

CHECK OUT

CCJP

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MDGs and AJD

HOW IS AUSTRALIA DOING ON THE MILLENNIUM DEVELOPMENT GOALS?

At the Millennium Summit in 2000 world leaders including Australia promised to achieve the 8 Millennium Goals (MDGs –see below) by 2015. Poor countries pledged to reform policies, improve governance and to channel resources to development objectives as embodied in the first 7 Goals. Rich countries promised to deliver more effective aid, faster and deeper debt relief and fairer trade rules as embodied in the 8th Goal.

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.

So how well is Australia doing in meeting these promises?

Australia's aid spending of approximately \$3 billion per annum currently sits at 0.3% of the Gross National Income (GNI). Whilst the Rudd Government has made a commitment to increasing the aid budget to 0.5% of GNI by 2010, Australia will still remain way off the internationally agreed target of 0.7% by 2015.

However more importantly, in addressing the effectiveness of the Australian aid program, Australia must not limit itself to increasing the level of its aid but needs to take urgent steps to address the **quality** of our aid in order to deliver genuine poverty relief and meet the diverse needs of communities.

Goals of the Australian Aid Program

Overarching Aid Program objective:

to assist developing countries to reduce poverty and achieve sustainable development in line with Australia's national interest.

2006 White Paper Priorities:

- ◆ Accelerating economic growth
- ◆ Fostering functioning states
- ◆ Investing in people
- ◆ Promoting regional stability and cooperation

Source: www.un.org/millenniumgoals/ and www.ausaid.gov.au

*"I have a lot of misgivings about the way we spend our aid money, and have met many expats working with highly impoverished people while living an incredible life they could never achieve in Australia. Big houses in the best part of town, servants, the whole new age colonial thing." -
Ex development practitioner*

A I D / W A T C H

(www.aidwatch.org.au) identifies two significant problems that are preventing aid funding from achieving better results. These problems are:

1. Misguided aid priorities and the wasteful methods of delivering aid that privileges Australian companies and
2. Over inflated Australian salaries.

The Solomon Islands aid program is a key example where these priorities have created distortions in aid expenditure over time. The 07/08 Budget Statements reveal the RAMSI intervention, which is specifically focused on security and financial stability receives \$223.9 million in this year's aid budget and a large proportion of this funding is contracted to the **Packer family company GRM international**. The rest of the aid program – health, education, livelihoods, gender empowerment, absolutely everything else, shares \$95.4 million.

Technical Assistance

In addition to the companies who receive aid, another large problem is the highly paid salaries for Australian 'advisors' to give what is called Technical Assistance to developing countries. These salaries can be as large as \$300 000 tax free for one year as an aid worker. The most controversial example of Technical Assistance was when the disgraced head of the AWB (the company accused of paying millions in kickbacks to Saddam Hussein) was employed on a one million dollar Technical Assistance salary with AusAID. This aid money in effect funded Trevor Flugge to act in the interests of the company he once headed, rather than improve the agricultural sector in Iraq at a time where millions of Iraqis were suffering food shortages.

Aid Priorities

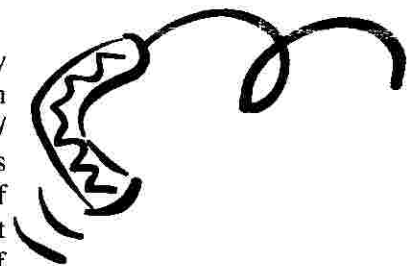
A recent aid review, tabled in Parliament March 2008 entitled *The Annual Review of Development Effectiveness* stated that Australia's aid program has delivered some results in establishing security and financial stability in aid recipient countries. However sustainable improvements in key areas such as health and education services and employment opportunities for young people have been harder to achieve.

A major handicap to outcomes in health and education, which are crucial to delivering the **Millennium Development Goals**, has been their absence from the central priorities of the aid program. Reflecting on the priorities of the 2006 White Paper, no broader directive exists to deliver specific outcomes in key poverty indicators.

Tied Aid

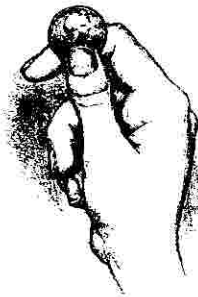
Until 2006 Australia actually tied all its aid to Australian providers, a practice AID/WATCH has referred to as 'boomerang aid' because of the huge amount of profits that return to Australia instead of

assisting the poor in the local area. The Australian government made a commitment to untying aid in 2006 which was an important improvement. However the AusAID website shows that a motivating force was to facilitate access for Australian companies to European countries' aid programs. AusAID's senate order lists reveal that despite the official untying of aid very few local institutions and organisations are receiving aid contracts.



What can you do?

In the lead up to the election of November last year the current Labor government signaled it would commit to the **Millennium Development Goals** as the foundation of the Australian aid program. Write to the Prime Minister asking that Labor keep its promise to commit to the MDG target of 0.7% by 2015.



SUPPORT AID/WATCH

AID/WATCH is the only organisation in Australia dedicated to ensuring Australians are informed on where their aid money is going and that Australian aid responds to the needs of communities.

Thanks to AidWatch for the information for this Checkout

Should you wish to receive further **CHECK OUTs**, contact Margaret Keyes, CCJP, PO Box A21 Enfield South 2133.
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