disasters.

#### RESPONDING TO EMERGING ISSUES

The first years of the 21st century have provided evidence of the fragility of international peace and security and the interdependence of nations and peoples around the world. Disease, conflict and crime cross national borders with ease, carrying with them the capacity to reverse decades of development. Trade and information technologies have the potential to greatly hasten the benefits of integrating nations into the international economy. The benefits of improved governance and strengthened democratic processes are felt internationally as well as by the peoples of the countries in which they occur.

Although the aid program's Africa framework focuses on governance, basic service delivery in the areas of health and food security, and emergency relief, also important are emerging issues of mutual concern to the governments of Africa and Australia. To address such issues the framework will ensure that the Africa Governance Facility has the flexibility to deliver small-scale, targeted and prompt assistance in areas that support our broader national engagement.

#### **Trade**

An important area of mutual concern is the liberalisation of trade and investment, which offers substantial opportunities for economic growth and a sustained reduction in poverty. Since July 2003 Australia has provided duty-free and quota-free entry for all products from least developed countries. Through the Cairns Group, Australia is working with South Africa and fifteen other countries, many of which have developing economies, to lower agricultural trade barriers through the World Trade Organization (WTO). In support of the current (Doha) round of WTO negotiations, Australia has provided training courses for key trade negotiators from African Commonwealth countries. These courses aimed to increase trade policy expertise within trade ministries and enhance the capacity of negotiators to represent their countries' interests in WTO negotiations.

## **Democracy**

As an active member of the Commonwealth and the United Nations Australia has been concerned to provide support to strengthen democratic processes and the rule of law. For example, before the 2002 election in Kenya, which has been recognised internationally as a free and fair process, Australia provided support to Kenya's Institute for Education and Democracy and the electoral commission to enhance electoral capacity and train electoral officials. We have also provided assistance to the special court in Sierra Leone, improved women's knowledge about democracy and human rights in Nigeria, supported human rights education in Uganda and provided support to the Institute of Race Relations in South Africa.

## **GEOGRAPHICAL FOCUS**

The Africa aid program has a two-tiered geographical focus.

- > The majority of Australia's support will be provided to targeted countries in southern and eastern Africa. These countries are South Africa, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe (Zimbabwe is currently only eligible for humanitarian assistance)<sup>7</sup> in southern Africa, and Uganda, Kenya and Tanzania in eastern Africa. Australia's historical ties with these countries are strong and the aid program has been a significant part of the relationship.
- > Australia will have limited engagement in other countries in sub-Saharan Africa, where the program will provide opportunities for addressing – on a small scale and in exceptional cases – humanitarian needs and key development requirements.

## **TARGETED COUNTRIES**

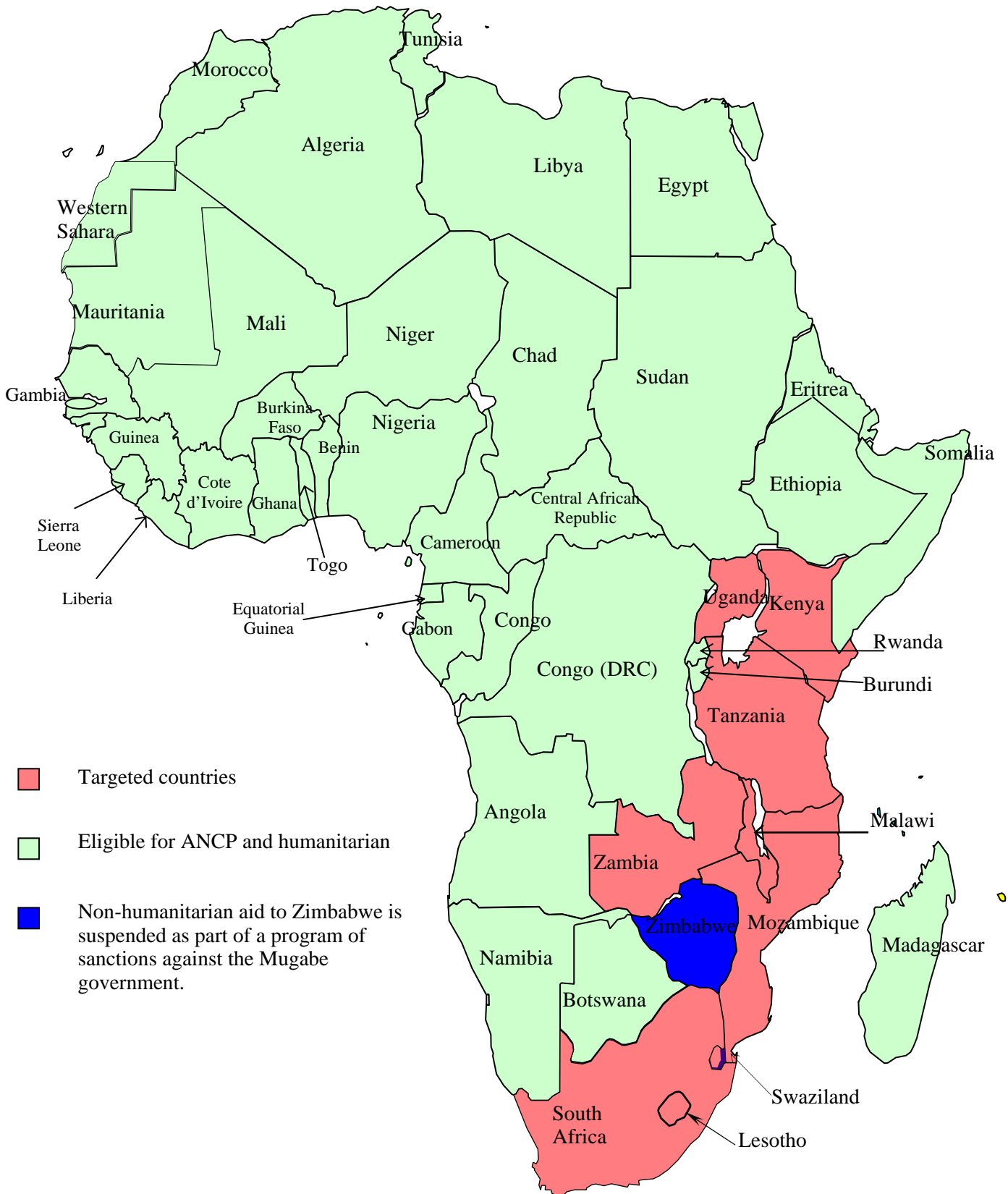
Our assistance to targeted countries in southern and eastern Africa is based on Australia's national interests and the potential for the aid program to make a strategic impact in countries where there is a demonstrated commitment to reform, particularly as expressed through the partner governments' electoral and budgetary processes. Assistance will be provided principally through multilateral organisations, non-government organisations and scholarships.

As already noted, Australia will support interventions that strengthen governance and improve basic services for people affected by poverty. In addition to public sector reform, assistance will be provided through scholarships, and through direct support at community level for access to health, water and sanitation, and food security. We will also provide modest, well-targeted support to address development issues of mutual concern to the Australian and African governments.

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<sup>7</sup> Note that at the time of writing non-humanitarian aid to Zimbabwe had been suspended as part of a program of sanctions against the Mugabe government.

## Australia's aid to Africa



South Africa will continue to receive assistance under the framework. Australia recognises that South Africa's stability and economic strength is important for the stability and prosperity of the entire continent. It provides an African model of a strong democratic state, and it has strong political and trade links with Australia. We have been providing development support to South Africa since the end of apartheid to strengthen public sector capacity and the regulatory environment and to reduce the incidence of HIV/AIDS and gender violence. Enormous development challenges remain, including high unemployment, income inequality, one of the highest incidences of HIV infection in the world and ongoing issues with gender violence, a root cause of the rapid spread of HIV infection in South Africa.

An enhanced African Governance Facility will build on the success of the South Africa Capacity Building Program's activities in local government, vocational education and natural resource management to enhance food security. Further capacity building in South Africa will assist in implementing its public sector reform program and the policies that have been developed.<sup>8</sup> Assistance for HIV/AIDS will aim to reduce the incidence of the disease by changing behaviour through, for example, a program that addresses gender violence, and will provide access to treatment and support for people living with HIV/AIDS. Scholarships for study in Australia and through the Virtual Colombo Plan<sup>9</sup> will continue.

As bilateral activities in Mozambique are completed<sup>10</sup>, assistance will be provided to that country on the same basis as for other targeted countries. Australia will continue to monitor the situation in Zimbabwe and respond to developments as appropriate, in accordance with overall policy on relations with Zimbabwe. Humanitarian assistance in Zimbabwe will continue.

Historical ties with eastern Africa are strong and the past five years have seen increasing economic, political and community ties with Uganda, Kenya and Tanzania. Nairobi is a hub for WTO trade-related activities. Since the 2002 democratic elections, the Government of Kenya has launched a substantial reform agenda. As a result of preparing poverty reduction strategies, both Tanzania and Uganda have begun implementing a broad agenda of policy reform to support poverty reduction. However, both are experiencing bottlenecks in service delivery, especially in the health sector, as a result of their economic downturns. The Australian aid program will continue to support community-level interventions in these targeted countries. It will increase its support for public sector reform through the enhanced Africa Governance Facility. Australian Development Scholarships and Virtual Colombo Plan activities will provide high-level skills.

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<sup>8</sup> This assistance will be provided through the South Africa Capacity Building Program until current contracts are completed.

<sup>9</sup> The five-year A\$200 million Virtual Colombo Plan was launched in August 2001. It aims to help close the global knowledge and digital divides for developing countries.

<sup>10</sup> Capacity building in December 2003, the control of Newcastle disease in October 2005 and in-country scholarships in June 2005.

## OTHER SUB-SAHARAN AFRICAN COUNTRIES

The Australian aid program will provide opportunities for addressing – on a small scale and in exceptional cases – key development issues that emerge in other countries in sub-Saharan Africa if these issues are of mutual concern. There will be opportunities for Australian NGOs to participate through the AusAID NGO Cooperation Program. Australian volunteers will continue to be supported in Africa. We will also continue to join international efforts to provide humanitarian assistance in emergency situations, when we have the capacity to respond.

### ELIGIBILITY FOR AUSTRALIAN AID IN AFRICA <sup>a</sup>

	Governance fund	Humanitarian & emergency	ANCP <sup>b</sup> & volunteers	Small grants	Australian Development Scholarships	Multilateral organisations	NGO agreements
Targeted countries	✓	✓	✓	✓	✓	✓	✓
Other countries in sub-Saharan Africa <sup>c</sup>	✓	✓	✓	✓	x	x	x

<sup>a</sup> South Africa, Mozambique, Tanzania and Malawi will receive assistance through Australian contractors until current projects are completed.

<sup>b</sup> AusAID NGO Cooperation Program. <sup>c</sup> Small grants in non-targeted sub-Saharan African countries will be made through the Direct Aid Program only.

## AID DELIVERY METHODS

During the life of this framework, traditional bilateral projects will be phased out. To maximise the impact of Australia's aid efforts and to ensure the efficient use of our limited human resources the program will be delivered principally through organisations that have a record of strong performance in Africa. These will include multilateral and, if appropriate, bilateral organisations<sup>11</sup> to ensure that Australian aid efforts support effective broader development strategies, Australian and African NGOs, and selected governance interventions where Australia has particular expertise sought by our African partners. Scholarships in Australia, in Africa and through the Virtual Colombo Plan will also continue to be an important element of our assistance.

## MULTILATERAL ORGANISATIONS

Africa is a major recipient of assistance through multilateral organisations and international donors. The large resources that these organisations can mobilise allow them to tackle the needs of developing countries that are well beyond the scope of donors such as Australia. Multilateral organisations are well placed to conduct policy dialogue with partner countries on sensitive issues, especially those related to good governance. By working with multilateral organisations Australia has the opportunity to maximise the impact of our assistance, given our limited resources and

<sup>11</sup> If other bilateral donors are supporting initiatives in areas that are in accord with Australia's objectives, and if they have advantages of scale and it is beneficial and efficient, we may seek to invest in such initiatives under a delegated cooperation agreement.



involvement in Africa. As well as bringing resource efficiencies to our program, this approach can assist recipient countries in coordinating donor activities.

Australia will selectively engage with multilateral organisations, building relationships on a regional or country basis with a range of organisations or with a selected partner in a specific sector. We will monitor the focus and performance of multilateral donors and build partnerships with those whose objectives are consistent with the Australian aid program. For example, the World Health Organization has an effective regional malaria program.

While recognising the limitations of Australia's modest aid resources in Africa, our policy and program engagement through multilateral organisations will assist our African partner countries to better use the resources available to them and to attract investment for development.

#### NON-GOVERNMENT ORGANISATIONS

Selected NGOs will help to meet Australia's objectives in basic service delivery at a community level both for development and in emergencies, and to strengthen civil society. Australian NGOs have particular strengths in garnering public support for overseas aid, developing links with communities in Africa and working flexibly in difficult environments. The previous Africa aid program has supported a three-year (\$10 million a year) program that involved Australian NGOs in delivering separate food security, HIV/AIDS and water supply and sanitation activities directly to poor communities.

The 2003–07 framework includes a new community and civil society mechanism, based on program agreements with a limited number of Australian NGOs. It introduces a program approach that is broader than the previous individual project/sector approach. Under this mechanism successful NGOs will operate in the targeted countries to address the objectives of the framework in basic service delivery. They will also build the capacity of local organisations to respond to the needs of communities by strengthening their management and policy development abilities.

The AusAID NGO Cooperation Program will continue to provide opportunities for Australian NGOs to access AusAID funds to support projects in all countries in Africa eligible for such assistance. Australian NGOs will also have the opportunity, where appropriate and when funds are available, to deliver humanitarian relief in response to emergencies.

African NGOs in selected countries will continue to deliver Australian assistance directly through the South Africa Gender Violence Fund, the Small Activities Scheme and the Direct Aid Program. The operation of the Small Activities Scheme will be subject to ongoing review to ensure that AusAID's human resources are used efficiently and effectively.

For community-level interventions, as for the aid program as a whole, quality will continue to be an important aspect of funding considerations.

#### SCHOLARSHIPS

Over many years Australian Development Scholarships have made a significant contribution to the development of people in Africa. Scholarships create strong links between Australia and Africa. In the longer term, scholarship beneficiaries can influence governance and reform in their own countries, building on their studies and Australian experience.

The scholarships in Australia, in Africa and through the Virtual Colombo Plan provided as part of the Africa aid program will go to people in targeted countries and focus on strengthening governance in our partner countries. During the life of this framework, greater efficiencies in managing the scholarship program will be sought.

As part of the Virtual Colombo Plan Australia will also identify and support practical and affordable initiatives for enhancing access to education and knowledge in our partner countries in Sub-Saharan Africa through the use of information and communication technologies.

#### A FLEXIBLE MECHANISM TO RESPOND TO EMERGING PRIORITIES

A revised and enhanced Africa Governance Facility will enable African governments, particularly to access Australian expertise and experience. The facility will take lessons from its early design and delivery and will add the best features of two capacity-building programs to provide a responsive and flexible means of meeting selected requests of African governments. The facility will seek to address policy objectives in specific areas, strengthen key institutions and build the capacities of government agencies.

A regional selection process involving AusAID posts will ensure that high quality and strategic activities are undertaken. Expenditure averaged approximately \$1 million a year during the operation of the previous framework. During the current framework it is anticipated that expenditure through the Governance Facility will increase significantly, especially as existing capacity-building programs in Mozambique and South Africa are phased out when existing contracts are completed.

# Managing risk and performance

ASSESSING AND MANAGING RISKS TO THE IMPLEMENTATION OF THE FRAMEWORK AND ASSESSING THE FRAMEWORK'S PERFORMANCE ARE CRITICAL TO THE SUCCESS OF THE AFRICA AID PROGRAM AT ALL LEVELS.

## INTERNAL RISKS

*The nature or focus of Australia's national interest may alter.* Given the rapidly changing nature of international events, it is not possible to predict all issues that may have an impact on Australia and/or the African countries covered by this framework. A mid-term review of the framework will be commissioned to ensure that the objectives of the aid program are still valid. In the interim, ongoing monitoring will identify whether the framework remains consistent with Australia's national interests in both the short and long term.

*The chosen methods of delivering the aid may prove to be impractical or ineffective.* The program will be monitored regularly and reviews will assess overall effectiveness of the delivery mechanisms. Careful selection of development partners and capacity-building initiatives will assist in mitigating this risk. Additionally, stop-go review points in activities and agreements will ensure that non-performing activities can be terminated.

*The activities Australia supports may lack an Australian identity.* As the use of Australian managing contractors declines and the delivery of Australian aid through multilateral and other partnerships increases, there is a risk that Australia's aid effort will not receive the recognition it deserves. A strategy will be developed to ensure that Australia's identity is promoted and maintained in all activities we support.

## EXTERNAL RISKS

*Instability may affect the delivery of activities.* It is probable that instability will be an ongoing issue in parts of Africa during the life of this framework. Australia will seek to mitigate the risk to the Africa aid program by maintaining flexibility in design and delivery mechanisms, by entering into appropriate agreements with partner organisations to ensure that we can withdraw or take appropriate action if activities cannot be mobilised, and by increasing the proportion of assistance delivered through multilateral organisations and NGOs.

## PERFORMANCE MEASUREMENT

Activity-level performance will be measured through standard reporting tools and procedures. Where we provide support through multilateral and NGO partners, partnership agreements will require the timely provision of performance information at the activity level. Multilateral organisations will also be required to provide performance information on targeted sectors in partner countries.

Overall performance of the aid program will be measured through its contribution to the achievement of African development objectives, as articulated in the development plans or poverty reduction strategy papers of partner countries. Relevant indicators identified within these plans or papers will be monitored to assess the broader context within which Australian aid is delivered.

There will be a review of the framework before it expires to appraise the effectiveness of Australia's development assistance to the region and to determine the future role of Australian aid in Africa.