

MR RUDD

A NEW DEAL FOR ENGAGEMENT IN FRAGILE STATES

BUSAN

30 NOVEMBER, 2011

Thank you Ben (Moderator)

And thank you Minister Pires for the presentation on the New Deal by Timor-Leste.

I am pleased to be part of this discussion because fragility and conflict are key issues for Australia's development assistance program.

In our region, 22 of our 24 nearest neighbours are developing countries.

Seven of the top ten countries we provide aid to are considered fragile or conflict-affected and over half of our bilateral program aid in fact goes to fragile states.

Fragility and conflict present major poverty challenges and are powerful reversers of development gains.

We have, therefore, a deep interest in seeing these states become more stable, more secure and more prosperous – hence our involvement in peace-building in Timor-Leste, Solomon Islands and Bougainville, and further afield in Afghanistan and Africa.

Australia is recognised for its commitment to providing effective aid to fragile states.

Recent analysis conducted by independent think-tank the Brookings Institution shows that – when compared to other donors with a similar high focus on fragile states – the Australian aid program is among the world's best.

Australia endorses the International Dialogue on Peace-building and State-building and the New Deal for Engagement in Fragile States.

We recognise that if we want progress on the MDGs, and to achieve better results in fragile states, then the evidence suggests we should be considering a new development architecture and new ways of working.

The five goals that go with the New Deal – legitimate politics, justice, security, economic foundations and revenues and services–give us clarity as to where we should direct our efforts.

These are the fundamental cornerstones of the functioning state.

They are necessary for the state to be able to deliver basic services to its citizens.

They are necessary for sustainable development.

Australia also supports the second element of the New Deal which is partner countries taking ownership of their own development.

This is a key feature of the new development partnerships Australia has with Pacific island countries.

The Pacific Partnerships for Development commit Australia and its partners to minimum levels of funding to support the partner government's development priorities.

These are usually focused on service delivery.

And we support the third element which is better utilising international and domestic resources.

Aid is an important contributor to development.

It is a catalyst for change and growth.

But aid alone will not secure sustainable development.

It is the domestic resources of a country that will have the biggest impact on its development.

The national planning envisaged by the New Deal is all about how to make the best, the most efficient use of all the resources available for development.

Our support for the New Deal is a logical extension of the leadership role we have already been taking in fragile and conflict-affected states.

And I congratulate the g7+ countries for the leadership you are showing in coming together as one collective voice to promote reforms that will benefit your people.

Australia's aid program has a presence either directly or indirectly through our international partners in several of the countries where the New Deal is being trialled, including Timor-Leste.

I am pleased to announce that as well as formalising our commitment to the New Deal, Australia is also today signing a

new development agreement with Timor-Leste. The agreement explicitly commits Australia to aligning our assistance with Timor-Leste's own Strategic Development Plan.

It commits us to shared objectives and to providing long-term predictable funding, including channelling funds directly into the Government of Timor-Leste's own systems.

This will reduce poverty in Timor-Leste by improving governance, security, economic opportunities and services such as health and education for all of Timor-Leste's citizens.

Our two countries will also work closer together to improve aid effectiveness, increase transparency and find better strategies for developing capacity.

This will be another welcome step forward in Timor-Leste's move from fragility to development and in boosting ties between our countries.

I have focussed on Timor-Leste but Australia is also taking steps in other fragile states that are in line with the New Deal.

We have been early supporters of the Afghan Government's Civilian Technical Assistance Program, which recruits and mobilises Afghan technical advisers to meet needs identified by the Afghan Government.

And in South Sudan, we are supporting state-building and peace-building by working with the government and other donors to improve health services, especially for women and children, and in communities to help get people jobs and education which are so important for stability.

Closer to home, Australia has a long standing commitment to assist the people of Fiji under Commodore Bainimarama's interim government. We continue to call for the Commodore to hold free and fair elections and remain ready to provide assistance.

I have long said that our beef is with the interim regime, not the people of Fiji, with whom we have close ties and a long standing relationship with. Sadly, we have have watched as the island's economy and living standards have suffered over the past five years under the Commodore's regime.

We remain the largest bilateral donor to the people of Fiji and we intend to be there for them over the long haul. Today I announce that we will increase development assistance to \$36 million (2013-14), up from \$18 million.

More than one third of Fiji's population live in poverty. We are particularly concerned by reports that situation of the rural poor in Fiji is deteriorating.

The \$36 million will have an increased focus on the rural poor and continue our good work on health and education.

Ladies and gentlemen

There are 1.5 billion people in the world living in fragile and conflict-affected states.

Most are living in poverty, often in fear.

To my mind, they are not getting what Australians call 'a fair go' in life.

The New Deal might just be the catalyst we need to turn this around.

Change won't come quickly or easily. Experience has taught us that.

But we must persist.

I therefore commend the New Deal to you.

ends