



# The Australian Government's Overseas Aid Program

The Australian Government's overseas aid program advances Australia's national interest by helping developing countries, particularly in our region, reduce poverty and achieve sustainable development.

The Australian Government will provide \$2.491 billion as Official Development Assistance (ODA) in 2005–06, an increase of \$358 million over the 2004–05 Budget figure of \$2.133 billion and a real increase of almost 12 per cent.

In international terms overseas aid is compared by the ratio of ODA to Gross National Income (GNI). In 2005–06 Australia's ODA to GNI ratio is estimated at 0.28 per cent, placing us above the donor average of 0.25 per cent.

The Australian Government's overseas aid program is managed primarily through the Australian Agency for International Development (AusAID).

## KEY THEMES OF AUSTRALIA'S AID PROGRAM

Australia's aid program is guided by five themes, which promote broad-based economic growth and further the objectives of the aid program's poverty reduction strategy:

- > promoting improved governance across all areas of partner governments and strengthening democratic processes;
- > helping developing countries access and maximise the benefits from trade and new information technologies;
- > supporting stability and legitimacy through improved delivery of basic services;

- > strengthening regional security by enhancing partner governments' capacity to prevent conflict, enhance stability and manage trans-boundary challenges; and
- > promoting sustainable resource and environmental management.

## FOCUS OF AUSTRALIA'S OVERSEAS AID PROGRAM

The Australian aid program's focus on the Asia-Pacific region is an expression of Australia's strong engagement with, and commitment to, working in partnership with the region to meet its considerable development challenges.

Pacific island countries face many challenges including isolation, limited resources, poor infrastructure, weak governance, rapid population growth, shortages of trained personnel, increased urbanisation and environmental and climatic vulnerability.

The Asia-Pacific region is also home to the greatest number of the world's poor; with two-thirds or over 700 million people living in poverty in the region. Despite this, the region only receives about 22 per cent of total world aid.

Australia's focus on the region is also based on a strengthened belief that an underdeveloped and insecure region can increasingly feed instability, inhibit development and pose a threat to Australia's national security.

This focus was strongly supported by the recent peer review of Australia's aid program by the Development Assistance Committee of the OECD

In 2005–06, aid for PNG and the Pacific is estimated at \$943 million, focusing on Papua New Guinea and Solomon Islands through bilateral programs, the PNG specific Enhanced Cooperation Program and the Australian-led Regional Assistance Mission to Solomon Islands.

## AUSTRALIA'S RESPONSE TO THE INDIAN OCEAN DISASTER

The Australian Government and the Australian public responded quickly and generously to the Indian Ocean Disaster that had a devastating effect on our region on December 26 2004.

The Australian Government immediately allocated \$60 million for urgent humanitarian relief activities in the tsunami-affected countries of Indonesia, Sri Lanka, Seychelles, Thailand, India and the Maldives. A further \$8 million was provided to Sri Lanka for reconstruction activities. All these funds are fully spent.

The Australian public donated over \$330 million through non-government organisations.

Regular progress updates can be found on the AusAID website.

## AUSTRALIA-INDONESIA PARTNERSHIP FOR RECONSTRUCTION AND DEVELOPMENT

In January 2005, Australia and Indonesia agreed to form the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). Australia committed \$1 billion over five years to the partnership, making it the single largest aid package in Australia's history. The aim of the AIPRD is assist Indonesia's broader efforts to raise living standards for its people through sustainable development and economic growth.

Prime Minister Howard and President Yudhoyono oversee the Joint Commission that is responsible for implementing the AIPRD. Australian, Indonesian and New Zealand firms are eligible to tender for AIPRD projects.

## FUTURE DIRECTIONS AND PRIORITIES

Integral in informing and guiding Australia's future aid program are two strategic documents, the White Paper and Pacific 2020.

### WHITE PAPER

In early 2006 the Minister for Foreign Affairs will table a White Paper on Australia's aid program. The White Paper will provide a medium-term strategic blueprint for Australia's aid program, particularly in relation to our key development partnerships namely Papua New Guinea, the Pacific, Indonesia and Asia. In developing the White Paper, AusAID will consult extensively with external experts and key stakeholders. Public comment and input on the future strategic direction, shape and priorities of our overseas aid program are welcome throughout the White Paper process and should be directed to [whitepaper@ausaid.gov.au](mailto:whitepaper@ausaid.gov.au)

### PACIFIC 2020

A new study, Pacific 2020, will focus on long-term growth options for the developing economies of the Pacific, Papua New Guinea and East Timor. It will focus on the issues most critical to achieving sustainable growth and development and highlight the key actions needed in the short to medium term to give countries of the region the best chance of realising their potential by 2020. The report will be finalised by the end of 2005.

For further information on the Australian Government's overseas aid program, including a comprehensive information kit, please visit the AusAID website:

[www.ausaid.gov.au/media/infokit.cfm](http://www.ausaid.gov.au/media/infokit.cfm)