

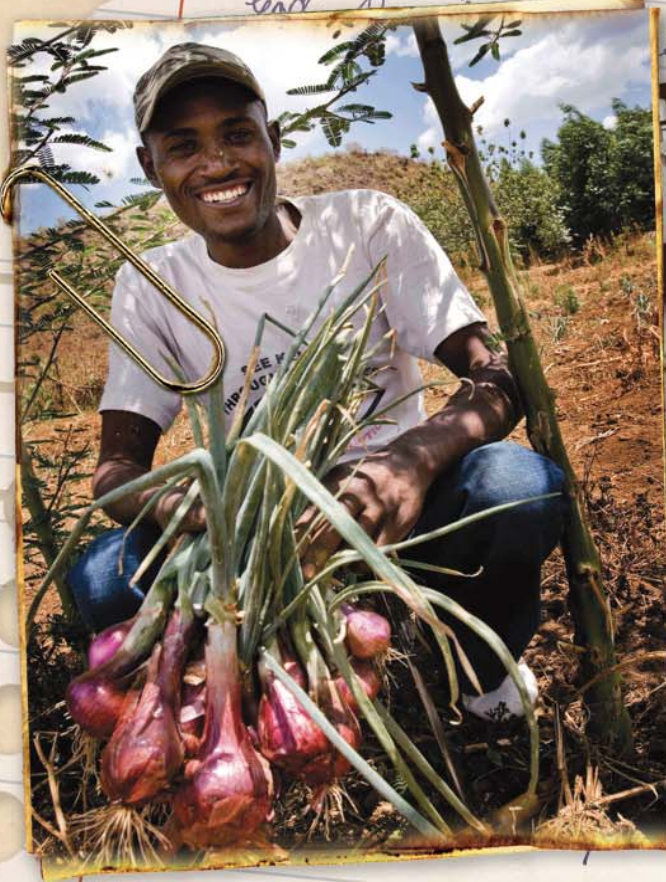


# THE WORLD WE WANT TO SEE

Micah Challenge →

HALVE POVERTY BY 2015

We are called to be people who 'act justly, love mercy and walk humbly with our Lord'



is what requires a bit

and people

ay  
just that.

of justice, love  
called to be  
love mercy



Let's join together in raising our collective voices to encourage our communities, our nation and world leaders to act for justice for the global poor.

**A ROADMAP FOR AUSTRALIA'S OVERSEAS AID CONTRIBUTION BY 2015-16**

# executive summary

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**Global poverty is one of the most significant challenges facing our world today. Since the year 2000, international efforts to achieve the Millennium Development Goals (MDGs) have delivered unprecedented benefits for the poor. Much has been achieved, but there is much still to do.**

In this election year, the clear message is that Australians want our nation, and our nation's leaders to show leadership, real servant leadership, both here and on the world stage. With five years to go until we reach the goal date for the MDGs, now is the time to act.

Analysis of Australia's debt to Gross National Income (GNI) ratio shows that Australia is best placed of all nations in the developed world to show leadership on this issue. Yet Australia's contribution to international efforts to fight poverty remains drastically lower than the rhetoric of our promises. The latest figures from the OECD show that we remain 16th out of 23 nations in terms of percentage of GNI going to ODA (overseas development assistance). We can and must do more.

**This report is a clear plan, a roadmap**, for Australia to lift its contribution to a level that represents our fair share in an international effort to reach the MDGs. The report proposes the Australian Government take the following actions:

- ➔ Provide a roadmap to reach 0.7% of GNI in aid by 2015/16
- ➔ Ensure the sectoral and geographic focus of the aid program maximises poverty reduction
- ➔ Rapidly increase aid for health to \$1200m by 2012 and to 20% of the aid program
- ➔ Provide our fair share of resources to assist poor countries to adapt to the effects of climate change in addition to the 0.7% commitment, and take a lead to ensure that global temperature rises are less than 2 degrees C.

This report also seeks to answer three questions:

- 1) What will it cost?
- 2) Can Australia afford it?
- 3) What impact can we have?

If Australia goes beyond 0.5%, and beyond so-called aspiration, to reach the target of 0.7% (just 70c in every \$100) by 2015, that will mean an estimated

\$12.1bn being directed to those most in need. Moving the target from 0.5% to 0.7% will mean an estimated \$3.5bn extra going to ODA in 2015/16.

These figures are important. However, too often we fail to move beyond consideration of the figures, to remember that this is about people. This is about lives saved, about health, about the provision of basic rights like education and the provision of clean water to drink. Figure 4.1 below shows what the additional \$3.5bn from a 0.7% commitment will do. It will do the following:

- ➔ Directly prevent the deaths of 130,000 children
- ➔ Directly prevent the deaths of 6,000 mothers
- ➔ Save 85,000 people from AIDS, TB and malaria
- ➔ An additional 4 million children will receive basic education and 25 million children will experience vastly improved education quality
- ➔ Provision of water and sanitation for an additional 510,000 people each year, leading to even more saved lives.

Each of those lives is a compelling argument for putting in place a timetable to reach that figure.

Of course, the money needs to be spent effectively. The money we give needs to be directed to the poorest in our world and our region. The priority needs to be basic health, education and capacity building. Therefore, the report outlines how we think the money can and should be best spent. It is an abuse of leadership to turn aid effectiveness into an excuse not to act when it should be an opportunity to act with even greater commitment.

This report forms part of the 'package' that we, and all the agencies, churches and individuals who form Micah Challenge, would like Australia to take to the United Nations Summit on the MDGs in September this year. Our hope is that as you read this, you will be convinced that Australia can and must act. Our hope is that you will be captivated by the **world we want to see** - a world free from poverty, where all human beings have the potential to flourish, and where justice for the poor shifts from a pipe-dream to being reality.

**YOU CAN HELP US ACHIEVE REAL CHANGE THIS YEAR.**

## Aid Projections - What would it look like if Australia were doing its fair share of the total global effort to achieve the MDGs?

Figure 1.1 - Timetabled Growth for GNI and ODA: 2010/11-2015/16

Current Government Plans					A path to 0.7% by 2015		
	ODA	ODA/GNI ratio from forward estimates	Nominal GDP increase %	increase (A\$m)	ODA	ODA/GNI ratio	increase (A\$m)
2009-10	3819						
2010-11	4349	0.33	8.50	530	4349	0.33	
2011-12	4878	0.35	5.75	529	5296	0.38	947
2012-13	5587	0.38	5.50	709	6469	0.44	1173
2013-14	6515	0.42	5.50	928	7911	0.51	1442
2014-15	7528	0.46	5.50	1013	9819	0.60	1908
2015-16	8632	0.50	5.50	1105	12085	0.70	2267

Notes: *Italics indicate our estimate*

Source: 2010-11 budget papers

A mother and infant in the maternity ward of Kiribati's South Tarawa Hospital. AusAID is working alongside partner governments to improve women and children's health. In Kiribati, support includes emergency obstetric equipment to clinics, health centres and hospitals.

Photo by Lorrie Graham  
Courtesy of AusAID



### Can Australia afford this?

An aid budget of 0.7% GNI by 2015 is well within Australia's capacity. The Australian economy has weathered the financial crisis well. Australia has the lowest net government debt of all major advanced economies, and significantly lower than the fifteen nations that give a larger share of GNI to ODA.

Net debt is expected to peak at 6.1% GDP in 2011-12, (compared with average net debt for advanced

economies of 82.4%), revenue projections have increased (in 2010-11 revenues are expected to be \$17.9 billion higher than in the mid year economic review) and the budget is expected to return to surplus in 2012-13.<sup>i</sup>

The charts below highlight Australia's relatively weak performance as an aid donor and our very strong performance managing debt.

Figure 2.1 - Net ODA in 2009 as a percentage of GNI

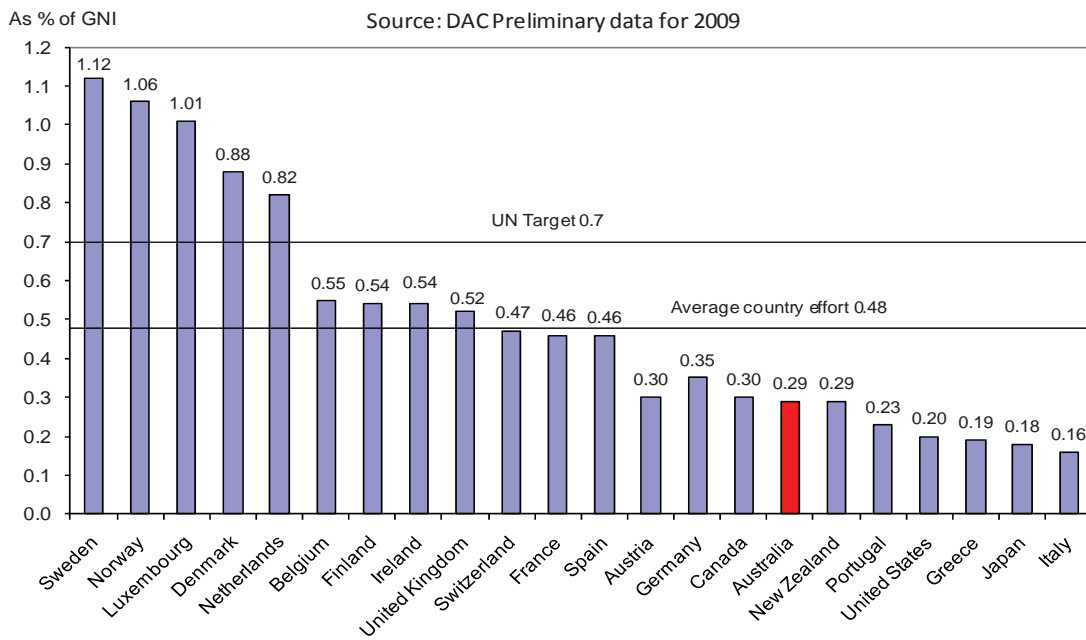
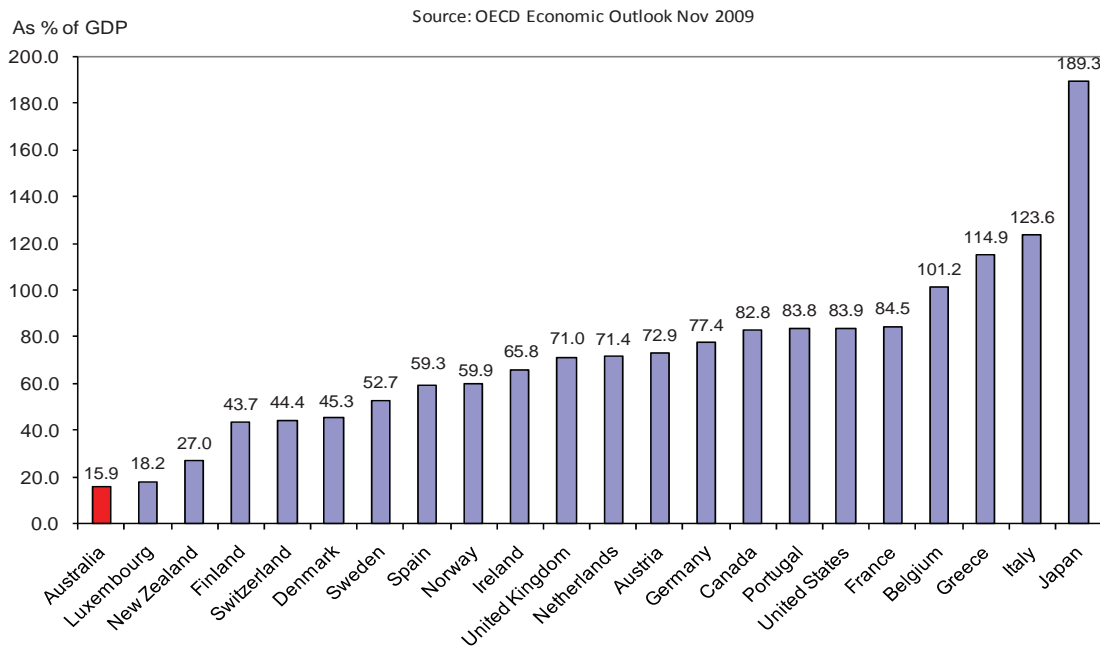


Figure 2.2 - Gross government debt in 2009 as a percentage of GDP



Achieving the aid budget we have outlined would require very modest additional government spending. The Government has already factored into forward estimates increases in ODA consistent with achieving an aid budget of 0.5% GNI by 2015-16. To increase this target to 0.7% GNI would require an increase of only 0.1% in Government spending over each year of the forward estimate years and is consistent with the intention to keep increases in Government expenditure below 2%.<sup>ii</sup>

Should the Government wish to raise the additional funds in a manner that has zero net impact on Government spending innovative measures such as the “Robin Hood Tax” on speculative financial transactions should be considered.

Achieving the 0.7% aid target will require a total of only 2.8% of federal budget expenditure in 2015/16.<sup>iii</sup>

## Effective Scale-up for Australian Aid

One of the challenges to such a large scale-up in the aid program is to ensure that Australia has the capacity to deliver substantially increased programs and that recipients have the capacity to effectively use funds. Four key measures will help achieve this.

First, Australia will need to invest in scaling up skills and systems within AusAID. Over the last four years the Government has been enhancing AusAID’s capacity to manage a larger program. It is pleasing to note the 2010-11 aid budget includes initiatives to further improve the capacity of AusAID to deliver effective aid programs.

Second, Australia will need to deliver substantially more aid via multilateral instruments. Well functioning multilateral instruments already possess the capacity to utilise increased aid dollars and help overcome the fragmentation and political biases that can affect bilateral programs. At present many multilateral instruments are underfunded. For example, demand for assistance from the Global Fund to fight Aids, Tuberculosis and Malaria has doubled since 2007. To scale up existing programs, meet new demand and provide critical health system strengthening, the Global Fund requires US \$20 billion in 2011-13, double that committed to the Fund by donors in the 2008-10 replenishment period. To date Australia has committed US \$171 million to the Fund, compared to US \$4.3 billion from the United States, US\$ 2 billion from France, US \$1.3 billion from Japan, US \$1 billion from Germany and the UK. The Netherlands, with a substantially smaller economy than Australia, has contributed US \$520 million. There is clearly

opportunity for Australia to dramatically scale up its contributions as part of its commitment to the health MDGs.

Third, there is significant capacity for Australia to increase assistance to countries through general budget support and sector wide support of country programs. Countries with great need but effective governance systems, such as Indonesia, India and other countries in South East and South Asia could make effective use of greater development assistance. Under the Paris and Accra aid effectiveness agreements Australia has committed to increase the level of support provided in this way, however progress has been limited to date.

Fourth, Australia should increase its funding to South Asia. South Asia is part of the wider Australian region, houses a large proportion of the world’s poor, has low rates of per capita aid, reasonably sound policy settings and could easily accommodate at least a doubling in aid receipts.<sup>iv</sup> Further comment is offered on this below.

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*“Achieving the aid budget we have outlined would require very modest additional government spending”*  
.....

## A Poverty Focused Aid Budget

In order to improve the poverty reduction focus of the aid program and better support the MDGs we propose the following sectoral distribution of Australian aid by 2015/16.

Figure 2.3 Proposed sectoral distribution of the Australian aid budget in 2015/16

Sector	2009/2010 - % of ODA	Absolute amount \$ bn	2015/16 - % of ODA	Absolute amount \$ bn
Education	18%	0.7	20%	2.4
Health	16%	0.6	20%	2.4
Governance	21%	0.8	15%	1.8
Rural Dev. & Agriculture	6%	0.2	12%	1.5
Infrastructure	11%	0.4	10%	1.2
Water & Sanitation	4%	0.2	4%	0.5
Climate Change	5%	0.2	5%	0.6
Humanitarian Emergencies	9%	0.3	9%	1.1
Multi-Sector	10%	0.4	5%	0.6

Note: All sectors will have a governance component eg improving the governance of education and health services

The current sectoral distribution of Australia's aid program is broadly sound with the exception of underexpenditure on health and rural development. These are key areas that directly impact on four of the eight MDGs and Australia is not yet spending its fair share of the aid funding required for these areas.<sup>v</sup> Supporting improved general governance in developing countries is also critical, however the current very high levels of governance expenditure are not justified, especially when this sort of expenditure has a lower proven benefit than direct expenditure on health and rural development. In addition effective health and rural development expenditure includes a focus on enhanced governance.

The 5% allocation to climate change is a recognition of the current practice for some climate change expenditure in developing countries to be covered by the aid budget. However, the vast majority of expenditure on climate change adaptation and mitigation in developing countries should be additional to the 0.7% commitment in line with international agreements and the recognition that 0.7% of GNI is required for poverty issues that predate climate change.

A more effective poverty reduction focus for the aid program will also require a significant shift in the regional distribution of the program. We propose the following distribution.

Figure 2.4 Suggested regional breakdown of the Australian aid budget

Regions	2009/10 % of ODA	Absolute amt \$ bn	2015/16 % of ODA	Absolute amt \$ bn
PNG	11%	0.4	5%	0.6
Pacific	18%	0.7	8%	1.0
Indonesia	12%	0.5	8%	1.0
East Asia	16%	0.6	10%	1.2
South Asia	4%	0.2	15%	1.8
Central Asia and Middle East	6%	0.2	4%	0.5
Africa	4%	0.2	5%	0.6
Multilateral	12%	0.5	30%	3.0
Administration	3%	0.1	5%	0.6
Other	14%	0.5	10%	1.7

Note: Other is largely non-AusAID department expenditure

Australia has special responsibilities to our closest neighbours in the Pacific, however the number of poor people in these countries is very small compared with poverty in our other neighbouring regions of South East Asia and South Asia. For this reason if Australia is to maximise its poverty reduction impacts we need to focus the majority of the growth in the program outside the Pacific whilst also maintaining and expanding our current support to our nearest neighbours.

South Asia in particular has low levels of per capita aid compared to other regions (including Africa) but high levels of poverty and preventable deaths. Increased support to South Asia from Australia can make a significant contribution to global poverty reduction.

As discussed earlier, despite recent increases, Australia still provides a low proportion of the aid budget through multilateral agencies compared with other donor countries. In line with our commitments under the Paris and Accra agreements on aid effectiveness greater support for effective multilateral agencies can significantly increase the predictability and coordination of aid and reduce transaction costs for developing countries.

Australia has also spent less on the administration of its aid program than many other donors –lifting administration costs to around 5% of the program would be more in line with the most effective bilateral agencies.

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*Australia is supporting Indonesia to improve access to clean water, which is essential for economic growth and poverty reduction.*

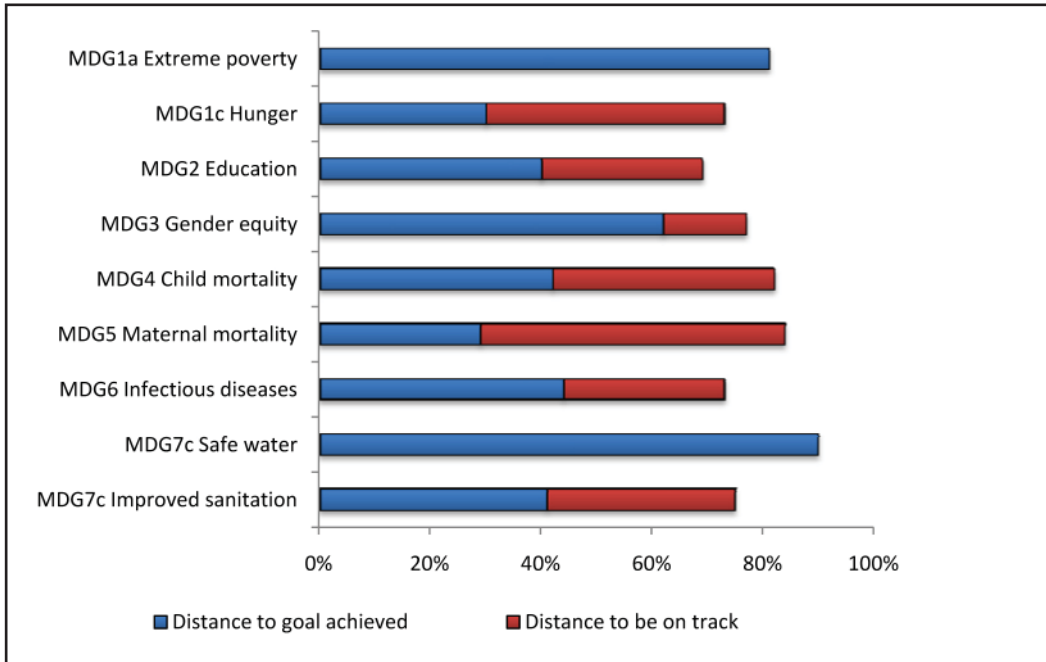
Photo Courtesy of AusAID



## MDG progress to date

Already the world has achieved amazing progress on the MDGs, however we need to go much further. The chart below summarises progress to date.

Figure 3.1 Summary of MDG Progress



Source: Calculations based on UN MDG Report 2009 and Statistical Annex and updated maternal mortality estimates by Hogan et al. 2010 Maternal mortality for 181 countries, 1980-2008.

Notes: Goal 1a poverty – proportion of population living on less than \$1.25 a day (2005), Goal 1c hunger - proportion of population undernourished (2008), Goal 2 – net enrolment ratio in primary school (2007), Goal 3 – female political representation (2009), Goal 4 - child mortality rate (2007), Goal 5 - maternal mortality rate (2008), Goal 6 - proportion of people receiving ARV treatment (2008), Goal 7 - proportion of people with access to clean water and sanitation (2006).

Distance to be on track calculations are based on geometric progress for proportional reduction goals and linear progress for complete coverage goals.

## More Aid and Better Aid for Health

The world we want to see is one where all people are able to enjoy good health. The chart above highlights the importance of prioritising health in efforts to achieve the MDGs. The health MDGs seek by 2015 to:

- reduce by two-thirds the under-five mortality rate;
- reduce by three-quarters the maternal mortality rate;
- halt and reverse the spread of HIV/AIDS, TB, malaria and other major diseases.

Significant progress is being made against these goals. As the charts below demonstrate, the numbers of children dying before their 5th birthdays and the numbers of women dying due to pregnancy related

complications are in decline. Moreover in many extremely poor countries there has been very rapid progress. Between 1990 and 2010 Vietnam reduced its child mortality rate from 46 deaths to 13 per 1,000 live births; Bangladesh from 140 to 56; and Tanzania from 153 to 98. In the same period (1990 to 2008) Vietnam reduced its maternal mortality ratio from 158 to 64 deaths per 100,000 live births; Bangladesh from 724 to 338 and Tanzania from 610 to 449.<sup>vi</sup>

This progress has been made possible through significant investments in health systems and other MDG related development. For example, *The Lancet* suggests four powerful drivers behind the decline in maternal mortality:



lower fertility rates, increased income (allowing benefits such as improved maternal nutrition), female education and the increase in births attended by skilled personnel.<sup>vii</sup> Similarly, analysis of child mortality reductions in countries such as Tanzania point to changes in provision of health care: doubling of public expenditure on health; decentralising of health services; and increased coverage of key child-survival interventions, such as integrated management of childhood illnesses, insecticide-treated bed nets, vitamin A supplementation, immunisation and exclusive breastfeeding.<sup>viii</sup>

The rate of progress, though encouraging, is not sufficient to achieve the MDGs. To achieve the MDG health goals

by 2015 MDG investments need to be scaled up. Micah Challenge estimates that for Australia to commit its fair share to health by 2015 we should be devoting \$2.4 billion, or 20% of the aid budget, to health focussed aid.

It is disappointing to note then, that the budgeted health spend of \$595 million in 2009/10 was not attained and that the budgeted aid for health fell to \$555 million for 2010/11 and from 16% of the aid budget to 14%.

Achieving the MDGs rests on much better health outcomes. For this reason, Micah Challenge calls on the Australian Government to ensure health aid is quickly scaled up to \$1200m a year by 2012/13.

## Climate Change, Poverty and the MDGs

Micah Challenge Australia is focused on the elimination of extreme poverty and the Millennium Development Goals as measurable targets toward this end. For this reason we are very concerned that unmitigated climate change will have catastrophic impacts on the world's poor. They are the most vulnerable to climate change due to their heavier reliance on agriculture, less developed infrastructure, geographical location, and limited capacity to adapt. Unmitigated climate change has the potential to wipe out the MDG development gains of recent decades, while the climate change that is already occurring, and will accelerate even if global temperatures are contained significantly, compromises the world's ability to achieve the MDGs.

In Uganda, for example, the ice caps on the Rwenzori Mountains are receding. Over the last 100 years, the total glacier area has dropped from 650ha to 108ha. At this rate the Rwenzori will be completely devoid of glaciers by 2025. According to IRIN news "Already, melting ice caps have hit water catchments and eco-tourism. Should changes continue at current rates, Uganda would suffer lower agricultural productivity due to reduced, erratic rainfall and the emergence of new pests, and increased incidences of diseases such as malaria".<sup>ix</sup> These developments threaten the capacity of Ugandans to reduce income poverty and malnutrition (MDG 1), combat malaria (MDG 6) and earn sufficient income to fund other MDGs.

In the Philippines, fishermen are discovering the combined effects of overfishing and climate change are hindering their capacity to earn an income from

fishing. In a 2009 report the United Nations Food and Agriculture Organisation noted the sensitivity of fish populations to weather patterns and water temperatures. This is borne out in the experience of Filipino fisherman Inong – "I do not know what global warming is, but what I know is that it suddenly rains and the weather changes quickly. When that happens, the tuna swim deep and migrate to other parts, making it difficult for us to chase after them".<sup>x</sup>

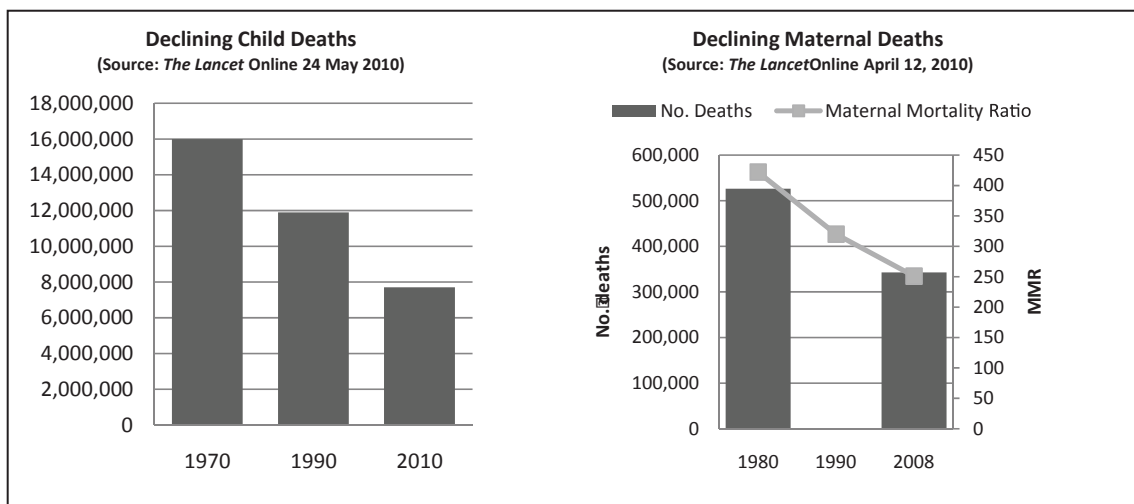
To ensure climate change does not undermine the achievement of the MDGs, Micah Challenge believes it is essential that a global agreement to limit temperature increases to no more than 2 degrees Celsius be achieved and that wealthy, industrialised nations such as Australia, that have historically been responsible for the bulk of greenhouse emissions and are best placed to respond, lead the way. Micah Challenge was therefore disappointed at the failure to achieve a substantial international agreement at Copenhagen and at the failure of the Australian Government to achieve a framework for reducing Australia's emissions. With the postponement of the ETS legislation and lack of any legislated reduction commitments to 2020 Australia cannot claim to be a global leader on climate change mitigation. We urge the Government and all political parties to redouble their efforts to positioning Australia as a global leader on emission reductions.

Micah Challenge also believes it imperative that Australia assist developing countries engage in climate change mitigation and adaptation. Integral to this is the provision of climate financing. The Copenhagen Accord

envisages short term financing of US \$30 billion for 2010-2012 and foreshadows funding increasing to US \$100 billion a year by 2020. In the longer term climate financing could come from a variety of sources – government grants, private flows, sale of carbon permits, and taxes such as the financial transactions tax proposed by the Robin Hood campaign. In the shorter term, the US\$30 billion for 2010-13 needs to be provided through public finances. Australia’s “fair share” is approximately AUS\$670 million.<sup>xi</sup> Given the Copenhagen Accord commitment that such funding be “new and additional” and that the international aid target was established prior to discussion of climate financing, Micah Challenge believes Australia’s commitment should be additional to the 0.5% GNI aid target already announced as well as the 0.7% GNI aid target Micah Challenge supports.

Climate commitments foreshadowed in the aid budget fall short of that required. Australia is not contributing its fair share and what it is contributing comes from pre-existing aid commitments. As the Australian Council for International Development states in its 2010/11 budget analysis: “It is disappointing that this funding has continued to be included in ODA spending. This indicates that Australia’s longer-term contribution to its fair share of global climate change financing will be included within current ODA projections. This contradicts international agreements on the ‘additionality’ of climate change financing. Climate change financing must not be diverted from existing aid projects, which will directly endanger progress made in reaching the MDGs.”

Figure 3.2 Child and Maternal Mortality



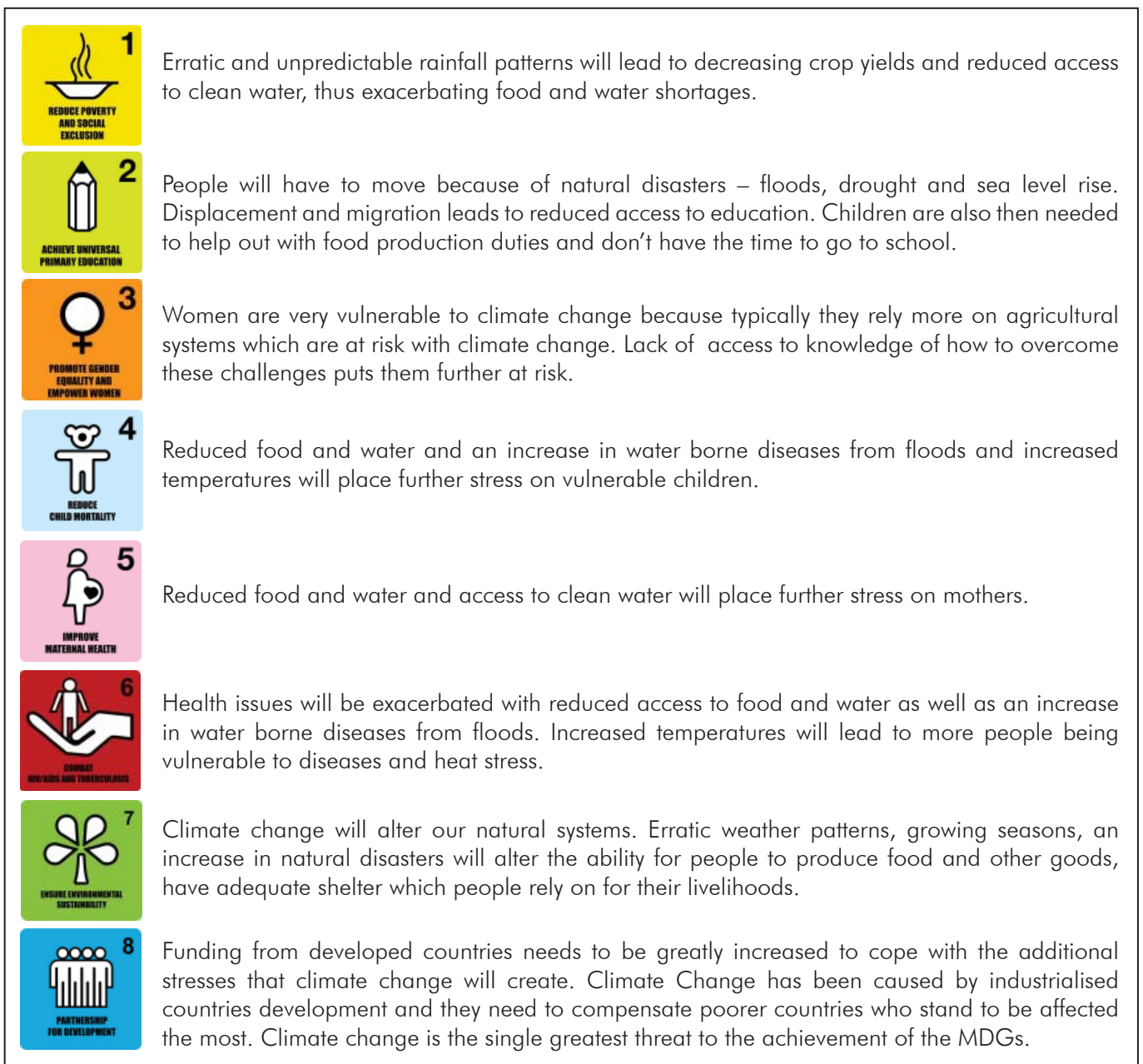
Australia is supporting the Government of East Timor to achieve the Millennium Development Goals to improve maternal and child health, especially in rural areas.

Photo by J.Vas  
Courtesy of AusAID



Figure 3.3 The impact of climate change on the Millennium Development Goals

Source - Intergovernmental Panel on Climate Change, Fourth Assessment Report, <http://www.ipcc.ch/>



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*Julius Lake, a member of Landcare, tends to his garden in Aroko Village, Uganda. Landcare has received funding from AusAID to provide training and support to farmers on Mount Elgon to help combat the effects of soil erosion and environmental damage.*

Photo by Kate Holt/Africa Practice  
Courtesy of AusAID



## Potential Impact

Lifting aid to 0.7% of GNI in 2015/16 would provide an additional \$3.5 billion in that year for development assistance. In the table that follows we summarise the likely benefits of this additional expenditure applied to the MDGs.

Figure 4.1 - Lifting aid to 0.7% of gross national income - likely impact of additional funding above 0.5%

MDG	Suggested % of budget	A\$m in 2015-16 if reach 0.7%	Likely benefit if maintained
Goal 1 Poverty reduction	20%	700	Benefits are distributed through the specific goals below.
Goal 1 Hunger	12%	400	<b>Prevention of stunting in 1 million children.</b> Large reductions in deaths, disease and mental impairment. It is estimated that at least 30% of child deaths are caused by poor nutrition however the number of lives saved are grouped below under Goal 4.
Goal 2 Education	20%	700	<b>An additional 4 million children receiving basic education</b> plus significant improvements in education quality for 25 million children.
Goal 3 Gender equity	incorporated in all activities		Benefits across all areas of development.
Goal 4 Child mortality	8%	300	<b>Prevention of the deaths of 130,000 children</b> each year.
Goal 5 Maternal mortality	6%	200	<b>Prevention of the deaths of 6,000 mothers</b> each year.
Goal 6 AIDS, TB and malaria	7%	200	<b>Prevention of 85,000 deaths</b> each year.
Goal 7 Clean water and sanitation	4%	100	<b>Provision of water and sanitation for an additional 510,000 people</b> each year.
Goal 7 Environmental sustainability	10%	300	Benefits across all areas of development
Other expenditure including emergency relief and departmental administration	15%	550	
Total		3,450	

Notes: The figures in this table are conservative estimates based on the best available data on the costs and benefits of various development interventions. The outcomes are based on proven and cost effective strategies that have been effective in a wide range of countries. An exchange rate of 90c USD to AUD is used. For the basis of these estimates see the extended version of this table at the end of this report.

Aid targeted to the alleviation of poverty (as it should be) is effective in saving lives and lifting individuals, communities and nations out of poverty. An estimated 220,000 more lives will be saved by direct interventions in 2015 if Australia commits to moving from 0.5% to 0.7% of GNI to aid.

In fact, the benefits are likely to be even larger than those estimated because of: 1) the synergistic effects of the various approaches eg. better health improves education outcomes and vice versa, and 2) action by Australia to meet its commitments is likely to encourage greater action by other donor and developing countries.

It is not only about lives saved, but also about improved quality of life for the poor. Improved food security and nutrition will prevent stunting in 1 million children, leading to large reductions in disease and mental impairment. The provision of water and sanitation to 510,000 people not only reduces disease, but also improves female attendance and participation at school.

In short, the potential benefits are enormous. And it is important to note that these estimates are only a consideration of the additional benefits of scaling up from 0.5% to 0.7%. The overall impact of Australia's estimated fair share - \$12.1bn – is enormous and a key component in the global effort to halve poverty by 2015.

## Conclusion and Call to Action

In the year 2000, Australia, along with all the member nations of the United Nations, made a pledge to 'spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty'. In fact, Australia's leaders have repeatedly made commitments to contributing our fair share to international efforts to fight poverty.

This *World We Want to See* report presents a clear and compelling case for Australia to increase our commitment to fighting global poverty by doing our fair share to meet the MDGs. However, we continue to lack the political will to act on those commitments.

Australia continues to refer to the internationally agreed aid target of 0.7% GNI as an 'aspirational goal'. The targets outlined in this report represent no more than the promises we have made as a nation. These targets are achievable. It is time to turn so-called aspiration into action.

Most importantly, these financial targets represent the potential for us to make a real difference in literally millions of lives – each one of them precious.

Australia can afford it. What we cannot afford is to wait any longer.

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*"Twenty-first century aid is liberated from rich countries' political incentives and is targeted at delivering outcomes in poverty reduction. Twenty-first century aid innovates and catalyses developing country economies, and is given in increasing amounts directly to government budgets to help them support small-holder farmers, build vital infrastructure, and provide essential public services for all, such as health care and education. Twenty-first century aid is transparent and predictable. It empowers citizens to hold governments to account, and helps them take part in decisions that affect their lives."*

Oxfam UK

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# Immediate policy priorities - 2010

With only five years remaining to achieve the MDGs, the most pressing areas where Australia can and should act immediately, are to:

- 1) Outline a timetabled commitment to reaching 0.7% of GNI going to ODA by 2015
- 2) Dramatically increase spending on health within the aid budget to reach \$1200 million by 2012/13
- 3) Ensure Australia takes a leadership role in achieving a global agreement to keep climate change below 2 degrees C and assumes a fair share of the burden in achieving that goal;
- 4) Contribute Australia's fair share of financing to help the most vulnerable adapt to climate change. In order to achieve this Australia must ensure:
  - ➔ that financing for climate change adaptation is additional to current aid levels, additional to committed aid increases and additional to the international aid target of 0.7% of GNI.
  - ➔ that there is equitable developing world involvement in the governance and administration of international climate finance – this could be best achieved through the adoption of the UNFCCC's Adaptation Fund as the primary avenue for administering the finance
  - ➔ Australia's fair share is given in grant form

Extended version of Figure 4.1

Lifting aid to 0.7% of gross national income - likely impact of additional funding above 0.5%

MDG	Suggested % of budget	A\$m in 2015-16 if reach 0.7%	Likely benefit if maintained
<b>Goal 1 Poverty reduction</b>	20%	700	Benefits are distributed through the specific goals below.
<b>Goal 1 Hunger</b>	12%	400	Prevention of stunting in 1 million children. Large reductions in deaths, disease and mental impairment. It is estimated that at least 30% of child deaths are caused by poor nutrition however the number of lives saved are grouped below under Goal 4.
<b>Goal 2 Education</b>	20%	700	An additional 4 million children receiving basic education plus significant improvements in education quality for 25 million children.
<b>Goal 3 Gender equity</b>	incorporated in all activities		Benefits across all areas of development.
<b>Goal 4 Child mortality</b>	8%	300	Prevention of the deaths of 130,000 children each year.
<b>Goal 5 Maternal mortality</b>	6%	200	Prevention of the deaths of 6,000 mothers each year.
<b>Goal 6 AIDS, TB &amp; malaria</b>	7%	200	Prevention of 85,000 deaths each year.
<b>Goal 7 Clean water and sanitation</b>	4%	100	Provision of water and sanitation for an additional 510,000 people each year.

## Endnotes:

- i Australian Budget Overview Paper No. 1, Statement 3 2010-11.
- ii The timetable we propose to increase aid to 0.7% of GNI by 2015 would require a real increase in total budget expenditure of 0.4% in 2011-12, 2.1% in 2012-13 and 2.0% in 2013-14.
- iii Assuming a continuation of 4.5% nominal growth in budget expenditure in 2014-15 and 2015-16.
- iv World Bank Development Committee (September 12, 2003) "Supporting Sound Policies with Adequate and Appropriate Financing".
- v Our fair share is approximately 2% of global assistance as Australia has 2% of OECD donor national income.
- vi See Hogan et al (2010) "Maternal mortality for 181 countries, 1980–2008: a systematic analysis of progress towards Millennium Development Goal 5" *The Lancet Online Early Version*, April 12, 2010 and Rajaratnam et al (2010), "Neonatal, postneonatal, childhood, and under-5 mortality for 187 countries, 1970–2010: a systematic analysis of progress towards Millennium Development Goal 4" *Lancet Online Early Version May 24 2010*.
- vii Hogan et al (2010).
- viii Estimate provided in Masanja, de Savigny, et al (2008), "Child survival gains in Tanzania: analysis of data from demographic and health surveys" *The Lancet* 371: 1276-83.
- ix IRIN News, (Mar 3, 2009), "Rising Temperatures Threaten Livelihoods".
- x IRIN News (Mar 3, 2009), "Dwindling Tuna Catch in Mindanao Hits Local Livelihoods".

## The Millennium Development Goals



Basis of estimate	Examples of effective strategies
The US Feed the Future food security strategy estimates that the cost of preventing stunting is approximately A\$390 per child.	See Bhutta et al 'What works? Interventions for maternal and child undernutrition and survival' <i>Lancet</i> 2008; 371: 417–40
The Global Campaign For Education estimates that the global aid cost of providing adequate quality basic education to all children in developing countries is A\$17.8 bn a year. UNICEF's 2009 <i>The State of the World's Children</i> estimates that 16% of children (101 million) are not able to attend primary school.	The abolition of school fees and other strategies to increase education access has resulted in an additional 40 million children receiving basic education. (UNESCO Global Monitoring Report)
Using the Global Fund to fight AIDS, TB and Malaria estimated cost of A\$2300 per life saved over the last seven years. This is a very conservative estimate as specific child health interventions such as immunization and the prevention and treatment of malaria have average costs of less than A\$500 per life saved.	The central issue of gender in development is illustrated well in the report Center for Global Development 2009 <i>Start with a Girl: A New Agenda for Global Health</i>
Assuming the same share of avoidable maternal deaths can be prevented as for child deaths.	There are many successful programs reducing child deaths around the world. Recent research has indicated that all regions, including Africa, have achieved significant declines in child mortality and that the rate of decrease has accelerated since 2000 in 13 regions (Rajaratnam et al 'Neonatal, postneonatal, childhood, and under-5 mortality for 187 countries, 1970–2010: a systematic analysis of progress towards Millennium Development Goal 4' <i>Lancet</i> DOI:10.1016/S0140-6736(10)60703-9)
Using the Global Fund to fight AIDS, TB and Malaria estimated cost of A\$2300 per life saved over the last six years.	Successful programs to improve maternal health are documented in a number of countries (for examples see WVA and Nossal Institute 2008 <i>Reducing maternal, newborn and child deaths in the Asia Pacific: Strategies that work</i> ). There is strong evidence that many developing countries have significantly reduced their maternal mortality rates (Hogan et al 'Maternal mortality for 181 countries, 1980–2008: a systematic analysis of progress towards Millennium Development Goal 5' <i>Lancet</i> DOI:10.1016/S0140-6736(10)60518-1)
Using the average per capita cost of providing low-cost improved water (A\$68 pc) and sanitation (A\$127 pc) services estimated by Hutton G and Bartram J 2008 <i>Global costs of attaining the Millennium Development Goals for water supply and sanitation</i> .	The Global Fund estimates that the investment of US\$10 bn between 2002 and 2009 has prevented 4.9 million deaths (Global Fund 2010 <i>Innovation and Impact</i> )
	Since 1990 an additional 1.8 billion people have gained access to improved water sources and 1.3 billion people to sanitation (WHO/UNICEF 2010 <i>Progress on Sanitation and Drinking Water</i> ). The Plan/IDS 2008 <i>Handbook on Community-Led Total Sanitation</i> provides an example of one of the most effective low-cost strategies.

Micah Challenge Australia is part of a global coalition campaign of aid and development agencies, churches, groups and individuals aimed at deepening understanding of justice issues and engagement with the poor as an integral part of the Christian faith.

Since 2004, over 111,000 Australians have signed the Micah Call in support of the campaign, and more than thirty of the country's leading development organisations are key supporters. Micah Challenge aims to encourage Christians in Australia to speak out in support of our Government doing all it can to achieve the Millennium Development Goals by 2015.



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