



Survey on International Support Measures specific to the Least Developed Countries (LDCs) related to Bilateral Official Development Assistance (ODA)

Australia

SUMMARY RESULTS

**prepared by the United Nations Department of Economic and Social Affairs (DESA)
and the Committee for Development Policy (CDP) Secretariat***

TABLE OF CONTENTS

A.	ODA Commitments and flows	1
B.	LDC status and ODA priorities	2
C.	Grant element, tied aid and conditionalities of ODA to LDCs.....	2
D.	LDC-specific bilateral support programmes	3
E.	LDC-specific multilateral support measures	3
F.	Graduated and graduating countries: objectives and policies concerning Cape Verde, Maldives and Samoa	3

* This summary was prepared by the DESA/CDP Secretariat, based on the survey response submitted by Australia. The content, findings, interpretations, and conclusions as expressed in this summary reflect the views of its authors, and do not necessarily represent the views of the United Nations or Australia. The views presented in this document should not be considered as the official position of neither the United Nations nor Australia.

A. ODA Commitments and flows

The Programmes of Action for the Least-Developed Countries (LDCs) aim at improving human conditions of the population of the LDCs and provide frameworks for partnership between LDCs and their development partners.^a

At the first United Nations Conference on the LDCs in 1981, the members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) committed themselves to allocating 0.15 per cent of their total gross national income (GNI) (including funds channelled through international organizations) to LDCs.^b In the 2001 Conference, all donor countries reaffirmed their commitment to make their best efforts to accelerate their endeavours to reach the target. Meanwhile, donor countries that had already met the 0.15 per cent target undertook to reach the 0.20 per cent target promptly.^c

a See [General Assembly, A/CONF.191/13](#), 20 September 2001.

b See [Strengthening International Support Measures for the Least Developed Countries](#), Policy Note, UN/DESA/CDP, August 2010, p.13-14.

c [Goal 28-30, A/61/82](#), p.25.

Annex Table 1 describes Australia's total net ODA flows, the ODA flows to LDCs as a share of total ODA, and the net ODA-to-GNI ratio.

Country response

Australia did not make specific commitments on the ODA level in the Programme of Action for the Least Developed Countries for the Decade 2001-2010. Overall, Australia provided USD\$ 3.267 billion (current prices) in ODA to LDCs from 2001 to 2009. As a proportion of total Australian ODA, aid to LDCs increased from 20% in 2001 to 26% in 2009.¹

At the UN MDG Summit in September 2010, Australia committed to working towards providing 0.15% of the GNI in aid to LDCs. Over the five years from 2010 to 2015, Australia will invest approximately AUD\$10 billion in programs targeting the development needs of LDCs.

B. LDC status and ODA priorities

The United Nations Committee for Development (CDP) uses the following criteria to identify LDCs: low-income levels, as determined by GNI per capita; weak human resources, as measured by the Human assets Index (HAI); and high economic vulnerability, as defined by the Economic Vulnerability Index (EVI).^d Donors may consider the LDC criteria for establishing ODA priorities and allocation.

^d See the *"Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures"*, UN/DESA/CDP, 2008.

Country response

LDC status in itself does not determine Australia's ODA distribution. In establishing ODA allocations, a range of criteria is used. These criteria reflect Australia's commitment to the poorest, as well as the importance of country-driven development partnerships and development effectiveness. In doing so, Australia takes into account the specific economic vulnerabilities of individual countries.

Australian aid to LDCs often employs different modes of delivery depending on country context and sectors

¹ Based on the data from Australian Agency for International Development.

where Australian aid is most effective. For example, the Africa program has specific focus on food security, water and sanitation, and maternal and child health. These programs are largely delivered through multilateral and regional channels as well as through partnerships with other donors. Aid funds are also allocated to sectors directly linked to MDG outcomes, such as health, education, infrastructure and rural development, and the environment.

Australia gives priority in its ODA allocation to the following LDCs, on the basis of their lagging behind on the Millennium Development Goals (MDGs), with a special attention to countries in fragile, transitional, and conflict situations: Afghanistan, Bangladesh, Cambodia, Ethiopia, Kiribati, Laos, Malawi, Mozambique, Myanmar, Niger, Samoa, Solomon Islands, Sudan, Somalia, Timor-Leste, Uganda, Vanuatu, and Zambia.

C. Grant element, tied aid and conditionalities of ODA to LDCs

In the 1978 Recommendation on Terms and Conditions of Aid, DAC members agreed on a series of measures designed to improve the overall financial terms of aid, either by increasing the share of grants, or by reducing the interest rate or lengthening the repayment period of loans. DAC members agreed to raise the overall grant element of aid to 86 per cent, with special provisions in the case of LDCs.

With regard to the tying of aid, OECD-DAC members adopted, in 2001, a recommendation to untie much of the ODA to LDCs. Untied aid is defined as ODA in the form of loans and grants whose proceeds are fully and freely available to finance procurement from all OECD countries and substantially all developing countries. The 2005 Paris Declaration on Aid Effectiveness reiterated the 2001 DAC Recommendation and envisaged that progress in untying be monitored.^e

^e See the *Paris Declaration on aid effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability*, OECD/DAC, 2005.

Country response

Australia has taken measures to implement the 1978 DAC Recommendation on Terms and Conditions of Aid on the average grant element of ODA to LDC recipients. With the exception of the Australia-Indonesia Partnership for Reconstruction and Development Loan

Program (AIPRD), Australia has ceased to provide ODA eligible loans, and delivers all its aid via grants.

Measures have also been taken to implement the 2001 DAC Recommendation on Untying ODA to the Least Developed Countries. In April 2006, Australia removed the previous eligibility criteria restrictions in its aid program contracts, and untied all its overseas aid.

As for the rest of the developing countries, no aid conditionalities are applied to LDCs.

D. LDC-specific bilateral support programmes

LDC-specific bilateral support measures can be provided in the form of special funds and programmes, cooperation activities, training activities, and other modalities (excluding WTO-related technical assistance and support to the Integrated Framework for trade-related technical assistance to LDCs, as these are dealt with under a separate survey).

Country response

Australia does not have LDC-specific bilateral programmes in place.

E. LDC-specific multilateral support measures

Multilateral support measures that are specific for LDCs could be provided through multilateral technical assistance funds, or Trust Funds of international organizations to facilitate the participation of LDCs in international meetings.

Country response

In 2007, Australia contributed AUD\$7.5 million to the Least Developed Countries Fund (LDCF) established by the United Nations Framework Convention on Climate Change (UNFCCC).

To facilitate the participation of LDCs in the Fourth United Nations Conference on the Least Developed Countries (LDC-IV), Australia contributed a total of

AUD\$500 million in 2011 to the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS) under the UNCTAD LDC Trust Fund.

F. Graduated and graduating countries: objectives and policies concerning Cape Verde, Maldives and Samoa

The General Assembly resolution 59/209^f of 28 February 2005 on the Smooth transition strategy for countries graduating from the list of least developed countries urges *"all development partners to support the implementation of the transition strategy and to avoid any abrupt reductions in either ODA or technical assistance provided to the graduated country"*. In the same resolution, the General Assembly also invites *"the graduating country, in cooperation with its bilateral and multilateral development and trading partners and with the support of the United Nations system, to prepare, during the three-year period, a transition strategy to adjust to the phasing out [...] of the advantages associated with its membership on the list of least developed countries."*

Cape Verde graduated from the list of LDCs in 20 December 2007 (A/RES/59/210).

^f See [General Assembly Resolution 59/209](#), 28 February 2005.

Annex Table 2 describes Australia's net bilateral ODA disbursement to Cape Verde.

Country response

Australia does not provide bilateral official development assistance to Cape Verde.

Maldives graduated from the list of LDCs in 1 January 2011 (A/RES/59/210 and A/RES/60/33).^g

In accordance with General Assembly resolutions A/RES/59/209 and A/RES/62/97, Samoa was scheduled to graduate from the list in December 2010 but the General Assembly extended the transition period by an additional three years, until

^g Maldives was a graduating country when this survey was taken.

1 January 2014, due to the disruption caused to Samoa by the Pacific Ocean tsunami of 29 September 2009 (A/RES/64/295).

Annex Table 3 describes Australia's net bilateral ODA disbursement to Maldives and Samoa.

Country response

For Samoa, Australia's ODA policy objectives are as follows:

- Private Sector Growth and Employment (Agriculture and Fisheries): strengthen market access and links between government and industry.
- Improved Health: focus on primary health care and non-communicable diseases.
- Improved education outcomes: focus on access to basic education and increasing teacher retention.
- Improved Governance (Law and Justice): emphasis on policing and support for legal and judicial sectors.
- Improved Governance (Public Financial Management, Statistics and Public Service Capacity).
- Climate Change: support for Samoa's National Adaptation Programme of Action (NAPA) and options for renewable energy, including bio-gasification projects.

For Maldives, the ODA policy objectives include:

- Education: this is the main focus of Australia's development cooperation program in the Maldives. Australia provides development awards to Maldivians to study in Australia in the priority areas of governance, education, health, environment and social development. Australia also supports initiatives in teacher training.
- Climate change: the Australian Government contributed AUD\$500,000 in June 2010 to the Maldives Climate Change Trust Fund, managed by the World Bank.
- Civil society development and governance: Australia also provides support to governance and capacity-building activities implemented by Australian Government agencies and institutions through the public sector linkages program.

Australia will use the General Assembly resolution 59/209 as a guideline to support the implementation of transition strategies for Maldives and Samoa from LDC status. Possible measures to ensure smooth transition include continued implementation of technical assistance programs and other projects for LDCs.

Australia's current ODA to Maldives and Samoa is 100% untied, and it will continue to be untied after those countries' graduation.

ANNEX

Table 1: Overview of Australia's total net ODA flows (bilateral and imputed multilateral flows)

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net ODA (current US\$, millions)	987.10	872.80	988.70	1 218.60	1 460.10	1 680.20	2 123.20	2 668.50	2 954.10	2 761.60
Share of ODA flows to LDCs on total ODA (per cent)	29.80	26.00	25.50	24.10	26.10	25.20	24.60	25.90	25.90	26.40
Net ODA to LDCs (percentage of GNI)	0.08	0.07	0.07	0.06	0.06	0.06	0.07	0.08	0.08	0.08

Table 2: Australia's net bilateral ODA disbursements to Cape Verde

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net bilateral ODA (current US\$, millions)	0	0	0	0	0	0	0	0	0
Share of grants in gross bilateral ODA (per cent)	0	0	0	0	0	0	0	0	0

Table 3: Australia's net bilateral ODA disbursements to Maldives and Samoa

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Maldives	Net bilateral ODA (current US\$, millions)	1.64	1.21	1.29	1.21	1.23	1.23	3.32	1.80
	Share of grants in gross bilateral ODA (per cent)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Samoa	Net bilateral ODA (current US\$, millions)	7.03	7.94	9.10	9.41	12.73	12.05	13.33	12.89
	Share of grants in gross bilateral ODA (per cent)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00