

## Human rights and aid

### The Australian aid program

#### Objective, framework and principles

- 2.1 The Australian Government's general approach to pursuing the promotion and protection of human rights was set out in its 1997 White Paper on foreign and trade policy:

The Government views human rights as an inseparable part of Australia's overall foreign policy approach, both because the treatment of human beings is a matter of concern to Australians and because promoting and protecting human rights underpins Australia's broader security and economic interests. The Government's human rights policies are based on the universality of fundamental human rights-civil, political, economic, social and cultural.<sup>1</sup>

- 2.2 The overall policy framework for Australia's aid program was set out by the Minister for Foreign Affairs, the Hon Alexander Downer MP, in **Better Aid for a Better Future**: the Seventh Annual Report to Parliament on Australia's Development Cooperation Program and the Government's

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1 Exhibit No 1, p. 13. See also Submission No 20, p. 214.

Response to the Committee of Review of Australia's Overseas Aid Program.<sup>2</sup>

2.3 The Government identified the central objective of the Australian aid program as being:

to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development.<sup>3</sup>

2.4 In addition to this objective, the Report stated that six key principles would underpin the Australian aid program:

- it would have a focus on partnerships;
- it would be responsive to urgent needs and development trends;
- its approaches would be practical;
- there would be greater targeting of aid;
- it would have an Australian identity; and
- that it would be outward looking.<sup>4</sup>

2.5 This Statement also announced five priority sectors for the aid program:

- health;
- education;
- infrastructure;
- rural development; and
- governance.<sup>5</sup>

2.6 The framework for promoting human rights through the aid program was presented by the Minister in the Eighth Annual Statement to the Parliament on Australia's Development Cooperation Program, delivered in 1998. This framework consists of six key principles:

- Human rights are a high priority for the Government. Civil and political rights rank equally with economic, social and cultural rights.

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2 This Statement was made on 18 November 1997; see Exhibit No 2. The Committee of Review was the Simons Committee (April 1997), whose report was: **The Australian Overseas Aid Program: One Clear Objective-poverty reduction through sustainable development.**

3 Exhibit No 3, p. 3. See Transcript, 5 July 2001, p. 3.

4 *ibid*, pp. 3-4.

5 *ibid*, p. 4.

- The aid program will continue to undertake activities that directly address specific economic, cultural, civil and political rights. There will be a particular emphasis on the creation of ‘durable institutional capacity’ to promote and protect human rights.
- The emphasis is on the practicable and attainable. The Australian Agency for International Development (AusAID), as the Government’s aid agency, will pursue ‘practical aid activities’ in support of human rights. These activities complement and build on high-level dialogue on human rights.
- The aid program will develop activities primarily as a result of consultations and cooperation with partner countries on human rights initiatives. Regional and multilateral activities will also be undertaken.
- Considerable care will continue to be applied to the use of aid sanctions associated with human rights concerns. The Government will consider such sanctions on a case-by-case basis. ‘Aid conditionality’ based on human rights concerns would only be used in extreme circumstances, since it can jeopardise the welfare of the poorest people and may be counter-productive.
- AusAID will continue to be linked closely with other arms of the Government on governance and human rights issues, liaising with non-government organisations (NGOs) and human rights organisations in Australia.<sup>6</sup>

2.7 The Minister’s statement added that:

Practical action based on these principles means that the aid program will continue to focus on its objective of assisting developing countries to reduce poverty and achieve sustainable development. These principles will underpin our strong support for civil and political rights throughout our aid work. The aid program will seek to maximise the benefits for human rights in all development assistance activities.<sup>7</sup>

## Aid and human rights

2.8 At the Committee’s seminar on 5 July 2001, AusAID’s Director-General stated that human rights and development enjoyed ‘a symbiotic relationship’. AusAID stated that, from an aid perspective, ‘development

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<sup>6</sup> Exhibit No 3, pp. 2-3; Submission No 20, pp. 216-217.

<sup>7</sup> *ibid*, p. 3; see also Submission No 20, p. 217. For convenience, the submission to the inquiry from the Foreign Affairs and Trade portfolio will be referred to as ‘the AusAID submission’.

and human rights were interdependent and mutually reinforcing'. For development to be sustainable, it argued, individuals in developing countries needed secure and long-term access to the resources required to satisfy basic needs, whether economic, social, cultural, civil or political, and to improve their well-being.<sup>8</sup>

2.9 AusAID argued therefore that, at the broadest level, 'the whole Australian aid program' contributed to the realisation of human rights, directly or indirectly. Thus, activities such as the following all contributed to human rights, particularly to economic, social and cultural rights:

- employment or income generation;
- improvement of the quality of public services, or access to them;
- strengthened sustainable management of natural resources; and
- provision of emergency and humanitarian relief in response to crises.

2.10 Activities that assist public sector reform and strengthen civil society also contributed 'strongly' to the promotion and protection of civil and political rights. AusAID noted that this highlighted the indivisibility of all human rights, adding that the Australian aid program gave 'equal priority to all of them'. The Director-General pointed out a heavy emphasis in this program on assistance to the Asia-Pacific region, and the fact that about 73 per cent of aid was currently being delivered through bilateral programs.<sup>9</sup>

2.11 The aid program also contributed to advancing civil and political rights in developing countries, largely through activities supporting good governance, defined by AusAID as:

The competent management of a country's resources and affairs in a manner that is open, transparent, accountable, equitable and responsive to people's needs.

2.12 In countries where there is corruption, poor control of public funds, lack of accountability, abuses of human rights and excessive military influence, AusAID stated that development 'inevitably' suffered.

2.13 Australia has therefore attached a high priority to supporting activities that enhance good governance in developing countries. In 1999/2000, the aid program spent about \$A271 million, about 16 per cent of overall expenditure, on assistance to improving governance in such countries, focussing on:

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8 Transcript, 5 July 2001, p. 3. Unless specified otherwise, material in this section was taken from Submission No 20, pp. 217-218.

9 Transcript, 5 July 2001, p. 4.

- improving economic and financial management;
  - strengthening law and justice;
  - increasing public sector effectiveness; and
  - developing civil society.<sup>10</sup>
- 2.14 From AusAID's perspective, the aid program's support for good governance strengthens the capacity and climate for the realisation of civil and political rights. Delivery of aid in this manner can create an environment in which these rights were respected and protected, through open and fair elections and strong legal and judicial systems. Good governance can also create a climate in which citizens openly exercise their civil and political rights. This can contribute to sustainable development by ensuring greater government accountability and effectiveness in the management of resources and delivery of services.
- 2.15 AusAID indicated that this link between good governance and civil and political rights is also reflected in the aid program's assistance to developing countries, in areas such as:
- legal and judicial reform;
  - electoral and parliamentary processes; and
  - strengthening media and civil society.<sup>11</sup>

### AusAID's approach

- 2.16 AusAID stated that the Australian aid program contributed to advancing civil and political rights, under its broad program of support for governance. The approach to promoting good governance through the aid program therefore had four elements:
- improving the economic and financial management of developing countries;
  - strengthening legal systems and the rule of law;
  - increasing public sector effectiveness; and
  - developing civil society.

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10 *ibid.* Within the \$A271million, expenditure on civil society and law and justice amounted to \$A89million.

11 Examples of assistance via Australia's aid program can be found at Submission No 20, pp. 224-229.

- 2.17 This approach sought to strengthen the capacity and environment for the realisation of civil and political rights, and at ensuring greater accountability, effectiveness and equity in managing resources and delivery of services.
- 2.18 AusAID noted that the program was not structured around specific forms of aid, or specific sectoral funds, but was tailored towards how best Australia could contribute to poverty reduction and sustainable development in individual developing countries. This was done within the broad direction of the program's poverty reduction framework.
- 2.19 A particularly important aspect of AusID's overall approach was first to establish clear program strategies for individual countries. These strategies were based on analysis, including poverty analysis, and consultation with partner governments. Increasingly, these strategies are examined to see how they could be structured within broader international development frameworks, such as those of the World Bank and the various UN agencies.<sup>12</sup>
- 2.20 It is against the background of this approach that this report will address the terms of reference.

## The 'rights-based' approach

- 2.21 The Australian Government has not adopted what is called the 'rights-based' approach to aid. According to the AusAID submission, this involved not only 'mainstreaming' human rights within aid programs and activities, but used the achievement of specific human rights objectives as the foundation for implementation of aid policy.<sup>13</sup>
- 2.22 The submission noted that, while Australia supported and attached importance to the UN's 1986 *Declaration on the Right to Development*, it did not use that Declaration as the rationale for the aid program. Nor did it adopt a rights-based approach to development.<sup>14</sup>
- 2.23 AusAID argued, first, that there was no agreed understanding of what the rights-based approach was. Various donors and agencies had adopted

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12 Transcript, 5 July 2001, p. 4.

13 Unless specified otherwise, material in this section was taken from Submission No 20, pp. 218-219.

14 The text of the Declaration is at Appendix E. The DFAT Human Rights Manual, published in 1998, stated that the right to development is 'a universal and inalienable right of individuals and peoples': see Exhibit No 4, p. 2.

widely differing methodologies under its banner, and there was a need for more discussion of the topic.<sup>15</sup>

- 2.24 Second, the Australian Government viewed all human rights as indivisible and of equal priority. It believed that delivering an aid program based on a rights-based approach risked focussing aid on activities promoting certain rights over others, and of not addressing the real development needs of the partner country.
- 2.25 Third, AusAID contended that such an approach did not sufficiently address the role and responsibility of developing countries in addressing the rights of their citizens to basic needs and developments. The Australian Government recognised the key role of partner governments, as well as legal and judicial institutions, NGOs, and community groups in actively working to fulfil citizens' rights to basic needs and development. It is the Government's view that international donors should only play supportive and facilitating roles. The risk in donor organisations adopting a rights-based approach is that it may entrench dependence on aid.
- 2.26 Finally, the AusAID submission argued, this approach may also pre-determine and limit delivery mechanisms for the delivery of aid. The focus of Australia's program on poverty reduction and sustainable development allows for a more flexible and responsive approach to the needs of developing countries.<sup>16</sup>
- 2.27 In submissions and during the Committee's seminar, AusAID's views on the rights-based approach to aid were challenged. This issue will be addressed in Chapter 6.

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15 Transcript, 5 July 2001, pp. 24, 27-28. AusAID gave examples of what the term meant to various organisations.

16 For more information on this point, see Submission No 20, pp. 220-223. See also Transcript, 5 July 2001, p. 5.