## The Australian

## Australia's aid program to be focused on 'fragile' Pacific

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Australia's foreign aid is to be focused on the Asia-Pacific, and help phased out to India and China

## AUSTRALIA'S aid program will be cleaned up and focused on "fragile states", with support for emerging superpowers China and India to be phased out over time, Foreign Minister Kevin Rudd says.

Releasing a review of Australia's \$4.3 billion aid program, Mr Rudd said he accepted the review's recommendation that Australia focus its aid efforts on our near neighbours in the Asia-Pacific.

The review, commissioned after revelations of corruption and waste, found Australia's government aid program would double to almost \$8 billion by 2015-16.

The review found the aid program was well run overall, but "lacks a clear and comprehensive overall strategy", with programs worth more than \$200,000 annually run in 88 countries.

It said that some corruption was inevitable in aid programs, but said AusAID was "very alert to the dangers of fraud and corruption".

Papua New Guinea, for example, "remains a difficult environment" and AusAID is currently investigating 175 cases of suspected or detected fraud in 26 countries, dating back to 2004.

It said the number of fraud cases was a "very small proportion of the thousands of aid activities and billions of dollars that AusAID manages".

The Asia-Pacific absorbed about 75 per cent of Australia's aid program in 2011-12, with Indonesia, Papua New Guinea and East Timor the dominant recipients.

"This will continue into the future," Mr Rudd said.

"The government accepts the aid effectiveness review's recommendations that Australia's aid to these various regions should continue to increase in the future."

On aid to China and India, Mr Rudd said: "Both countries are members of the G20. They are respectively the second and sixth largest economies in the world. Both have considerable economic capacity".

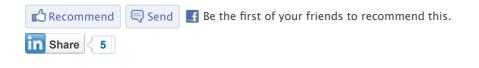
"Both have begun their own international development assistance programs."

The review recommends a four-year strategy for the entire aid program be developed and approved by cabinet, with reviews every four years after that."

Mr Rudd said he had accepted 38 of the 39 recommendations in the review, which included calls for better use of existing partnerships with NGOs, increased transparency, a more effective communications strategy to explain Australia's program to the public and increased transparency.

Australia's aid programs should promote gender-equality, humanitarian and emergency assistance should be increased and more money should be allocated to AusAID for program management.

The only recommendation of the review Mr Rudd did not accept was that his title should be altered to include the words "international development", with the suggestion "noted for further consideration".



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