

Is the Australian government about to count military deployments as foreign aid?

by Robin Davies

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From [this Sydney Morning Herald report](#), you would think so:

Australia will begin to count the costs of its military and police deployments in humanitarian disasters and UN peacekeeping operations as part of its overseas aid spend, Foreign Minister Julie Bishop says.

The report is based on remarks made in the course of a [speech](#) that Bishop delivered on 11 June at the Lowy Institute, and in response to questions following the speech. The relevant section of the speech was as follows.

I am ... becoming increasingly aware of the significant discrepancy in the way nations report on their aid and assistance to other countries. ...

[An] example was our response to the Philippines' Typhon Haiyan in 2013, where while Australia committed \$40 million in funds, we were not initially ranked as amongst the top donors.

I was puzzled by this but it was when I analysed the rankings, that I discovered that countries that deployed only assistance via their military assets had counted that cost. Australia also deployed a significant amount of military hardware in the form of planes and ships, yet we didn't take it into consideration.

I have thus tasked the Department of Foreign Affairs and Trade to develop a reporting platform that includes all support from Australia, so that the full extent of our work and our assistance is understood.

The United States refers to this comprehensive reporting of its overall assistance for each country as its Green Book.

I believe it is vital in foreign policy terms that Australia receives appropriate credit for our support to other nations and that the true extent of our contribution is understood at home and abroad.

I intend that the Department of Foreign Affairs and Trade produce a Green Book with input from other departments and agencies so that a comprehensive picture of Australia's support can be presented to the world.

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In short, Australia will begin doing what the US has long done—producing a summary of its total official effort in favour of the rest of the world. That’s a far cry from ‘counting’ all such expenditure as foreign aid or, in OECD parlance, Official Development Assistance (ODA). It is not within Australia’s gift to redefine unilaterally what counts as ODA, since that concept reflects a consensus among the member countries of the OECD’s Development Assistance Committee (DAC), and Bishop’s initiative as described above does not seek to do this.

It’s possible of course that Bishop was also expressing an intention to count more emergency-related Australian Defence Force expenses as ODA than Australia currently does, exploiting what, in the question period after her speech, she described as the ‘greyiness’ of ODA reporting guidelines. However, it’s not clear that there is much scope for this. The DAC [Statistical Reporting Directives](#) (p. 19) say, ‘*additional* costs incurred for the use of military personnel to deliver humanitarian aid or perform development services are included in ODA (but not their regular salaries and expenses)’. There’s some interpretation involved in calculating additional costs here but, given that Australia [reported](#) (Figure 2, p. 5) the second-highest level of such costs after the US in the 2006-10 period, it’s likely Australia had already adopted a relatively maximalist interpretation of additionality. As for UN peacekeeping, ‘Costs for military contingents participating in [UN Department of Peacekeeping Operations] peacekeeping operations are not reportable as ODA’ (Reporting Directives, p. 21).

For those curious about the US total foreign assistance accounting exercise, the relevant web site can be found [here](#). The full publication (whose nickname is actually the spaceless ‘Greenbook’) is [here](#) [pdf]. The key points to note about foreign assistance as reported in the US Greenbook are that it is divided into economic and military assistance; includes assistance to all foreign countries, not just developing countries; includes non-concessional assistance such as that provided by the US Export-Import Bank and the Overseas Private Investment Corporation; and does not include certain expenditures which do form part of ODA, such as debt forgiveness and some domestic expenditures on refugees and asylum seekers. More detail on differences between US ODA and foreign assistance reporting is provided in [this](#) handy table.

It is notable that the US government says, [here](#) (question 6), that:

Though ODA as reported to the OECD/DAC is a subset of total U.S. foreign assistance, we recommend using ODA when comparing U.S. foreign assistance against other OECD members’ assistance.

Interest in a broader measure of foreign assistance is not confined to the US and,

now, Australia. There have for some time been discussions within the DAC about devising a new measure of foreign assistance that would be broadly akin to the US measure. The DAC's 2014 [High-Level Meeting](#) resolved the following.

It is ... important to recognise and further incentivise the efforts that are being made above and beyond ODA. Accordingly, we agree to continue to develop the new statistical measure, with the working title of Total Official Support for Sustainable Development (TOSSD).

This measure will complement, not replace, the ODA measure. It will potentially cover the totality of resource flows extended to developing countries and multilateral institutions in support of sustainable development and originating from official sources and interventions, regardless of the types of instruments used and associated terms. ...

The components of this measure have been discussed and will be refined, working with all relevant stakeholders, in the lead-up to the Third International Conference on Financing for Development in Addis Ababa. Its ultimate parameters will be clarified once the post-2015 agenda has been agreed.

Bishop seemed unaware of this when, in response to a question from Lowy's Jenny Hayward-Jones, she said, 'I don't know that [Australia's initiative] will start a global Green Book movement, but perhaps its not such a bad idea'. Certainly it's not a bad idea, but it's already on the hoof.

In an ideal world, the creation of a broader concept of foreign assistance or, God forbid, TOSSD, with ODA as a subset, might lead to the transfer of certain questionable expenditures out of the ODA category and into the broader envelope. This could apply to domestic refugee and asylum seeker costs, and to the costs associated with tertiary scholarships in donor countries, perhaps above some reasonable level. In the real world, the ODA concept is unlikely to change much more than it already has ([problems](#) with ODA loan accounting have recently been [fixed](#)), but the broader concept of foreign assistance might still be useful as a basis for comparing countries' international efforts in dimensions beyond ODA.

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