

United Nations Development Programme



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**Senate Standing Committee on Foreign Affairs, Defence and Trade Legislation**  
*Online Submission*

28 August 2013

Dear Madam Secretary,

I write to thank you for the opportunity to provide comments pertaining to the Standing Committee's inquiry on the **Overseas Aid (Millennium Development Goals) Bill, 2013**.

UNDP, on behalf of the UN development community, strongly commends Australia's established role within the international development community and its continuing efforts to adhere to the overseas development assistance (ODA) goal of 0.7 per cent GNI. We additionally note that the overarching objective of the Overseas Aid Bill of 2013 seeks to ensure that Australia provides appropriate levels of ODA, allowing it to meet the MDG targets and any equivalent internationally agreed development goals to which it becomes a signatory.

**1. MDGs and Beyond – Global Progress**

The MDGs have been an extremely successful global anti-poverty initiative. The newly released 2013 MDG Report, launched by the UN Secretary-General, stresses that despite challenges and gaps, the MDGs retain great strength in galvanizing collective action for improving the lives of millions. With less than 1,000 days to the 2015 target date, bolder action and accelerated progress are needed in many areas to achieve the MDGs. For example: although the hunger target is within reach, one in eight people worldwide remains hungry; too many women die during childbirth when there exist the means to prevent this; more than 2.5 billion people lack improved sanitation facilities; our natural resource base is in serious threat, with continuing losses of forests, species and fish stocks, in a world already experiencing the impacts of climate change.

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Many countries are working hard to accelerate progress, including through the use of the MDG Acceleration Framework (MAF). Among these are some of the most vulnerable countries – Low Income Countries (LICs), Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS). In others, including many Middle Income Countries (MICs), MDG Action Plans are being developed at sub-national levels to address disparities in achievement. All future development agendas will need to incorporate the ongoing efforts related to MDG achievement. To that end, poverty eradication, eradicating hunger, maternal mortality, and other goals will be vital in setting baselines for the future.

The UN system remains unwavering in its commitment to do all it can to help support accelerated MDG progress. It is developing a smooth transition to a robust post-2015 development agenda. For example, in 2014, the Third International Conference on Small Island Developing States (SIDS) is to be held in Apia, Samoa. Several SIDs – such as Belize, Tonga, Tuvalu, and Vanuatu – have launched their MDG Action Plans while others are developing them. Some of these plans go beyond the current set of MDGs to articulate emerging national aspirations, such as, universal access to clean water, reducing the incidence of Non-Communicable Diseases (NCDs) – while others address difficult MDG areas such as maternal and reproductive health. The global community will need to step up its support for implementing these plans.

UNDP is pleased to note that funding from the Australian Government has contributed towards significant progress with regard to MDG achievement. Australia has partially financed the piloting of the MAF, which led to its subsequent adoption by over 45 countries to address critical gaps in national initiatives for the MDGs. There is a crucial need for supporting the implementation of the MDG acceleration plans, as well as for extending them to post conflict countries where challenges remain the most severe.



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## 2. Trends in ODA by OECD/DAC nations

The goal of delivering 0.7 per cent of GNI as ODA has been a commonly agreed target among donor nations since 1970 and has been affirmed in many international agreements over the years, including the March 2002 International Conference on Financing for Development in Monterrey, Mexico. In 2012, the largest donors by volume were the United States, the United Kingdom, Germany, France and Japan. Denmark, Luxembourg, the Netherlands, Norway and Sweden have continued to exceed the ODA target of 0.7 per cent of gross national income. The United Kingdom maintained its aid at 0.56 per cent of gross national income, but has budgeted to increase that to 0.7 per cent in 2013–2014.

However, development funding continues to fall sharply among donors - the share of aid from the DAC–European Union (51 per cent) is at its lowest level since 2001. In 2012, net ODA from developed countries stood at \$125.6 billion, representing 0.29 per cent of donors' combined gross national income. This is a 4 per cent drop in real terms from 2011, which was 2 per cent below the 2010 level. The decline is attributed to the economic and financial crisis, which have led many governments to implement austerity measures and reduce their development budgets. This is the first time since 1996–1997 that ODA has declined for two consecutive years. The drop in 2012 reflected a 7 per cent fall in contributions to multilateral organizations in real terms, partly offset by a 2 per cent rise in aid for bilateral projects and programmes.

Australia has fared better than several other OECD/DAC countries in the face of the 2008 global financial crisis, and Australian ODA has seen a steady rise in absolute amounts. As a share of GNI, while some of the other DAC donors have shown a decrease, Australian ODA has been increasing since 2009, though in 2012, the level remained well below the 0.7 per cent target, at 0.36 per cent. In recent years, the Australian government has postponed the expected time by which ODA is expected to reach the 0.7 per cent goal. By instituting a roadmap for reaching the 0.7 per cent mark, the progress and trajectory of Australia's ODA can be better measured on a yearly basis.



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### **3. Australia and the international development community**

As is evidenced by the recent bipartisan support for the creation of a post for a Minister for International Development, the Australian Government continues to increase visibility of its international development programme. The appointment of new roles, including the ‘Ambassador for Disability-Inclusive Development’ within AusAID further highlights Australia’s leadership in areas that are often underrepresented and underfunded.

In the run-up to Australia’s membership of the UN Security Council in 2012, we are reminded as well, of the comments made by Prime Minister Kevin Rudd, who sought to expand Australian aid to areas beyond traditional focus areas and pledged additional resources to eradicate hunger in Africa. As the G20 Summit in 2014 will be hosted by the Australian Government in Brisbane, a strengthened commitment by the Government to reach the 0.7% target would exemplify Australia’s commitment to honouring international agreements and would set an encouraging path for fellow governments to follow on.

Please allow me to reiterate, Madam Secretary, my appreciation to the Senate Standing Committee on Foreign Affairs, Defence and Trade, for this opportunity to comment on this timely and pertinent bill.

My colleagues stand ready to provide any further clarifications, as may be required.

Yours sincerely,

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**Dr. Kathleen Dermody**  
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