

ANGLICAN PUBLIC AFFAIRS COMMISSION

Mr Sandy Hollway AO
Chair
Independent Review of Aid Effectiveness Secretariat
GPO Box 887
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Dear Mr Hollway

Submission to the Independent Review of Aid Effectiveness

This submission is sent on behalf of the Anglican Church of Australia's national Public Affairs Commission (PAC).

First, there is much to welcome about the Government's aid program, most notably the commitment to increase ODA to 0.5 per cent of GNI by 2015-16. It is noteworthy of course that this target will not be reached unless the trend of budget allocations is substantially strengthened. The estimated 0.33 per cent this year is far short of the UN target of 0.7 per cent of national income, of the actual performance of the EU of 0.48 per cent and of Norway's and Sweden's of over one per cent. Even if the major improvement of the planned 0.5 per cent by 2015-16 is reached, Australia will still be notable for the restrictiveness of its support for development. That financial constraint prevents Australia from providing a fair proportion of the support which is imperative if the world is to effectively fulfil its commitments to achieve the Millennium Development Goals and agreed climate change mitigation policies. The PAC urges the Review to both reinforce the goal of 0.5 and the UN goal of 0.7 explicitly and strongly. It is important to recognise that that would be consistent with the strength of public support for ODA. Reaching those goals would also be far more cost effective means for improving prospects for national security through peaceful social and economic development than the wasteful and dangerous plans for increases in military spending foreshadowed in the 2009 Defence White Paper.

Second, the Commission wholeheartedly welcomes that Government's commitment to making Australia's contribution to achievement of the MDGs the central focus of the aid program.

Third, the PAC recognises that a particular focus for the global community should be in supporting efforts in the least developed countries, Africa and those countries in which poverty is most common. We support Australia's commitment to all of those regions. If Australia is to move effectively towards making a fair contribution to achievement of the MDGs we must continue to expand aid to South Asia and to Africa. The Commission does not support those who argue that Australian aid should be limited to South East Asia and the Pacific.

Fourth, the PAC welcomes the focus on mother and child health reflected in the announcement of a commitment of \$1.6 billion to the UN Secretary-General's 'Global Strategy for Women's and Children's Health' over the next 5 years. This will contribute to efforts to ensure those Goals on which the least progress has been made are given renewed attention. The geographic focus of those programs in Africa is also welcome. The PAC wholeheartedly supports the fact that the Foreign Minister joined with the US's Hilary Clinton,

the UK's Nick Clegg and Melinda Gates in launching the new Public/Private Alliance for Reproductive, Maternal and Newborn Health.

In addition to these comments supportive of existing policies and their expansion, the PAC makes the following concrete proposals.

First, the PAC recommends increasing the proportion of aid allocated through multilateral agencies. At present the proportion of Australian aid allocated through the UN is relatively small compared with that of at least some comparable countries. About a quarter of Norway's aid is allocated through multilateral organisations, especially through the large UN development agencies UNICEF, the UNDP and the World Bank. In most UN agencies, Norway, with a population smaller than that of Victoria, is among the top 3-5 contributors and far ahead of most major powers. The importance of these multilateral contributions is that they increase the capacity of the global community to respond both to emergencies and to the intense, continuing need for external finance to overcome the impediments to development caused by poverty in all its dimensions. Shared action overcomes many of the political sensitivities - which are not uncommon amongst bilateral development partners.

Second, the Commission recommends that the Review begin a new era of cooperation with and support for development NGOs. The Australian NGO sector has clearly demonstrated a professional approach to delivery of development assistance. For example, faith-based organisations are vital in delivering effective programs towards the achievement of health and education goals in many countries. The Church Partnership program in PNG and programs with the Church of Melanesia in Vanuatu and the Solomon Islands are clear examples.

Yet the extent of public funding which passes through the NGO sector is small compared to other comparable countries and also with the proportion of Australian aid which is delivered through private corporations. For example, the five largest Norwegian NGOs have a combined staff of several thousand world-wide and are increasingly operating on behalf of the UN and with funding from outside Norway. There are six Norwegian research institutes/think tanks specialising in studies on international assistance, peace research, international cooperation and human rights that each have a staff of 50 – 120 largely funded by government grants. The UN Association of Norway has a staff of over 30, most of whom are involved in school and public education about the UN and the issues with which it deals, especially development, virtually all financed by the Government's contribution. The Australian Government could learn from that example and quickly and sharply strengthen its support for NGOs. Far more substantial funding of programs, scholarship and education about development cooperation would transform both Australia's international contribution and domestic awareness of the issues.

Third, the PAC suggests that the possibility of giving more bilateral aid through direct budget support. This is the channelling of aid through public finance systems within recipient countries, directly to partner governments. Direct budget support needs to be predictable to be effective, giving countries such as PNG and the Solomon Islands room to develop their own policies with the knowledge they can rely on it as part of their long-term budgets. Aid could be contributed to the general budget, or to a departmental budget such as education or health. Allowing aid to be spent by PNG and Solomon Islands immediately reduces the administrative and transactional costs of aid, ensuring more can be spent in the places it is needed most. Direct budget support has been shown to reduce corruption in those countries where it has been used extensively, contradicting the prevailing conventional wisdom on corruption (OECD-DAC 2006). If particular countries do not have sufficiently mature public accounts and other institutions to adequately account for aid expenditure, Australia could valuably assist with strengthening those public accounting systems. The Multi-Donor

Budgetary Support (MDBS) in Ghana provides an example of proven and cost-effective budgetary support. Direct budget support enables greater local ownership than tied aid, helping facilitate lasting development.

Fourth, the PAC has previously encouraged urgent attention by the Australian Government to support efforts to support family planning programs and to achieve poverty reduction by allocating resources to such services. Not least, such efforts address the challenge of global population growth, so strengthening the possibility of a sustainable future for people and our planet. We wholeheartedly support the small increase in support for family planning services because it is the result of the Government's policy change on the issue, but urge you to recommend much larger allocations in future. Many hundreds of millions of dollars are needed to enable developing countries such as PNG, and the multilateral agencies such as UNFPA, to provide access to family planning for all women and men who want to control the size of their families. Nothing contributes as much to economic and social development and to reducing environmental destruction and growth in greenhouse gas emissions as reduction in the rate of population growth. The Commission therefore urges the Independent Review to recommend a major and then sustained larger contribution to family planning programs such as those sponsored by UNFPA. Australia's contribution to UNFPA is still a small per cent of countries like the Netherlands which a couple of years ago was allocating over \$70m a year to Fund. In this context it is worth drawing attention to the paper commissioned by DFID and NORAD and written by L Hulton, S Murray and D Thomas, entitled *The Evidence Towards MDG5: A Working Paper* and available through www.dfit.gov.uk/r4d/SearchResearchDatabase.asp?OutputID=185825.

Fifth, another urgently needed high priority improvement in the Australian ODA program is to substantially strengthen support for climate change mitigation and amelioration in developing countries. As we all know, one of the diabolical challenges (as Ross Garnaut calls it) facing our planet is reduction of greenhouse gas emissions while meeting global energy needs, not least of developing countries. Access to energy is critical to ending poverty, but unrestrained global warming would have devastating consequences for the poor. They often live in marginal lands that are vulnerable to climatic extremes and so are the first to suffer effects of climate change. If poverty is to be reduced, energy consumption must increase. The necessity to increase energy efficiency and output of renewable energy in developing countries should be a key focus for aid. The aid program could play a valuable role in assisting the necessary technology transfer and promoting the use of renewables. There is no shortage of pilot projects using coconut oil instead of petroleum oil for engines in the Pacific or solar-powered electricity for remote rural communities. They need wider dissemination. If global warming is not slowed, achievements in the fight against disease, hunger, poverty and environmental degradation risk being unravelled by climate change. Reducing greenhouse gas emissions is urgent. Assisting clean energy development must be a top priority for Australian aid. On this issue too, Norway is fine example, for it strongly emphasises the contribution of aid to mitigating greenhouse gas emissions and generating and distributing clean energy and water, and to natural resource management and sanitation. A recent and generous example is the Reduction of Emissions from Deforestation and Degradation, the REDD Programme, which Norway has spearheaded and to which it has allocated several hundred million dollars to preserve the rainforests of Brazil, the Congo, Indonesia and elsewhere.

A final group of recommendations relate to strengthening the integrity and effectiveness of the relationship between AusAID and the private sector. We recommend:

1. That AusAID reward aid companies from developed countries which bid for contracts for including a partner company from the developing country in which the contract is to take place;

2. Affirmative action in contracting, i.e., where bids are of similar quality, AusAID actively seek to award the contract to a company based in the developing country in which the contract is to take place;
3. AusAID provide technical assistance to companies from developing countries throughout the tendering process to help ensure the accessibility of AusAID contracts for all companies;
4. That tenders be called in the language of the developing country in which the contract is to take place, or alternatively, provide/subsidise translators for companies from developing countries to assist in complying with the technical and administrative provisions of the tendering process;
5. Require aid contractors to adhere to the same levels of accountability as the rest of the Australian government;
6. Reform commercial-in-confidence laws to allow publishing of successful tenders to assist future bids from developing country companies; and
7. Regulate the freedom of retiring senior AusAID officials to move to aid companies/contractors following AusAID employment;

There would also be value in requiring the Office of Development Effectiveness to report to Parliament rather than to AusAID.

An article written for the PAC about development and aid and published in the St Mark's Review is attached.

With best wishes for your important task,

Professor John Langmore
Chair,
Anglican Public Affairs Commission

Global Poverty: The Challenge Remainsⁱ

Greg Thompson and John Langmore

We live in a world in which 1000 million people are hungry, millions of children receive no education or one of very poor quality, almost 9 million children die under the age of five each year, at least 340,000 women die with pregnancy related causes each year, an additional 2.5 million people are infected, and millions die, with HIV/AIDS each year, and 2.6 billion have no access to adequate sanitation.ⁱⁱ

The world's leaders will be conscious of the realities facing millions of people each day when they meet at the United Nations MDG Summit in September 2010. They will review progress on the global commitment to reduce by half the proportion of the world's people living in extreme poverty and hunger by 2015 and again renew their commitment to reduce global poverty with some confidence that, despite the global financial and economic crisis, the goal can still be reached.

However, continuing challenges may yet prevent the attainment of that goal beyond the economic crisisⁱⁱⁱ – the impact of climate change, continuing conflicts within and between countries, poor leadership and weak systems of government, trade barriers, growing wealth disparities that lead to social exclusion and disempowerment, the lack of access to education, training and employment, as well as social and cultural practices that have a particularly negative impact on women and children.

At the same, time a new Australian Government will be in its first days in office and will face the same global realities as they consider how best to deploy increased funds, through Australia's International Development Assistance Program. What role does Australia have with others in the international community, in support of partner governments and communities in the developing world, to realise global efforts to reduce poverty? What steps might be taken by AusAID, the Australian agency responsible for managing Australia's aid program, to ensure the quality and effectiveness of the program? How can Australia work to ensure our efforts are integrated with other donors and agencies?

How should we respond, as Australian and global citizens, to these challenges? What is our responsibility to the poorest? What influences and shapes the choice we make as people of faith to these challenges, as individuals and as citizens?

These are the issues that we shall consider in this paper. We begin by seeking to understand why people of faith should be concerned and be engaged.

Faith and Poverty

“the Gospel is not just the proclamation of individual redemption and renewal, but the renewal of society under the Reign of God; the ending of injustice and the restoration of right relationship with God and between human beings and between humanity and creation. We recognise that social justice issues and global relationships are very complex and powerful.

At the heart of the Gospel is Jesus' emphatic proclamation in the synagogue in Nazareth demanding "... *our commitment to the poor, the marginalised, the exploited, refugees, indigenous peoples, the internally displaced and victims of war, terror and natural disaster*"^{iv} *We recognise the critical need to reaffirm, develop and strengthen our responsibility to the powerless, who have no voice... . it is often women and children who are powerless and marginalised in our world.*^v

These were some of the conclusions of the Bishops of the Anglican Communion at the Lambeth Conference in 2008. They reflect the vision of a Just, Participatory and Sustainable Society, the agenda for the Ecumenical Movement which emerged from the World Council of Churches Assemblies in Uppsala 1968 and Nairobi 1975. In doing so they articulate the foundation of the agenda for people of faith in the second decade of the 21st Century.

Justice for the poor is a central issue in scripture as it speaks to the principle that in God's eyes no one is left out, no one is without a voice – all have a place in the Kingdom. The pursuit of this ideal will be a sign of God's promise, and an indicator of what humanity will be like when God's will is done on earth.^{vi} If policies and legislation were to be developed on the principle that no one should be forgotten, the world might have some understanding of what the world might be with the fulfilment of God's promise.

It is clear that the path to justice must ensure that everyone can participate in the process of achieving the kind of society which is sustainable for humanity, and the earth. Paul reminds us that "If one part of the body suffers, all the other parts suffer with it."^{vii} Through Jesus' ministry we learn what it means to be God's people. Through his death and resurrection Jesus guarantees that all are remembered and have an opportunity to become part of the Kingdom of God: so if one in the community suffers, all suffer.

The Prophet Micah reminds us of God's call, 'to do justice, to love kindness and to walk humbly with your God'^{viii} Jesus reflected the vision of the Old Testament prophets in which caring for widows, orphans and aliens was of paramount importance, and so he associated frequently with those who were alienated. As Matthew recalls Jesus challenge, "Lord when was it that we saw you hungry and gave you food? We saw you thirsty and gave you something to drink? We saw you a stranger and welcomed you? We saw you sick and took care of you? We saw you in prison and visited you? 'Truly I tell you, as you did it to one of these who are members of my family, you did it to me.'^{ix}

This is a prophetic tradition which has continued throughout the Church's history: in William Wilberforce's crusade to end slavery, Martin Luther King's leadership of the USA's Civil Rights movement and Archbishop Desmond Tutu's stand against Apartheid and battle for healing and reconciliation in South Africa.

But God's Mission is not only for the poor and oppressed, it is equally for the affluent and whole. St Augustine recognised that the problem of injustice is not only the suffering of the oppressed but also the corruption of the mind and heart of the oppressor. As Archbishop Rowan Williams observed recently, "the welfare of all are inseparable...the poverty of another is also my diminution and the liberation of the other is also mine as well. ...This is not simply about the prosperous giving something to the poor, but a gift that contributes to the liberation of both poor and prosperous and liberates them both."^x

In our time the struggle to overcome extreme poverty in all its dimensions is the point at which the community of nations can begin to imagine and give shape to God's

vision and promise for humanity. Strengthened by that hope, people of faith are called to engage that task and so join with God in “making all things new.”

The Millennium Development Goals (MDGs)

One of the four principal purposes of the UN is to ‘promote social progress and better standards of life in larger freedom’. A series of 14 UN global conferences were held in the 1990s which generated a shared vision of development.^{xi} Those conferences were major political events at which issues were fiercely debated, negotiations were vigorous and agreed outcomes were therefore important. They were remarkable participatory processes, and the array of development goals and strategies on which they agreed laid the foundation for the UN Millennium Summit in September 2000 of 147 heads of government. The Millennium Declaration has the political authority of being adopted by the largest meeting of heads of state and government ever held.

Many of those agreed goals were later collated into eight MDGs and 18 associated targets.^{xii} As Helen Clarke, former NZ Prime Minister and now Administrator of the UN Development Program, says

They are the most broadly supported, comprehensive, and specific poverty reduction targets the world has ever established. They address: extreme poverty and hunger; access to education and health services and to clean water and sanitation; gender equality; environmental degradation; and the deadly diseases of HIV/AIDS, malaria and tuberculosis.^{xiii}

Goal 8 commits donor countries to a global partnership for development. The targets relating to Goal 8 include more generous aid to countries committed to poverty reduction, open and non-discriminatory trading and financial systems, and debt sustainability. The 18 targets derived from the goals were expanded by four in 2007 to include issues which had not been adequately reflected in the targets set in 2001: achieving full and productive employment; universal access to reproductive health; universal access to treatment for HIV/AIDS for those who need it; and reducing biodiversity loss.

Most countries adopted the MDGs quickly; others were reluctant. For much of the past 10 years Australian implementation has been notably inadequate and continues to be so. The Howard Government failed to adopt the MDGs or to make substantial commitments to reducing poverty. Fortunately the Rudd Labor Government joined the rest of the world in placing the MDGs as the central focus of their policies for supporting developing countries. However, aid in the 2010-11 budget of 0.33 per cent of national income is still far short of the average European Union effort of 0.48 per cent. At that level, Australia lies 16th out of the 23 developed nations in the OECD in the level of ODA, so continuing to be one of the countries impeding achievement of the MDGs. The Rudd/Gillard Government’s commitment to achieving 0.5% of national income by 2015/16 is now matched by the Coalition Parties so Australia has begun to lift its game, sharing the burden with other wealthy countries and joining the global partnership necessary to ensure the Goals are achieved. However neither Party has made a clear commitment to the UN target of 0.7% of national income which many developed countries have achieved, or are committed to achieve, including the new UK Coalition Government.

The World Bank projects that the proportion of the total population of developing-countries living on US\$ 1.25 a day or less (which has been used as the standard measure of severe poverty since 2008) in 2015 is likely to be 15 per cent, considerably less than half the proportion in 1990 of 42 per cent.^{xiv} This would mean that about 920 million people would be living under the international poverty line in 2015, about half the number in 1990. This dramatic improvement is principally because of the estimated fall in poverty in China, but declines are also underway in other East Asian countries, in Latin America, the Caribbean and in South Asia. However Sub-Saharan Africa, Europe and parts of Asia are expected to miss the target. The global financial crisis is expected to add 64 million more people in poverty than would have been so in the absence of the crisis. Progress in reducing poverty below US\$2.50 is expected to be slower: about 2 billion people are expected to be living on US\$2.50 or less in 2015.

These figures mean that, despite significant economic growth in many countries, huge numbers of people will remain oppressed by deprivation for the foreseeable future. *Even if the MDG target was achieved that would still leave nearly a billion people living in severe poverty.* Stronger, equitable economic and social development is essential and so too are additional means of poverty reduction.

Poverty reduction is generally discussed as a matter of increasing investment, improving access to credit at reasonable interest rates, strengthening education, improving health, extending infrastructure and each of those and other policies are vitally important means for building employment and opportunities for self-help.

Poverty is multidimensional, manifested through malnutrition, inadequate housing or water, poor sanitation, lack of access to health services or education and in gender disparities as well as income deprivation. Addressing the links between inadequate income, unemployment, overcrowded accommodation, hunger, disease, constrained access to health services, schools, safety and social protection let alone human rights and gender equity is complex and demanding. Yet improving any of these will influence capacity to influence others: improving employment opportunities, education, health, housing, water supplies, waste disposal and so on will contribute to easing other symptoms of poverty.

In relation to the other dimensions of poverty addressed by the other MDGs, there have been significant increases in the proportion of children attending primary schools in many countries. The target for improving access to drinking water is likely to be met. Deaths of children under five have been reduced from 12.5m in 1990 to 8.8m in 2008 – a major achievement, but still far higher than could be achieved by readily adoptable public health measures. 2 million more people have access to HIV AIDS treatment, and affordable immunisations reach 80% of children in need.

In 2009 over a billion people suffered chronic hunger – for the first time in human history. The increase of 130m was due to the combined impact of the economic, food and energy crises. The erosion of food security in many regions is a result of rising food prices as a direct consequence of food shortages (the devastating Pakistan floods and drought in Russia attributable to the consequences of climate change will add to these shortages). Those shortages have been exacerbated by the use of agricultural products to produce bio-fuels or as fodder crops for livestock as consumption patterns change in regions where poverty has been

reduced. Increases in the cost of fertilisers and fuel as a consequence of oil price increases also make food more costly.

While progress towards the global targets is being achieved, there is a deep concern that the people and nations of some regions will be left behind. It is clear from current reports that countries in Sub-Saharan Africa, South Asia and Oceania will fall behind on the majority of the goals and specific targets. The World Bank^{xv} notes with concern continuing low rates of female literacy in South Asia and Sub-Saharan Africa with a number of consequences including low rates of paid employment in the non-agricultural sector in the same region where there is also continuing infant and higher numbers of child mortality and maternal deaths. Sub-Saharan Africa has two thirds of the world's people living with HIV and AIDS and 90% of deaths from malaria.

Access to safe sanitation has been restricted by inadequate investment by both developing countries and donors and often a lack of awareness of the benefits of sanitation by communities.^{xvi} Limited progress on child and maternal health is largely the result of lack of investment and difficulties in ensuring well trained and motivated health workers across countries.^{xvii} Progress is occurring – child deaths are being reduced by around half a million each year^{xviii} – but we must and can do better.

It is important to recognise that the MDGs are not a blueprint for development, but they are proving to be a driver and focus of efforts to reduce global poverty. Significantly they have assisted many developing countries to shape and improve their efforts, generated support from donor countries and inspired millions of citizens round the world. From this brief assessment it is clear that more needs to be done.

Australia's Commitment and Response to the MDGs

Australian citizens have responsibility for what our country does. Popular opinion in recent years has led to bipartisan support for increased aid, and a clearly articulated commitment to the MDGs as a framework for the aid program. That commitment is reflected in statements of support for the MDGs in international fora and in AusAID documentation, much greater support and cooperation with other donors and international development agencies and the inclusion of the MDGs in program planning and evaluation.

One way that Australians act on our responsibility to the world's poorest people is through generous support of the work of Australian NGOs. In 2007/08 1.7 million households, regular supporters of the 72 member organisations of the Australian Council for International Development (ACFID) gave more than \$800 million in support of humanitarian and long term development programs.

As taxpayers, we contribute as well. The Australian Government's International Development Assistance program supports efforts to reduce poverty in developing countries. In 2010-11 \$4.349 billion is committed to aid. Of that total commitment, \$1.1 billion will go to Indonesia and SE Asia, including the Mekong Region, and \$1.1 billion to PNG and the Pacific.^{xix} Programs supported are focused in three sectors – health, education and governance.

What motivates our national commitment to aid and development? As Foreign Minister, the Hon. Stephen Smith MP, stressed “our commitment to development assistance is fundamentally based on our desire, and responsibility, to help those in poverty”.^{xx} The Minister’s perspective, as Joel Negin observes, reflects the views of the Australian people, in the *Lowy Poll 2010*, 58% of whom believe that poverty reduction should be the top priority for Australia’s aid.^{xxi} Australians are aware of our privileged place in the world. Australia being ranked second on the UN *Human Development Index 2009*, reflected our standard of living, educational attainment and access to health care, relative to the more than 2 billion people who live on less than \$US 2.50 per day.

It is also recognised that reducing poverty can prevent extremism and civil conflict, and reduce the need for military interventions, while improved economic conditions of neighbouring countries can improve Australia’s trade performance as markets grow. Australia’s commitment to increased levels of aid and the commitment to join international efforts to achieve the MDGs will enhance our international reputation, restoring our place as a Middle Power as in the Fraser, Hawke and Keating years. As AusAID puts it, “the aim of the program is to assist developing countries reduce poverty and achieve sustainable development, in line with Australia’s national interest.”^{xxii}

While the principal geographic focus of Australia’s aid program remains in the Asia-Pacific Region, it is recognised that countries in Sub-Saharan Africa and parts of South and Western Asia are falling behind in their efforts to achieve the MDGs. Consequently, in line with Australian public opinion, there is a renewed commitment to Africa and the Indian Ocean lateral countries.

Reflecting Australia’s commitment to be a good international citizen and so contribute to the attainment of the MDGs, more is undertaken multilaterally through increased engagement with regional and UN development agencies and multilateral humanitarian organisations, as well as a continuing commitment to the concessional arms of the World Bank and the Asian Development Bank. It is important that this commitment to collaboration continues to grow as the level of Australian aid increases.

Towards a More Effective Aid Program

While the MDGs have provided drive and focus to the program and have led to citizen support and advocacy for increases in the level of aid by Australia and other donors, the international community has been working to develop more effective systems of aid delivery. Australia is part of those efforts to improve the quality of aid. Donor countries are improving aid delivery systems in accord with the Paris Declaration (2005) and the Accra Agenda for Action (2008)^{xxiii} Under these commitments, donor countries will work with partner developing countries to ensure countries set strategies, align their objectives and use local systems to implement programs while donor countries use simplified procedures, share information and coordinate their efforts. The implementation of these commitments is regularly monitored. The Accra conference set new standards to ensure progress. A survey of progress in 2008 identified some positive steps AusAID has already taken to improve effectiveness and accountability to partners and to Australian taxpayers.

A positive step was Prime Minister Rudd’s Port Moresby Declaration of 6 March 2008 which launched ‘Pacific Partnerships for Development’^{xxiv} with Pacific island

countries. These Partnerships commit Australia and our Pacific partners to work together to make more rapid progress towards the Millennium Development Goals (MDGs) as well as to partner countries' development objectives.

But more is required to ensure the quality and effectiveness in Australia's aid. The most recent Peer Review of the program found that AusAID has developed improved monitoring and evaluation processes and greater cooperation with international development agencies, together with the focus on the MDGs and gender equity. The Review recommended that Australia should ensure greater 'whole of government' policy coherence, increase its support for NGO programs, and further increase the support of multilateral agencies and other collaborative mechanisms. Concern was expressed about the internal capacity and the level of retention of professional staff at AusAID, particularly with a view to ensuring appropriate staffing of a growing program.^{xxv}

There is considerable community concern about the findings of a recent report by the Australian National Audit Office on the capacity of AusAID to manage an expanding aid program. It drew particular attention to the high level, cost and relevance of Australia's technical support and questioned its effectiveness.^{xxvi} AusAID has recently announced a review of technical assistance to include consultations with partner countries. . The Review will consider more cost effective ways to achieve those outcomes.

AusAID is in the process of developing and strengthening Australia's overseas Volunteer program. In the past 5 years alone more than 3,400 Australians have volunteered in 33 countries in the Pacific, Asia, Africa and the Middle East. It is almost 60 years since the first Australian Volunteers Abroad went to Indonesia as young graduates of the University of Melbourne. The Volunteer program is one of mutual benefit to receiving and sending communities and may well be found to provide an alternative, highly effective model to the high cost program of Technical Advisers at the centre of concern in the ANAO Report.

With continuing improvement in the management of the aid program, increased levels of aid will enable Australia to make further high-return investments in development. Such investments must continue to be made in the spirit of international agreements through cooperation with other nations with a clear focus on development objectives, if it is to be effective.

New Aid Funding Mechanisms

When planning the deployment of greater resources AusAID should consider new collaborative mechanisms for funding programs in particular sectors including health and education, nutrition and food programs, for water, sanitation and other infrastructure. Such targeted programs are likely to have a direct impact on the attainment of the MDGs.^{xxvii} While effective mechanisms for distributing this expenditure exist, up to now the Australian Government has failed to make full use of them. The Global Fund to fight AIDS, TB and Malaria has proven to be one of the most effective health funding bodies, saving an estimated 4.9 million lives since 2002.^{xxviii} The Global Fund is facing a severe restriction on its future expansion and yet Australia currently contributes just A\$45 million per year when our fair share is around A\$150 million.^{xxix}

Similar patterns of low Australian support apply to a number of other effective multilateral initiatives including the Education for All Fast Track Initiative, the Global Vaccines Initiative and UNICEF. Our overall level of support for multilateral aid initiatives is low – Australia will deliver just 12% of the aid budget in 2010-11 though multilateral channels compared with an average of 19% for all donors.^{xxx} There are many areas where Australian funding could be used more effectively such as support for well-proven and low-cost interventions in the maternal and child health area which could save the lives of millions of children and deaths of mothers in pregnancy and child birth.

While a potentially sensitive matter for the Australian Government in its relationship with partner governments, ACFID and its member agencies affirm the need to “respect the will, energy and ability of local communities to drive their own development as crucial to ensuring long-term change”.^{xxxii} Australian NGOs are recognised as a significant partner in Australia’s Development Assistance program. Indeed the Overseas Development Institute (ODI) recognised a number of strengths of Australian NGO approaches including high levels of participation ensuring the significant involvement of the community whose efforts they support. Much increased support of NGO programs by AusAID would be an effective means through which the priorities of our partners can be addressed.

Building Transparency and Accountability

It is increasingly recognised that development programs can be de-railed by corruption, making it even harder to meet the MDGs. Transparency International and other civil society organisations working in developing countries believe that access to information and transparency are crucial to ensuring the MDGs are achieved. Access to information and transparency will promote better governance through ensuring greater accountability of states as they seek to attain the MDGs targets. Information access and transparency help fight corruption, and increase participation in development efforts. Without anti-corruption measures it will be harder to prevent vast sums of development money from both donors and governments from going missing and exacerbating barriers to implementing the MDGs.

It is pleasing to note that G20 leaders have formed a Working Group against Corruption and made a strong call on Governments to implement the United Nations Convention against Corruption (UNCAC). UNCAC is the most comprehensive global legal instrument which sets standards and requirements for preventing, detecting, investigating and sanctioning corruption. Leading by example, the G20 nations agree they should stand ready to provide assistance to developing country governments to sign and implement the Convention.

At the same time, efforts are being made at grass roots level, by NGOs in particular, to provide community-led solutions which build integrity and trust in services and the governments who deliver them. Such solutions are proving successful because citizens are empowered to hold those providing services to account for the delivery of them. There are a number of different ways that are in place to empower citizens: Development Pacts in South Asia, peoples’ budgets in Latin America and sub-Saharan Africa and Community Score Cards in Africa and South Asia.^{xxxiii} Citizens monitor services against budgets and hold providers to account. Such initiatives are demonstrably effective in ensuring improved school retention rates and reductions in teacher absenteeism, and improved local and national health services.

Addressing Climate Change

As already noted, unmitigated climate change will have devastating consequences for the world's poor, who are the most vulnerable to climate change. Their reliance on agriculture, more fragile infrastructure, and geographical location in vulnerable places including small island states with their limited capacity to adapt will undermine efforts to achieve the MDGs. Hunger and food insecurity will increase, sea level rises and more frequent natural disasters including floods and cyclones, and increases in mosquito born diseases like dengue fever and malaria will affect the health and livelihoods of millions of people, displace many people and even lead to increased conflict as people seek refuge and safety.

. As the developed country with the highest greenhouse gas emissions per person, it is vital that Australia swiftly adopt demanding emission reduction targets and act decisively to achieve them by setting a price on carbon. This is a necessary condition for Australian international advocacy of a global agreement to seeking to limit temperature increases to 2 deg C

At the same time Australia must provide assistance to developing countries, particularly in the Asia Pacific region, with programs of mitigation and adaptation to the impact of climate change. Australia should commit a fair share to the commitment made at the Copenhagen Conference in December 2009. Of the estimated \$US30 billion required under the Copenhagen Accord in 2010-13, Australia's fair share is \$670 million. The Accord said those funds should be new and additional funding to the aid target tied to the attainment of the MDGs. In addition Australia should continue to be ready to make humanitarian funds available to respond to the impact of climate induced emergencies such as the catastrophic floods in Pakistan or cyclones in the Pacific.

Australia can also play a role in ensuring the reliable availability of additional resources needed by developing countries.. Achievement of the necessary assistance would be facilitated by the introduction of innovative forms of finance for development. One of the most attractive proposals is for introduction of a currency transaction tax (CTT). Scholars have shown that a CTT could be imposed almost universally on the kinds of transaction it would target given only the active cooperation of the monetary authorities in the major vehicle currency countries, though ideally with a few others ready to cooperate.^{xxxiii} This method was elaborated in 2010 by a Committee of Experts who recommend introduction of a global CTT at the point of global settlement.^{xxxiv} The Expert Committee recommends collecting a tiny tax of 0.005 per cent through a Global Solidarity Levy through the increasingly centralised foreign exchange trading system settlement bank. . A general CTT would be a source of funds for global provenance, which would require that they be allocated under global authority. The Expert Committee recommends establishment of a Global Solidarity Fund with a representative governing body to allocate funds for global public goods such as responding to global pandemics and climate change mitigation and adaptation.

Conclusion and Invitation

This is a period of extraordinary opportunity. We have the capacity to aim for an equitable, inclusive and secure society within strong and sustainable economies, characterized by mutual care, social justice, creativity, trust and environmental responsibility,

and with democratic and accountable governments that value national independence and contribute to global security, peace and justice. We could reaffirm preferences for peace rather than violence, negotiation rather than confrontation, the rule of law rather than hegemonic dominance and work for international justice rather than accepting perpetual poverty and despair for half of humankind. Each of us can contribute to such goals in local and national ways.

We encourage you to respond to the invitation from the Micah Challenge by signing the Micah Call on line and acting on the commitment you so make, ^{xxxv}

The Micah Call

This is a moment in history of unique potential, when the stated intentions of world leaders echo something of the mind of the Biblical prophets and the teachings of Jesus concerning the poor, and when we have the means to dramatically reduce poverty.

We commit ourselves, as followers of Jesus, to work together for the holistic transformation of our communities, to pursue justice, be passionate about kindness and to walk humbly with God.

We call on international and national decision-makers of both rich and poor nations, to fulfil their public promise to achieve the Millennium Development Goals and so halve absolute global poverty by 2015.

We call on Christians everywhere to be agents of hope for and with the poor, and to work with others to hold our national and global leaders accountable in securing a more just and merciful world.

Questions for Discussion

1. What challenges have to be addressed if the MDGs are to be attained by 2015?
2. What is poverty?
3. Do you agree with former British PM Gordon Brown that “the Millennium Development Goals touch deeply the core of Christian mission”?
4. What is Australia’s responsibility to the international community as it seeks to eradicate poverty? How should people of faith contribute to this task?

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ⁱ We acknowledge the work of World Vision Australia, the Micah Challenge Australia and the Australian Council for International Development for their research and analysis which have assisted our work on this paper. .

ⁱⁱ World Bank: *Global Monitoring Report 2010*, UNICEF 2009 *State of the World’s Children*, UNAIDS AIDS Epidemic Update 2009, WHO/UNICEF 2010 *Progress on Sanitation and Drinking-Water*.

ⁱⁱⁱ It is estimated that an extra 64 million will fall into extreme poverty in 2010 in the continuing wake of the Global Financial Crisis

^{iv} Isaiah 35, 42, 56, 61; Micah 4, 6

^v http://www.lambethconference.org/resolutions/2008/#_ftn15

^{vii} This is a paraphrase of a section of an unpublished report of the TEAM Conference hosted by former Archbishop Njongonkulu Ndungane of Cape Town at Boksburg South Africa in 2007 inspired by an address by Archbishop Rowan Williams at that conference.

^{vii} I Corinthians 12:26

^{viii} Micah 6:8

^{ix} Matthew 25:37 -40

^x See Archbishop Rowan Williams **New Perspectives on Faith and Development** at <http://anglicancommunion.org/acns/news/cfm/2009/11/13/ACNS4667>

^{xi} The global conferences included UN Conferences and Summits on Children, the Environment, Population, Women, Housing, Health, Poverty, Education and Human Rights

^{xii} <http://www.un.org/millenniumgoals/>

^{xiii} Helen Clarke, 'The UN and New Zealand – Peter Fraser's Legacy', Peter Fraser Memorial Lecture, Wellington, 12 August 2010

^{xiv} World Bank, *Global Economic Prospects 2010: Crisis, Finance and Growth*, Washington, 2010, pp 41, 42

^{xv} Ibid

^{xvi} WaterAid 2009 *Towards total sanitation* and Hutton G, Bartram J 2008 *Global costs of attaining the Millennium Development Goals for water supply and sanitation*.

^{xvii} World Vision 2009 *Child Health Now*.

^{xviii} UNICEF *Childinfo* database.

^{xix} Indonesia \$459 million, PNG \$457 million, Solomon Islands \$226 million and Afghanistan \$123 million

^{xx} *Smith S. Speech at Business for Millennium Development Summit 2008*. October 24 2008. Quoted in Joel Negin *Reviving Dead Aid: Making International Development Assistance Work*. Lowy Institute *Analysis* August 2010 p.8

^{xxi} Negin Ibid.

^{xxii} AusAID. Australia's Aid Program. See <http://www.ausaid.gov.au/about/default.cfm>

^{xxiii} See The Paris Declaration and Accra Agenda for Action at http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html

^{xxiv} See <http://www.ausaid.gov.au/country/partnership.cfm>

^{xxv} OECD DAC 2008 *Peer Review: Australia*.

^{xxvi} Auditor General 2009 *AusAID's Management of the Expanding. Australian Aid Program*.

^{xxvii} I acknowledge, Tim Costello's **The Millennium Development Goals – Is Australia doing enough?** - an unpublished paper from World Vision Australia for the following assessment of these funding mechanisms.

^{xxviii} The Global Fund 2010 *Innovation and Impact*.

^{xxix} 2% of the US\$20bn estimated requirement for the next three year replenishment.

^{xxx} OCED DAC *Development Cooperation Report 2010* Statistical Annex Table 7 using the unweighted average.

^{xxxi} Better Aid www.acfid.asn.au

^{xxxii} See http://www.transparency.org/news_room/in_focus/2010/development_pacts

^{xxxiii} Most recently discussed in Rodney Schmidt, *The Currency Transaction Tax: Rate and Revenue Estimates*, North-South Institute, Canada, October 2007

^{xxxiv} Committee of Experts to the Taskforce on International Financial Transactions and Development, *Globalizing Solidarity: The Case for Financial Levies*, Leading Group on Innovative Financing for Development, French Ministry of Foreign and European Affairs, Paris, June 2010. The Leading Group is an informal forum composed of 60 governments, the main international organisations and NGOs from every continent.

^{xxxv} <http://www.micahchallenge.org.au/micah-call>