

Australian Overseas Aid for the Middle East

- 10.1 The Committee received submissions from the Australian Council for Overseas Aid (ACFOA) as well as from a number of individual non-government organisations (NGOs) such as World Vision Australia (WVA), Australian People for Health, Education and Development Abroad (APHEDA), the National Council of Churches in Australia (NCCA), and CARE Australia. The Committee was impressed by the comprehensiveness of the submissions from NGOs.
- 10.2 ACFOA is the coordinating body for some 100 NGOs working in the field of overseas aid, development and human rights. The Middle East Working Group of ACFOA was formed in 1995, comprising agencies with programs in the Middle East who are interested in working together on issues concerning international development assistance.¹
- 10.3 The submission from the Department of Foreign Affairs, Defence and Trade (DFAT) contained a relatively short section of a page and a half on 'Australia's Development Assistance Program' which covered the activities of the Australian Agency for International Development (AusAID) in the provision of aid to the Palestinian Authority (PA) and to the Palestinian refugees. A more detailed submission from AusAID may have been appropriate.
- 10.4 Representatives of AusAID and many of the NGOs presented evidence at public hearings. Often they provided graphic examples of real-life situations in the Middle East which brought their written submissions to life. The Committee was left in no doubt that parts of the Middle East have seen a great deal of human suffering in the last half-century.

1 ACFOA, Transcript, 14 September 2000, p. 376.

- 10.5 In economic terms the Middle East is a paradox. It contains countries of immense wealth but also regions of abject poverty and suffering, and a widening gap between rich and poor.²

Australia's Overseas Aid Program

- 10.6 Successive governments have acknowledged Australia's responsibility as part of the community of developed nations to assist those less fortunate. The aid program is also seen as being in Australia's national interest by building regional stability and prosperity through assisting neighbouring developing countries to reduce poverty and to achieve sustainable development.³
- 10.7 The Middle East Peace Process is seen as crucial to global peace and security. Given Australia's very limited political influence in the context of the Middle East conflict, Australia's aid contribution to the Palestinians is a practical gesture of support for the Peace Process.⁴ DFAT explained the context of Australia's contribution in the following terms:

We do have influence, but it is largely an indirect influence. The contribution that Australia can make is, firstly, to provide support to those parties who are most actively concerned to bring about a positive and constructive outcome. We are not and are most unlikely ever to be a player, or even to be regarded as a significant commentator, on regional events. We are removed from the region geographically, historically, and in many ways culturally.⁵

- 10.8 The Australian Government's aid program is delivered through AusAID, which is an agency within the Foreign Affairs and Trade portfolio. In November 2000, DFAT opened a small office in Ramallah, just north of Jerusalem, where the headquarters of the PA is located. AusAID had one locally-engaged officer in the Australian Embassy in Tel Aviv and that position was transferred to Ramallah to act as a local point of contact for Australia's aid to Palestinians.⁶

2 *ibid.*

3 'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs on 22 May 2001.

4 'Middle East Country Brief', AusAID website, June 2001.

5 DFAT, Transcript, 14 September 2000, p. 352.

6 *ibid.*, pp. 354-55.

Geographic focus of the aid program

- 10.9 Australia's overseas aid program is focused on the Asia Pacific region. This geographic focus was examined and reconfirmed by the Simons Report in May 1997 and adopted by the Government. Recommendation 5.3 of the 'Simons Report' read as follows:

The order of geographic priorities for the Australian aid program should be: (1) PNG [Papua New Guinea] and the Pacific Islands; (2) East Asia: Cambodia, Laos, Vietnam, China, Indonesia and the Philippines—focused on the poorest regions or provinces in the latter three countries, and with a view to their graduation; (3) South Asia and Africa—focused on the poorer countries which have positive development prospects.⁷

- 10.10 Commenting on other parts of the world, the Report noted:

Australia should not undertake any bilateral aid intervention in regions such as the Middle East, Eastern Europe, the Central Asian Republics or the Indian Ocean island states. These countries tend to have relatively high per capita incomes and a low incidence of poverty. Many are already well served by other donors and, with the exception of the island states, are beyond Australia's immediate region.⁸

- 10.11 The Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT, the Committee) held a public seminar in July 1997 to discuss the Simons Report. One of the Committee's conclusions was:

The Joint Standing Committee endorses the proposed geographic emphasis for the aid program as set out in the Simons Report. The Committee accepts the logic of the argument that says greater impact can be made by focussing Australia's comparatively modest development assistance funds to a greater extent than has been the case. Australian assistance through NGOs and the multilateral development agencies will still permit some assistance to be given to countries that do not meet the criteria established by the Simons Review.⁹

- 10.12 This view was reinforced a month later, in August 1997, with the publication of the White Paper on Foreign and Trade Policy entitled *In the National Interest*. The White Paper identified the Asia Pacific as being of

7 H Paul Simons, Chairman of the Committee of Review, *One Clear Objective*, April 1997, p. 92.

8 *ibid.*

9 JSCFADT, *Sharpening the Focus*, July 1997, p. 10.

the greatest national interest for Australia. The USA, Japan, China and Indonesia were seen as the countries which would have the greatest impact on the future of Australia. Regarding the geographic focus for Australian aid, the White Paper commented:

Since development needs are so immense, and will remain so for the foreseeable future, the geographic focus of Australia's development assistance program should continue to be on the Asia Pacific region, not only because a large number of the world's poor live there, but also because Australia's security and economic interests are most engaged there.¹⁰

- 10.13 The Committee supports the fact that Australia's aid program is heavily concentrated on PNG, the Pacific Islands, and East Asia. That is not to say that there are not many other deserving areas in other parts of the world, but the reality is that there is great need right on our own doorstep. To quote a recent observation by the Minister for Foreign Affairs:

There are still nearly 800 million people living on less than two dollars a day in our region, and this presents a tremendous challenge.¹¹

- 10.14 Several submissions from NGOs argued that the Asia Pacific geographic focus is too narrow and should be widened.¹² In reality, however, the Government's flexible approach in responding to emergencies and new developments has already blurred the recommended geographic guidelines. The result is that there is some aid directed to South Asia, Africa and the Middle East, but on a selective basis. The bulk of Australia's aid goes to countries within our immediate region and the Committee strongly believes that this is as it should be.

- 10.15 Australia's overseas aid program will disburse over \$1.7 billion in 2001-02, an increase of \$125 million over the budget for the previous year.¹³ Table 10.1 on the following page shows how this aid has been allocated in 2001-02:

10 White Paper, *In the National Interest*, August 1997, Chapter 3.

11 'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs, the Hon Alexander Downer MP, 22 May 2001, p. 1.

12 For example, ACFOA, Submission, p. 1547.

13 'Australia's Overseas Aid Program 2001-02', op. cit. In this Chapter, and elsewhere in this report, all dollar amounts are expressed in Australian currency unless stated otherwise.

Table 10.1 Australia's Overseas Aid in 2001-2002

	Budget Estimate 2001-2002 (\$A millions)	Percentage
Papua New Guinea	342.9	20
Pacific Islands	164.6	10
East Asia	551.6	32
South Asia	92.0	5
Africa and Other	130.7	8
Contributions to the UN and other Multilateral Organisations	453.7	25
Total	1725.0	100%

Source 'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs, 22 May 2001

- 10.16 As a single country, PNG receives the largest share of Australia's overseas aid. PNG will receive \$342.9 million in 2001-2002 or 20 per cent of the total. The next largest amount, \$121.8 million or 7 per cent of the total, is earmarked for East Timor. The third largest recipient is Indonesia with \$121.5 million or 7 per cent of the total, followed by Vietnam with \$73.3 million and The Philippines with \$63.5 million.
- 10.17 East Timor is a new country still in the process of being established, born out of turmoil, whose social and physical infrastructure must be re-built from the ground up. It will require assistance for many years to come.
- 10.18 Indonesia, a relatively powerful but poor country right on Australia's doorstep, is experiencing great internal volatility as it seeks to adjust to new democratic and federal processes.
- 10.19 Communal conflicts in Aceh, Kalimantan, Ambon and Irian Jaya, to name but four problem areas, are imposing immense burdens on local and regional levels of government. Conservative estimates put the number of 'internally displaced persons' (or refugees) in Indonesia at one million at this time.¹⁴
- 10.20 It is very much in Australia's national interest that a stable, prosperous and democratic Indonesia emerge from this transitional period.

14 D Djalal, 'Strangers in our own land', *Far Eastern Economic Review*, 18 January 2001.

Official Assistance to Israel and the 'Palestine Administered Areas'

10.21 Table 10.2 below shows global flows of Official Assistance to the two main participants in the Middle East Peace Process according to the latest figures available from the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD):

Table 10.2 Official Assistance to Israel and the Palestine Administered Areas in 1999 (US\$ million)

	Israel	Palestine Administered Areas (PAA)
OA to Israel ¹ ODA to PAA	\$906 m	\$512 m
Percentage of GNP	0.9% (1998)	11.6% (1999)
Private Flows ²	\$3,169 m	\$28 m
Population (millions)	6.1	2.8
Per Capita GNP	\$17,450 (1998)	\$1,610 (1999)
Top Three Donors of OA/ODA (1998-1999 Average)	USA \$1062.1 m France \$8.1 m EC \$6.8 m	UNRWA \$148 m USA \$80 m Japan \$51 m
Major Sectors (1998-1999)	Program Assistance 90% Emergency Aid 7% Education 1%	Program Assistance 45% Education 12% Economic Infrastructure 10%

NOTES:

1. From 1997, aid to 'More Advanced Developing Countries' was called Official Assistance (OA) rather than Official Development Assistance (ODA). Israel is in that category.
2. Private Flows consist of flows at market terms financed out of private sector resources and private grants (ie grants from non-government organisations net of subsidies received from the official sector)

Source OECD Development Assistance Committee website, www.oecd.org/dac

Australian Aid to the Middle East

10.22 Despite the constraints recommended by the Simons Report, the Government continues to provide some aid to the Middle East as a demonstration of practical support to the Middle East Peace Process.

10.23 Australia's aid to the Middle East is contained within the 'Africa and Other' category in Table 10.1 above. For its own operational purposes,

AusAID regards Egypt as part of 'Africa' rather than the Middle East. That is important in the context of this inquiry, as Egypt is a major recipient of Australian aid in the form of debt relief. This aid was not listed in the aid section of the DFAT submission compiled by AusAID.

Egypt debt relief

10.24 If one includes debt relief to Egypt, the totals of aid flows to the Middle East more than double. Debt relief provided to Egypt under the aid program is shown in Table 10.3 below:

Table 10.3 Debt relief to Egypt, A\$ millions

1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
7.2	12.0	14.3	14.4	16.8	16.3*	15.9*

* estimates

Source *'Australia's Overseas Aid Program 2001-2' Statement by the Foreign Minister, 22 May 2001, page 66*

- 10.25 This debt was incurred in the late 1980s when Egypt failed to pay for wheat sold on credit. The sale was insured by the Australian Wheat Board with the Export Finance and Insurance Corporation under its national interest account.
- 10.26 In 1991 the Paris Club rescheduled Egypt's debt, granting 50 per cent debt forgiveness and 25 year repayment terms. Australia opted to provide this through 'debt service relief', under which Egypt pays the principal in full but receives a discount on the interest rate, such that the net present value of the repayment stream is 50 per cent of the face value of the debt.
- 10.27 Some \$390 million of debt was rescheduled. In accordance with the Paris Club agreement, each six months Egypt pays an instalment of part of the principal and the interest accrued since the last payment, at the discounted rate. The interest shortfall is debt relief and qualifies as Official Development Assistance under the OECD definition, hence its inclusion in the aid figures.
- 10.28 The Committee believes that it would make sense for DFAT, Austrade and AusAID, which are all part of the same Ministerial portfolio, to define geographic regions in the same way.

Other Middle East aid flows

10.29 Table 10.4 below shows the components of Australia's overseas aid allocated to the Middle East since 1995-96, excluding the debt relief to Egypt described above:

Table 10.4 Aid Flows to the Middle East, A\$ million

Program	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001 (estimate)	2001-2002 (estimate)
Bilateral (includes some Palestinian Territories NGO activities)	1.4	2.4	1.1	1.1	2.0	2.1	2.1
UN Relief and Works Agency Core Grant	2.9	2.7	2.6	2.7	3.7	3.8	3.7
Emergency Appeals for Palestinian People							TBD
• International Committee of the Red Cross (2 Appeals)						1.05*	
• Australian NGOs						0.20*	
• UNRWA (2)						0.75*	
World Food Program directed at Middle East	4.8	1.9	1.8	1.2	3.3	4.5*	TBD
Other NGO projects	0.4	0.4	0.5	2.9	0.9	1.5	TBD
De-mining initiative (Lebanon)						0.02	0.08
TOTAL	9.5	7.4	6.0	7.9	9.9	13.92*	9.9

* Higher than expected flows reflects emergency appeals and World Food Program allocations for Palestinian Territories, Syria and Egypt.

TBD = To Be Determined

Source AusAID, Exhibit 39

10.30 The AusAID budget for the Middle East (excluding Egypt) for 2001–02 is \$9.9 million. The Committee recommends that Australian aid to the Middle East be split into two separate parts—non-food aid and food aid. The non-food part should be a minimum of \$10 million per annum (excluding Egypt debt relief), while the food aid component would depend on how much Australia chooses to contribute to World Food

Program operations in the Middle East in any given year. The Committee believes that such a commitment is reasonable, given the Asia Pacific focus of Australia's aid program.

- 10.31 In fact, total aid flows to the Middle East (excluding Egypt debt relief) totalled \$13.92 in 2000-2001 as shown in Table 10.4 above. The reason for this large increase was that the World Food Program, of which Australia is a key supporter, disbursed a much greater amount of food aid to the Middle East in that year in response to droughts and other natural disasters in the region.
- 10.32 The Committee suggests that non-food aid to the Middle East be set at a minimum of \$10 million per annum, with the expectation based on recent experience that at least an additional \$1.5 million per annum will go to the region in the form of food aid. This would give a total aid commitment greater than the target of \$11 million per annum recommended by ACFOA's Middle East Working Group.¹⁵
- 10.33 ACFOA and APHEDA both expressed concern at the apparent lack of forward commitment to the Middle East aid program beyond 30 June 2001.¹⁶ It would certainly assist planning by both AusAID and NGOs if a specific amount is known to be available two or three years ahead. The Committee recommends that the Government make a commitment under the overseas aid program to allocate a minimum of \$10 million per annum in non-food aid to the Middle East (excluding Egypt debt relief) for the next three years.

Recommendation 36

- 10.34 **The Committee recommends that the Government make a three year commitment to allocate a minimum of \$10 million per annum in non-food aid to the Middle East, as well as continue to support the World Food Program in the region.**
- 10.35 A small amount of official aid has recently been apportioned to Lebanon. In April 2001, during a visit, the Minister for Foreign Affairs announced

15 ACFOA, Submission, p. 1547 and Transcript, 14 September 2000, p. 377.

16 ACFOA, Submission, p. 2567 and Transcript, p. 383; APHEDA, Submission, pp. 1517 and 1532.

an allocation of \$100,000 towards assessing the landmine situation in southern Lebanon following the withdrawal of Israeli forces.¹⁷

Components of Australia's Current Aid Program in the Middle East

- 10.36 The primary focus of the Government's aid program has been placed on meeting the humanitarian needs of Palestinians in the Occupied Territories and in refugee camps in neighbouring countries, with minor amounts directed towards other projects in Lebanon. In recent years, between 80 and 90 per cent of Australia's non-food aid has been directed towards humanitarian relief for Palestinian refugees, delivered either through the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) or through NGO programs. The remainder of the non-food aid budget has been directed towards two projects (Law and Agriculture) which are aimed at capacity-building of the PA.
- 10.37 ACFOA's submission suggested the Government's aid program be extended to include countries such as Iraq and Yemen.¹⁸ The Committee disagrees with this proposal. Australia's aid program to the Middle East is modest as it is. The Middle East Peace Process is clearly worth supporting and there is a great need for assistance to the Palestinians. The Committee believes that it is best to focus our limited resources on this one major area of need.
- 10.38 Many Palestinian refugees reside in special refugee camps in the Occupied Territories of the Gaza Strip and the West Bank as well in camps located in Lebanon, Syria and Jordan. Other Palestinian refugees live in the Gaza Strip and the West Bank but have managed to find accommodation outside the camps.
- 10.39 Australia's aid to Palestinian refugees is allocated through two channels. The main channel is via UNRWA, and the other is through programs run by NGOs.

United Nations Relief and Works Agency

- 10.40 UNRWA was established under United Nations General Assembly Resolution 302 (IV) of 8 December 1949 following the 1948 conflict in
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17 Hon Alexander Downer MP, media release, 27 April 2001.

18 ACFOA, Submission, pp. 1605 and 1612.

Palestine, and commenced operations on 1 May 1950. Its purpose was to provide humanitarian relief and works programs for Palestinian refugees. It has fed, clothed, housed, educated, and provided health care to hundreds of thousands of Palestinian refugees for more than 50 years.¹⁹

- 10.41 Originally envisaged as a temporary organisation, UNRWA is unique within the UN structure in that it has focused solely on one distinct set of refugees for such a long period. Due to the unresolved nature of the Palestinian refugee issue, the UN has had to renew UNRWA's mandate repeatedly. The current mandate runs until 30 June 2002.²⁰
- 10.42 The UNRWA definition of a registered Palestinian refugee is 'a person whose normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948 and who lost both home and means of livelihood as a result of the 1948 conflict'. Palestinian refugees eligible for UNRWA assistance are persons who meet this definition as well as descendants of fathers fulfilling the definition.²¹
- 10.43 Today UNRWA is the main provider of basic services to 3.8 million registered Palestinian refugees in the Middle East—a dramatic increase on the 860,000 persons who were first registered with UNRWA in 1950. Table 10.5 on the following page shows the basic statistics in relation to UNRWA-registered Palestinian refugees and their locations in the Palestine Territories and neighbouring countries as at June 2001
- 10.44 UNRWA's base budget for 2001 is US\$311 million. When UNRWA was established as a temporary agency, the UN considered it would be best if the Agency were able to collect voluntary contributions. Therefore, UNRWA is not part of the normal UN Assessed Contribution Scheme.²² Although the UN covers the direct cost of international staff, all other funding comes from the annual voluntary contributions of donor states. UNRWA has been finding it increasingly difficult to obtain adequate levels of donations in recent years.²³

19 'Frequently asked questions about UNRWA', UNRWA web site www.un.org/unrwa, June 2001.

20 *ibid.*

21 *ibid.*

22 'Frequently asked questions about UNRWA', UNRWA website, June 2001.

23 See also Chapter 7, footnote 34.

Table 10.5 Palestinian refugees registered with UNRWA

	Gaza Strip	West Bank	Jordan	Syria	Lebanon	Total
Registered Refugees (Thousands)	838	591	1610	388	380	3806
Percentage of Total (Percentage)	22	16	42	10	10	100
Number of Camps (Number)	8	19	10	10	12	59
Registered Refugees in Camps (Thousands)	457	160	285	113	213	1228
Registered Refugees in Camps as a Percentage of Registered Refugees (Percentage)	55	27	18	29	56	32
Registered Refugees as a Percentage of Total Population (Percentage)	79	30	33	3	11	N/A
Increase in Registered Refugees over Previous Years (Percentage)	3.6	2.6	4.4	2.4	1.8	3.5

N/A Not applicable

Source 'UNRWA in Figures', UNRWA website www.un.org/unrwa, June 2001

10.45 UNRWA's largest donors are the United States, the European Commission, the United Kingdom, and Sweden. Other major donors are the Persian Gulf States, Japan, and Canada.²⁴

10.46 Table 10.6 below shows the major components of UNRWA's budget for 2001:

Table 10.6 UNRWA General Fund Budget for 2001, US\$ million

	Gaza Strip	West Bank	Jordan	Syria	Lebanon	Total
Education	53	26	51	12	23	167 (54%)
Health	16	12	11	5	9	54 (17%)
Relief and Social Services	11	5	6	3	6	31 (10%)
Operational and Common Services	8	6	4	2	6	68 (18%)
Total General Fund Budget	88	49	72	22	44	311 (100%)

Source 'UNRWA in Figures', UNRWA website www.un.org/unrwa, June 2001

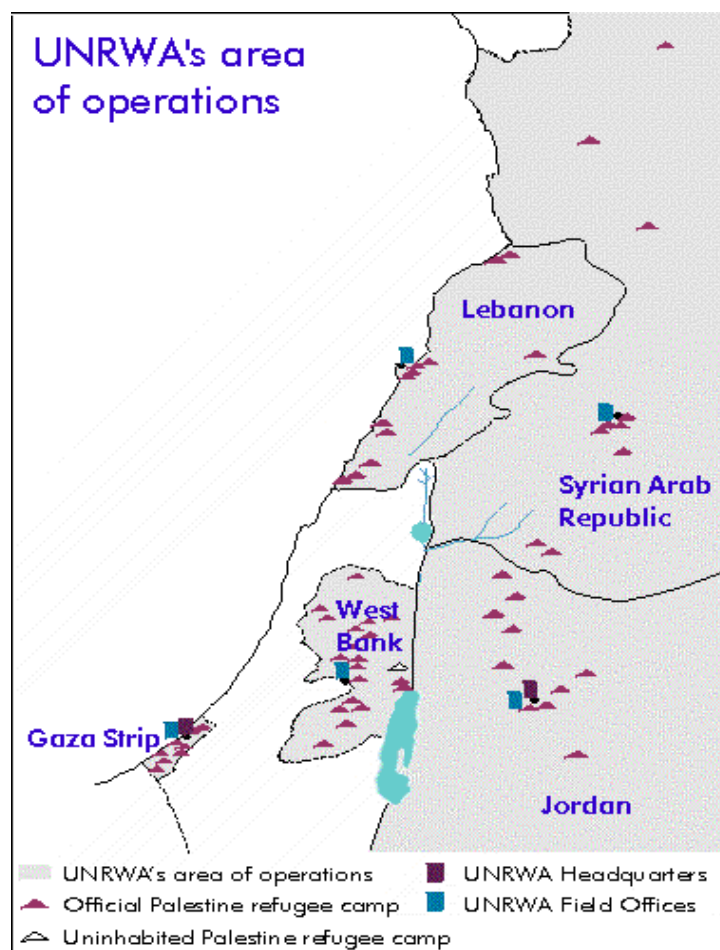
10.47 As shown in Table 10.5, one-third of UNRWA-registered refugees are housed in 59 camps—see the map at Figure 10.1 overleaf. The other two thirds live in and around the cities and towns, often in the environs of the official camps. The host governments administer the refugee camps while

24 'Frequently asked questions about UNRWA', UNRWA website, June 2001.

UNRWA is responsible for providing educational, health, relief and social services inside and outside the camps for UNRWA-registered refugees.²⁵

10.48 A number of the submissions from NGOs described the increasingly desperate plight of the Palestinian refugees, especially those in camps in Lebanon.²⁶ In Jordan, most Palestinian refugees have access to citizenship and are relatively well integrated socially and economically. Only 18 per cent still live in the designated camps.

Figure 10.1 UNRWA area of operations



Source UNRWA website www.un.org/unrwa, June 2001.²⁷

25 *ibid.*

26 ACFOA, Submission, pp. 1607-08; APHEDA, Submission, pp.1530-31 and Transcript, pp. 241 and 242; Arab Australian Action Network, Submission, p. 313; World Vision Australia, Submission, p. 1454. NCCA, Submission, p. 942.

27 Maps on the UNRWA website are not drawn to scale and are not to be considered an authority on the delineation of international boundaries.

- 10.49 Palestinians in Syria are regarded as 'stateless' but they are afforded the same economic and social rights as Syrians, which opens up various means of survival to them. While the Lebanese Government also regards Palestinians as 'stateless', they are denied any social or economic rights. They are excluded by law from work, social services or civil rights, which makes their situation very vulnerable. As APHEDA stated in evidence:
- To see the situation of Palestinian refugees in Lebanon first-hand is to confront a human rights abuse that is obscene in its duration and appalling in its enormity.²⁸
- 10.50 The 'second' Intifada, which commenced in late September 2000, has resulted in significant social and economic disruption. Humanitarian needs of the Palestinian refugees escalated to new heights, especially in the Gaza Strip and the West Bank. In response to the increased need, UNRWA launched a 'flash appeal' in October 2000 followed by two 'emergency appeals'—the first launched in November 2000 and the second in February 2001.²⁹
- 10.51 The Flash Appeal raised US\$1.7 million, the First Emergency Appeal raised US\$44.6 million, and the Second Emergency Appeal had raised US\$22.9 million by early May. Australia provided US\$130,375 to the Flash Appeal, and US\$254,712 to the Second Emergency Appeal.³⁰
- 10.52 As shown in Table 10.4 above, UNRWA has received between 40 and 70 per cent of Australia's total non-food aid to the Middle East in recent years. While our contribution to UNRWA represents the largest component of Australia's non-food aid to the Middle East, Australia's contribution actually represents less than 1 per cent of UNRWA's annual budget requirements.
- 10.53 There is no doubt that UNRWA is fulfilling an essential need in regard to the Palestinian refugees and the Committee believes that it should continue to receive the major share of Australia's non-food aid to the Middle East.

28 APHEDA, Transcript, 26 July 2000, p. 241.

29 UNRWA website, June 2001.

30 Ibid.

Recommendation 37

10.54 The Committee recommends that

- **the United Nations Relief and Works Agency receive at least 50 per cent of Australia's non-food aid to the Middle East;**
- **the Australian Government use its influence to urge the international community to reverse the decline in financial support for the United Nations Relief and Works Agency; and**
- **the Australian Government employ every diplomatic means at its disposal to encourage the Lebanese Government to improve the conditions of the Palestinian refugees within its territory.**

Aid through NGOs

10.55 UNRWA is the main channel of AusAID funds allocated to Palestinian refugees. The second channel is through NGOs.

10.56 NGOs play a key role in the provision of Australian aid to developing countries. Through their strong links with communities in developing countries and partnerships with local organisations, NGOs are well placed to strengthen civil society and to build longer-term sustainable development at the grass roots level.

10.57 NGOs have also been successful in mobilising public support and voluntary contributions for aid projects and in engaging the Australian community in aid-related activities.³¹ For example, APHEDA's contribution to aid projects in the Middle East totalled nearly \$4 million during the last four years, and 2,500 Australians sponsor children in the Middle East under a WVA program.³²

10.58 UNRWA only assists refugees who meet its definition and are formally registered with that agency. Many Palestinians became refugees as a result of disturbances after 1950, so they are not eligible for registration with UNRWA. In a sense their plight is even worse than that of the UNRWA-registered refugees, as they have no special entitlement to

31 'Australia's Overseas Aid Program 2001-02', Statement by the Minister for Foreign Affairs, 22 May 2001, p. 21.

32 APHEDA, Transcript, 26 July 2000, p. 238; World Vision Australia, Submission, p. 1438.

assistance.³³ Many NGO projects are targeted at assisting the 'non-registered' Palestinian refugees.

10.59 AusAID now has a rigorous accreditation process for NGOs wishing to utilise government aid funds in their projects. NGOs often have very good grass-roots contacts and can provide a very effective means of meeting humanitarian needs. However, for an organisation to be eligible, AusAID must be convinced that individual NGOs have procedures in place to utilise aid funds efficiently. These are public funds that must be properly accounted for.

10.60 ACFOA described the role of NGOs as follows:

Our special role as humanitarian agencies is to address the issues of poverty alleviation, equitable sustainable development and focus on to promotion and realisation of fundamental basic human rights. These include the right to livelihoods (access to food, shelter, land and natural resources such as water), as well as economic, social, political, cultural, religious and gender rights.³⁴

10.61 Among the Palestine refugees, a number of groups have been specially targeted by NGOs for assistance—women, children, the elderly, and the disabled. The following is an indicative list of NGO projects that received AusAID funding support in 2000-01.

Table 10.7 AusAID supported NGO projects in the Palestinian Territories and Refugee Camps, in 2000-01

Non-Government Organisation	Project Brief Description	Indicative Timing	Amount budgeted in 2000/1 (A\$)
Australian Care For Refugees	The project is located in Burj el-Barajneh refugee camp and addresses the need for refugees to learn practical skills in order to find employment outside the camp.	April 2000 – March 2001	\$74,694
Australian People for Health, Education and Development Abroad	This project provides preventive health care needs of Palestinian refugee woman, children, elderly, and disabled in Burj el-Barajneh refugee camp in Lebanon.	April 2000 – May 2001	\$133,135
Australian People for Health, Education and Development Abroad	Nonformal education for refugees in the Burj el Barajneh refugee camp in Lebanon. Provide vocational training for refugees who fall outside UNRWA's jurisdiction and upgrade management of the Womens Humanitarian Organisation.	July 2000 – June 2001	\$197,681 (cont.)

33 ACFOA/Austcare, Transcript, 14 September 2000, p. 385; World Vision Australia, Transcript, 24 July 2000, p. 157.

34 ACFOA, Submission, p. 1546.

Australian People for Health, Education and Development Abroad	The project is located in the northern part of the West Bank and in the Gaza Strip and is implemented by a local NGO, MA'AN Development Centre, based in Ramallah. The Project provides marginalised women and children with basic education and training as well as primary health care.	Sept 2000 – Aug 2001	\$280,000
*Australian People for the Health, Education and Development Abroad	The major objective of this project is to build the accounting and financial management capacity of a local NGO.	May 2001 – Dec 2001	\$9,000
Australian Red Cross	Implemented in five West Bank and three Gaza communities, the goal of this project is the development of a replicable model for improved delivery of women's and children's health, including reproductive health and family planning.	May 2000 – June 2001	\$402,344
Every Home for Christ	Implemented in six refugee camps, the objectives of the project are to provide access to education, to improve health practices, and to increase the empowerment of children in the camps.	April 2000 – June 2001	\$70,436
*National Council of Churches	This project addresses health and humanitarian needs of Palestinian refugees in Gaza and farming communities in the Beqqa region in Lebanon suffering from chronic water shortage problems	Jan 2000 – Dec 2000	\$90,000
Oxfam Community Aid Abroad	The goal of the project is to offer basic and vocational IT training to residents of five Palestine refugee camps in Gaza and the West Bank.	April 2000 – June 2001	\$114,938
Salvation Army	In 12 Palestinian refugee camps in Lebanon this project provides income-generating skills to youth and upgrades pre-school facilities.	Aug 2000 – Nov 2001	\$320,000
World Vision	The project is located in four rural villages in the West Bethlehem district of the West Bank all suffering from displacement, resettlement and land confiscation. The project will furnish and equip four health clinics and form medical teams to provide women's health and baby programs.	July 2000 – Sept 2001	\$320,000
*World Vision	The objective of this project is to increase the employability and income earning potential for youth with disabilities, refugees, rural unemployed and women.	Oct 2000 – Sept 2001	\$428,233

* Projects which involve matching funds from the NGO involved.

Note: Timing of several projects has been affected by the second Intifada

Source AusAID, Exhibit 39

Aid to the Palestinian Authority

- 10.62 Apart from aid focused on Palestinian refugees and delivered through UNRWA and NGOs as outlined above, AusAID has funded two projects to build the legal and agricultural capacity of the PA. Funding for these projects has represented about 20 per cent of total aid in recent years.
- 10.63 The PA was established following the Oslo Agreement of 1993, to give Palestinians living in Gaza and the West Bank a limited form of self-rule. When a Palestine entity is eventually created, the PA is likely to form the basis for its government.
- 10.64 Australia contributed \$1.2 million over two years to the second phase of the 'Rule of Law Assistance Project' which was undertaken in conjunction

with the Palestine Ministry of Justice. The project commenced in May 1999 and, after some delay, concluded at the end of June 2001. It was managed and implemented by Australian Legal Resources International.³⁵

- 10.65 The Rule of Law project had a number of key objectives—to develop a legal infrastructure; to improve the forensic investigative capabilities of the Palestinian police; to enhance training provided by the Law Centre of Birzeit University; and to promote adherence to human and civil rights.³⁶ Despite the efforts of Australia and others to develop proper rule of law standards, there are continuing reports of violations of human rights by the PA.³⁷
- 10.66 The Agriculture Capacity Building and Training Project is a four year program which commenced in November 1998. It is being implemented by SAGRIC International Pty Ltd and aims to strengthen the capacity of the Palestine Ministry of Agriculture by developing its human resource capabilities.³⁸
- 10.67 With the Rule of Law project reaching finalisation, AusAID is considering a new project which would involve assisting the Palestine Ministry of Education to strengthen and extend vocational education—particularly commercial and business studies. This would be a five year project with an estimated budget of \$5.3 million.³⁹
- 10.68 The Committee feels that the current situation of active conflict/Intifada is not conducive to commencing a major new capacity-building project, such as the proposed vocational education project.
- 10.69 The Agricultural Project appears to be about half way through its cycle. Unless the Intifada makes progress increasingly difficult, the Committee recommends that this project be continued to completion.
- 10.70 Once normality returns to the Occupied Territories, AusAID will re-assess the feasibility of larger capacity-building type projects. It would be appropriate for Australia to focus on one or two sectors, such as agriculture and education, for future projects.
- 10.71 Australia has much experience to contribute in dry-land farming techniques. Indeed, this is an area where we might also learn from the

35 DFAT, Submission, p. 1002; Transcript, 14 September 2000, p. 361; ACFOA, Submission, pp. 1614–17.

36 DFAT, Submission, p. 1002.

37 ACFOA, Submission, p. 1551; Uniting Church in Australia (Victoria), Transcript, 24 July 2000, pp. 92-93.

38 ACFOA, Submission, p. 1551.

39 AusAID, Exhibit 39.

Palestinians. Arable land is virtually the only natural resource in the Occupied Territories and constitutes 24 per cent of the area of the Gaza Strip and 27 per cent of the West Bank. Agriculture represents about one-third of the production of the Palestinian Territories. ACFOA sees agriculture as a vital sector for development:

Ongoing funding can strengthen ecologically sustainable agriculture in which Australian experience facilitated by support from the aid program can make a strategic contribution to strengthening Palestinian agriculture and increased food security in the region.⁴⁰

10.72 APHEDA made the following comment regarding the agriculture sector:

... as part of our commitment to sustainable development, APHEDA urges the Government to support agricultural development and training projects involving sustainable agricultural techniques, extension programs and agribusiness skills.⁴¹

10.73 Given the modest size of Australia's aid program, it would make sense to focus on one or two Palestinian Ministries, in order to understand fully their objectives, priorities, processes and key personnel. The current agricultural project provides a sound base on which to build.

10.74 Agriculture is the mainstay of the Gaza and the West Bank, and likely to continue to remain important in the foreseeable future. Any assistance Australia can provide in improving agriculture would be most worthwhile.

10.75 Equitable access to water resources and the management and use of water in an arid environment were raised by WVA and ACFOA as issues of vital current and future importance to the region:⁴²

Access to water has been a direct source of the conflict in the Middle East in the past and will be the cause of continuing conflict in the future.⁴³

10.76 The Committee believes that Australia can make a useful and worthwhile contribution to the issue of water resources in the Palestinian Territories, particularly in relation to food production.

40 ACFOA, Submission, p. 1609.

41 APHEDA, Submission, p. 1532.

42 ACFOA, Submission, p. 1609 and Transcript, 14 September 2000, p. 378; APHEDA, Transcript, 26 July 2000, p. 244; World Vision Australia, Submission, pp. 1441-42 and Transcript, 24 July 2000, pp. 154-55.

43 ACFOA, Submission, p. 1609.

Australian Centre for International Agricultural Research

- 10.77 The Australian Centre for International Agricultural Research (ACIAR) aims to develop international agricultural research partnerships that result in a reduction of poverty, improved food security and enhanced natural resource management in developing countries. AusAID will provide \$45.4 million to ACIAR in 2001-02. About 80 per cent of the funds will contribute to supporting 180 bilateral projects in 27 countries, while 20 per cent are used in ACIAR's multilateral program which supports international agricultural research centres.⁴⁴
- 10.78 ACIAR's primary focus is on the Asia Pacific region, which the Committee supports entirely. The bulk of ACIAR's funds should be used in neighbouring countries. However, 6 per cent of ACIAR's bilateral program budget and 25 per cent of ACIAR's multilateral program budget is directed towards institutions in Africa, mainly Sub-Sahara Africa.
- 10.79 The Committee wonders whether some of this effort could be re-directed to support the aims of the Agricultural Project currently being undertaken with the Palestine Ministry of Agriculture. In that way it would bolster an existing program and, hopefully, different projects leveraging off one another will result in greater overall benefits for the Palestinian people.
- 10.80 WVA, in its submission, recommended the establishment of an 'Institute for Water Management' by Australia, Israel and the Palestine Authority.⁴⁵ This is an interesting concept and the Committee suggests that ACIAR look at the feasibility of closer scientific linkages in this area. There is no doubt that water is of critical importance to the future well-being of Australians, Israelis and Palestinians and that all parties would gain from joint research programs and an exchange of scientific and engineering personnel.⁴⁶

44 *Australia's Overseas Aid Program 2001-02*, Statement by Minister for Foreign Affairs, 22 May 2001, pp. 54-57.

45 Submission, p. 1443.

46 See also discussion on the Water Resources Working Group under Water Resources in Chapter 3 of this report.

Recommendation 38

10.81 The Committee recommends that:

- AusAID, in consultation with the Palestinian Authority, focus on the agricultural and educational sectors for longer-term capacity-building projects;
- the Australian Centre for International Agricultural Research (ACIAR) re-direct some of its research towards collaboration with the Palestine Ministry of Agriculture; and
- ACIAR examine the feasibility of establishing scientific linkages with Israel and the Palestinian Authority on water use and management.

Senator Alan Ferguson
Chairman

