Senate Foreign Affairs, Defence and Trade References Committee

Inquiry into Australia and the Countries of the Indian Ocean Rim, 6 December 2012

Questions on Notice: AusAID

Question No. 1

Senator Eggleston asked on notice:

The WA government said that last year during CHOGM, the Prime Minister announced a $120 million-AusAID funding program for developing countries in the mining sector. I am not sure if that is a correct quote. All of that funding is being managed through the Institute of Mining and Petroleum at UWA, and a great deal of that money goes into African countries to help them build their governance requirements to build up their resource sectors. These are obviously important to their economies. Could you inform the committee as to what degree you are involved with this institute at the University of Western Australia? And could you give us a progress report? It is a year later, really—I suppose it was only established last year.

Answer:

The International Mining for Development Centre ($31 million, 2011-2015) is a major component of Australia's $127.3 million Mining for Development Initiative.

The Centre is hosted by the University of Western Australia in partnership with the University of Queensland.

The Centre has a board comprising senior representatives from the Universities of Western Australia and Queensland which meets with AusAID's Director General on a quarterly basis to discuss the direction of the Centre's activities. AusAID provides feedback on the Centre's Annual Plan and Progress Reports. The Centre has participated in scoping missions for countries identified for AusAID's mining for development support. It also communicates regularly with AusAID's country programs to ensure that its support is well coordinated with broader AusAID mining for development cooperation. In addition, as part of its advice on the overall Initiative, AusAID's Mining for Development Advisory Committee (comprising high-level representatives from government, civil society and industry) provides strategic advice on the direction of the Centre's activities.

The Centre is supporting developing countries to transform their extractive resource endowments into inclusive and sustainable economic growth by providing governments and civil society organisations with practical training, fellowships, research and advisory services.

Since its establishment, the Centre has delivered 19 training courses to 580 people from 28 developing countries, and provided research funding to 6 PhD scholars. The Centre has also commissioned 13 research projects into mining for development issues, and published 3 guides to Australian practice in key mining governance themes.

By 2015, the Centre will have trained over 2,000 people in fields related to better managing mining's contribution to development.

Question No. 2

Senator Bishop asked on notice:

Okay, that is fine. I think it was DFAT that gave a significant grant—or, the government, through DFAT, gave a significant grant—to one of the institutes at the University of Western Australia, working jointly with a similar institute at the University of Queensland. Are you familiar with that? Is that a commitment of funds [to the International Mining for Development Centre] for a particular period of time? Or what is it?

Answer:

AusAID's agreement with the International Mining for Development Centre is from 21 October 2011 to 30 June 2015.

Question No. 3

Senator Stephens asked on notice:

You spoke this morning about the fact that the way in which you provide assistance is mainly through financial aid in bilateral agreements. How much of that bilateral aid is in long-term projects? One of the criticisms that we have been hearing is that funding is in the short term and it is difficult to sustain some of the projects. That is particularly a criticism from the NGOs. So how much of the aid tied up with those agreements is in long-term projects as opposed to short-term disaster responses?

Answer:

Please refer answer to Question 6 (b) of the written questions on notice.

Question No. 4

Senator Stephens asked on notice:

I would like to focus my questions, if I may, on the IOR-ARC. First of all, I could not see in the joint submission whether Australia contributes funds to that organisation. Are you able to assist?

Answer:

Australia pays compulsory membership fees to IOR-ARC. Australia's fee is paid by DFAT.

Question No. 5 (written)

DFAT's submission noted that the government's response to the 2011 Independent Review of Aid Effectiveness articulated Australia's clear and vital interest in the prosperity and stability of the Indian Ocean. It also noted that AusAID should be working more closely with emerging donors, such as India, and to assist in strengthening regional bodies to preserve global order.

a) What work is AusAID undertaking to strengthen ties with emerging donors such as India?

b) What work is AusAID undertaking to strengthen regional bodies in the Indian Ocean region. How does AusAID work with IOR-ARC countries to encourage potential aid donors to work on aid projects of benefit to the region?

Answer:

a) AusAID is committed to working with emerging donors as a means of increasing global aid effectiveness. As a donor, Australia promotes the value of partnering with countries like India, Indonesia, Brazil and China to help share their development experiences with other countries. Australia works through international forums and participates in trilateral partnerships where opportunities arise, to strengthen cooperation.

b) There is no one, well-established, regional platform for cooperation across all countries of the Indian Ocean region as many regional bodies have overlapping membership. AusAID works with regional bodies (such as ASEAN, APEC, East Asia Summit, IOR-ARC, Indian Ocean Commission, Southern African Development Community, East African Community and others) on jointly agreed priorities. This allows AusAID to support regional leadership and work more closely with international partners to better target capacity building and use of resources.

   Australia engages with regional bodies that have membership common to IOR-ARC and with regional and global programs and pooled multi-donor programs which benefit IOR-ARC member countries. This helps to unlock other aid donor funds and also improve on-the-ground operating conditions so that business and aid organisations can have more confidence to invest. Australia is currently Vice Chair of IOR-ARC and will be Chair in 2014–15. IOR-ARC provides an opportunity for member countries to liaise on common development challenges.

Question No. 6 (written)

DFAT's submission goes on to note that much of Australia's assistance to IOR countries is through bilateral aid, although there are a number of regional development programs which provide multilateral assistance.

a) Could you provide more information about the bilateral aid Australia provides to IOR countries?

b) How much of this bilateral aid is in long-term projects? How much is short-term? (For example disaster relief.)

c) Could you provide more information on the multilateral assistance Australia provides in the IOR?

d) How does Australia engage other countries in delivery of such programs?

e) What can Australia do in the future to encourage participation of donor countries?

Answer:

a) In accordance with AusAID's aid policy our assistance is focused on the Asia Pacific Region. We will continue to rely on bilateral modes of aid delivery to East Asia and the Pacific, and deliver aid to other regions mainly through partners. From the IOR countries Indonesia is Australia's largest aid recipient and Bangladesh and East Timor are 7th and 8th largest. Information on AusAID's bilateral programs can be accessed through AusAID's website at http://www.ausaid.gov.au/countries/Pages/default.aspx

b) Development is a long term process, and the bulk of Australian assistance to countries in the Indian Ocean region is provided for projects intended to achieve long-term outcomes—in areas including governance, infrastructure, food security, water and sanitation, health and education—in accordance with AusAID's five strategic goals. Information on our strategic goals can be accessed through AusAID's website at http://www.ausaid.gov.au/makediff/pages/aid-policy.aspx. Around 10 per cent of Australian aid is for immediate humanitarian and disaster relief programs. Information on AusAID's humanitarian and disaster relief work can be found on our website at http://www.ausaid.gov.au/makediff/human/Pages/default.aspx.

c) AusAID does not provide multilateral assistance to the Indian Ocean region as a whole but works closely with multilateral partners in individual countries in the IOR and through sub-regional programs. While AusAID does not provide multilateral assistance specifically to the Indian Ocean Region as a whole, our core contributions to multilateral organisations, such as the World Bank, provides assistance to eligible countries in the Indian Ocean Region. Information on multilateral assistance can be accessed through our website at http://www.ausaid.gov.au/partner/multilateral/Pages/home.aspx. Relevant publications can be found at http://www.ausaid.gov.au/Publications/Pages/List.aspx?publicationcategory=Multilaterals

d) Australia has developed partnerships with key donors to improve the efficiency and effectiveness of development activities, making the best use of limited resources, avoiding duplication and making coordination easier for the partner government. We also provide assistance through partner governments' systems where these are robust, and make use of other country donors or multilateral partners where they have a greater capacity to deliver results than we do. AusAID builds on these relationships and engages in policy dialogue with relevant governments and donor forums to influence the agenda and encourage cooperation. More information can be found at http://www.ausaid.gov.au/partner/pages/other_government_donors.aspx

e) Australia played an active role in securing the agreement of emerging donors, such as China, India and Brazil at the Fourth High Level Forum on Aid Effectiveness in Busan, South Korea in November 2011 to establish the Global Partnership for Effective Development Cooperation. Australia works closely with other governments and bilateral and multilateral donors to improve aid effectiveness through better coordination of donor programs. We build on these relationships and engage in policy dialogue with relevant governments and donor forums to influence the agenda and encourage cooperation. Australia has worked closely with middle income countries in the G20 Development Working Group, including Brazil and Mexico on green growth, and Indonesia on social protection. As host of the G20 in 2014, Australia will intensify its collaboration with emerging donors through this forum to assist developing countries to achieve inclusive and sustainable growth and reduce poverty.

Question No. 7 (written)

DFAT's submission notes in relation to IOR-ARC that 'Australia wants IOR-ARC to focus on outcomes. Australia's areas of current and potential collaboration within IOR-ARC include oceans (and fisheries) management; science cooperation (including on ocean science, food security and climate change adaption); maritime safety and security; trade and customs facilitation; and disaster risk management'

a) How do Australia's priorities for IOR-ARC, of which Australia will be chair in 2013, align with Australia's aid priorities for the IOR?

   Within these priorities, what aid initiatives are currently underway? What initiatives or projects are planned for the future?

b) DFAT's submission notes several examples of projects conducted by the CSIRO or ACIAR which use aid funds and complete important research or scientific development in the IOR. These projects develop excellent people to people links in the region. How does AusAID leverage these links to assist countries in the IOR? How does AusAID work with IOR countries to utilise existing expertise in new projects?

c) In its submission, the Consulate-general of the Sultanate of Oman provided some details of projects and priorities areas for Oman as a member of IOR-ARC – these included various fisheries sustainability studies. Has there been any consideration of how to assist or support Oman's work through IOR-ARC? Is this something AusAID would consider for aid funding (given the aid funding to CSIRO and ACIAR for comparable projects)?

Answer:

a) As an Indian Ocean state, Australia has an interest in the prosperity and stability of other Indian Ocean states. IOR-ARC provides a forum through which members (foreign ministers, senior officials and eventually more thematic officials and experts) can work more closely together. Australia allocates aid in accordance with poverty needs, Australian national interest, aid effectiveness and our capacity to make a difference. Our aid priorities are determined on a country basis and on the basis of geographical regions that overlap the IOR. These include East Asia, South Asia, and Africa. Within these country and regional frameworks there is scope to support work on the areas of collaboration identified in DFAT's submission.

b) Funding of projects that link Australian organisations (such as CSIRO, ACIAR and others) with organisations of countries in the Indian Ocean region is one example of the contribution of the aid program to building people-to-people links. Australian scholarships and training also generate many significant people-to-people links that can be leveraged by AusAID and other agencies to the benefit of individual countries.

c) Oman is not eligible to receive Official Development Assistance (ODA). As such, AusAID cannot provide aid funding for Oman's work in fisheries sustainability studies or in any other area.

Question No. 8 (written)

DFAT's submission notes the diversity of the countries in the IOR and the economic disparity of many of these countries: for example, three countries have a UN Human Development Index of over 0.8, but the majority of countries are in the low and medium development category. However, the IOR also has countries reporting high levels of economic growth.

a) How does the nature of the IOR affect the focus of Australia's aid priorities in the region?

b) How does Australia work to encouraging other countries whose growth is increasing to assist in the aid work required in the region?

c) What challenges is the IOR facing with the rapid growth and industrialisation of countries?

d) How does Australia's aid policy align with Australia's policy on trade in the IOR?

e) How is the growth of countries in the IOR affected by issues such as climate change, food security, and resource security? What are the aid challenges?

Answer:

a) Australia allocates aid in accordance with poverty needs, Australian national interest, aid effectiveness and our capacity to make a difference. Our aid priorities are determined on a country basis and on the basis of geographical regions that overlap the IOR. Australia's aid priorities, including to the geographic areas that comprise the IOR, are set out in Helping the World's Poor Through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16 (http://www.ausaid.gov.au/about/Documents/capf.pdf)

b) Australia participates in international fora where increased cooperation between traditional and emerging donors can be promoted. We are engaging with key emerging economies, including Indonesia, India and Brazil, to provide aid in the region through triangular cooperation and support for south-south cooperation.

c) Australia shares the view of all IOR-ARC member states[1] that there will be challenges associated with identifying ways, including enhancing connectivity in a region characterised by social and cultural diversity, to utilise increased economic potential for the benefit of all member states.

d) Australia does not have either a single region-wide trade policy or a single region-wide aid policy for the IOR. However, some of Australia's IOR aid and trade engagement has been highlighted in Section 5 of the DFAT Submission to the Inquiry. We have an interest in the prosperity and stability of other Indian Ocean states and work with countries on national development priorities, which may be trade-related.

[1] 12th Meeting of the Council of Ministers of IOR-ARC: Gurgaon Communique. "IOR-ARC at 15 – The Next Decade

e) Issues such as climate change, food security, and resource security are significant development challenges for most IOR countries. Achieving sustainable solutions to these challenges requires long term effort in a number of areas including: improved research, information and planning; sustainable financing; strengthened policy and implementation capacity; and enhanced regional and international collaboration. Aid has some role to play in most of these areas but is not the only, or even the major, contributor.

Question No. 9 (written)

In evidence on 6 December, Mr Nichols described Australia's involvement in IOR-ARC, however then noted that he was confused with SAARC. Could you please clarify Mr Nichols' statement in relation to IOR-ARC and Australia's involvement, and contrast this with Australia's involvement in SAARC.

Answer:

Mr Nichols' response in evidence on 6 December 2012 was accurate. Australia is a member of IOR-ARC and an observer to SAARC.

Question No. 10 (written)

In evidence on 6 December, Ms Rauter provided some information about Australia's disaster risk reduction, including a disaster risk reduction center established in Indonesia and work done with the Economic Community of West African States.6

a) Could you provide more specific information about Australia's disaster risk reduction program and the work Australia does with the Economic Community of West African States?

b) Could you provide more specific information about the disaster risk reduction center in Indonesia – when was it established? What are its aims? Does it link to the Australian Tsunami Warning System?

Answer:

a) Information on Australia's disaster risk reduction work can be accessed through AusAID's website. In West Africa, Australia is working with the Economic Community of West African States (ECOWAS) through the Humanitarian Futures Program, an independent policy research program based in the School of Social Science and Public Policy at King's College London. The program, known as FOREWARN, is being implemented over 24 months with our contribution of $2 million. FOREWARN aims to increase capacity and leadership for implementing Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA) strategies across ECOWAS states and to promote integrated implementation plans at regional, national and sub-national levels. ECOWAS's disaster risk reduction policies and frameworks and early response systems include mapping activities to facilitate integrated planning within West Africa; vulnerability mapping; climate country studies; online training packages, workshops, leadership modules, policy-dialogue meetings, establishing a Future Crisis Unit and a DRR research paper. Recognising the increasing threat that natural disasters pose to achieving development goals, AusAID is integrating DRR and CCA into aid initiatives in Africa to reduce vulnerability and build resilience at both the country and community level.

b) The Australia-Indonesia Facility for Disaster Reduction (AIFDR) is a joint initiative announced by the Australian Prime Minister and the Indonesian President in November 2008. Australia is providing specialist staff and financial assistance worth $67 million over five years to 2013, with Indonesia providing counterpart staff, services and support arrangements. AIFDR is implemented as a partnership between AusAID and the Indonesian Disaster Management Agency that aims to strengthen national and local capacity in disaster risk reduction in Indonesia and the region. For example, the AIFDR is helping the Indonesian Government establish a real time earthquake impact estimation system which enables rapid estimates of the number of people potentially affected in an earthquake. Similarly, AIFDR has supported the development of training packages on the fundamentals of disaster risk management that are being delivered to disaster managers (primarily Indonesian officials at the national and sub-national level) across Indonesia. AIFDR works closely with Geoscience Australia, host of the Australian Tsunami Warning System, on a range of natural disaster scientific models, including tsunami.