



## **Senate Inquiry into Australia's overseas aid and development assistance program**

Submission by The Global Poverty Project

### **1) Introduction Part A: making the case for a strong overseas aid program**

20 years ago ending poverty was seen as a far off aspiration and indeed even as naive or unrealistic. In 2014 however, following years of real progress, eradicating extreme poverty once and for all is not only on the table, it is being discussed as a feasible, timetabled reality.<sup>i</sup>

The UN Secretary-General's High-Level Panel, the President of The World Bank Group and other entities and individuals, including world leaders such as British Prime Minister David Cameron, have all called for eradicating extreme poverty from the face of the earth by 2030.<sup>ii</sup> And so optimistic is Bill Gates that in his most recent annual letter he made the prediction that “by 2035, there will be almost no poor countries left in the world.”<sup>iii</sup>

Despite this optimism however, one thing is clear: economic growth alone will not enable us to reach the goal of ending extreme poverty by 2030. Research suggests that while economic growth will remain critical to driving poverty reduction, it will neither be fast nor inclusive enough to completely end extreme poverty. Indeed, current best cases scenarios, relying only on increased economic growth, leave more than 100 million people living in extreme poverty by 2030.<sup>iv</sup>

A country's GDP may continue to grow but large pockets of poor people within that country may be left without any way of plugging into the opportunities and wealth created by increased growth. Therefore, highly targeted and effective forms of interventions will continue to be required in order to enable many poor communities to tap into such opportunities. Alongside other forms of financing (domestic resources, foreign direct investment and private giving through remittances), development aid will and must continue to form part of the interventions aimed at ensuring the poorest people share in the benefits of growth.

Ultimately, aid saves and improves lives very effectively; laying the groundwork for long-term economic progress and in turn helping countries stop depending on aid. Additionally, aid also has implications for Australia. Take the cost of providing a 13-cent vaccine to protect thousands of children against horrific diseases, such as polio. And compare this investment to the potential payoffs. Thanks to our aid dollars, generations of children may now grow up to be healthy, active players in the global economy, and ultimately, consumers of Australian goods and services. As Bill Gates stressed when he visited Australia last year: *“Aid is a good investment for Australia - increasing regional stability while reducing poverty and helping turn countries like China, Korea, Malaysia, and Thailand from aid recipients into top trading partners.”*

The case for aid could not be clearer: aid invested into building health, education, and infrastructure can in the end help serve as a basis for self-sufficient and sustained economic development. Put simply, the case for aid is economically rational.

## **2) Introduction Part B: The aid cuts in context**

Following the trend set by Norway, the UK, Sweden and South Korea; Australian aid has more than tripled since 2004 thanks to commitments by former Prime Ministers John Howard, Kevin Rudd and Julia Gillard. Nonetheless, the future of the Australian aid program remains uncertain following the recent history of broken promises, budget cuts and backsliding. Both of Australia's main political parties have failed to fully deliver in government on the aid promises they made in opposition. Between them they are due to spend AU\$10 billion less on foreign aid than they promised in 2010.<sup>v</sup>

In 2007, the Australian Labor Party committed to spend 0.5% of gross national income on foreign aid by 2015-16.<sup>vi</sup> This was reiterated in 2010<sup>vii</sup> and matched by the then opposition Coalition. Yet the Gillard/Rudd Governments watered down their aid commitments on five separate occasions.<sup>viii</sup>

Two days before the 2013 federal election the Coalition announced further cuts of AU\$4.5 billion against planned spending from 2013-2014 to 2016-17.<sup>ix</sup> This included cuts of AU\$656 million to the 2013-14 aid budget.

Under the Coalition Government's plans foreign aid is likely to shrink as a proportion of gross national income to 0.32% by 2016-17.<sup>x</sup> At the May 2013 budget aid spending was projected to reach 0.37% for 2013-14.<sup>xi</sup>

### **a. Australia's ability to deliver aid against stated policy objectives and international commitments**

#### **Stated policy objectives**

More than 4 months after assuming office the new Coalition Government has yet to issue a definitive statement of policy objectives for international development. Those seeking to understand the Government's future policy intentions are currently forced to rely on speeches by the Foreign Minister and transcripts from the most recent Senate Estimates.

On January 18<sup>th</sup> the Foreign Minister announced how cuts of approximately AU\$650 million would be accounted for in the current 2013-14 aid budget. While this has provided some certainty to the international development community and aid recipients in the immediate term, there remains a lack of certainty about the focus of Australian aid in the long-term and certainly beyond the current budget year.

One of the most significant changes announced to date concerns the primary objective of Australian aid. Under the previous Government, “The fundamental purpose of Australian aid is to help people overcome poverty.”<sup>xii</sup> Yet the new Government states that, “Australia’s aid program will promote Australia’s national interests through contributing to international economic growth and poverty reduction.”<sup>xiii</sup> The insertion of ‘international economic growth,’ ahead of ‘poverty reduction,’ as the main aim of the Australian aid program poses three key questions.

First, increased economic growth at any level, national or international, does not necessarily equate to a reduction in poverty. For example, Equatorial Guinea has had high economic growth for over a decade<sup>xiv</sup> yet is ranked 136 out of 186 countries in the UN’s most recent Human Development Report.<sup>xv</sup> It is perfectly possible for high rates of economic growth to coexist with high rates of poverty.

Secondly, if Australian aid is going to be saddled with this additional, huge objective then logically the size of the aid budget would have to increase, if not double. Yet we know that the new Government has decided to reduce the aid budget in cash terms and will hold spending down to approximately AU\$5 billion per annum for the foreseeable future.<sup>xvi</sup>

Thirdly, investing in poverty reduction can itself help create the takeoff conditions for higher economic growth demonstrating the fallacy of making it a secondary objective to increasing growth. To quote Professor Jeffrey Sachs, “recent evidence shows that development aid, when properly designed and delivered, works, saving the lives of the poor and helping to promote economic growth.”<sup>xvii</sup> For example, a study in *The Lancet* found that reductions in mortality account for 11% of economic growth in low and middle-income countries.<sup>xviii</sup>

### **International commitments**

The major international commitments impacting on Australian aid expenditure are the UN Millennium Development Goals (MDGs). The Foreign Minister reaffirmed Australia’s commitments to the MDGs on 25 September 2013.<sup>xix</sup> The first seven MDGs concern poverty outcomes in developing countries: income poverty and hunger, education, women’s empowerment, child mortality, maternal health, infectious diseases and environmental sustainability.<sup>xx</sup> Yet the eighth MDG requires all countries to “develop a global partnership for development”. One of the agreed measurements of progress for MDG8 is the provision of “more generous ODA [Official Development Assistance or aid] for countries committed to poverty reduction.”<sup>xxi</sup> Unless it believes that there are substantial numbers of developing countries that are not committed to reducing poverty, a developed country cannot simultaneously be said to be committed to the achievement of the MDGs while at the same time reducing its aid budget.

To effectively deliver on the first seven MDGs ahead of the 2015 deadline Australian aid needs to be of sufficient volume and quality. The UN Millennium Project’s costing showed that less than half of cost of meeting the first seven MDGs would need to be borne by aid. Aid from developed countries needed to have reached 0.44% of gross national income by 2006, rising to 0.54% by 2015.<sup>xxii</sup>

Yet the new Government has set a course for Australian aid that is heading in the opposite direction. Under the Coalition Government's plans foreign aid is likely to shrink as a proportion of gross national income to 0.32% by 2016-17<sup>xxiii</sup> down from the 0.37% for 2013-14 projected at the May 2013 budget.<sup>xxiv</sup> In contrast, the UK, France and Ireland all give more in aid than Australia despite all three having experienced economic recession in recent years.<sup>xxv</sup>

### **State of the MDGs**

The latest UN MDGs report confirms that several of the targets have already been met or are within reach. Yet the environmental sustainability, child survival, maternal health, HIV and AIDS, education and sanitation goals will all be missed without bolder action. The UN is particularly concerned about the rural/urban divide, and gender inequality – both of which hamper future progress on the MDGs.<sup>xxvi</sup>

### **Post-2015**

The new Australian Government is in-principle committed to the MDGs' successor framework, due to be finalised in 2015. The Foreign Minister has said that, "The new framework should be simple and compelling, and focus on the eradication of extreme poverty through sustainable development."<sup>xxvii</sup>

No Australian Government is going to be able to effectively help deliver the end of poverty without significant investment in Australian aid, along with a raft of other policy measures.

### **b. Australia's ability to maintain its international development priorities, including sectoral, regional, bilateral and multilateral international relationships**

International development is about far more than aid. Fairer trade, effective taxation, pro-poor migration, good governance, the sound deployment of new technologies and ensuring natural resources benefit the population of the countries from which they are extracted are all critical issues too.

However, since this Senate inquiry is concerned primarily with aid this submission will confine itself to those international development priorities that are to be delivered by Australian aid. We focus much of our submission on how huge strides can be made in achieving the objective of "poverty reduction" through increasing aid to innovative institutions - such as the GAVI Alliance, the Global Polio Eradication Initiative, and the Global Fund - that have been "enormously successful in improving public health in low-income countries."<sup>xxviii</sup>

Investments in such innovative public private partnerships not only yield solid development outcomes, but also have a significant impact on the Asia-Pacific region. This should be noteworthy given the Government's stated intent to reorient the focus of the aid program on Australia's immediate region. For example, the GAVI Alliance has leveraged Australia's total

contribution of US\$230 million since 2000 to invest a total of US\$1.6 billion in the Asia-Pacific region over the same time period.

Likewise, the Global Fund financially supports 50% of Indonesia's national HIV program and is in that sense as much about Jakarta as it is about Geneva. Additionally, since 2004, Australia has invested AU\$408 million in the Global Fund while in return the Global Fund has invested over A\$4 billion in Australia's top 20 countries of interest in the Asia Pacific region – a leverage ratio of over 10:1.

Moreover, continuing to support such public private partnerships is also in line with the Government's desire to invest in *sustainable* aid programs. For example, the GAVI Alliance works with countries that co-finance the introduction and rollout of immunization programs with the expectation that they will eventually pay for such delivery in full once their country's national income rises above a certain threshold. In this sense, through such innovative partnerships aid serves as a short-term catalyst to reduce reliance on aid in the long-term. To this end, the GAVI Alliance is expected to reach peak expenditure over its next 5-year replenishment cycle.

Finally, as can be seen in the examples below, such public private partnerships have a solid reputation for delivering clear and tangible results and outcomes. Since the Foreign Minister has stressed this as a top Government priority, continued support of these initiatives should be forthcoming.

## **Historic Australian international development priorities**

### **Eradicating polio**

#### **State of play**

The end of polio is within reach – we are 99% of the way there. Polio cases have been reduced from more than 350,000 in 1988 to 223 in 2012. India (long-regarded as the most difficult place to end polio) was recently removed from the list of polio-endemic countries and has just celebrated 3 years as polio-free in January 2014. It is now expected that the entire South-East Asia Region of the World Health Organisation will be certified as polio-free in March this year.

There are now only 3 countries remaining where polio has never been stopped: Pakistan, Afghanistan and Nigeria.

On 10<sup>th</sup> November 2013, 12 months passed without a single case of wild poliovirus type 3 anywhere in the world. In other words, the second of three strains of polio is on the brink of being completely wiped out (type 2 was eradicated in 1999).

Polio outbreaks in previously polio-free countries – Somalia, Syria, Cameroon – and the presence of the polio virus in Egypt and Israel underlines the fact that the existence of polio anywhere is a threat everywhere and an important reminder that support from the global community and Australia for the Global Polio Eradication Initiative is more critical now more than ever.

### Previous Government commitments

At the Commonwealth Heads of Government (CHOGM) meeting in Perth in 2011 Prime Minister Gillard pledged AU\$50 million towards polio eradication for 2011-2014.

In May 2013 Prime Minister Gillard announced an additional AU\$80 million for polio eradication between 2015 and 2018.<sup>xxix</sup>

### Current Government position

At the Senate Estimates on 21 November 2013 the Government was asked about its funding for the Global Polio Eradication Initiative. In response, the Attorney-General, representing the Foreign Minister said,

“The aid budget is under consideration at the moment and decisions in relation to particular programs will be announced in due course. I am not going to play the rule-in rule-out game, because these are decisions that are currently under consideration.”<sup>xxx</sup>

Pressed on when a decision on when a decision on the 2015-2018 funding for the Global Polio Eradication Initiative would be made, the Attorney-General said:

“I think the budget date for next year is already known. It may be that there are announcements in advance of the budget.”<sup>xxxi</sup>

The Australian Government urgently needs to confirm its remaining \$80m commitment to polio eradication through 2018. The Global Poverty Project welcomed the announcement on January 18 that Australia's commitment to polio eradication for the current budget year would be maintained in full and awaits confirmation of future support. We note that many Government MPs have been supportive of this effort with one Government MP describing the work of the polio eradication program as “being very worthy with practical outcomes.”

## **Providing vaccines**

### State of play

Despite substantial population growth, global child mortality has almost halved from 12.6 million in 1990 to 6.6 million today. The increased provision of vaccines globally is a key driver of this welcome progress. Vaccines – combined with investments that strengthen national health systems – also help to improve maternal health and combat infectious diseases.<sup>xxxii</sup>

Since the Global Alliance for Vaccines and Immunisations (GAVI) was launched in 2000, global immunisation coverage rates have increased from 73% to 83%. With GAVI's support 440 million children have been immunised and 6 million deaths prevented.<sup>xxxiii</sup>

However, more than 22 million children worldwide still do not have access to even the most basic vaccines.<sup>xxxiv</sup>

### Previous Government commitments

Australia committed AU\$200 million to the Global Alliance for Vaccines and Immunisations (GAVI) for the 2011-2013 calendar year period.

### Current Government position

The Global Poverty Project welcomed the announcement on January 18 that the AU\$52.5 million still owing to GAVI as part of the preexisting AU\$200 million commitment would be paid in full.

Australia has yet to make any pledges for 2014 or 2015. GAVI works on a 5-year commitment period and most other countries made 5-year pledges.

The Australian Senate has called for the Government to increase its investments in GAVI by pledging AU\$75 million per year for 2014 and 2015.<sup>xxxv</sup> We support this call and urge the Government to make an increased commitment to GAVI at the forthcoming replenishment conference.

### **Combatting AIDS, tuberculosis and malaria**

#### State of play

##### *HIV and AIDS*

At the end of 2011 – the most recent year for which figures are available - an estimated 34 million people were living with HIV worldwide, with two-thirds of them living in Sub-Saharan Africa.<sup>xxxvi</sup>

Deaths from AIDS-related causes fell from a peak of 2.2 million a year in the mid-2005 to 1.7 million in 2011.<sup>xxxvii</sup>

More people than ever before are currently receiving treatment for HIV and AIDS. At least 8 million people in developing countries are taking medication – an increase of almost two-thirds between 2009 and 2011.<sup>xxxviii</sup>

##### *Tuberculosis*

8.7 million people contracted tuberculosis (TB) in 2011. TB is second only to AIDS in terms of global deaths from infectious diseases. In 2011 1.4 million people died from TB (this includes 430,000 who were HIV-positive). More than 95% of those who died lived in developing countries.<sup>xxix</sup>

Globally, mortality from TB has fallen by 41 percent since 1990. The World Health Organization (WHO) estimates that the MDG target of falling TB incidence rates by 2015 will be met. Despite this progress, the global burden of TB remains enormous.<sup>xl</sup>

The Global Fund provides nearly 90% of all international financing for TB.<sup>xli</sup>

##### *Malaria*

The number of malaria cases has fallen by 17% since 2000 with deaths down by one quarter. Yet malaria remains endemic in 99 countries, causing an estimated 219 million cases and 660,000 deaths per year. 80% of cases and 90% of deaths occur in Africa.<sup>xlii</sup>

### Previous Government commitments

The Gillard Government pledged and disbursed a total of AU\$210 million for 2011-2013 for The Global Fund to fight AIDS, TB and Malaria.<sup>xliii</sup>

### Current Government position

In December 2013 the Foreign Minister announced a total of AU\$200 million for 2014-2016 for The Global Fund to fight AIDS, TB and Malaria.<sup>xliv</sup>

The Australian Senate has called for the Government to increase its investments in the Global Fund to fight AIDS, TB and Malaria by pledging at least AU\$375 million for the 2014-2016 funding round.<sup>xlv</sup>

The International AIDS Conference to be held in Melbourne in July 2014 provides an opportunity for the Australian Government to upgrade its commitment to The Global Fund.<sup>xlvi</sup> The Global Poverty Project encourages it to embrace this opportunity.

## **Education**

### State of play

56 million more children go to school today than in 1990.<sup>xlvii</sup> In South and West Asia the number of out-of-school primary school children has been cut by two-thirds: from 40 million in 1999 to 12 million in 2011.<sup>xlviii</sup>

Yet 57 million children worldwide still do not go to primary school,<sup>xlix</sup> and 775 million adults are illiterate.<sup>i</sup> Momentum has slowed since 2005 with the number of children enrolled in primary school moving up by only 2% between 2005 and 2011 (87% to 89%).<sup>ii</sup> Learning outcomes remain poor in many cases: 250 million children fail to attain minimum standards, such as being able to read a simple sentence.<sup>iii</sup>

The vast majority of aid to education is provided bilaterally.<sup>liii</sup> This has the potential to leave some developing countries with lots of resources and lots of different donors to deal with and others with little or none. So in 2002 the Global Partnership for Education (GPE) was set up to fill in the gaps and even out the support given. It helps developing country governments, donor governments, international organizations, NGOs, and the private sector work together to ensure that education aid is better coordinated and more effective.<sup>liv</sup>

### Previous Government commitments

Education was AusAID's flagship program with the previous Australian Government planning to spend AUD\$1.2 billion (22% of total Australian aid) on education in 2013-14.<sup>lv</sup> Australia is the second largest donor (in absolute terms) to education, behind only the UK.<sup>lvi</sup>

In 2011 the Gillard Government pledged AU\$270 million in total for the GPE for 2011-2014.<sup>lvii</sup>

### Current Government position

The Global Poverty Project welcomed the Government's announcement on January 18<sup>th</sup> to maintain Australia's commitment to the GPE as part of the current budget year.

On 26<sup>th</sup> June, the European Commission will host a replenishment conference to fund GPE's work over the 2015-18 period. The Global Poverty Project strongly encourages the Government to announce an increased commitment to the GPE at this conference.

### **Family planning**

#### State of play

At the London Summit on Family Planning in July 2012, US \$2.6 billion was pledged to reduce the unmet need for family planning services in developing countries by 120 million women by 2020. This was a monumental moment in the movement to provide contraception services to women worldwide. Yet, it is estimated that it would cost **an additional \$4.1 billion** each year to meet the **unmet need for family planning of all 222 million women who would use family planning but currently lack access to it**. This investment would save lives by preventing unintended pregnancies and unsafe abortions.

Family planning enables millions of girls to stay in school, could reduce global maternal mortality by a third and has the capacity to lift entire communities out of poverty.

Giving women and girls access to contraceptives is transformational – families become healthier, wealthier, and better educated. Reducing unintended pregnancies leads to fewer girls dropping out of school and a greater opportunity to escape poverty. Contraceptives are also one of the best investments a country can make in its future, delivering big savings in healthcare costs. **Each dollar spent on family planning can save governments up to 6 dollars on health, housing, water, and other public services.**

If the global unmet need for family planning was met, it would prevent 79,000 women from dying due to complications from pregnancy and childbirth; 1.1 million infant deaths; 54 million unintended pregnancies; 7 million miscarriages; and 26 million abortions, 16 million of which are performed unsafely, every year.

Worldwide, an estimated 41% of all births are unintended, and the need for voluntary family planning is growing. **It is estimated that the unmet need for contraception will grow by 40% in the next 15 years.**

Today, the world loses an estimated USD 15 billion in productivity every year because women and newborns die during pregnancy and childbirth. Investing in family planning is one of the smartest investments we can make.

#### Previous Government commitments

In July 2012 the Gillard Government pledged an additional **AU\$58 million for family planning over 5 years**, doubling annual contributions to AU\$53 million by 2016.<sup>lviii</sup>

This commitment will form a part of Australia's broader investments in maternal, reproductive and child health (at least AUD 1.6 billion over five years to 2015).

#### Current Government position

It is currently unclear what the Government's position is on this issue but the Global Poverty Project encourages it to maintain the commitment made by the previous Government.

### **c. The integration of AusAID into the Department of Foreign Affairs and Trade and the freeze in international development assistance funding**

#### **Integration**

The Cabinet's decision to abolish AusAID as an executive agency and absorb its functions into the Department of Foreign Affairs and Trade<sup>lix</sup> presents both a new opportunity and a new risk.

A single integrated department could give a stronger voice to other areas of international development policy that are not related to aid. The international development case for trade reform, migration, effective taxation, and anti-corruption measures could get more of a hearing and spur more action in these policy areas.

However, the risk is that the integration becomes a one-way process: the former AusAID helps DFAT deliver its foreign policy objectives without any new push on global poverty from non-aid officials.

Research undertaken by the Overseas Development Institute suggests that a separate Minister for International Development of Cabinet rank, distinct from the Foreign Minister, is "strongly associated with higher Official Development Assistance (ODA)/Gross National Income (GNI) ratios, honoured commitments, lower volatility of ODA flows and better aid quality and effectiveness."<sup>lx</sup> The decision of the new Government to combine the posts of Minister for International Development and Foreign Minister in a single person does not bode well.<sup>lxi</sup> It is worth noting that despite a similar integration in Canada whereby the aid agency was merged with the foreign affairs department (creating a "Department of Foreign Affairs, Trade and Development"), a separate Cabinet-level Minister for International Development post was retained by the Harper Government.

The way in which staffing changes are being made for the new integrated department appears to be back-to-front. Most organisations would decide their objectives first and then work out the number and skillset of the people they need to deliver them. Yet the new Government has not set out its objectives for international development, has not decided on the number or skillset of staff the new department will need but has offered all existing staff the opportunity to take up voluntary redundancy.<sup>lxii</sup> There is a clear risk that DFAT will need to re-hire staff in the future to fill the positions that it prematurely made redundant.

Moreover, amalgamation should not lead to reduced transparency. The AusAid blue book, with its thematic focus on development, should be maintained or improved. This will allow the Australian public to engage on the issue and hold the government to account on its aid investments.

Nonetheless, the integration does represent an opportunity to increase the percentage of Australian aid going towards supporting effective multilateral programs and innovative public private partnerships. Over 80% of Australia's aid program is currently delivered through bilateral aid programs, which is higher than most other, if not all, donor countries. While bilateral aid programs may better suit the fulfilment of foreign policy objectives, multilateral aid programs are designed to reduce overlap and wastage and to coordinate the delivery of aid amongst donors. Given likely job reductions in the Australian aid program, the Government can help ensure a continuity, if not improvement, in the effectiveness of Australian aid by increasing the percentage of aid going towards multilateral funding. This may also help mitigate any decline in the effective delivery of Australian aid as a result of job losses in the Australian aid program.

#### **d. Any unintended consequences of these changes**

As a result of the aid cuts the gap between Australia's ability to contribute to international development and its actual contribution will continue to widen. Australia is the second most developed country in the world.<sup>lxiii</sup> The Government's Austrade website boasts that: "Australia has recorded 22 years of uninterrupted annual growth from 1991 to 2012, an achievement unequalled by any other developed economy".<sup>lxiv</sup> Yet Australia ranks only thirteenth by proportion of gross national income spent as foreign aid.<sup>lxv</sup> Given that aid spending is forecast to fall from a planned spend of 0.37% of gross national income in 2013-14 to 0.32% by 2016-17 Australia is likely to slip further down this league table of donors.<sup>lxvi</sup>

There is also some risk to the future effectiveness of Australian aid as a result of both the aid cuts and the integration of AusAID into the Department of Foreign Affairs and Trade. The AU\$656 million real terms cut to the 2013-14 budget is likely to increase the amount of money spent on staff redundancies and compensation for cancelled contracts – in effect money wasted that could have been spent on poverty reduction. Absorbing AusAID into DFAT could mean that some spending priorities are distorted and that aid is spent on activities that have a poor return on either poverty reduction or on advancing Australia's commercial interests.

Despite backsliding by the previous Government on its aid commitments, there is no denying that its increased investment in aid - albeit unpredictable at times - increased Australia's international standing. Anecdotal evidence suggests that the recent aid cuts have affected the way Australia is perceived internationally with at least one world leader informing us that they found the new approach to development "disappointing." The perception amongst some foreign diplomats is that Australia can no longer be relied upon to show leadership on issues of international development. This should be cause for concern given that having a good

international reputation is not merely an end in itself but rather a foundation for building the goodwill necessary to host successful international gatherings such as the G20.

**e. Any other related matters**

**Cuts in Aid to Africa**

On January 18<sup>th</sup> the Government announced that it would cut aid to Africa in the current budget year by \$92 million.

One has to question the wisdom of such an approach if “poverty reduction” is indeed an objective of the Government’s aid program. In 2010, more than 400 million people were living in extreme poverty in sub-Saharan Africa. Many of these people are living so deeply in poverty that its thought that only interventions that go beyond merely increasing growth can overcome the structural challenges they face.<sup>lxvii</sup> Moreover, its estimated that if growth only was pursued, without targeted interventions, sub-Saharan Africa will account for the majority - indeed as high as 80% - of the world’s poor by 2030.<sup>lxviii</sup> Clearly, the goal of complete poverty reduction will not be able to be achieved in its entirety without some level of intervention in sub-Saharan Africa.

From a purely self-interested standpoint, there is much to be said about investing in Africa’s development to help create the takeoff conditions for larger consumer and export markets. Indeed, over the last decade Africa’s GDP has more than tripled and Australia’s trade with the continent has grown by about 6% annually. Today, more than 200 resource companies from Australia are involved in 650 projects in 42 countries.

**Conclusion: the legacy of aid**

All too often in the context of development assistance, publicity tends to focus on the few examples of badly mismanaged aid. This is cause for regret given the life-saving legacy of many Australian aid programs.

This Inquiry serves as an opportunity to recognise and celebrate what has been accomplished so far: namely, that children are being saved from sickness and death at a rate unprecedented in history. Bill Gates describes this as the “Child Survival Revolution,” which has seen 100 million deaths being averted and is arguably one of the most powerful stories of foreign developmental aid that can be told.<sup>lxix</sup> Australian aid has played an important part in catalysing this historic trend and in leveraging millions more dollars from other international donors. For example, the World Health Organisation described Australia’s intervention in polio eradication at CHOGM 2011 as a “game-changer” in mobilising global political and financial will to help eradicate the disease once and for all.

Countless parliamentarians from both sides of politics, and indeed Australian taxpayers themselves, deserve recognition for supporting such worthy interventions. The Global Poverty Project supports these efforts and encourages political leaders to not shy away from advocating

for a strong aid program, even defending it where necessary. Too few members of Parliament and the Australian public know what Australian tax dollars have helped accomplish in some of the poorest corners of the world. While this may not necessarily be the easiest message to convey given the prevalence of several misleading myths about development assistance, political leaders should be at the forefront of conveying the importance of having a strong aid program. As British Prime Minister David Cameron said when addressing directly readers of the *Daily Mail* concerned about increased levels of British aid: ***"I know this is a controversial argument, but it's an argument that can be won."***<sup>ix</sup>

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<sup>i</sup> Development Initiatives (2013), Investments to End Poverty xiii: [http://devinit.org/wp-content/uploads/2013/09/Investments\\_to\\_End\\_Poverty\\_full\\_report.pdf](http://devinit.org/wp-content/uploads/2013/09/Investments_to_End_Poverty_full_report.pdf)

<sup>ii</sup> Development Initiatives (2013), Investments to End Poverty xiii: [http://devinit.org/wp-content/uploads/2013/09/Investments\\_to\\_End\\_Poverty\\_full\\_report.pdf](http://devinit.org/wp-content/uploads/2013/09/Investments_to_End_Poverty_full_report.pdf)

<sup>iii</sup> Bill & Melinda Gates Foundation (2014), Annual Letter <http://annualletter.gatesfoundation.org/>

<sup>iv</sup> Development Initiatives (2013), Investments to End Poverty p1: [http://devinit.org/wp-content/uploads/2013/09/Investments\\_to\\_End\\_Poverty\\_full\\_report.pdf](http://devinit.org/wp-content/uploads/2013/09/Investments_to_End_Poverty_full_report.pdf)

<sup>v</sup> AU\$5.8 billion (Labor) plus AU\$4.5 billion (Coalition) = AU\$10.3 billion

<sup>vi</sup> ABC News report, 23 April 2012: <http://www.abc.net.au/unleashed/3962984.html>

<sup>vii</sup> Australian Labor Party (2010), Advancing Australia's interests internationally: <http://www.scribd.com/doc/35940246/Advancing-Australia-s-Interests-Internationally>

<sup>viii</sup> See: Dev Policy blog, 5 August 2013: <http://devpolicy.org/foreign-aid-in-the-august-statement-20130805-2/>; ACFID (2013), Aid diversion summary: <http://www.acfid.asn.au/resources-publications/files/aid-diversion-summary/view>; Dev Policy blog, 26 June 2012: <http://devpolicy.org/julie-bishop-on-the-pacific-png-and-australian-aid20120626/>;

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[http://www.budget.gov.au/2013-](http://www.budget.gov.au/2013-14/content/economic_statement/download/2013_EconomicStatement.pdf)

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announced in the 2013-2014 budget plus AU\$1 billion announced in the August 2013 Economic Statement; ACFID, Federal budget analysis 2013-14, 14 May 2013:

<http://www.acfid.asn.au/resources-publications/files/2013-2014-federal-budget-analysis>.

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