



Australian Government
AusAID

A global partnership for development

AUSTRALIA'S CONTRIBUTION TO ACHIEVING THE MILLENNIUM
DEVELOPMENT GOALS

2005 PROGRESS REPORT

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COVER PHOTO:

A young Solomon Islander displays her hope for the future. Australia and other Pacific nations are working to rebuild peace and stability in Solomon Islands through the Regional Assistance Mission to Solomon Islands (RAMSI)

PHOTO: Gary Ramage



Foreword

The Millennium Development Goals set out what we all wish for – the eradication of poverty, hunger, disease and gender inequality, and the achievement of universal education, health and environmental sustainability.

To accelerate progress towards these goals, it is vital that developed and developing countries work together with international organisations and civil society to address the challenges involved and realise the benefits for all.

Developing a global partnership for development – goal 8 – is the focus of this report, which also outlines Australia’s approach and efforts to support developing countries reach goals 1 to 7.

Ultimately, it is the developing countries themselves that need to meet the Millennium Development Goals; they remain primarily responsible for driving their own development processes and reform agendas.

Australia has an important role to play in assisting developing countries, particularly in the Asia-Pacific region, reach these goals by supporting effective governance, strengthening security, and promoting widely-shared economic growth – all essential preconditions to reduce poverty and build regional prosperity.

By working as partners, substantial progress can be made in reaching the Millennium Development Goals and improving the world we live in.

A handwritten signature in blue ink, appearing to read 'Alexander Downer', written over a horizontal line.

The Hon Alexander Downer MP,
Minister for Foreign Affairs



Five-year old Betty lives with her family in Lavena Village on Taveuni Island, Fiji. Health facilities in the village have been strengthened as a result of the Taveuni Community Health Project – the biggest single Australian aid project in Fiji.

PHOTO: Peter Davis

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STOPAIDS Special Youth Project in Papua New Guinea teaches skills to young people so that they can gain employment. An example is the community nursery in Waigani. Here young people learn to grow a variety of crops which they sell at local markets. Participation in such activities helps to encourage young people to avoid prostitution, drug trafficking and gambling.
PHOTO: Lorrie Graham

1 Introduction

AT THE MILLENNIUM SUMMIT IN SEPTEMBER 2000, REPRESENTATIVES OF 189 COUNTRIES, INCLUDING 147 HEADS OF STATE AND GOVERNMENT, GATHERED AT THE UNITED NATIONS GENERAL ASSEMBLY AND UNANIMOUSLY ADOPTED THE MILLENNIUM DECLARATION.

The Millennium Declaration includes a set of goals designed to focus national and international development efforts on the major challenges facing developing countries in poverty and hunger, education, gender equality, child and maternal mortality, health and the environment. These goals have come to be known as the Millennium Development Goals or MDGs.

In total, 18 targets and 48 indicators, which correspond to the eight MDGs, were formulated collaboratively by the United Nations, the World Bank, the International Monetary Fund and the Organisation for Economic Co-operation and Development to ensure a common assessment and understanding of the MDGs at global, regional and national levels. The goals, targets and indicators (see Appendix A) were presented by the UN Secretary-General, Kofi Annan, to the General Assembly in September 2001 in the *Road Map Towards the Implementation of the United Nations Millennium Declaration*. The target year for achieving most of the goals is 2015.

This report outlines Australia's overall approach to the MDGs and reviews Australia's contribution to developing a global partnership for development – goal 8. It also provides examples of how Australia is providing practical assistance to developing countries to help them to make progress towards the other MDGs and looks at future directions for Australia's aid program.

THE MILLENNIUM DEVELOPMENT GOALS

- 1 ERADICATE EXTREME POVERTY AND HUNGER
- 2 ACHIEVE UNIVERSAL PRIMARY EDUCATION
- 3 PROMOTE GENDER EQUALITY AND EMPOWER WOMEN
- 4 REDUCE CHILD MORTALITY
- 5 IMPROVE MATERNAL HEALTH
- 6 COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES
- 7 ENSURE ENVIRONMENTAL SUSTAINABILITY
- 8 DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

2 Australia's approach to the MDGs

THE MDGs REPRESENT KEY OUTCOMES SOUGHT BY THE INTERNATIONAL COMMUNITY ON POVERTY AND HUMAN DEVELOPMENT.

The goals are interrelated. It would be difficult, if not impossible, to achieve any one goal without significant or comparable progress being made on the other goals. For instance, the education of girls supports – and depends on – improved maternal and general health. Similarly, rising education levels are fundamental to reducing poverty, while rising income levels provide greater resources and demand for better education and health services.

Accordingly, the approaches taken to achieve the MDGs must be comprehensive as well as meet the conditions necessary for progress to be made.

- > At the country level, **governments and communities have the greatest influence on progress** towards the MDGs. Experience has shown that, if the leaders and the people of a country assume responsibility for reducing poverty and assume ownership of development strategies, poverty is reduced in a way that is sustainable.
- > Broad-based, **sustainable economic growth is the main driver** for achieving progress against the MDGs. Such growth provides the resources to improve services and provides the income for the poor to climb out of poverty. No country has been able to reduce poverty without growth. In East Asia alone, 520 million people have been lifted out of poverty over the past 20 years primarily through economic growth. Governments need to provide environments conducive to growth.
- > Greater **openness to trade and investment is essential** for generating the levels of economic growth needed to make inroads into poverty. Trade provides by far the greatest source of

external finance to developing countries and no country has achieved broad-based growth without opening itself up to trade and investment. Developed and developing countries alike need to commit to greater trade liberalisation.

- > **Effective governance is essential** to achieving sustainable growth and ensuring its benefits are distributed widely and equitably. Growth and openness to trade alone are not sufficient to reduce poverty. There are cases where high growth has been achieved without significantly improving social indicators or poverty rates, particularly where countries suffer from weak service delivery, poor management and corruption. Only countries with well-functioning and accountable institutions which provide for the rule of law, property rights, effective economic and financial management, and effective government possess the basic building blocks for reducing poverty and improving services for the poor. Political governance, or the process by which a country's managers make decisions, directly affects the economic and administrative policies and the broader systems of government that are critical for poverty reduction.
- > **Stability and security provide the basis for economic growth and poverty reduction.** Conflict, instability and the threat of terrorism undermine confidence and deter investment. The poorest 20 percent of people in the world suffer 80 percent of the world's civil wars. In the Asia-Pacific region, the recent experiences of Bougainville and Solomon Islands underline the relationship between poverty and conflict and highlight the clear nexus between issues of stability, security and development.

> **Policies and programs need to ensure that the poor are able to participate in growth.** Investment in health, education, rural development and market access is essential for the poor to have the opportunity to improve their living standards. At the same time, effective service delivery provides the basis for nation-building by increasing the support and legitimacy of the state within the community. This in turn has a positive influence on stability.

Australia's approach to helping developing countries achieve progress against the MDGs recognises the prerequisites for progress towards the goals. It therefore focuses on the fundamentals for achieving the MDGs – namely, broad-based economic growth, good governance and stability – while directly

investing in those sectors explicitly articulated in the MDGs. Recognising that countries themselves have the greatest influence on their own development, Australia provides assistance in line with the needs and priorities of its partner countries.

Australia continues its strong engagement with its regional neighbours. The international community recognises Australia's contribution to development in the Asia-Pacific region, especially its work in Papua New Guinea (PNG), Indonesia, Solomon Islands and East Timor. Many of these states lack the capacity to implement the strategies required to meet the MDGs by 2015. Australia is committed to working in partnership with these and other states in the region to meet these considerable challenges and evolving demands.

RESTORING HEALTH SERVICES IN SOLOMON ISLANDS

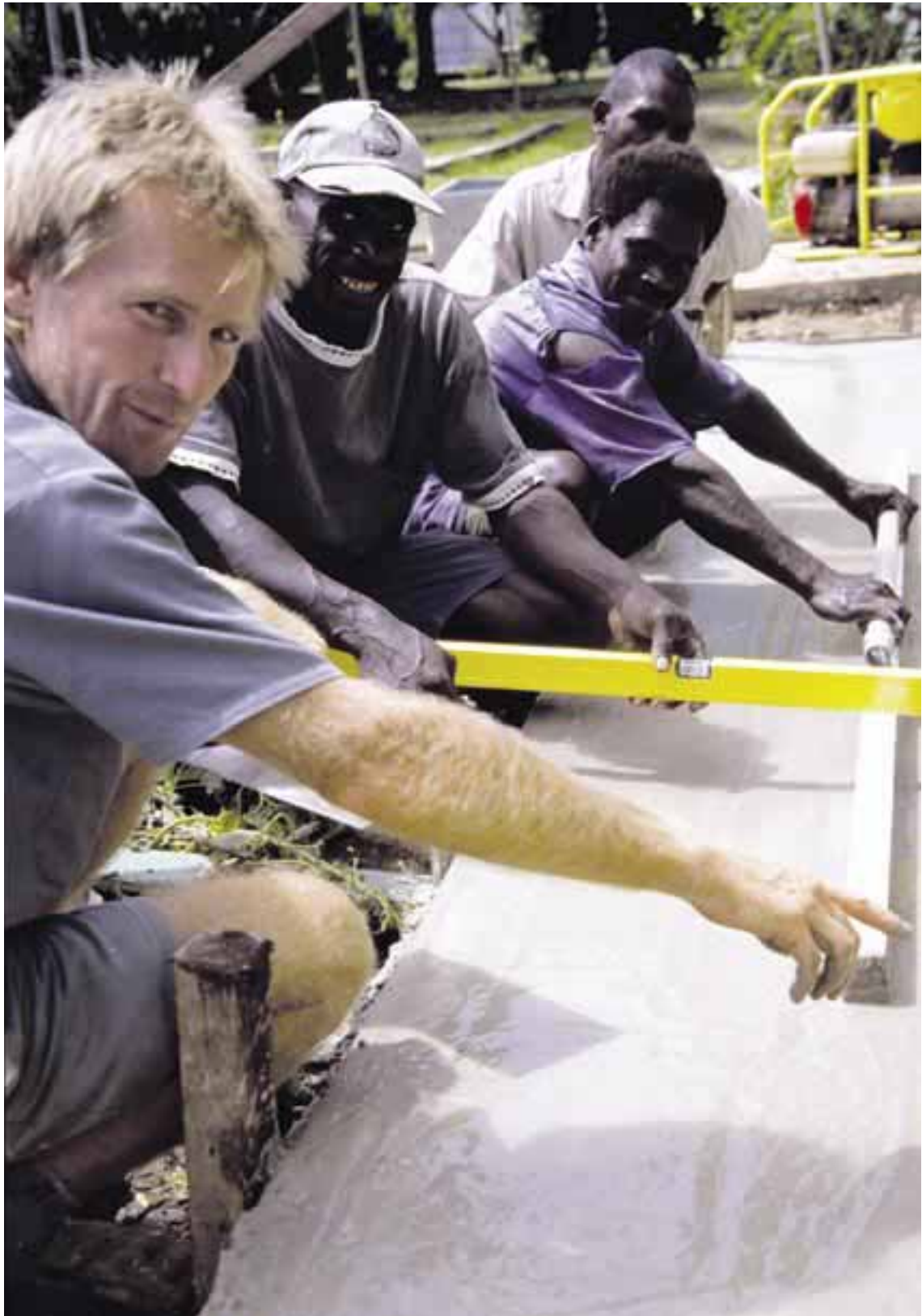
The Health Institutional Strengthening Project commenced in Solomon Islands in 2001, during a period of considerable civil and economic unrest. Ethnic tensions were high, the government had been dismissed following a coup, the economy was failing, the health sector had collapsed, public servants were not being paid and basic services were lacking.

Very little data was collected between 1999 and 2002 with respect to the country's health status. However, anecdotal evidence pointed to a dramatic decline in health, particularly for women and children. The immunization program had all but ceased, as had health services delivered through outreach programs, which included safe motherhood programs. Rural and remote health centres were closing or providing severely curtailed services as a result of the unavailability of essential drugs and medical supplies and badly debilitated infrastructure. Many staff had abandoned their posts as a result of either sporadic remuneration or personal threat by militia. Access to health services by the population was undermined by the presence of militia, absence of health workers or the disruption of basic transport systems.

By 2003, there was general lawlessness, extortion and open corruption and Solomon Islands had been declared a failed state. At the request of the

Solomon Islands government, a regional mission led by Australia arrived in Solomon Islands in July 2003 to restore law and order as well as the basic functioning of government and the economy. The Regional Assistance Mission to Solomon Islands (RAMSI), drawing from eleven neighbouring countries, disarmed the militants, collected weapons and restored order and the rule of law. The mission's achievements include removing more than 3700 firearms from circulation and arresting more than 1900 people implicated in intimidation and violence, including high-profile ex-militants and police.

The intervention by RAMSI has been critical for restoring services to Solomon Islands. It has provided a safe environment for provincial governments to be assisted. Furthermore, RAMSI has supported, through the Health Institutional Strengthening Project, new and innovative means to promote and reinvigorate the delivery of health services. As a result, disbursement of essential drugs and medical supplies were able to be made to areas which had not been serviced for more than 18 months. Health workers were able to move around more freely and work with the most vulnerable communities. The RAMSI presence has given the population at large the confidence to access much needed health services and improve the quality of their lives.



Mark Wilkinson, site supervisor, at the Hutjena High School in Bougainville works with locals to build a new dormitory. Australia has provided over \$250 million to support peace, restoration and development in Bougainville.

PHOTO: Peter Davis

3 MDG 8: Develop a global partnership for development

The eighth MDG, *Develop a Global Partnership for Development*, focuses on the contributions of developed countries towards creating a global partnership for development. Key areas of focus under MDG 8 include: official development assistance (ODA); the special needs of Least Developed Countries (LDCs), landlocked developing countries and small island developing states (SIDS); the development of an open, rule-based trading and financial system; debt relief; youth unemployment; access to essential drugs; and information and communication technologies (ICT). This section outlines Australia's contribution to these areas.

AUSTRALIAN AID

FINANCING FOR DEVELOPMENT

In Monterrey, Mexico, in 2002 the heads of state and government at the International Conference on Financing for Development agreed that development assistance which focused primarily on resource transfers must give way to solutions premised on good governance, sound policies, the rule of law, and mobilisation of both public and private resources.¹ All countries, developing and developed, have responsibilities under this compact: developing countries to implement the necessary reforms, and developed countries to support these self-help efforts.

The *Monterrey Consensus*, as the agreement is known, acknowledged that aid alone would not be sufficient to meet the MDGs and called on developed countries to further support developing countries' efforts by facilitating foreign direct investment, enhancing aid effectiveness, and more open access to their markets. Australia targets these areas through whole-of-government policies and actions.

TABLE 1: AUSTRALIA'S DEVELOPMENT ASSISTANCE INDICATORS

INDICATOR	2000-01	2001-02	2002-03	2003-04	2004-05*	2005-06*
Net ODA, total, as a percentage of GNI	0.25	0.25	0.25	0.25	0.27	0.28
Percentage of ODA to least developed countries	13.9	14.1	17	20.4	21.8	21.5
Percentage of ODA to landlocked countries	3.8	4.8	4.2	3.9	3.3	3.2
Percentage of ODA to small island developing states	28.1	27.0	26.8	29.7	31.8	35.8

	2001	2002	2003	2004	2005
Proportion of bilateral aid that is untied (%)	59.3	56.7	67.2	89.3**	N/A

* Budget estimates

** Provisional figure

1 United Nations (2002) Report of the International Conference on Financing for Development.

OFFICIAL DEVELOPMENT ASSISTANCE

Australia's primary method of providing official development assistance (ODA) is through grants to support programs and projects agreed, by Australia and partner countries, to be strategically important.

Australia endeavours to maintain aid at the highest level consistent with the needs of partner countries and its own economic circumstances and capacity to assist. The Government has delivered real growth in ODA over the last five years, with the budget of \$2.491 billion almost 12 percent higher than the previous budget. The ratio of Australia's ODA to Gross National Income for 2005–06 is estimated at 0.28 percent, placing Australia above the OECD donor average which in 2004 was 0.25 percent.

As evidenced by Australia's new \$1 billion reconstruction partnership with Indonesia, Australia is committed to building long-term partnerships to achieve our aid goals. The Government is committed to the Regional Assistance Mission to Solomon Islands (RAMSI), and will be providing additional assistance for reconstruction in Iraq, and debt relief for heavily indebted poor countries. These commitments represent real and sustained increases in ODA in the medium term.

LEAST DEVELOPED COUNTRIES

The poorest of the poor, in whatever region, require special attention. The Asia-Pacific region contains more than a quarter of the world's Least Developed Countries, including Afghanistan, Bangladesh, Cambodia, East Timor, Kiribati, Laos, Myanmar, Samoa, Solomon Islands, Tuvalu and Vanuatu. Australia recognises that each of these countries face unique constraints and challenges.

Through its historical ties and ongoing trade, defence and other links, Australia has a special relationship with the Asia-Pacific region. Australia recognises that long-term engagement, coupled with partner government commitment, is required for the Least Developed Countries in the region to make progress towards the MDGs. In 2003, 76 percent of Australian aid was devoted to Least Developed Countries and other low-income countries, a proportion well above the OECD average of 55 percent.

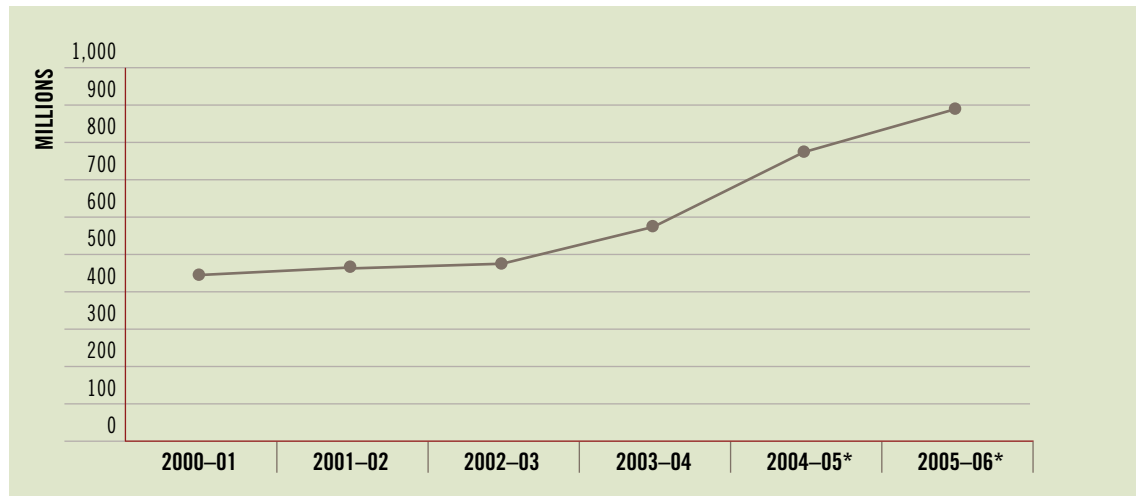
AUSTRALIA'S CONTRIBUTION TO SECURITY AND DEVELOPMENT IN BOUGAINVILLE

The critical link between security and development is evident in Bougainville. Since 1997 Australia has provided over \$250 million to support the peace, restoration and development in Bougainville. The signing of the 1997 Peace Agreement, supported by Australia, opened the way for significant progress by the Bougainvilleans in weapons collection, policing and development of their constitution for an autonomous Bougainville government. It opened up opportunities to benefit from development and economic growth.

- > In the health sector, Australia's aid has helped construct the island's main hospital, reconstructed or strengthened four health centres and 62 aid posts, and provided essential immunisation programs, medical supplies and training for health professionals.
- > In education, Australia is contributing to ongoing teacher training and supply of curriculum materials, as well as community based literacy programs for those who missed out on education during the conflict. Over 160 classrooms have been constructed throughout Bougainville.
- > The capacity for locals to increase income is also being addressed through, for example, the rehabilitation and supply of over 2000 cocoa dryers to return cocoa production to pre-conflict levels.

The peaceful election for an autonomous Bougainville government in June 2005 reflects a major step along the way to successful post-conflict recovery. Working closely with the PNG government, Australia will continue to support Bougainville's progress towards long lasting stability and growth.

FIGURE 1: TOTAL AUSTRALIAN ODA TO SMALL ISLAND DEVELOPING STATES



* Provisional figure

SMALL ISLAND DEVELOPING STATES

Many of the smaller Pacific nations face particular challenges in making progress towards the MDGs, including isolation, limited resources, poor infrastructure, rapid population growth, shortages of trained personnel, increasing urbanisation, and environmental and climatic vulnerability. The Pacific region also faces constraints in taking advantage of the economic opportunities arising from increased global trade.

Due to its location and long-term engagement in the region, Australia has extensive experience of the problems faced by its small island Pacific neighbours. Australia is the single largest donor to Papua New Guinea, Solomon Islands, Tonga, Vanuatu and Nauru and the second largest donor to Kiribati, Samoa, Fiji, Cook Islands and Tuvalu.

A significant and increasing share of Australia's official development assistance is directed to supporting these small island states. In 2005-06 it is estimated that over one-third of Australian ODA will go to small island developing states.

The geographic realities of Australia's neighbourhood mean that aid to landlocked countries does not feature on the development agenda as prominently as it would with other donors.

SUPPORT FOR BASIC SOCIAL SERVICES AND GOOD GOVERNANCE

Under Australia's aid program, which provides support for social services that build critical human capital in developing countries, education, health, water and sanitation are key sectors that receive support. Improving people's access to services, particularly health and education, can accelerate poverty reduction and promote stability. Australia is assisting countries to develop better quality, cost-effective and more sustainable systems for delivering better health and education outcomes.

For example, in PNG Australia has provided essential immunisation cold chain equipment to 45 health centres and refresher training in immunisation and cold chain logistics for 794 district and provincial health staff, and has supported supplementary immunisation activities in two provinces. We are also supporting recurrent health expenditures in PNG in order to maintain minimum levels of critical services. In 2005-06, direct expenditure on health and education will increase by \$81 million, to a total of over \$600 million.

Investment in good governance is a fundamental prerequisite for achieving the MDGs and an important focus of Australia's development assistance. Governance cuts across all parts of the development agenda and helps ensure better returns on investments in basic social services. Democratic and accountable government lays the foundation for

effective development and the means to meet the MDGs. Australia's experience in the Asia-Pacific region and globally shows that instability and weak governance has a negative impact on reducing poverty, with the end result that progress against the MDGs is faltering in some countries. Sound economic and financial management is critical, as is establishing strong and accountable institutions that operate transparently, enabling participation by citizens in decision-making, and acting in accordance with the rule of law.

UNTIED AID

In 2001 Australia joined a consensus of the OECD Development Assistance Committee in further untying ODA to Least Developed Countries. On 1 January 2004 Australia took the step of totally untying bilateral technical assistance (except food aid) to these countries on an in-principle basis. Tenders for AusAID work in Least Developed Countries may be restricted to Australian or New Zealand firms only for sensitive activities where there are exceptional circumstances or national interest considerations. Australia had earlier abolished nationality restrictions to allow foreign nationals to participate as leaders or members of teams implementing AusAID development activities.

In November 2004, AusAID further amended its eligibility criteria to allow local firms in a recipient country to participate in tenders for work under the bilateral aid program in that country on an in-principle basis. Tenders for construction work under the aid program are also untied and subject to international competitive bidding. As a result of these efforts, the proportion of untied aid has risen from 67 percent in 2003, to a provisional estimate of 89 percent in 2004. Along with other members of the OECD Development Assistance Committee, Australia is committed to considering further untying of its aid program.

AID EFFECTIVENESS

HARMONISATION AND ALIGNMENT

Harmonisation and alignment are important to the effectiveness of aid and to the ownership of development in the partner country. Harmonisation – the streamlining and simplification of donor activities – reduces duplication and inefficiency and eases the burden on partner countries for reporting, monitoring, auditing and the like. The alignment of aid activities with the partner country's systems and policies reduces the demands on the often scarce resources of the partner country government required to manage and coordinate aid. It can also build both the partner country's capacity to undertake these tasks and its ownership of development strategies and outcomes.

Some of Australia's key country partners have faced profound challenges to their development in recent years. Australia factors these challenges into its alignment strategies, and continues to increase the use of partners' own systems and resources by refining our policy and program design, implementation and management processes. In Papua New Guinea, for example, Australia is co-locating its health and law and justice programs within the partner government, and is building the development priorities of the partner country into strategies and activities. Furthermore, since 2002 Australia has organised and chaired regular donor agency heads meetings to progress aid harmonisation in Cambodia. As a direct outcome, in 2004 the Cambodian government and donors agreed to establish 17 sectoral and thematic working groups which will provide a framework for joint planning and action. These groups are already proving their value in improving aid effectiveness and delivering practical outcomes.

Australia is also working to implement the 2005 *Paris Declaration on Aid Effectiveness*, which emphasises the importance of alignment, harmonisation and partner country ownership. Australia's harmonisation work is most advanced in the Pacific. Greater harmonisation, particularly with the New Zealand aid program, can be seen in key achievements such as a co-financed trust fund in Niue, trilateral

annual aid consultations in Samoa, Pacific regional scholarships programs and the delegated cooperation program with Cook Islands. In Viet Nam a monitoring and evaluation system that Australia helped to design is being used for all donor activities. Further harmonisation and alignment are also being pursued in Australia's aid to Africa.

Australia also works with, and provides substantial support to, development banks to conduct analytical work on regional programs and improve aid effectiveness. In 2004 Australia committed \$3 million over three years to anti-corruption activities including a joint project with the World Bank. We will also provide a contribution of \$10 million over five years to the Sydney office of the World Bank, to support the Bank's work towards promoting economic growth and development in the Pacific region.



A Cambodian villager carrying a bag of donated rice. Australia has played a major role in donor harmonisation in Cambodia. PHOTO: Mr Heng Sinith

POLICY COHERENCE

Australia has participated actively in the growing debate on how to achieve sustainable development and progress towards the MDGs, particularly on issues of coherence. Policy coherence, or mutually reinforcing policy actions across the whole-of-government, assists in achieving progress towards the MDGs by promoting, sharing and meeting common development aims and outcomes across several areas of government responsibility.

Australia has adopted new, stronger and integrated whole-of-government approaches to development challenges. The aid program is engaging whole-of-government partners, both within the Australian Government and in partner governments, to recognise shared strategic priorities, define respective roles and responsibilities, and strengthen cooperative arrangements for strategic and efficient programming. Programs such as the Regional Assistance Mission to Solomon Islands (RAMSI) involve significant policy coordination and coherence and are supported by formal strategic partnership agreements between AusAID and key Australian Government agencies including the Treasury, the Australian Federal Police, the Attorney-General's Department, the Department of Agriculture, Fisheries and Forestry and the Department of Finance and Administration.

These joint programs being undertaken by Australian Government departments are a result of the acknowledgement of the interdependence of development issues. They are leading to a deeper understanding of the role of long-term development in the region and the complexities involved in achieving poverty reduction and economic growth.

TRADE AND DEVELOPMENT

Trade is linked to economic growth and poverty reduction in several ways. Increased trade encourages economies to employ more of their human, physical and capital resources in sectors where it is possible to get the highest return, in turn boosting productivity and returns for investors and workers. Annual incomes also typically rise as countries increase their openness to trade. Importantly, reducing tariffs on imports gives the poor access to cheaper products, increasing their purchasing power and living standards.

Integration into the global trading system encourages domestic economic reform and enhances the transfer of technology and ideas, increasing the competitiveness of domestic producers and exporters. Since 1980 the economies of those countries that have integrated into global markets by increasing their ratio of trade to gross domestic product have grown almost four times faster than those that have not.

But while international trade is a key driver of growth, development and prosperity, it is not in itself enough to secure development. If the full development benefits of participation in the global trading system are to be realised by developing countries, openness to trade and sound economic reform needs to be accompanied by good governance and domestic policy settings which provide an enabling environment for greater mobilisation of domestic resources, and facilitation of investment flows.

TRADE LIBERALISATION – THE DOHA ROUND

Australia is strongly committed to a successful WTO Doha Trade Round and is working to achieve ambitious outcomes across all areas of the negotiations.

Australia considers that trade liberalisation through the WTO and attendant economic reforms, backed up by supportive domestic policies, contributes to and supports countries' efforts to advance their progress against the MDGs. Trade liberalisation and

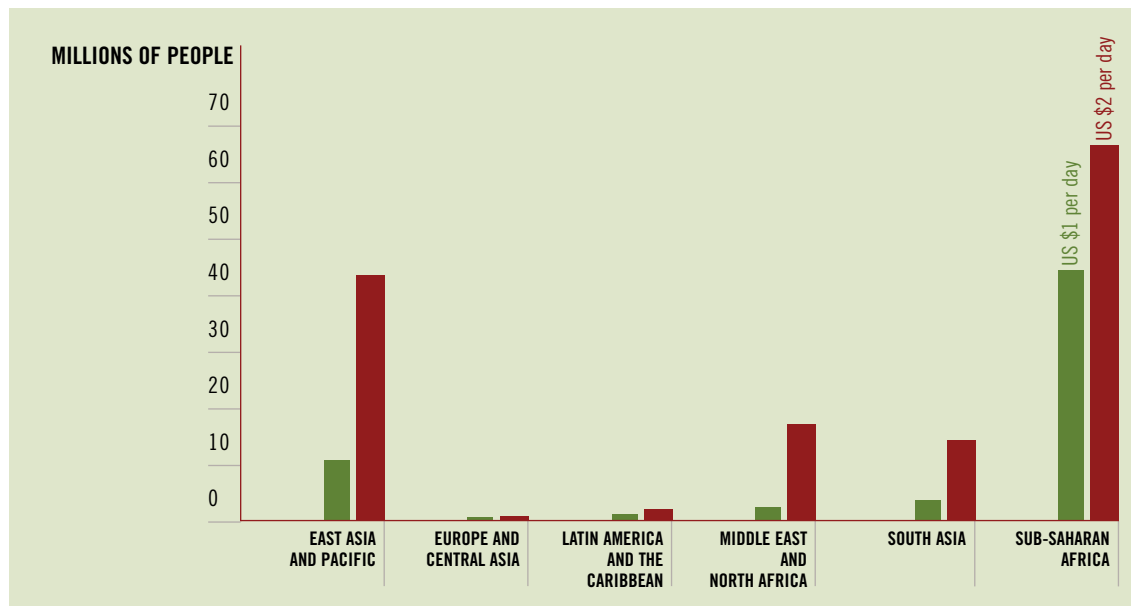
reform generates wealth and provides a foundation for sustainable economic growth – in turn providing resources and infrastructure that can be used to drive and support development.

The Doha Round has the capacity to provide substantial benefits for developing countries. According to the World Bank's *Global Monitoring Report 2005*, an ambitious conclusion to the Doha Round could deliver \$US 269 billion in welfare gains, with around 40 percent of the gains from the Round flowing to developing countries. The Bank has estimated that real income gains for developing countries from an ambitious Round could lift as many as 140 million people, including more than 40 million in East Asia and the Pacific, out of poverty by the MDG target year of 2015.

Gains for developing countries will mostly arise from increased market access for developing country agricultural products and enhanced developing country competitiveness flowing from the elimination of distortions in global agricultural trade, such as agricultural export subsidies. Improved market access worldwide for industrial products would also benefit developing countries, which are already significant, and increasing, exporters of manufactures. The World Bank's *Global Monitoring Report 2005* estimates that freeing all merchandise trade and abolishing all trade-distorting agriculture subsidies would boost global welfare by \$US 80–280 billion a year by 2015, with the largest gains flowing to developing countries. Developing countries would also substantially benefit from global services liberalisation – services trade accounts for 40–60 percent of incomes in developing countries.

It is widely recognised – including by the *UN 2005 Millennium Project Report* – that the undertaking of liberalisation and participation in trade reform by developing countries is critical to fully harnessing the development potential of trade. While it is certainly true that removal or reduction of the worst distortions on international trade perpetuated by certain developed countries – for example agricultural export subsidies and massive levels

FIGURE 2: REDUCTION IN THE NUMBER OF POOR LIVING ON LESS THAN US\$1 AND US\$2 PER DAY BY 2015 AS A RESULT OF TRADE REFORMS RELATIVE TO WORLD BANK BASELINE PROJECTION



Source: World Bank (2004) Global Monitoring Report.

of domestic support – would substantially benefit developing country exporters, the greatest and most sustainable gains for developing countries will come from comprehensive opening of trade by developed and developing countries alike.

In this context it is important to note that in the last decade intra-developing country merchandise trade has grown twice as fast as world trade.² Around 70 percent of the tariffs faced by developing country exporters are actually applied by other developing countries.³ World Bank research suggests that developing countries stand to realise welfare gains of \$US 31 billion per year if other developing countries eliminated manufacturing tariffs and a further \$US 31 billion if they removed their agricultural trade barriers.⁴

Australia recognises that developing countries will require longer time frames and additional flexibility to implement and adjust to such new commitments. We support negotiation of well-targeted and appropriate measures to provide such flexibility.

Least Developed Countries (LDCs) require particular support and should not be asked to make additional market access commitments in the Doha Round,

beyond binding of existing tariffs. Australia has itself put in place one of the most generous and comprehensive access schemes for LDCs. Since 2003, Australia has applied zero tariffs and zero quotas to all goods originating in the 50 LDCs, without exception or phase-ins. This assists in further creating an enabling environment for LDC economic growth and development.

Australia also provides preferences of up to five percent to developing countries for a range of tariff lines. This means that many goods from developing countries actually enter duty free. In 2003–04, 48 percent of total imports from developing countries were admitted free of duty. The total value of imports to Australia from developing countries and LDCs has steadily increased in the last decade. For example, in 1990–91, the total value of imports from developing countries was \$12,333 million and from LDCs was \$110 million. By 2003–04, this had risen to \$53,966 million and \$204 million respectively.

² UNCTAD (2003) Handbook on Statistics.

³ World Bank/IBRD (2004) Global Economic Prospects 2004: Realizing the Development Promise of the Doha Agenda.

⁴ World Bank/IBRD Globalisation, Growth and Poverty: Building an Inclusive World Economy.



Quality produce. Reform of world agricultural trade is critical for developing countries.

REFORM OF WORLD AGRICULTURAL TRADE

Reform of world agricultural trade is particularly critical for developing countries. More than 70 percent of the world's poor work in agriculture, yet it remains the most distorted area of international trade. While agriculture is a sector where developing countries often have a comparative advantage, developing country exporters find it extremely difficult to increase their share of world agricultural trade because they cannot compete with the massive agricultural subsidies and domestic support levels of a number of OECD countries. By contrast the overall level of Australian domestic support has been characterised by the OECD as “extremely low”, representing only 0.3 percent of gross national income in 2003.⁵

Restrictive agricultural market access barriers also compromise the ability of developing country farmers to participate in global agricultural trade, limiting incomes and their ability to escape poverty.

Working with partners in the Cairns Group, Australia is seeking an ambitious outcome in the Doha Round negotiations to provide greater market access for agricultural products. By contrast with a number of other WTO members, Australia only applies tariff protection to a very limited range of agricultural products and our general level of tariff protection is among the lowest across OECD countries. Developing country agricultural exports to Australia on average face very low levels of applied tariffs. In 2003–04, for example, Australian average tariffs on agricultural imports from developing countries was only 2.3 percent.

Lowering global market access barriers and increasing trade in many cases will result in better resource allocation, higher incomes, increased purchasing power and lower consumer prices for food products in developing countries. This, combined with careful resource management and sound governance, will help improve food security and reduce poverty and hunger.

⁵ OECD (2003) *Agricultural Policies in OECD Countries* p120.

AUSTRALIA'S TRADE-RELATED DEVELOPMENT ASSISTANCE

Australia is working to strengthen the capacity of developing countries to participate in global and regional trading arrangements and take advantage of new trade opportunities. Australia's aid program has multi-year trade-related technical assistance commitments totalling over \$245 million. From 1996–97 to 2003–04, Australian assistance for trade-related capacity building has increased by more than 50 percent and focuses on three key areas.

- > **'Beyond the border'** measures are designed to assist developing countries to engage effectively in trade negotiations. For example, since 2002 Australia has contributed \$1.9 million to the WTO Global Trust Fund to provide technical assistance to developing country WTO members and observers participating in multilateral trade negotiations.
- > **'At the border'** measures aim to strengthen trade facilitation procedures. For example, the \$2.5 million South Pacific Regional Trade Facilitation Program is designed to build the capacity of Pacific Islands Forum member states to engage in trade through improvements in the areas of customs, quarantine, and standards and conformance.
- > **'Behind the border'** measures address regulatory, governance and infrastructure bottlenecks that restrict trade. For example, in Papua New Guinea Australia has supported the maintenance program for the Highlands Highway, which provides not only a transport link for 40 percent of the population but also access to markets for its most valuable agricultural export, coffee.

DEBT RELIEF

Debt relief is a part of Australia's approach to fostering development in poor nations. Australia is a supporter of the enhanced IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative and has committed over \$110 million towards HIPC debt relief.

In addition, Australia is committed to providing 100 percent bilateral debt relief to all countries that qualify for debt relief under the enhanced HIPC initiative. In 2004 both Nicaragua and Ethiopia had 100 percent of their debt cancelled under this arrangement.

For countries not covered by this initiative but identified as having a genuine financial need for debt rescheduling or forgiveness, Australia contributes through its membership of the Paris Club of bilateral creditors. For example, through its membership of the Paris Club, Australia has participated in three significant debt reschedulings for Indonesia since the 1997 Asian financial crisis, forgiven \$US 851 million of debt owed by Iraq, and offered the governments of tsunami-affected countries a moratorium on scheduled debt repayments for 2005.

In June 2005 Australia's Treasurer indicated the Government's support for the G8 proposal to provide 100 percent multilateral debt relief for countries eligible for the HIPC initiative.

Australia has also strongly supported the development of a debt sustainability framework by the World Bank and the International Monetary Fund. This framework will guide future lending to low-income countries and help prevent the accumulation of new, unsustainable debts.

TABLE 2: DEBT INDICATORS FOR AUSTRALIA

INDICATOR	2000–01	2001–02	2002–03	2003–04	2004–05*	2005–06*
Debt forgiveness as a percentage of ODA	1.7	1.7	0.8	0.6	0.8	1.0
Debt relief under HIPC initiative as a proportion of net ODA (%)	0.8	0.8	0.1	0.2	0.4	0.7
Grants as a proportion of total gross ODA (%)	100	100	100	100	100	99.4**

* Budget estimates

** based on estimated Australia – Indonesia Partnership for Reconstruction and Development loans of \$15 million



Nivio Magalhaes (right), an Australian Scholarship Holder, promoting the scholarship program to Amoeyling Yong on an interactive display by the Australian Government at the National Exhibition and Community Centre, Dili.

PHOTO: Mathias Heng

PRODUCTIVE WORK FOR YOUTH

Australia's overarching objective for employment generation is to assist governments to establish macro-frameworks that promote investment and economic growth as drivers for job creation and poverty reduction. This goal is supported by targeted investments in service delivery, particularly in education, which help build human capital, lay the foundations for skilled and productive populations and ensure that the poor can expand their range of choices, improve their productivity and participate more fully in society. While it is essential that all children have access to well-resourced, high-quality basic education, it is also critical that young people have opportunities to undertake well-targeted and relevant vocational training and higher education that will prepare them for productive work and enable them to contribute meaningfully to their communities and countries.

Australia assists developing countries in their efforts to engage youth in decent and productive work. The aid program has a strong focus on vocational and technical education aimed at developing skilled and adaptable workforces to meet the short-to-medium term needs of both the public and private sectors in developing countries. Other priorities involve supporting higher education, distance education and educational institutions, all of which improve the work opportunities for youth.

SCHOLARSHIP PROGRAMS

Australian Development Scholarships support students from developing countries undertaking post-secondary study in Australia. In 2005-06 it is estimated that there will be about 2450 students from 31 different countries with these scholarships in Australia, the majority from countries in the Asia-Pacific region. Of these students, 1050 were commencing their study, and about 500 students successfully completed their studies and returned home to help the development efforts of their countries.

Australian Regional Development Scholarships help to meet the human resource development needs of Pacific countries. These scholarships support individuals selected to study at post-secondary educational institutions located within Pacific island countries. They enable people to gain the knowledge and skills that will assist in meeting the development priorities of their countries. The qualifications obtained include degrees in management and public administration, banking and finance, law, resource management and policy studies. In 2004-05, about 650 students held Regional Development Scholarships.

The Australia-Indonesia Partnership for Reconstruction and Development will also include a substantial scholarship component. During 2005 and 2006, up to 600 additional postgraduate scholarships will be awarded under a grant of approximately \$58 million. This will effectively double the existing number of aid-funded awards to Indonesian postgraduate students over the next two years.



National Referral Hospital, Honiara. A visiting surgical team from the Royal Australasian College of Surgeons and another surgeon from Papua New Guinea helps with complex surgical procedures. Australian aid is rebuilding the health sector in Solomon Islands by providing staff training, medicines and emergency transport. PHOTO: Allan Gilvear

PHARMACEUTICALS

Australia recognises that affordable access to essential medicines is important for developing countries facing epidemics and health crises, especially HIV/AIDS. Australia welcomed the August 2003 decision of the WTO General Council on the implementation of paragraph 6 on public health in the Doha Declaration on the Trade-Related Aspects of Intellectual Property Rights Agreement. This decision will allow countries with insufficient or no pharmaceutical manufacturing capacity to make effective use of compulsory licensing under the agreement. Australia has offered to provide support on request to Asia-Pacific governments to draft legislation consistent with international trade agreements to facilitate cost-effective access to essential HIV/AIDS drugs.

Australia is committed to working with partner countries to deliver equitable and affordable antiretroviral treatment (ART) programs. For example, the aid program is strengthening the capacity of partner countries to deliver comprehensive ART programs as part of the World Health Organization's global '3 by 5' initiative to provide three million people living with HIV/AIDS in developing and middle income countries with life-prolonging antiretroviral treatment by the end of 2005. This involves developing the capacity of health systems, ensuring access to voluntary counselling and testing, and equitable access to treatment and services, providing ongoing clinical care and monitoring for drug resistance, and providing training and accreditation for health care professionals and counsellors. Australia will also continue to support increasing accessibility to affordable quality ARTs through international agreements.

Australia strongly supports WHO essential medicines programs in the western Pacific. These programs aim to strengthen pharmaceutical systems against corruption and improve the capacities of countries to detect and eliminate counterfeit medicines in Mekong countries. Anticorruption activities include assessing existing procurement procedures and practices, licensing of pharmaceutical establishments and medicines registration, increasing awareness and understanding of ethical registration and procurement practices, assisting in the development and implementation of national guidelines and creating advocacy campaigns. Australia is also assisting the WHO to set up a rapid alert and follow-up system for counterfeit medicines.

NEW TECHNOLOGIES

Assisting developing countries to access and maximise the benefits of new information technologies is a key guiding theme of Australia's aid program. In developing countries the demand for knowledge often exceeds the supply. As a result, many people are denied access to sources of information taken for granted in developed countries. Information and communication technologies (ICTs) such as radios, computers and videoconferencing can be powerful tools in overcoming constraints to development and can play an important role in realising the MDGs.

The challenge is to integrate ICTs effectively into national strategies for economic development and poverty reduction, to coordinate aid targeting ICTs more effectively, and to share knowledge on what works and why.

Australia is promoting ICTs for development by committing to spend \$200 million over five years to support the use of ICTs through the Virtual Colombo Plan, a joint initiative with the World Bank launched in 2001. The Virtual Colombo Plan is being implemented throughout Australia's development programs and activities in the Asia-Pacific region, and is providing training in the use of ICTs, developing and delivering quality development knowledge, demonstrating the effectiveness of using ICTs, and supporting the development and coordination of distance learning infrastructure.

These activities complement World Bank ICT initiatives. Australia has supported the establishment of Global Development Learning Network centres in six countries, and is providing support for the African Virtual University to strengthen capacity to deliver accredited degree and diploma programs through the use of ICTs.

Australia is a founding member of the Development Gateway Foundation, established in 2001. The launch in late 2004 of the Australian Development Gateway made Australia the first OECD member to engage in this initiative. The gateway facilitates access to expertise and information in the areas of agriculture, education, governance, health, ICTs and water.

A REGIONAL APPROACH

Increasingly, many challenges like HIV/AIDS, severe acute respiratory syndrome (SARS), avian influenza, crime and security are transboundary in nature. These challenges and issues can be more effectively addressed through a regional response. Australia supports bilateral as well as regional efforts particularly in East Asia and the Pacific not only to help tackle critical transboundary issues but also to build regional capacity, for example in transport, policing and development of early warning systems.

The Australian aid program works with international and regional organisations as well as other donors in the Pacific, East Asia, South Asia and Africa as well as in target areas in the Middle East and Central Asia. A regional approach to development also allows the pooling of scarce resources, reductions in administrative costs and a more efficient and effective delivery of services across national borders.



Helen Hakena, coordinator of the Leitana Nehan Women's Development Agency, talks to listeners about their problems on her radio talk show. The Agency was recently awarded the Millennium Peace Prize for Women by UNIFEM and International Alert. PHOTO: Mathias Heng

4 MDGs 1–7: Supporting developing countries

AUSTRALIA HAS LONG SUPPORTED MANY OF THE AREAS ON WHICH MDGs 1–7 ARE FOCUSED, SUCH AS POVERTY, EDUCATION, HEALTH AND GENDER EQUALITY. THE FOLLOWING SECTIONS GIVE EXAMPLES OF SOME OF THE WAYS THAT AUSTRALIA IS SUPPORTING DEVELOPING COUNTRIES TO MAKE PROGRESS TOWARDS THESE MDGs.

MDG 1: ERADICATE EXTREME POVERTY AND HUNGER

TARGET 1

HALVE, BETWEEN 1990 AND 2015, THE PROPORTION OF PEOPLE WHOSE INCOME IS LESS THAN ONE DOLLAR A DAY

TARGET 2

HALVE, BETWEEN 1990 AND 2015, THE PROPORTION OF PEOPLE WHO SUFFER FROM HUNGER

The World Bank states that economic growth is central to reducing poverty and meeting the MDGs. But growth-promoting reforms need to be combined with policies that ensure productivity is maximised and the poor can access the benefits and opportunities provided by economic growth. Australia's aid program promotes such growth by assisting developing countries to provide security and stability, improve governance, undertake economic reform, open up to trade and allow the poor to participate in growth through rural development and increased market access.

Aid can be an effective tool for promoting growth, especially when it is used to build the policies, institutions and social infrastructure needed to improve economic decision making and productive processes. Australia is developing the Stimulating Growth Initiative that focuses on improving market access, increasing participation of the poor in the

formal economy, encouraging rural development and improving the investment environment. This initiative will assist in the design of country-specific policies and institutions.

Australia's aid program emphasises the importance of reducing the vulnerability of the poor to illness, conflict, natural disasters and economic crisis and places a high priority on food security. Australia dedicated \$US 800 million to food security over the period 2000–03 and is providing \$1 billion towards implementing a food security strategy that includes food aid, targeted program support and technical assistance. In Cambodia, Australia is improving the food security of an estimated 212,000 farming households through the Agriculture Quality Improvement Project.

In an effort to combat hunger and poverty Australia provided \$63 million to the United Nations World Food Programme in 2003–04. These funds were directed primarily towards emergency and humanitarian assistance. A significant commitment has also been made to the Global Crop Diversity Trust, an initiative that aims to ensure future food security by preserving agricultural biodiversity.

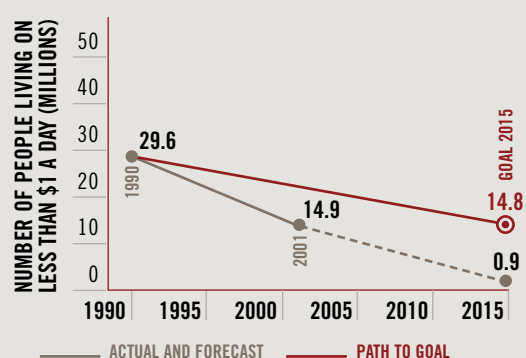
PROGRESS TOWARDS THE INCOME POVERTY TARGET IN EAST ASIA & THE PACIFIC

As a whole the Asia-Pacific region has made significant progress towards achieving the MDGs. Much of the success has been due to strong economic growth along with sound economic management and significant investments in health and education.

Effective economic policies and institutions have played a major role in explaining the downward poverty trends seen in East Asia, where the MDG of halving the 1990 \$1 per day poverty rate by 2015 has already been achieved (Figure 3). This goal has been achieved at the country level by a number of countries, including China, Indonesia and Viet Nam.⁶ The success of these countries, such as Viet Nam, a low-income country that reduced poverty by 37 percent in 12 years, illustrates what can be achieved.

Progress though has not been uniform across the Asia-Pacific and serious challenges remain. In particular, many countries in the Pacific face significant challenges, such as isolation, limited capacity, and environmental vulnerability, which are impacting on their development.

FIGURE 3: PROGRESS TOWARDS THE INCOME POVERTY TARGET IN EAST ASIA & THE PACIFIC



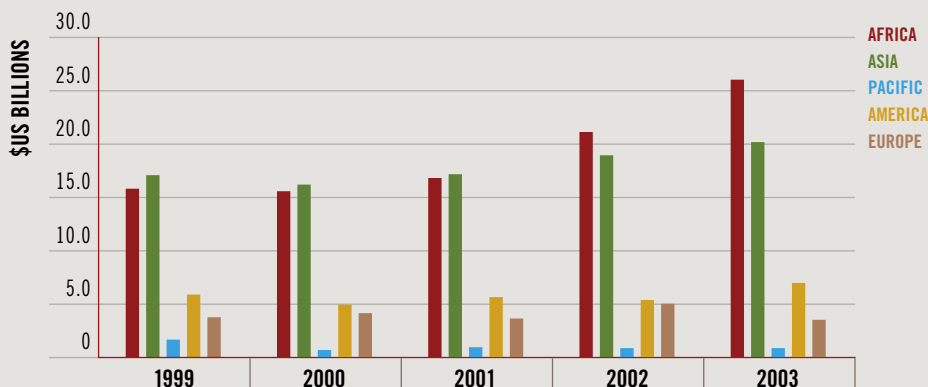
Source: World Bank Global Monitoring Report 2005

GLOBAL TRENDS IN OFFICIAL DEVELOPMENT ASSISTANCE

Asia and the Pacific are home to 700 million, or two thirds, of the world's poor.⁷ South Asia alone has 430 million poverty stricken people or around 35 percent more than the whole of Africa, which has 320 million poor. Since 2001, trends in global official development assistance (ODA) have shifted significantly towards Africa (Figure 4). In 2003, Africa received \$US 26 billion in ODA or more than one third of global ODA.⁸ This is

likely to increase further following decisions by the G8 to give more aid to Africa. Aid to Asia and the Pacific has also grown but far less dramatically, to nearly \$US 21 billion in 2003. There are real and pressing concerns in Africa, but the rest of the world remains needy. It is therefore vital that donors like Australia remain focused on the Asia-Pacific region, where the largest proportion of the world's poor live.

FIGURE 4: COMPARISON OF TRENDS IN NET ODA RECEIPTS BETWEEN REGIONS



Source: OECD (2004) Statistical Annex of the Development Cooperation Report.

6 UN Economic and Social Commission for Asia and the Pacific (2003) Promoting the MDGs in Asia and the Pacific.

7 World Bank (2005) World Development Indicators.

8 OECD DAC (2004) Development Cooperation Report.



Preschool children, East Timor. The East Timor Community Assistance Scheme has created new opportunities for primary education. PHOTO: David Haigh

MDG 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

TARGET 3: ENSURE THAT, BY 2015, CHILDREN EVERYWHERE, BOYS AND GIRLS ALIKE, WILL BE ABLE TO COMPLETE A FULL COURSE OF PRIMARY SCHOOLING

Increasing access to basic education and training, improving its quality and relevance, and making it more accessible for the most vulnerable in developing countries are a major focus of Australia's aid program. Since 1999, for example, Australia has trained almost 45,000 primary and high school teachers in developing countries in our region and has built or refurbished at least 1200 schools and education centres. Australian assistance has gone towards helping more than two million children enrol in or gain access to education facilities and services and is helping children, especially girls, to attend school.

From 1999 to 2004 Australia allocated \$279 million in official development assistance for basic education and more than \$1.3 billion in total education. In 2003–04 access to primary and secondary education was improved for 1.1 million children in the Asia-Pacific region as a result of Australian assistance. In the same year, more than a fifth of Australian aid for education was channelled into basic education.

In collaboration with UNICEF, Australia has supported activities that include providing quality primary education and teacher training in Bangladesh, and providing access for girls to primary

education and training teachers in early childhood education in rural Baluchistan, Pakistan. In India, community groups and education committees are being equipped to increase the enrolment and retention of girls in primary education. Australia has also provided substantial support for education in East Timor, Viet Nam, Indonesia and the Pacific.

ASSISTING BASIC EDUCATION IN PAPUA NEW GUINEA

Australian aid funding has helped double the number of children enrolled in schools in Papua New Guinea in the past 10 years. In 2003–04 the aid program continued to support the delivery of basic education through a revised curriculum to increase the relevance of primary and lower secondary school education. Key achievements included:

- > improving teaching and learning resources for more than 4000 primary teacher trainees
- > delivering textbooks to 4500 elementary schools and 3000 primary and community schools
- > supporting in-service teacher training in the revised curriculum in all provinces and distributing new curriculum materials to 3400 primary schools, and
- > conducting 60 planning workshops for provincial in-service coordinators, senior primary school inspectors and provincial education advisers.

MDG 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

TARGET 4 ELIMINATE GENDER DISPARITY IN PRIMARY AND SECONDARY EDUCATION PREFERABLY BY 2005 AND TO ALL LEVELS OF EDUCATION NO LATER THAN 2015

Gender equality is a crosscutting issue in Australia's development policy and assistance. Australia recognises that, while gender equality is an important goal in itself, it is also essential for progress towards the other goals. A major constraint faced by many countries trying to escape poverty is a lack of capacity, capability and skills. Gender inequality is often a major contributing factor.

The Beijing Platform for Action adopted at the Fourth World Conference on Women (1995) and Australia's gender and development policy provide the overall frameworks for working with partner countries on advancing gender equality and the wellbeing of women. The Platform for Action, to which Australia reaffirmed its commitment at the 49th session of the Commission on the Status of Women in 2005, assigns national governments the responsibility for promoting gender equality and for formulating appropriate strategies to meet commitments in the Beijing declaration. In particular, Australia assists partner countries to promote gender equality and seeks to mainstream gender equality in country, sector, program and activity strategies.

Australia works with partner countries to ensure equal access to education and health. Educating girls is the single best investment that can be made in reducing child mortality and ensuring mothers will in turn educate their children and achieve better family health. In Papua New Guinea, for example, Australia is helping the Department of Education to develop a policy on gender equality in education and provide gender training in primary and secondary teacher education.

Gender considerations are also central to Australia's response to the HIV/AIDS epidemic, particularly in the Asia-Pacific region where women and girls represent an increasing proportion of people living with HIV. As a result, the aid program is working to ensure that gender issues are increasingly embedded in policies, plans and training courses to tackle the disease. For example, in PNG the National HIV/AIDS Support Project is addressing gender issues through the inclusion of:

- > modules on gender violence, gender and sexuality in all training for health workers, Provincial AIDS Committee staff and counsellors; and
- > gender issues into the needs assessment for home care and sexually transmitted infections clinics.

EMPOWERING WOMEN

Australia is working with partner countries to support women's access to employment in areas that were once exclusive to or dominated by men. For example, in Solomon Islands, Australia supported the successful women's conference for the Royal Solomon Islands Police and the Solomon Islands Prison Service in October 2004. The conference provided women with an opportunity to discuss a range of issues and highlighted the extent of changes in the gender make-up of the two forces since the Regional Assistance Mission to Solomon Islands.

Australia is committed to working with partner countries in the Pacific to deal with and prevent violence against women. Australia supports the Fiji Women's Crisis Centre in providing assistance to the Vanuatu Women's Centre, which trains anti-violence committees across the country as part of its role. The Crisis Centre continues to be heavily involved with the police and military in Fiji and with policing activities throughout the Pacific, providing human rights training and policy inputs.



The Vieng Ping Children's Home in Chang Mai, under the Department of Social Development and Welfare and supported by AusAID, is the first orphanage in Thailand to care for children who are HIV-positive. PHOTO: Stephen Dupont

**MDGs 4 & 5:
REDUCE CHILD MORTALITY AND IMPROVE
MATERNAL HEALTH**

TARGET 5

**REDUCE BY TWO-THIRDS, BETWEEN 1990 AND 2015,
THE UNDER-FIVE MORTALITY RATE**

TARGET 6

**REDUCE BY THREE-QUARTERS, BETWEEN 1990 AND
2015, THE MATERNAL MORTALITY RATIO**

Maternal and child health programs, together with education for women and girls, have proved to be among the most cost-effective development efforts to improve the quality of life of families in developing countries.

Australia is working with partner governments to significantly strengthen health services. In Indonesia, for example, Australia is contributing to a national health program to improve services. In Papua province, a safe motherhood program is giving mothers and their babies access to better services in district, sub-district and village health facilities with trained midwives and local health personnel and medical supplies.

In the province of Southeast Sulawesi, Australia is increasing the Indonesian government's capacity to deliver primary health care services for women and children through the Healthy Mothers, Healthy Babies Project. Australia, in collaboration with UNICEF, is improving the health of mothers in eastern Indonesia with the aim of contributing to the goals and targets of Indonesia's Making Pregnancy Safer National Strategic Plan.

Australia is also contributing to improving the general health of women and children in developing countries. In Indonesia, this is occurring through the Women's Health and Family Welfare Project. In Papua New Guinea, enhancing the quality and coverage of women's and children's health services, particularly at the community level, is being supported through the Women and Children's Health Project.

In Laos, Australia is reducing poverty and improving the health, environment and economic status of rural women by meeting family health care needs and providing opportunities for economic advancement.

REDUCING CHILD MORTALITY IN NEPAL

In Nepal, Australia together with other donors is helping to avert an estimated 35,000 child deaths a year through the community-based Integrated Management of Childhood Illness Program and the National Vit-A Program. Child mortality in Nepal has been reduced by 22 percent from 1996–2001. In the months of April and October every year, approximately 3.5 million children aged under-five years are dosed with Vit-A supplement. Since the inception of the National Vit-A program, Vitamin A deficiency in Nepal has decreased from 2.4 percent to 0.3 percent nationally between 1993 to the end of 2002.



In Phu Cu Province in northern Viet Nam, Australian aid has funded HIV/AIDS awareness activities among secondary students. Educational programs redress the stigma and misinformation surrounding HIV/AIDS. PHOTO: Alice Pagliano

MDG 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

TARGET 7 HAVE HALTED BY 2015 AND BEGUN TO REVERSE THE SPREAD OF HIV/AIDS

TARGET 8 HAVE HALTED BY 2015 AND BEGUN TO REVERSE THE INCIDENCE OF MALARIA AND OTHER MAJOR DISEASES

HIV/AIDS, tuberculosis and malaria are three of the world's most devastating diseases. Australia is extremely concerned at the growing incidence of HIV/AIDS, particularly in the Asia-Pacific region. Consequently addressing HIV/AIDS is a major priority for Australia's aid program. Australia's international HIV/AIDS strategy, *Meeting the Challenges*,⁹ builds on the six-year \$200 million global HIV/AIDS initiative announced in 2000. This commitment has since increased to \$600 million by 2010 and includes bilateral HIV interventions in the Asia-Pacific region, enhanced contributions to multilateral programs and support for non-government activities. Implementation of Australia's international HIV/AIDS strategy includes appointing a special representative to lead and coordinate efforts in the Asia-Pacific region.

Australia is tackling HIV/AIDS in the region through leadership, partnerships and action. Australia has shown political leadership by initiating and hosting the first Asia-Pacific Ministerial Meeting on HIV/AIDS and Development in Melbourne in 2001

and co-organising the second meeting in Bangkok in July 2004. Australia is also making a significant investment in the Asia-Pacific Leadership Forum to encourage political and community leaders to take action to reduce the spread and impact of HIV/AIDS.

In an effort to better understand the HIV/AIDS pandemic in the Asia-Pacific region, Australia is leading a collaborative study with the governments of Papua New Guinea, Indonesia and East Timor. The study is investigating the nature of the epidemiological, social, economic and security risks and vulnerabilities associated with HIV/AIDS, to assist countries in making informed decisions aimed at addressing the drivers and long-term consequences of the pandemic.

AUSTRALIA'S CONTRIBUTION TO THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

Australia has committed \$75 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria. Established in January 2002 by the international community under the patronage of the UN Secretary-General, the fund works to attract and disburse additional resources to prevent and treat AIDS, tuberculosis and malaria. Australia's contribution recognises the important work undertaken by the fund and its increased focus on the Asia-Pacific region where an estimated 8.2 million people are currently living with HIV/AIDS.

⁹ AusAID (2004) *Meeting the challenges: Australia's international HIV/AIDS strategy*.

MDG 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

TARGET 9
INTEGRATE THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT INTO COUNTRY POLICIES AND PROGRAMMES AND REVERSE THE LOSS OF ENVIRONMENTAL RESOURCES

TARGET 10
HALVE, BY 2015, THE PROPORTION OF PEOPLE WITHOUT SUSTAINABLE ACCESS TO SAFE DRINKING WATER

TARGET 11
BY 2020, TO HAVE ACHIEVED A SIGNIFICANT IMPROVEMENT IN THE LIVES OF AT LEAST 100 MILLION SLUM DWELLERS

Australia continues to be a major supporter of the sustainable management of natural resources. Such management together with sound agricultural practices are vital for long-term prosperity and reduced poverty in the Asia-Pacific region. Australian assistance is improving environmental management and governance and supporting the livelihoods of poor rural communities.

Australia ensures that environmental concerns are mainstreamed within the aid program and that aid activities continue to be based on internationally recognised 'best practice' principles of environmental assessment and management, through adherence to rigorous environmental management guidelines. In 2005–06, the aid program is contributing an estimated \$152 million for better water and sanitation and \$305 million for environment-related programs.

Australia supports a range of water-related development activities including water supply and sanitation systems, flood management, agricultural water allocation and water policy reform. For example, in the town of Ha Tien, Viet Nam, the completion of water transmission pipelines has provided safe water to 36,000 people, while 15,000 people have benefited from the completion of 83 environmental and health activities including drainage, septic tank construction and solid waste collection. Australia is also helping to develop national policies for improved community management of both urban and rural water supplies in East Timor and Indonesia.

In the Pacific, Australia's support for regional environmental and scientific organisations will continue to assist our neighbours to adapt to climate change and to sustainably manage tuna and coastal fish stocks, food crops and forests. In Solomon Islands, Australia is involved in improving logging practices and administering land titles, while in Samoa the aid program is assisting in the development of plans for the agricultural sector and launching a forestry sector plan.

Australia also supports global environmental financing facilities such as the Global Environment Facility and the Montreal Protocol Multilateral Fund.

MAKING EVERY DROP COUNT

In 2003 Australia launched *Making Every Drop Count*,¹⁰ the aid program's policy on water-related assistance. To support this policy, Australia has developed the *Safe water guide*,¹¹ a framework and guidelines for the provision of safe drinking water in Australia's aid program. Australia is the first donor to develop and apply such protocols, which draw extensively on experience in Australia in managing water quality.



An Indonesian child enjoys a drink of water on the island of Flores. Water and sanitation are priorities for Australia's aid program. PHOTO: PT HarvestIndo

¹⁰ AusAID (2003) Making every drop count: water and Australian aid.

¹¹ AusAID (2005) Safe water guide for Australia's aid program 2005: a framework and guidance for managing water quality.



Children at Ekonak Primary School, Vanuatu. Pacific island countries will continue to be an important part of the future directions for Australia's aid program. PHOTO: Peter Davis

5 Future directions for Australia's aid program

Global events and those closer to home have significantly shaped Australia's aid program and engagement with the Asia-Pacific region. The Asian financial crisis, terrorism and threats to regional security, HIV/AIDS, conflict, instability and deteriorating governance in Bougainville, Solomon Islands and Papua New Guinea, and more recently the Indian Ocean tsunami and earthquakes in Indonesia have all required the aid program to adapt to the changing demands of the region.

At the same time, increasing knowledge of what is fundamental to stable, prosperous countries has shaped Australia's aid focus. The fundamentals include broad-based economic growth and trade, sound institutions of governance and law and order, and effective investment in people. Australia's aid program focuses particularly on developing a closer partnership with Indonesia, addressing transnational threats, particularly HIV/AIDS, and investing in long-term and innovative approaches to engaging with fragile states.

WHITE PAPER ON AUSTRALIAN AID

In his speech to Parliament on 10 March 2005 on tabling the Thirteenth Annual Parliamentary Statement, *Australian Aid: An Integrated Approach*, the Minister for Foreign Affairs announced that he would present in a year's time a White Paper on Australia's aid program. The purpose of the White Paper is to examine and contest the future directions of Australia's aid engagement in key development partnerships, namely Papua New Guinea, the Pacific, Indonesia and Asia. The White Paper will provide a medium-term strategic blueprint for the Australian aid program in the Asia-Pacific region.

STIMULATING ECONOMIC GROWTH

The World Bank states that the promotion of economic growth must be at the centre of the strategy to achieve the MDGs. Growth-promoting reforms must incorporate policies and programs designed to promote sustainable and inclusive economic growth. They must ensure that the

poor are beneficiaries of the opportunities provided by the growth. Australia therefore looks to strengthen policies and institutions that have an impact on productivity, the main driver of sustained economic growth. Experience shows that policy and institutional settings can stimulate the creative forces of local populations and improve the investment climate, ultimately increasing productivity, opportunity and participation. Alternatively, the settings of taxation and spending policies, for example, can be biased against the poor.

Australian initiatives to promote economic growth are country-specific, as local culture, politics and other factors can provide both opportunities and constraints. For example, access to markets can be a critical factor in explaining the differences between areas of high and low economic growth. Australia therefore focuses on improving market access, increasing participation of the poor in the formal economy, encouraging rural development, and improving the overall investment environment.

PACIFIC 2020

A new study with the title *Pacific 2020* will examine reasons behind the region's poor record, and propose realistic policy options for fostering higher levels of sustainable economic growth over the medium-to-long term. The target audience for the report includes policy makers in the region (both Ministers and senior officials), major donors, relevant regional organisations, business leaders and civil society representatives. *Pacific 2020* will highlight the key actions needed to give countries of the region the best chance of realising their potential by 2020 in areas where there is no clear policy path and in the productive sectors which are the potential drivers of growth. Chapters will focus on a range of sectors and areas, including: political governance; land; employment; private sector development; agriculture; forestry; fisheries; tourism; and mining and petroleum.

STRENGTHENING POLITICAL GOVERNANCE AND TACKLING CORRUPTION

Good political governance, or the process by which a country's management decisions are made, underpins the quality of governance more broadly. In democracies, political governance includes the mechanisms through which representatives are elected and held accountable for the decisions they make. A country's political governance directly and decisively affects the economic and administrative policies and the systems critical for reducing poverty. Political practice – the behaviour and actions of decision makers – is just as important as establishing appropriate political and accountability processes.

Australia's development partners face political governance challenges to different degrees. Decision makers, including elected members of parliament, ministers, heads of government, senior bureaucrats and others in positions of trust and authority, sometimes exercise their powers in ways contrary to the interests of their nation and constituents. Sectional interests, tribal allegiances and basic corruption for personal financial gain are all factors that cause political governance to fail – the actions of a few undermining the prosperity of entire nations.

Australia aims to strengthen political governance in our partner countries, helping to enhance the integrity and accountability of decision makers. Clearly, there are very sensitive sovereignty issues in this area of assistance, and careful judgment is required to determine which systems, processes and practices can legitimately receive attention from external parties. The focus is on strengthening political and parliamentary processes, increasing demand for accountability and encouraging a sense of nationhood by, for example, building strong but only essential institutions, and increasing understanding of the relationships between culture, the political economy and political governance.

The World Bank has identified corruption as the single greatest obstacle to economic and social development, absorbing an estimated \$US 400 billion globally each year. Anti-corruption initiatives are a major feature of many bilateral programs and Australia has supported major regional and international initiatives such as the Anti-Corruption Initiative for Asia-Pacific launched in November 2001 by the Asian Development Bank and the OECD. In November 2004, Australia committed \$3 million to the Asia-Pacific Economic Cooperation Anti-Corruption Initiative.

UNDERSTANDING CORRUPTION IN THE PACIFIC: TRANSPARENCY INTERNATIONAL STUDIES

Transparency International has undertaken National Integrity System studies in Cook Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. These are part of a series of country studies that Transparency International is undertaking in all countries in the region, including Australia and New Zealand.

The studies provide an overview of institutions in each country that can promote accountability and integrity in government and the private sector. They will serve as a diagnostic tool for Pacific island country governments to better target anti-corruption activities. They also provide local populations with a greater insight into the specific nature of corruption in their countries that can then be used to increase demand for reform.



Australian water purification and distribution station, Banda Aceh. In the aftermath of the Indian Ocean tsunami, Australian relief was among the first to arrive in Indonesia. PHOTO: Rob Walker

DEVELOPING A CLOSER PARTNERSHIP WITH INDONESIA

The Indian Ocean tsunami caused a tragic loss of life and livelihoods. The Australian Government's response to the disaster was unprecedented in its size and unsurpassed in its speed. With strong political leadership, Australia's aid, foreign affairs, police, defence and other arms of government worked seamlessly to deliver urgent assistance in the wake of the tsunami.

Demonstrating Australia's long-term commitment to Indonesia, and concern for the disastrous effects of the tsunami, on 5 January 2005 the Prime Minister announced the establishment of a \$1 billion, five-year, Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). The objective of the AIPRD is to support Indonesia's reconstruction and development efforts, both in and beyond tsunami-affected areas, through sustained cooperation focused on the Indonesian government's programs of reform, with an emphasis on economic and social development.

The AIPRD is governed by a Joint Commission, overseen by the Prime Minister of Australia and the President of Indonesia. The Commission also comprises Australia's Minister for Foreign Affairs and Treasurer; and Indonesia's Minister for Foreign Affairs, Minister for Finance, and State Minister for National Development Planning and Chair of the National Planning Board.

The partnership will be implemented according to agreed guiding principles which emphasise the joint nature of the AIPRD, the need to properly take account of Indonesia's needs and development efforts, the assistance that Australia is able to provide, and the importance of coordinating activities with international development partners.

TSUNAMI – AUSTRALIA'S RESPONSE

Australia took a leading role in the initial response, placing teams and supplies on the ground to support national relief efforts in Indonesia, Thailand, Sri Lanka and the Maldives. Australia committed \$60 million in immediate humanitarian assistance. The Australian Defence Forces and the Australian Federal Police fielded relief teams to assist with medical services and victim identification, while AusAID deployed 72 health professionals.

On 5 January 2005 the Prime Minister announced the \$1 billion Australia-Indonesia Partnership for Reconstruction and Development, which is the largest single aid contribution ever made by Australia. The funding is in addition to the existing aid program.

The tragedy also demonstrated the compassion of the Australian people and the non-government and business communities, with more than \$343 million raised in public appeals to assist the affected communities.



Even young children joined in the fun in the 5km AIDS awareness community fun walk on Candlelight memorial Day, Makassar, South Sulawesi, Indonesia, with a little support from a becak driver.

ADDRESSING TRANSNATIONAL THREATS

The region faces a number of threats to growth, stability and development that transcend national boundaries. Over the next three years the aid program will continue to address transnational threats such as HIV/AIDS and communicable zoonotic diseases, illicit drugs and crime.

Communicable diseases threaten the gains of development. Australia is developing a program in collaboration with the Australian Department of Health and Ageing and the World Health Organization to combat communicable diseases in East Asia. The program will help build capacities in the region to monitor, detect and manage outbreaks of communicable zoonotic diseases such as avian influenza and Severe Acute Respiratory Syndrome.

High population growth and the need to pursue economic investment to reduce poverty are placing increasing pressure on natural resources and environment. Water is a particularly critical natural resource that needs to be carefully and collaboratively

managed at the local, national and regional levels. Australia will continue to implement the aid program's water policy, *Making Every Drop Count*, focusing particularly on the management of water resources and regional collaboration.

Poor governance, corruption and instability are intimately associated with illicit drugs. Asia is now estimated to be home to half of the world's 15–20 million injecting drug users, and substantial increases in the availability and use of amphetamine-type stimulants have been reported across South-East Asia. Australia is supporting a major regional symposium on the impact of drugs on development and approaches to address it. As well, Australia is participating in important transboundary programs to target the trafficking of people and the abuse and exploitation of children.

INCREASING THE FOCUS ON HIV/AIDS IN THE ASIA-PACIFIC REGION

Globally, the HIV/AIDS pandemic shows no signs of abating. An ‘epidemic equilibrium’ or plateau is nowhere in sight. The likelihood of a vaccine being developed or cure found is remote. In the Asia-Pacific region, the spread of HIV/AIDS not only threatens people’s lives but also threatens to undermine regional stability and reverse the gains in economic development in many countries. The World Bank recently concluded that the future of the global HIV/AIDS pandemic will be determined in Asia.

Papua New Guinea is rapidly emerging as the epicentre of the disease in the Asia-Pacific region. Increasing prevalence rates, the high-risk behaviour among many groups and the mobility of people throughout the region indicate the need for urgent and comprehensive action and close regional cooperation.

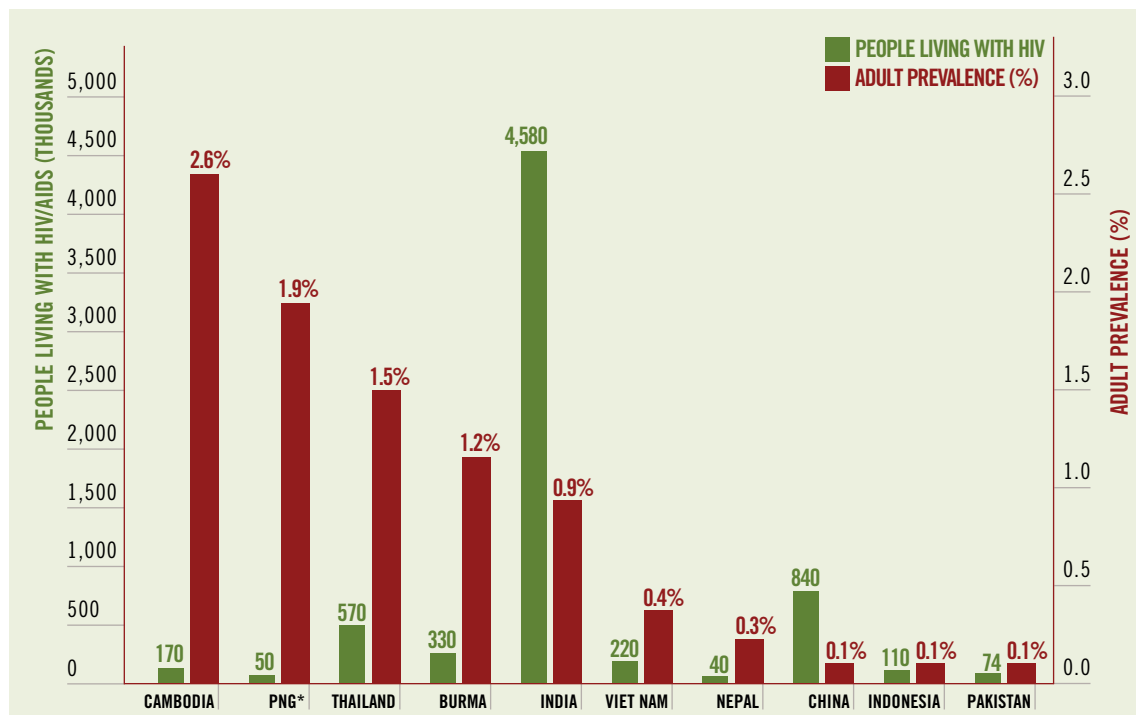
Much of the international focus on HIV/AIDS pandemic to date has been on Africa. However, the current and potential impact of the epidemic in the Asia-Pacific region is still not commanding the attention it merits. If current trends continue, the

Asia-Pacific region will account for 40 percent of all new HIV infections by 2010. Australia is taking a leadership role to ensure that the region receives appropriate global attention and the resources necessary to combat the pandemic.

The Global Fund to Fight AIDS, Tuberculosis and Malaria has attracted significantly more resources to the global HIV/AIDS effort, but making effective use of those resources is a challenge, particularly in countries with little capacity to attract resources or effectively implement projects. In 2004–05 UNAIDS and major donors including Australia agreed to support national AIDS responses by endorsing three principles – known as the ‘Three Ones’ – to achieve the most effective and efficient use of resources and to ensure rapid action and results-based management.

Australia places high priority on the effective implementation of its \$600 million international HIV/AIDS strategy, launched in July 2004. Features of the strategy to combat HIV/AIDS include significant investments in Papua New Guinea and Indonesia, regional projects for Asia and the Pacific, bilateral support of prevention and care programs in China, Viet Nam, Laos, Cambodia and South Asia, and support for non-government organisations active in Africa.

FIGURE 5: ESTIMATED HIV/AIDS PREVALENCE IN ASIA-PACIFIC COUNTRIES



*PNG estimate from AusAID, Asian Development Bank and World Bank joint mission (2003) Source: UNAIDS (2004) Report on the global HIV/AIDS epidemic

CONTRIBUTING TO STABILITY AND SECURITY

Terrorism is a threat to personal and national security, and there is a strong relationship between that security and economic development. Terrorism threatens people's lives and imposes heavy costs on individual and national development prospects. Australia aims to provide effective operational-level cooperation to help other countries increase their abilities to manage terrorist threats.

For example, Australia is working with Indonesia and the Philippines and across the Pacific to build strong maritime and aviation security regimes, strengthen law enforcement and prevent the financing of terrorist activity. Australia also contributes to stability and security by providing strategic assistance to countries such as Afghanistan, where the aid program supports basic services such as law and order, and is improving border control and immigration systems.

Humanitarian and reconstruction assistance also contributes to stability and security. In Iraq, Australia has complemented its significant humanitarian assistance with technical assistance to undertake government and economic reform and to enhance agricultural systems, and with niche contributions in other important areas such as planning and development cooperation, electricity supply and police training.

TAKING A LONG-TERM AND INTEGRATED APPROACH TO FRAGILE STATES

Fragile states are countries that face particularly stark poverty and development challenges that make them vulnerable to further decline or even state failure. Weak governance, failed institutions, instability or conflict yield dismal prospects for economic growth – to the point where a state cannot deliver critical services to the broader population, which affects the poor disproportionately. Needless to say, these environments present difficult conditions for progress to be made against the MDGs. The economic, social and spill-over security implications of fragile states have led to a significant international focus on how best to engage with such countries.

Many of Australia's immediate neighbours are experiencing significant problems in governance and nation building. These range from virtual state collapse in Solomon Islands to capacity constraints in East Timor hindering its nascent institutions of democracy. Other countries such as Vanuatu demonstrate the impact that changes in political leadership can have on commitment to good governance and reform. Fragility and vulnerability also arise from geographical circumstances and size, as in countries such as Kiribati and Tuvalu that struggle to become self-sustaining, viable nation states.

For fragile states to engage effectively with the international community it is critical that they have effective state institutions appropriate to their individual country circumstances. The institutions need to be capable of fulfilling necessary state functions but they do not need to be extensive.

Australia is working with fragile states to address the development, security and political challenges they face. Through a new \$11 million Fragile States Initiative, the aid program will work closely with the World Bank and bring together development, security, economic and political perspectives on fragile states from across government. This will boost Australia's capacity to engage with fragile states, and enhance Australia's lead role internationally on approaches to fragile states.

The strategies for engaging with fragile states must be country-specific. For example, in Solomon Islands it was necessary to first rebuild peace, restore law and order, and stabilise government finances. Only then could long-term development programs be put in place. Because fragility is a long-term problem, bringing about change requires persistence and realistic expectations. The developing country partners must drive the reforms needed to secure prosperity, especially in relation to political governance and corruption.

5 Conclusion

IN THE ASIA-PACIFIC REGION, WHERE AUSTRALIA IS A MAJOR CONTRIBUTOR OF AID, SIGNIFICANT PROGRESS HAS BEEN OBSERVED IN KEY POVERTY INDICATORS, BUT SERIOUS CHALLENGES REMAIN FOR MEETING THE MDGs.

Australia is committed to helping developing countries accelerate progress towards the MDGs. The key to progress against the MDGs is sustainable broad-based economic growth. Experience from East Asia, where over 500 million people have been lifted out of absolute poverty from 1981-2001, demonstrates that growth is essential to reduce poverty and is needed to generate the vast majority of resources required to reach the MDGs. Australia's approach to the MDGs underlines the need for an open, non-discriminatory trading and financial system supported by continuing improvements in governance and stability, sound investments in people, commitment to private sector growth and openness to trade and investment.

Achieving the MDGs will require a genuine partnership between developing and developed countries. All countries, developed and developing alike, need to facilitate growth and reduce poverty by implementing appropriate policies and taking appropriate actions. Australia is playing its part to advance MDG 8 by providing well-targeted and effective aid to developing countries, particularly Least Developed Countries and small island developing states, in the Asia-Pacific region. Australia is developing a global partnership for development that embraces appropriate debt relief, duty-free and quota-free market access to goods from Least Developed Countries, and promoting and supporting global economic growth through, for example, more liberalised world trade.

Australia takes a holistic and comprehensive approach to achieving the MDGs. The importance of addressing the fundamental prerequisites for achieving all of the MDGs, and the interrelated nature of the goals, will continue to guide Australian assistance initiatives. To this end, the Australian aid program will pay particular attention to security for development, innovative approaches to engaging with fragile states, and efforts to combat HIV/AIDS.

6 Appendix A: Millennium Development Goals

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

TARGET 1:

Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

- 1 Proportion of population below \$1 (PPP) per dayⁱ
- 2 Poverty gap ratio [incidence x depth of poverty]
- 3 Share of poorest quintile in national consumption

TARGET 2:

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

- 4 Prevalence of underweight children under-five years of age
- 5 Proportion of population below minimum level of dietary energy consumption

GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

TARGET 3:

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

- 6 Net enrolment ratio in primary education
- 7 Proportion of pupils starting grade 1 who reach grade 5
- 8 Literacy rate of 15–24 year-olds

GOAL 3: PROMOTE GENDER EQUALITY & EMPOWER WOMEN

TARGET 4:

Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015

- 9 Ratios of girls to boys in primary, secondary and tertiary education
- 10 Ratio of literate females to males of 15–24 year-olds
- 11 Share of women in wage employment in the non-agricultural sector
- 12 Proportion of seats held by women in national parliament

GOAL 4: REDUCE CHILD MORTALITY

TARGET 5:

Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

- 13 Under-five mortality rate
- 14 Infant mortality rate
- 15 Proportion of 1 year-old children immunised against measles

GOAL 5: IMPROVE MATERNAL HEALTH

TARGET 6:

Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

- 16 Maternal mortality ratio
- 17 Proportion of births attended by skilled health personnel

GOAL 6: COMBAT HIV/AIDS, MALARIA & OTHER DISEASES

TARGET 7:

Have halted by 2015 and begun to reverse the spread of HIV/AIDS

- 18 HIV prevalence among 15–24 year old pregnant women
- 19 Condom use rate of the contraceptive prevalence rateⁱⁱ
- 20 Number of children orphaned by HIV/AIDSⁱⁱⁱ

TARGET 8:

Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

- 21 Prevalence and death rates associated with malaria
- 22 Proportion of population in malaria risk areas using effective malaria prevention and treatment measures^{iv}
- 23 Prevalence and death rates associated with tuberculosis
- 24 Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS)

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

TARGET 9:

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

- 25 Proportion of land area covered by forest
- 26 Ratio of area protected to maintain biological diversity to surface area
- 27 Energy use (kg oil equivalent) per \$1 GDP (PPP)
- 28 Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)
- 29 Proportion of population using solid fuels

TARGET 10:

Halve, by 2015, the proportion of people without sustainable access to safe drinking water

- 30 Proportion of population with sustainable access to an improved water source, urban and rural

TARGET 11:

By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

- 31 Proportion of urban population with access to improved sanitation
- 32 Proportion of households with access to secure tenure (owned or rented)

**GOAL 8:
DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT**

TARGET 12:

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally

TARGET 13:

Address the special needs of the least developed countries
Includes: tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction

TARGET 14:

Address the special needs of landlocked countries and small island developing states (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)

TARGET 15:

Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked countries and small island developing States.

OFFICIAL DEVELOPMENT ASSISTANCE

- 33 Net ODA, total and to LDCs, as percentage of OECD/DAC donors' gross national income
- 34 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)
- 35 Proportion of bilateral ODA of OECD/DAC donors that is untied
- 36 ODA received in landlocked countries as proportion of their GNIs
- 37 ODA received in small island developing States as proportion of their GNIs

MARKET ACCESS

- 38 Proportion of total developed country imports (by value and excluding arms) from developing countries and LDCs, admitted free of duties
- 39 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries
- 40 Agricultural support estimate for OECD countries as percentage of their GDP
- 41 Proportion of ODA provided to help build trade capacity^v

DEBT SUSTAINABILITY

- 42 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)
- 43 Debt relief committed under HIPC initiative, US\$
- 44 Debt service as a percentage of exports of goods and services

TARGET 16:

In cooperation with developing countries, develop and implement strategies for decent and productive work for youth

- 45 Unemployment rate of 15–24 year-olds, each sex and total^{vi}

TARGET 17:

In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries

- 46 Proportion of population with access to affordable essential drugs on a sustainable basis

TARGET 18:

In cooperation with the private sector, make available the benefits of new technologies, especially information and communication

- 47 Telephone lines and cellular subscribers per 100 population
- 48 Personal computers in use per 100 population and Internet users per 100 population

- i. For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.
- ii. Amongst contraceptive methods, only condoms are effective in preventing HIV transmission. The contraceptive prevalence rate is also useful in tracking progress in other health, gender and poverty goals. Because the condom use rate is only measured amongst women in union, it will be supplemented by an indicator on condom use in high risk situations. These indicators will be augmented with an indicator of knowledge and misconceptions regarding HIV/AIDS by 15–24 year-olds (UNICEF – WHO).
- iii. To be measured by the ratio of proportion of orphans to non-orphans aged 10–14 who are attending school.
- iv. Prevention to be measured by the % of under 5s sleeping under insecticide treated bednets; treatment to be measured by % of under 5s who are appropriately treated.
- v. OECD and WTO are collecting data that will be available from 2001 onwards.
- vi. An improved measure of the target is under development by ILO for future years.

7 Glossary

ARTs	Antiretroviral Treatments
AusAID	Australian Agency for International Development
DAC	Development Assistance Committee (of the OECD)
DFAT	Department of Foreign Affairs and Trade
GDP	Gross Domestic Product
GNI	Gross National Income
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information Communication Technologies
IMF	International Monetary Fund
ILO	International Labour Organization
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
MDG 8	Millennium Development Goal 8: develop a global partnership for development
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PNG	Papua New Guinea
SARS	Severe Acute Respiratory Syndrome
UN	United Nations
UNICEF	United Nations Children's Fund
WHO	World Health Organization
WTO	World Trade Organization

