A puzzling, piddling aid cut: Australian funding for UNEP

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Now, shortly after announcing a zero contribution to the UN’s Green Climate Fund (citing unidentified bilateral climate change assistance programs as sufficient), the government has cut funding to the United Nations Environment Programme (UNEP). [Update: A day after this post was published, the government reversed its decision to stay out of the climate fund.]

In this case, the amount of money concerned is not very large—but the cut will matter both materially and symbolically to UNEP. It will not matter materially to the Australian aid program: Australia’s contribution to UNEP falls from A$1.2 million in 2013-14 to A$200,000 in 2014-15, and reportedly stays flat thereafter, yielding a saving of only A$4 million over the four years to 2017-18. Presumably, then, it is intended to matter symbolically.

Australia hasn’t kicked UNEP this hard for almost thirty years. As can be seen from the chart below, funding hit the floor in the early years of the Hawke government, which oversaw major aid cuts, rose steadily as a share of total contributions until the election of the Howard government, dipped and remained fairly constant until the election of the first Rudd government, then increased in line with the aid budget up to last year.

Australia’s ODA vs Australia’s share of global contributions to UNEP 1973-2013

Source: UNEP and OECD QWIDS

Greg Hunt, Minister for the Environment, suggested that the savings achieved by this cut—rather than being
spent on ‘bureaucratic support within the UN system’—would help pay for coral reef protection and forest conservation within our region. Dog-whistling aside, it is hard to know if this is true. Perhaps the savings will, and were intended to, offset the cost of Hunt’s A$6 million pledge to ‘support regional efforts to combat illegal logging’, made in the context of a poorly conceived and attended Asia-Pacific Rainforest Summit. If so, there’s a good chance the funds will be wasted.

More likely, though, the cut will simply free up a little money within Australia’s overall multilateral aid budget. There’s no doubt a good multilateral home can be found for a stray A$1 million per annum. However, this is no way to make allocation decisions. If UNEP has been found wanting in some respect, by all means reduce funding, but say why, and say where in the multilateral system the funds will be put to better use.

With no rationale supplied, one might think the decision reflected UNEP’s propensity to say things like this: ‘Australia is no longer on track [to meet its unconditional 2020 emission reduction pledge], due to the abolition of its carbon pricing mechanism’ (The Emissions Gap Report 2014 [pdf], Ch. 3).