



Janet Holmes  
Committee Secretary  
Human Rights Sub-Committee  
Joint Standing Committee on Foreign Affairs, Defence and Trade  
Department of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

19 June 2002

**JSCFADT REPORT ON LINK BETWEEN AID AND HUMAN RIGHTS: RESPONSE  
TO RECOMMENDATIONS**

Dear Ms Holmes

The attached letter of 21 April 2002 from the Minister for Foreign Affairs to the Chair of the JSCFADT Human Rights Sub-Committee is submitted for tabling as the Government's response to the recommendations of the Sub-Committee's report on The Link Between Aid and Human Rights.

On 14 May 2002 the Treasurer, Peter Costello, and the Minister for Foreign Affairs, Alexander Downer, announced an additional commitment of \$18 million to the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. The \$18 million will be paid over three years commencing in 2002-03.

This contribution meets Australia's share of the continuing costs of the HIPC Initiative, and brings Australia's total commitment to the HIPC Initiative to \$77 million.

Yours sincerely

Scott Dawson  
Deputy Director General  
Asia and Corporate Resources



THE HON ALEXANDER DOWNER MP

MINISTER FOR FOREIGN AFFAIRS  
PARLIAMENT HOUSE  
CANBERRA ACT 2600

21 APR 2002

Senator Marise Payne  
Chair  
Human Rights Sub-Committee  
Joint Standing Committee on Foreign Affairs, Defence and Trade  
Parliament House  
Canberra

Dear Marise

Thank you for your letter of 17 September 2001 concerning the Sub-Committee's report, *The Link between Aid and Human Rights*.

Congratulations on your reappointment as Chair of the Committee. Let me also express my appreciation for the way you took on the task last year at short notice due to the untimely death of our colleague Peter Nugent, and for the manner in which you chaired the Committee seminar on 5 July.

I have noted the main conclusions of the Committee relating to the aid program and offer the following by way of response.

While AusAID already puts considerable effort into ensuring its documentation is complete and easily available to those interested in its work, there is always room for improvement. AusAID will bear your Committee's conclusion in mind when it next reviews the range of documentation it publishes and the methods for doing this.

The Committee concluded that AusAID convene seminars with Australian NGOs on subjects of common interest, including links between aid and human rights. AusAID already has significant dialogue with Australian NGOs on policy issues and other matters of mutual interest. These include annual consultations with the NGO community, meetings several times a year between the AusAID Executive and the Chief Executive Officers of key NGOs, and regular discussions with the head of the Australian Council for Overseas Aid. In response to the Committee's view, AusAID is currently arranging a workshop with NGOs to discuss human rights.

The Committee expressed the view that the Australian Government give serious consideration to the cancellation of the debts of seriously indebted nations. As you know, Australia is a strong supporter of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and has contributed a total of A\$64 million at current exchange rates to HIPC (in nominal terms), in addition to the aid budget. The Government does not intend, in current circumstances, to go beyond this. Furthermore, Australia has pledged 100 per cent debt forgiveness to countries that qualify for debt relief under the enhanced Initiative. The Committee should be

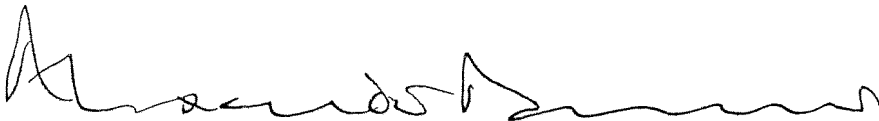
advised that Australia is also active through the aid program in helping countries manage their debts and avoid excessive debt burdens.

While I understand the Committee's view that the process of admission to the HIPC Initiative requires review, the enhanced HIPC Initiative is subject to an ongoing review process, conducted jointly by the World Bank and IMF. Furthermore, the progress of the HIPC Initiative will be considered at the forthcoming Spring Meetings of these institutions, which Australia will attend. Given these processes, I do not consider it appropriate for Australia to take the lead in convening an international conference reviewing the eligibility criteria of HIPC.

I note the Committee's support for continuation of at least the current level of financial support to the Asia-Pacific Forum, the CDI and the UNHCHR. You will be aware, of course, that aid program funding for human rights is subject to annual budgetary circumstances and outcomes. The Australian Government's direct aid expenditure on human rights activities is likely to be around \$2.5 million this financial year. Indirect expenditure in the aid program that promotes human rights is considerably higher. Expenditure on governance, for example, which enhances transparency and accountability of government processes, exceeded \$367 million in 2000-01.

In closing, I wish to thank the members of the Committee for their report and for the opportunity provided by the inquiry for Australian NGOs and officials to gain a better understanding of each others' perspectives on links between aid and human rights.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alexander Downer', written in a cursive style.

Alexander Downer