

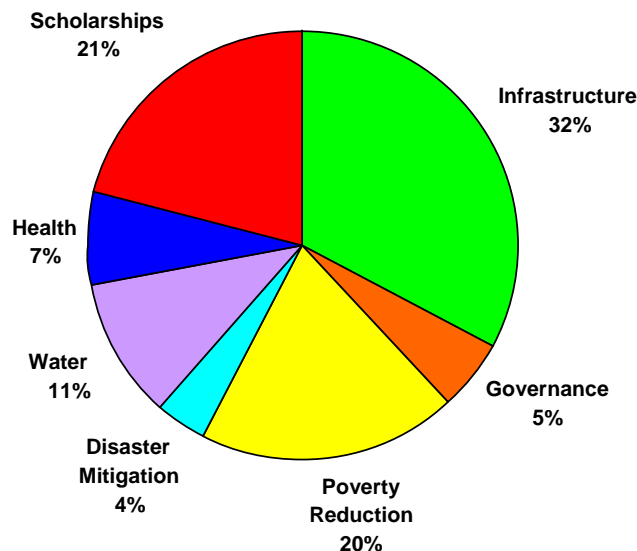
**Australia’s aid to Vietnam**

Historical, trade, and person-to-person links give Vietnam a high profile in the Australian community. Vietnam’s influence in the region will continue to grow as it progresses towards middle income country status (per capita income over US\$1,000 per annum). In 2006, Vietnam hosted APEC and has become a significant trading nation. In 2008, Australia’s trade with Vietnam grew 14 per cent, representing growing markets for Australia’s minerals and cereals. In early 2007, it acceded to the World Trade Organisation and in October of the same year it gained a non-permanent seat on the United Nations Security Council for the period 2008-09. Its central location in the region makes a stable and growing Vietnam a cornerstone of regional cooperation, security, trade and prosperity. Vietnam is an increasingly important partner in regional efforts to address a range of trans-boundary issues, including human trafficking and narcotics trading. Australia and Vietnam share an interest in progressing regional trade and economic arrangements. Australian aid to Vietnam focuses on:

- **Supporting inclusive growth**, through activities that assist Vietnam address the challenges of economic integration and transition to a market economy.
- **Improving infrastructure** by supporting the development of key infrastructure in the Mekong Delta, including funding the design of a bridge at Cao Lanh which will improve connectivity and access to markets.
- **Improving water and sanitation** by supporting Vietnam's national water and sanitation program.
- **Providing climate change assistance** to Vietnam's national program to respond to climate change and ongoing assistance to reduce the risk of natural disasters. Climate analyses in the Mekong Delta and increased mitigation activities, including in energy and biodiversity conservation, will also be supported.
- **Building government and private sector capacity** by increasing the number of Australian Development Scholarships in 2009-10, resulting in an estimated 175 students studying in Australian universities.

In 2009-10, estimated official development assistance (ODA) to Vietnam is almost \$106 million, with \$91 million programmed bilaterally. A sectoral breakdown is provided in the pie chart below.

Australian bilateral program expenditure estimate (2009-10)



**Australia's aid to China**

As a growing international power and driver of regional and global economic growth, China is a catalyst for development in the Asia-Pacific and global achievement of the Millennium Development Goals (MDGs). China has met most MDGs, however, more than 250 million Chinese continue to live in poverty. Income inequality is rising and hundreds of millions of poor rural and migrant workers lack access to basic services. Further poverty reduction demands comprehensive institutional and legal reform, as well as improved basic service delivery.

The global recession has exacerbated China's development challenges, having almost halved the rates of growth seen in China as recently as 2007. Helping our second-largest export market return to rapid economic growth will help ensure the security of the Asia-Pacific and directly assist Australian exporters by generating new global growth and markets. China's influence on international development, including as a growing donor to the Asia-Pacific, underscores the importance of engaging China on these issues.

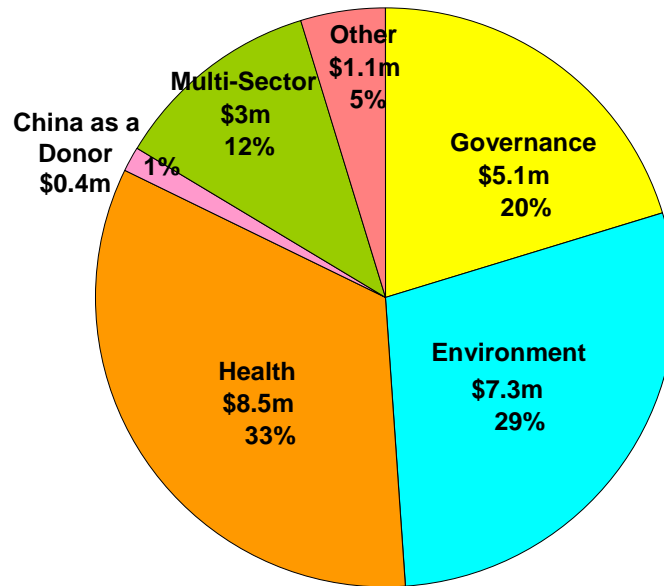
As the chart below shows, Australia will provide \$25 million in bilateral development assistance to China in 2009-10. This represents some 0.03 per cent of total ODA to China and 0.001 per cent of GDP. The impact of this support far exceeds its quantum. The potential development benefits of providing Australian public policy experts to assist China in the priority areas of governance, environment and health—on a low-cost and long-term basis—are significant.

In governance, the China-Australia Governance Program works with China's national ministries to support China's economic governance reform agenda, including fiscal reform, balanced rural/urban development and social security for migrant workers. The Human Rights Technical Cooperation Program works with Chinese government agencies and NGOs to strengthen the administration, promotion and protection of human rights in areas like legal and judicial reform, women and children's rights, and ethnic and minority rights.

In health, the China Australia Health and HIV/AIDS Facility works through the Chinese Ministry of Health to address reform priorities, to make the health system and workforce more skilled and responsive to health needs, and to protect the population against HIV/AIDS and emerging infectious diseases like H1N1. Facility activities are directly supporting the five key reform areas identified by China in 2009 as its top reform priorities for the next three years.

In environment, the Australia China Environment Development Program brings together nine national-level program partners to help China improve its environmental protection and natural resources management, particularly in relation to water.

Estimated AusAID bilateral expenditure (2009-10)



**Australia’s aid to Solomon Islands**

Australian official development assistance to Solomon Islands in 2009-10 is estimated at \$246.2 million. All aid is delivered in close consultation with the Solomon Islands Government (SIG) in line with its development priorities.

Australian support addresses Solomon Islands’ serious long-term development and security challenges and is delivered through a bilateral aid program and the Regional Assistance Mission to Solomon Islands (RAMSI).

Agreed priorities for the bilateral program are set out in the Australia–Solomon Islands Partnership for Development. The Partnership was signed by Prime Ministers on 27 January 2009. It centres on four agreed priority areas to address development challenges in Solomon Islands: improved service delivery; improved economic livelihoods; improved economic infrastructure; and addressing economic and fiscal challenges. These priority areas are aligned with the Solomon Islands Government’s Medium Term Development Strategy. Distinct from RAMSI, the Pacific Partnership complements strongly Australia’s engagement through RAMSI.

RAMSI is a partnership between SIG and 15 contributing countries of the Pacific region, including Australia. AusAID support to RAMSI focuses on its three core civilian development programs: economic governance and growth; machinery of government; and, law and justice.