



The Global Partnership on Output-Based Aid

NEWS RELEASE

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Australia to Contribute AUD 35 million to the Global Partnership on Output-Based Aid

Washington, DC – August 4, 2008 – The Australian Agency for International Development (AusAID) made an additional pledge of AUD 35 million (approximately US\$33.3 million) to the Global Partnership on Output-Based Aid (GPOBA) to support the program's efforts to improve delivery of basic services to the poor in developing countries. The first tranche, in the amount of AUD 4.4 million (US\$4.2 million), was received by GPOBA in July and the rest will be paid in installments over the next three years.

"We welcome this significant additional contribution from the Government of Australia which will allow us to expand our efforts to increase access to basic services for poor households using output-based aid (OBA) approaches," said **Patricia Veevers-Carter, Program Manager for GPOBA.**

As of June 30, 2008, GPOBA has signed 19 grant agreements for a total of US\$72 million for pilot projects using performance-based subsidies, expected to benefit 2.9 million people in developing countries. The first five projects signed are all disbursing based on independently verified outputs, providing services such as water and sanitation and natural gas connections to more than 247,600 people so far. The remaining grants, most of which were signed in the last year, are expected to deliver verified outputs in the coming year, upon which GPOBA will disburse the performance-based subsidies. Initial results from the pilot projects include increased private investment in basic services and efficiency gains due to competitive bidding.

AusAID joined GPOBA in February 2007 with an initial contribution of US\$250,000. The additional support announced today will be used to fund the full range of GPOBA activities: technical assistance, dissemination of emerging knowledge on OBA, and subsidies. AusAID has expressed a desire to support a number of projects in the Asia-Pacific Region and in the health and education sectors.

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About GPOBA

The Global Partnership on Output-Based Aid (GPOBA) is a global partnership administered by the World Bank. GPOBA was established in 2003, initially as a multi-donor trust fund, to develop output-based aid (OBA) approaches across a variety of sectors including infrastructure, health, and education. OBA subsidies are designed to create incentives for efficiency and the long-term success of development projects.

GPOBA's current donors are the UK's Department for International Development (DFID), the International Finance Corporation (IFC), which is a member of the World Bank Group, the Directorate-General for International Cooperation of the Dutch Ministry of Foreign Affairs (DGIS), AusAID, and the Swedish International Development Cooperation (Sida). For more information, visit: www.gpoba.org.