

from the May 18, 2006 edition - <http://www.csmonitor.com/2006/0518/p04s01-woap.html>

Australia boosts aid to its neighbors

The increase, to \$3.1 billion from \$1.9 billion, is part of Canberra's sense of responsibility for the Asia-Pacific region.

By Janaki Kremmer | Correspondent of The Christian Science Monitor

SYDNEY, AUSTRALIA - As a part of its growing wealth and prominence on the world stage, Australia has announced a major increase in foreign aid that analysts say will help deflect criticisms about the country's past contributions.

The amount of aid spending will jump to \$3.1 billion by 2010, from \$1.9 billion. The new spending will channel funds into humanitarian areas in the Asia-Pacific region such as health and education, while sustaining its current aid related to law-and-order projects. Among the few specifics available, the white paper on foreign aid unveiled late last month said that Australia will head an international bid to tackle malaria in the Pacific.

The effort is part of Australia's moves since 9/11 to stake out more clearly Southeast Asia and the Pacific as its sphere of concern and responsibility, say analysts, who see in the new humanitarian focus a more comprehensive approach to fostering stability, development, and goodwill.

"Australia is making commitments to the region now just as in the same way Europe feels responsible toward Africa," says Satish Chand, a foreign aid expert at the Australian National University in Canberra. "Regional governments are happy that the Australian government is going to focus more on things like development and health issues, without which there can be no real change in their situation."

The United States has also welcomed Australia's more proactive approach in the region since 9/11 - part of a deeper partnership that was on display in Washington this week as President Bush hosted Prime Minister John Howard.

But past criticism has also motivated Canberra to act now. In 2003, Australia ranked

third from the bottom of 21 rich countries in its commitment to assist developing countries, according to an assessment by Foreign Policy magazine.

The "commitment to development" index, compiled by the magazine and the Washington Center for Global Development, rated Australia near the top for its trade policies, in the middle for immigration, and among the least helpful countries when it came to investment in developing countries, peacekeeping efforts, and impact on the world's environment.

"Australia has been shamed into acting," says Stuart Rees, director of the Center for Peace and Conflict Studies at Sydney University. "Thirty years ago, this country was an advocate of human rights and development, but that's been tarred, and it became studiously mean and got too tied up in old-fashioned sovereignty issues."

Mr. Rees points to the Solomon Islands, a poor South Pacific neighbor suffering from ethnic unrest, as an example of how Australia got its aid priorities wrong by tying them heavily to security issues.

"By just sending in police and guns to Honiara in 2003, it was unable to stop the postelection violence this year, as it had not done enough outside the capital to get people jobs, education and health.... That's just being reactive rather than proactive."

A report by World Vision Australia, released shortly before the white paper on aid, found that in four years, Australia's aid spending on law and order had risen 10-fold, to \$323 million from \$31.5 million. Spending on governance had grown to \$365 million from \$230 million, mostly in Papua New Guinea and the Solomons.

But this time, the white paper gives more emphasis to Southeast Asia, which accounts for 95 percent of the region's very poor (those who earn less than a dollar a day). Until now, it received only one-third of Australia's country-allocated aid, while the Pacific, which has 5 percent of the region's very poor, received 50 percent of the country-allocated aid.

But even here, there are worries. "There seems to be no clear greater support for countries like Cambodia and Laos, which are among the poorest countries in the region," says Tim Costello, the chief executive of World Vision Australia.

Mr. Costello adds that while the white paper provides a greatly improved strategic framework for alleviating poverty in the region and was "the most significant aid increase for many years, it still falls behind commitments made by other nations."

By 2010, Australia would have spent just 0.38 percent of its Gross National Income, or GNI, on aid. That would still be far below the UN target of 0.7 percent and it would rank at 18 out of 22 of developed countries in terms of foreign aid.

However, the government received plaudits for announcing it would no longer force aid to go only to Australian contractors.

"We called that boomerang aid, where Australians were the ones benefiting from the contracts," says Tim O'Connor, the executive director of Aid/Watch an independent organization in Sydney campaigning for the positive use of Australian overseas aid funds in development projects.

The decision mirrors that of other nations, which have moved toward open and transparent bidding for contracts in an effort to boost the effectiveness of aid.

"It's based on an Australian policy simply of trying to get better value for money," says Mr. Chand. "Tying of aid in the past has been known to restrict competition."

Aid experts are expected to dissect the annual budget figures to get a better sense of the new initiative.

"As with most policy documents, the devil is in the details," says Costello. "The increased focus on health, education, and gender equality has to be commended. People who have hope through jobs, education, and access to healthcare do not riot."

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