

The Global Aid and Development Sector at a Glance

Millennium Development Goals

Eight goals were adopted in September 2000 at the UN Millennium Summit to provide the framework to guide global development efforts. Each goal incorporates at least one target to chart progress towards its realisation. Although the targets were set in 2000 to be achieved by 2015, they were based on 1990 baselines.

The eight goals are:

- 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

Progress towards the goals was reviewed in October 2005 and found wanting. Essentially, the review made an appeal for an increased commitment from the global community both in terms of the quantity and quality of development assistance.

Official Development Assistance - the Global Commitment

Official Development Assistance (ODA) is the sum of development funds provided by national governments to support recognised international development activities. The generally accepted standard is that developed countries should be contributing 0.7% of Gross National Income (GNI) towards ODA. At a global level, total ODA in 2006 averaged out at 0.3% of GNI, providing USD 103.94 billion. The Australian budget for ODA for 2009-2010 is 0.34% of GNI, up from 0.33% in 2008-2009.

The Best:

- Sweden - 1.03%
- Norway - 0.89%
- Luxembourg - 0.89%
- Netherlands - 0.81%
- Denmark - 0.80%

(2006 figures)

Some of the Rest:

- United Kingdom - 0.52%
- Canada - 0.30%
- Japan - 0.25%
- United States - 0.17%
- Ireland - 0.53%

Principles of effective aid

There is growing recognition that, while increasing the volume of aid is crucial to the achievement of the Millennium Development Goals, it is also important to address the effectiveness of aid and its impact. At a forum in Paris, ministers of developed and developing countries together with the heads of multilateral and bilateral donor agencies agreed on a number of principles that would inform the way they deliver and manage aid into the future. The Paris Declaration on Aid Effectiveness formulated five principles:

- **Ownership** – developing countries exercising effective control over their development strategies and priorities
- **Harmonisation** – donor activities are more closely harmonised, transparent and collectively effective
- **Alignment** – donors base their support on partner countries' strategies, institutions and processes
- **Results based** – managing and implementing aid by focusing on desired results and using evidence to assist planning and decision making
- **Mutual Accountability** – holding both donors and partners to account for development results

(Paris Declaration - March 2005)

Australia's Development Cooperation Program

The overarching approach to Australia's aid program was set out in the Australian Government's White Paper, 'Australian Aid: Promoting Growth and Stability', released in April 2006. The objective for the Australian aid program is **“to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest.”** (AusAID White Paper 2006)

Themes of Australia's aid program

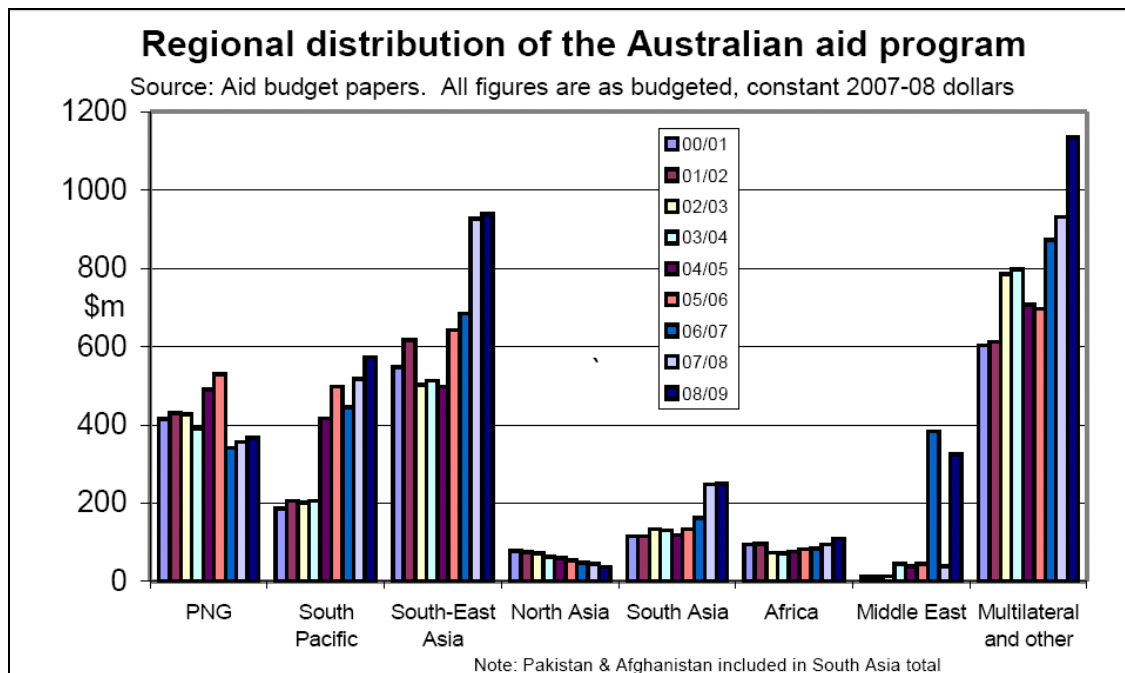
- Accelerating Economic Growth
- Investing in People
- Fostering Functioning and Effective States
- Promoting Regional Stability and Cooperation

Ensuring effectiveness by:

- strengthening the performance orientation of the aid program,
- combating corruption,
- enhancing Australia's engagement with the Asia-Pacific region,
- working in partnership with regional governments.

Level of Financial Commitment

- Total ODA 2008-9: \$3.789 billion
- ODA in 09/10 Budget: \$3.818 billion
- Aid budget is 0.33% of total GNI



(Source: ACFID Aid budget 2008-9 Overview and Analysis)

AusAID- funded Volunteer Programs

Funding for 2008-9: \$32.5 million

- Volunteer program, managed jointly by AVI, ABV, VIDA
- AYAD- Australian Youth ambassadors for Development program