



Australia's aid program

Australia's whole-of-government aid strategy is aimed at reducing poverty by putting in place systems, technologies and practices to improve living standards of poor rural communities. Sometimes a modest infrastructure improvement, such as this water pump installed in a village in south-east Cambodia, can make all the difference to a community's agricultural productivity. This particular installation was an AusAID initiative that dove-tailed with ACIAR's support of initiatives to help rice farmers diversify into horticulture.

PHOTO: BRAD COLLIS

By increasing aid to international development-assistance programs, Australia is seeking to reverse the effects of the global food and financial crises on poverty reduction and get back on track to achieving the Millennium Development Goals



BY BOB McMULLAN
Parliamentary Secretary for International Development Assistance

For many people in the developed world US\$1.25 is pocket change, perhaps used towards buying a cup of coffee or a lottery ticket. Yet for 1.4 billion people living in poverty in the developing world US\$1.25 is more than they have to spend each day on food, shelter, clothing, health and education; it is the marker of absolute global poverty.

That is why helping people out of poverty is a priority of the Australian Government, through its international development-assistance program. Increasing aid is the right thing to do and is in Australia's national interest. Helping create greater prosperity in our

region intersects with the challenge faced by many developing countries in the Asia-Pacific region and beyond—creating sustainable development that builds prosperity and stability.

Australia's aid program is delivered through AusAID in the main. However, a unique feature of the Australian program is the specialist role of ACIAR, focusing on agricultural research.

Bilateral engagement has formed the majority of Australia's development assistance for some time. Developing countries have a range of needs, including health, education, governance, human rights, gender and disability, that are addressed through AusAID initiatives.

Food prices are increasing and the world's poorest people are suffering greatly. Coupled with the global financial crisis, the number

of people who live in poverty is increasing. Climate change further complicates the picture. The dependence on agriculture in developing countries means climate change is having an even greater impact in some countries in the region, and beyond.

The global effects of these crises raise challenges to development and poverty reduction. The Australian Government is committed to engaging with the United Nations (UN) and focusing on poverty reduction through the achievement of the Millennium Development Goals (MDGs).

Prior to the global food and financial crises, efforts to reduce poverty were making significant gains. Global efforts have been focused around the MDGs—eight goals agreed by the UN to reduce poverty by half by 2015—and have played a lead role in gains in

is making a difference

Mr Long Ky Meng, a field production officer involved in an agricultural quality-improvement project in Cambodia, shows the more prolific shoots of a new higher-quality rice variety. This particular variety has allowed farmers to increase yields by up to 30% using a third less seed. Yield increases like this, especially in food staples such as rice, not only improve income and food security, but free up land for diversification into other crops.

PHOTO: BRAD COLLIS

8 WAYS TO CHANGE THE WORLD

THE MILLENNIUM DEVELOPMENT GOALS



Eradicate extreme hunger and poverty



Achieve universal primary education



Promote gender equality and empower women



Reduce child mortality



Improve maternal health



Combat HIV/AIDS, malaria and other diseases



Ensure environmental sustainability



Develop a global partnership for development

Icons designed by UNDP Brazil

prosperity. In part this is because the goals are tangible, providing real indicators of success in achieving an end to poverty.

We have come a long way. However, the recent *Millennium Development Goals Report 2009*, released by UN Secretary-General Ban Ki-moon, illustrates how far we have left to go. The report indicates that, overall, progress has been significant, but is too slow for most of the goals to be achieved. While much of Asia has made gains that put it on track to achieve most of the eight goals, Africa and the Pacific are falling behind.

AusAID's recent report *Tracking Development and Governance in the Pacific 2009* confirms that, despite significant gains, the Pacific region is falling behind. In some countries progress has kept pace with the UN timeline of halving poverty by 2015, but other countries are falling

well behind. In part this is due to the impacts of the global recession.

Australia has partnered with New Zealand, the Asian Development Bank and the World Bank to form the Pacific Quadrilateral Development Partners, and to work together to ensure rapid and coordinated responses to immediate financing and structural-reform needs in the region. The aim is to ensure that the region's economies remain stable, and that the poor are protected from the worst effects of this crisis.

Economic growth and stability are critical to reducing poverty. In an interconnected world, economic growth can create genuine opportunities. The opposite also holds true: a global recession can force many back into poverty.

Since the global food crisis of 2008 many

people seeking to buy food with their US\$1.25-a-day income have experienced pain as food prices have risen. The global recession has made it even harder, and for some the reality is they may not eat at all.

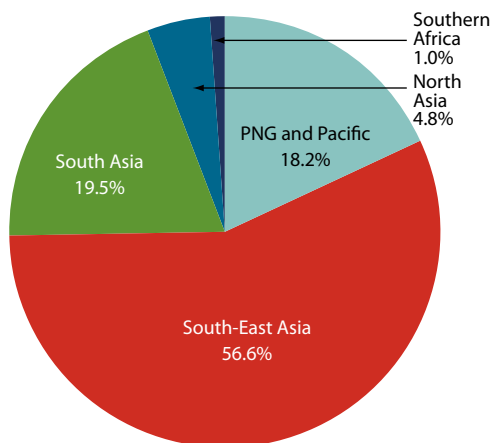
Food security has, as a result of the global food and economic crises, gained greater importance. Imbalances in supply and demand have been behind price rises. Increasing the supply of food is the best way to address this imbalance.

For Australia's international development-assistance program this means making a real contribution to increasing the productivity of agricultural land in developing countries. Achieving gains in productivity requires research expertise—an area where Australia is a world leader.

ACIAR's role is to link this expertise to the



ACIAR's expenditure by region



needs of developing countries. A vital element of ACIAR's work is its engagement with its international counterparts of the Consultative Group on International Agricultural Research (CGIAR).

The research centres that make up the CGIAR are world leaders in their fields. They are vital to the challenge of lifting agricultural productivity. Australia's investment in science and innovation has been increased, doubling between now and the 2012–13 budget, with the aim of increasing productivity growth for food crops, livestock and fisheries.

The beneficiaries of this research will be smallholder farmers, the backbone of agriculture in the developing world. Helping these farmers increase their output is a first step to addressing the food imbalance.

The World Bank reports that half of the world's poor are smallholder farmers, many struggling to produce enough to feed themselves. What they have in common, besides hunger, is a lack of opportunity.

Increasing agricultural productivity among smallholder farmers creates surpluses, which

can then be sold at local markets, becoming a driver of growth. Economic growth is critical both to developing states and to individual opportunity. Australian aid is creating such opportunities.

ACIAR has engaged with the centres of the CGIAR in a number of projects to increase the productivity of staple food crops, including rice in Cambodia, sweetpotato, maize and cassava in East Timor, wheat and maize in Afghanistan and sweetpotato in Solomon Islands.

However, increasing productivity is not solely focused on staple food crops. Many smallholders grow a mix of crops; some are food staples and others are planted as potential income sources, such as cocoa. Helping smallholders increase production of in-demand supplementary crops is a powerful driver of opportunity and economic growth.

As an example, an ACIAR-funded project in Papua New Guinea, Australia's nearest neighbour, is changing lives. The project, led by the University of Sydney, is linking the PNG Cocoa Coconut Institute, the PNG University of Technology and MasterFoods Australia New

PHOTO: BRAD COLLIS



Crop trials in Kenya. ACIAR-supported research is crucial in the ongoing quest to adapt crops to local conditions in developing countries. To this end it has a longstanding relationship with many of the Consultative Group for International Agricultural Research (CGIAR) centres.

PHOTO: BRAD COLLIS



A Cambodian villager harvesting rice: crop yields need to keep pace with population growth.

Zealand to enhance cocoa production.

The cocoa industry in PNG is worth an estimated K168 million (A\$87 million), and is one of three major export industries. More than 70% of the total production comes from about 70,000 smallholder farmers growing cocoa as a supplementary income source. Productivity levels are low, despite a global demand for more cocoa.

Focusing on one of the main causes of yield losses—diseases—ACIAR's project partners introduced simple, yet effective, changes to the management of cocoa crops. The results of these practices have increased production of cocoa beans and, through this gain, changed lives.

In the remote Rai Coast district, a village contracted a boat for the first time to ship its load of cocoa to market. Farmers in Tsitalato village in Bougainville have formed a cooperative to sell their cocoa. In Madang province, villagers in Saidor have used returns from the project to build a community resource centre. Individual farmers now report that they can afford to fund education for their children.

Linkages with an AusAID-funded project to reduce the spread of HIV/AIDS, tuberculosis and malaria have also been developed, as news of the increased productivity resulting from improved cocoa management spreads. Demand for information about cocoa management is providing an opportunity to spread the message about disease control through primary healthcare programs.

These gains show what can be achieved in our own region. They continue the important progress towards the Millennium Development Goals and the global fight against poverty.

Australia will continue to work towards achieving the MDGs through bilateral and multilateral engagement, creating opportunities to improve the lives of the poor.

There is a long way to go to achieve the Millennium Development Goals. There is much work still to do if we are to eradicate absolute poverty. Australia is playing its part to ensure that we live in a region that is prosperous and a world where more of the opportunities we take for granted are available to everyone, wherever they live. ■



Australia's Minister for Foreign Affairs Stephen Smith and Indonesia's Foreign Minister Hassan Wirajuda meeting with farmers, researchers and buyers at a demonstration cocoa farm in South Sulawesi, August 2008.