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Sent: Wednesday, 31 March 2004 8:53 PM
To: Committee, Treaties (REPS)
Cc: Gibbs_DArcy
Subject: Proposed Australian Withdrawal from IFAD

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To: jsct@aph.gov.au <jsct@aph.gov.au>
Date: Wednesday, 31 March 2004
Subject: Australia membership in IFAD

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BY: *[Signature]*

The Chairman
Mr Andrew Southcott MP
Joint Standing Committee for Treaties

Dear Mr Southcott

Re: Proposed Australian withdrawal from IFAD

I am an international rural development consultant with almost 30 years work experience in developing countries including periods of full-time employment with the Food and Agriculture Organization (9 years) and The World Bank (7 years). I am presently employed as a private consultant working primarily for the World Bank, but also for AusAID, FAO and, occasionally, IFAD, for whom I have led two project appraisal missions over the last 5 years, out of 70 missions in total. As such, I have little pecuniary interest in Australia remaining as an IFAD member, however, I have a large interest in my country continuing to participate in an organization that I regard as being one of the most effective in dealing with rural poverty across the world.

To date, I have desisted from entering the debate on Australia's proposed withdrawal from IFAD in the expectation that common sense would prevail. I now see that this is not the case and wish to add my voice to the large number of well-respected international consultants and other NGO and development organizations that have objected to this very unsound proposal.

One of the opening statements in the National Interest Statement (NIA) that "IFAD's programs are not consistent with Australia's national interest in delivering a focused, coherent aid program directed to Australia's priority development partners in SouthEast Asia and the Pacific" is patently incorrect. Both AusAID and IFAD have a primary focus on poverty alleviation and any review of AusAID's poverty alleviation programs would show that many of the strategies they employ evolved as a result of IFAD's long and on-going commitment to rural poverty alleviation.

The NIA states that "IFAD's mandate is not unique". Maybe not, as the wider donor community, including NGOs, has followed IFAD's footsteps and focused their effort on poverty alleviation. Having worked across a large range of development organizations and situations I consider that, at the grass-roots level, IFAD is one of the very few organizations to successfully apply practical, participatory poverty alleviation programs. As noted in the NIA, many organizations write eloquently about poverty issues, particularly the World Bank, but few have the staff (and consultants) with the practical skills and commitment to effectively apply these ideas through truly participatory processes in poor rural households.

I note that the NIA assessed IFAD lending in South East Asia and the Pacific at only about 7% of its total portfolio in the period 1998-2002. That, however, has recently risen to 11% and is likely to rise further in the near future as IFAD develops its recently initiated "Pacific Program" and applies its Performance Based Allocation System. One could also take a longer term perspective and learn that, since 1978, IFAD has allocated US\$ 2.6 billion to the wider Asia-Pacific region, of which 20 percent has flowed to countries in Asia other than India and China. In comparing AusAID and IFAD aid flows, you must also take account of the fact that AusAID's program covers all development sectors, whereas IFAD focuses solely on the agricultural-dependent rural poor. This is an extremely difficult segment to target and one that, until quite recently, has been marginalized by the international financial agencies for that very

reason. In the mid 1990's the Asian Development Bank lending to the agricultural sector fell to just 7 percent of its total portfolio, while that of the World Bank at that time dropped to just 14 percent.

The NIA speaks of IFADs "lack of transparency and poor communication with donors". This is a very broad and pejorative statement that I doubt would stand close scrutiny. I note for instance, that several donors have expressed disquiet at Australia's unilateral move to leave IFAD and that the US Government, which is not known for its generosity to the UN family, has recently increased its contribution to IFAD. Like most donor organizations IFAD has had its ups and downs in terms of management and policy, however, I understand that IFAD, under its new management, has now largely addressed AusAID's concerns for a workable modus operand., Unfortunately, this is not reflected in the NIA.

The NIA goes on to say "the Australian Government undertook a series of consultations with stakeholders on the issue of Australia's withdrawal. It would be more accurate to say that those consultations were on the Australian Government's decision to withdraw and, as such, can hardly be considered as consultation. Had AusAID engaged in a consultative process that underpinned its decision making processes, I doubt we would be facing the stalemate we presently find ourselves locked into.

That "Australian businesses have much more substantial opportunities through Australia's membership of other multilateral organizations", goes without saying. Their loan portfolios are much larger and they are more dependent on outside expertise than IFAD, but that is no reason to deny Australian business the opportunity to enjoy the employment and the spin-off benefits of IFADs development programs.

Our benefit from IFAD membership should not, in any case, be primarily evaluated in dollar terms. IFAD is a symbol of support for the poor across the globe and all Australians will loose, both morally and culturally, if their government chooses to withdraw.

I am not in a position to attend your hearings in Canberra, however, I hope you will listen to the sage advice being offered by the International Support Group and move to rebuild your relationship with IFAD to the mutual benefit of both organizations and Australians as a whole.

Yours sincerely

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