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# 2026 aid budget breakfast

13 May 2026

#2026aidbudget





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## 2026 Events

***ANU-UPNG seminar series: first Friday of every month***

ANU, UPNG and online

<https://crawford.anu.edu.au/devpolicy/anu-upng-seminars>

***Australasian Development Economics Workshop: 4-5 June***

ANU Crawford School of Public Policy

<https://crawford.anu.edu.au/acde/adew2026>

***Australasian AID Conference: 2-4 December***

ANU Crawford School of Public Policy

<https://crawford.anu.edu.au/devpolicy/australasian-aid-conference>

# Aid in the 2026 budget

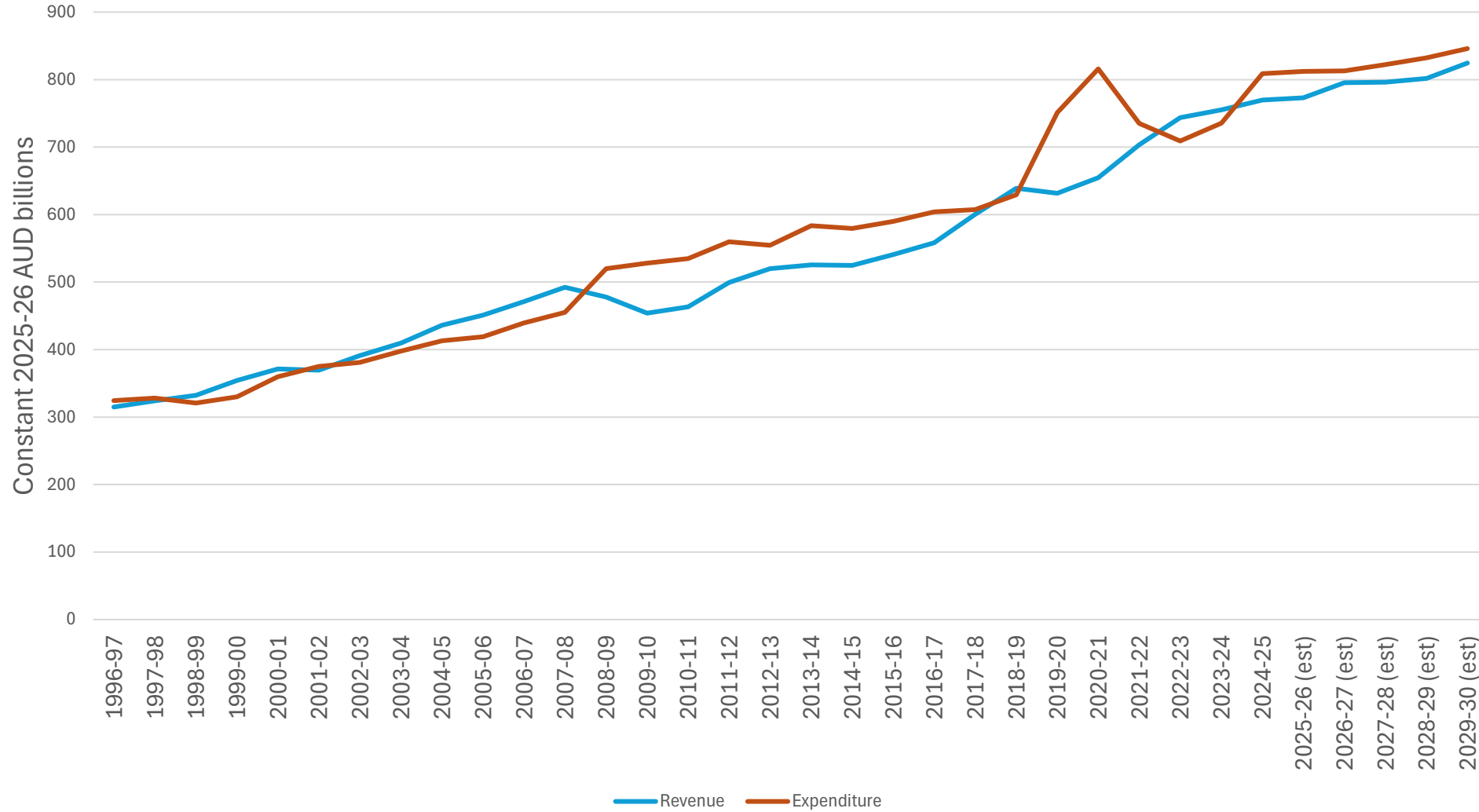


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# Budget context: revenue/expenditure

Total government revenue and expenditure (2025-26, AUD billions)



# Labor's 2.5% increase: 2023 budget measure

## An Australian Development Program Fit for Our Times

### Payments (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27
Department of Foreign Affairs and Trade	-	5.6	10.4	10.3	132.2

The Government will provide \$158.6 million over 4 years from 2023–24 and \$8.6 billion over 10 years from 2027–28 in additional Official Development Assistance to ensure that Australia's Official Development Assistance to developing countries continues to grow.

Funding includes:

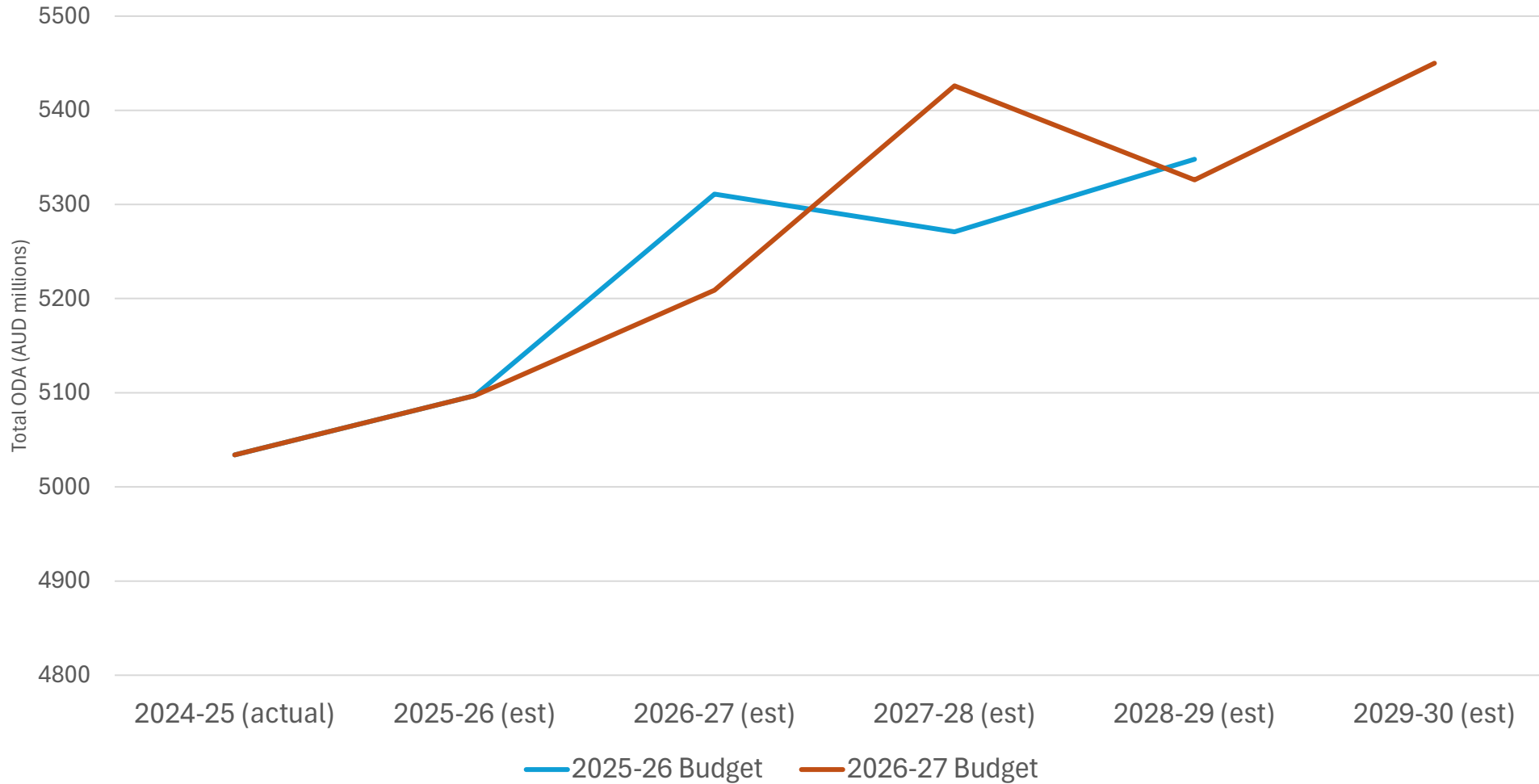
- \$121.8 million in 2026–27 and \$8.6 billion over 10 years from 2027–28 to increase Australia's Official Development Assistance budget by 2.5 per cent per year on an ongoing basis from 2026–27
- \$36.8 million over 4 years from 2023–24 for the Department of Foreign Affairs and Trade to improve the administration of the program and maximise the benefits and effectiveness of Australia's investment.

This measure builds on the 2022–23 October Budget measure titled *Additional Official Development Assistance*.

Source: Treasury (2023). *Federal Budget 2023-24: Budget Paper no.2*, Canberra: Australian Government, p. 115.

# Nominal ODA, 2025-26 to 2029-30

Forward estimates: 2025-26 budget vs 2026-27 budget (current prices)



Average  
nominal  
increase  
2026-27 to  
2029-30 =  
**+1.7%**

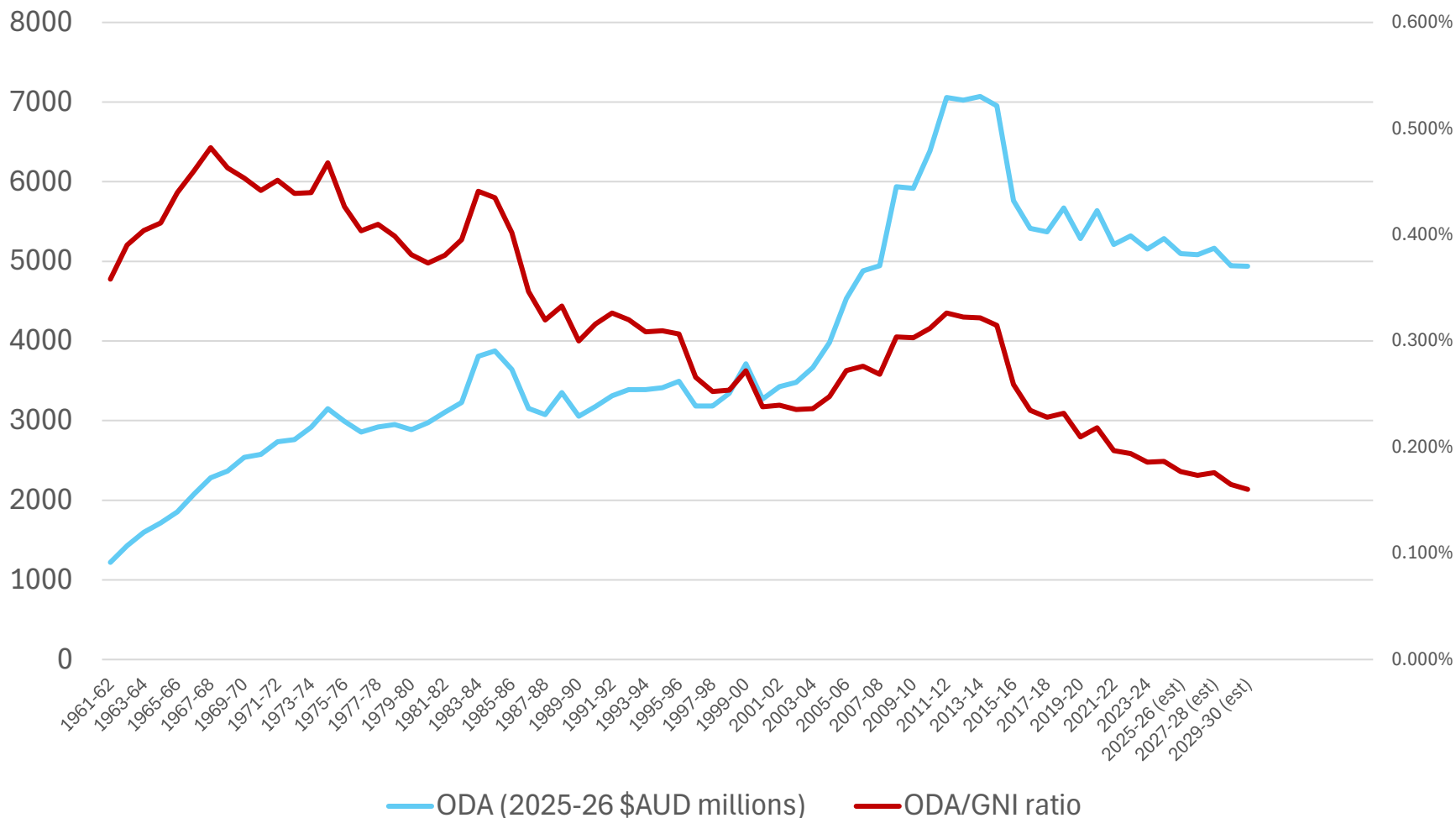
# Inputs: calculating total ODA (complicated)

**Total ODA =**

- 1. Base ODA** (= \$4.87b in 2026-27)
- 2. +2.5% annual increase** averaged across the forward estimates  
(=\$122m in 2026-27)
- 3. + grant equivalents** of AIFFP loans (=\$79m in 2026-27)
- 4. +/- ODA-eligible “measures and adjustments”** (=\$137m in 2026-27)

# Outcome: real ODA and ODA/GNI continue to fall

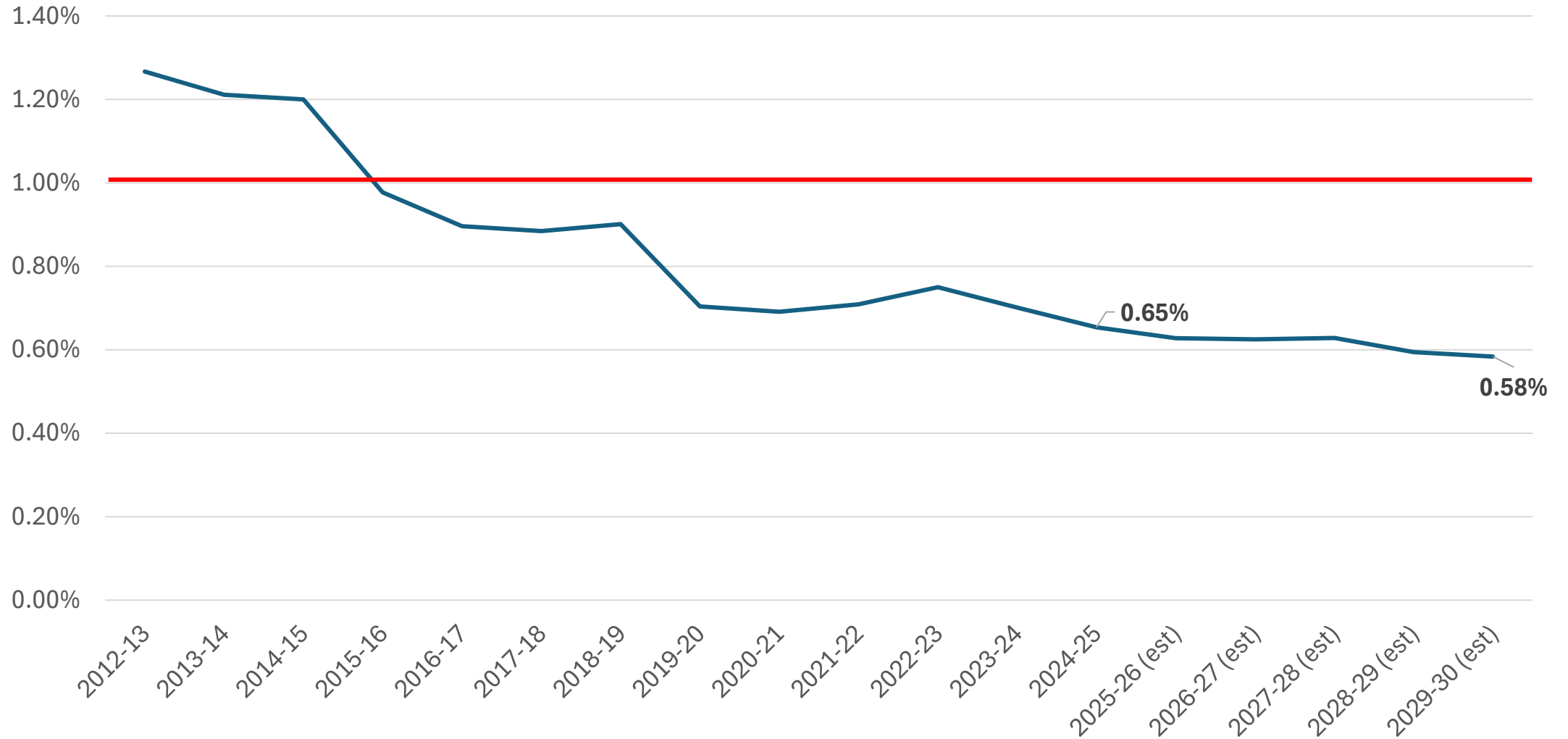
Real ODA (2025-26, AUD million) and ODA/GNI (%)



- Real ODA decrease 2024-25 to 2029-30 = **-7%**
- ODA/GNI falls from 0.18% in 2025-26 to **0.16%** in 2029-30

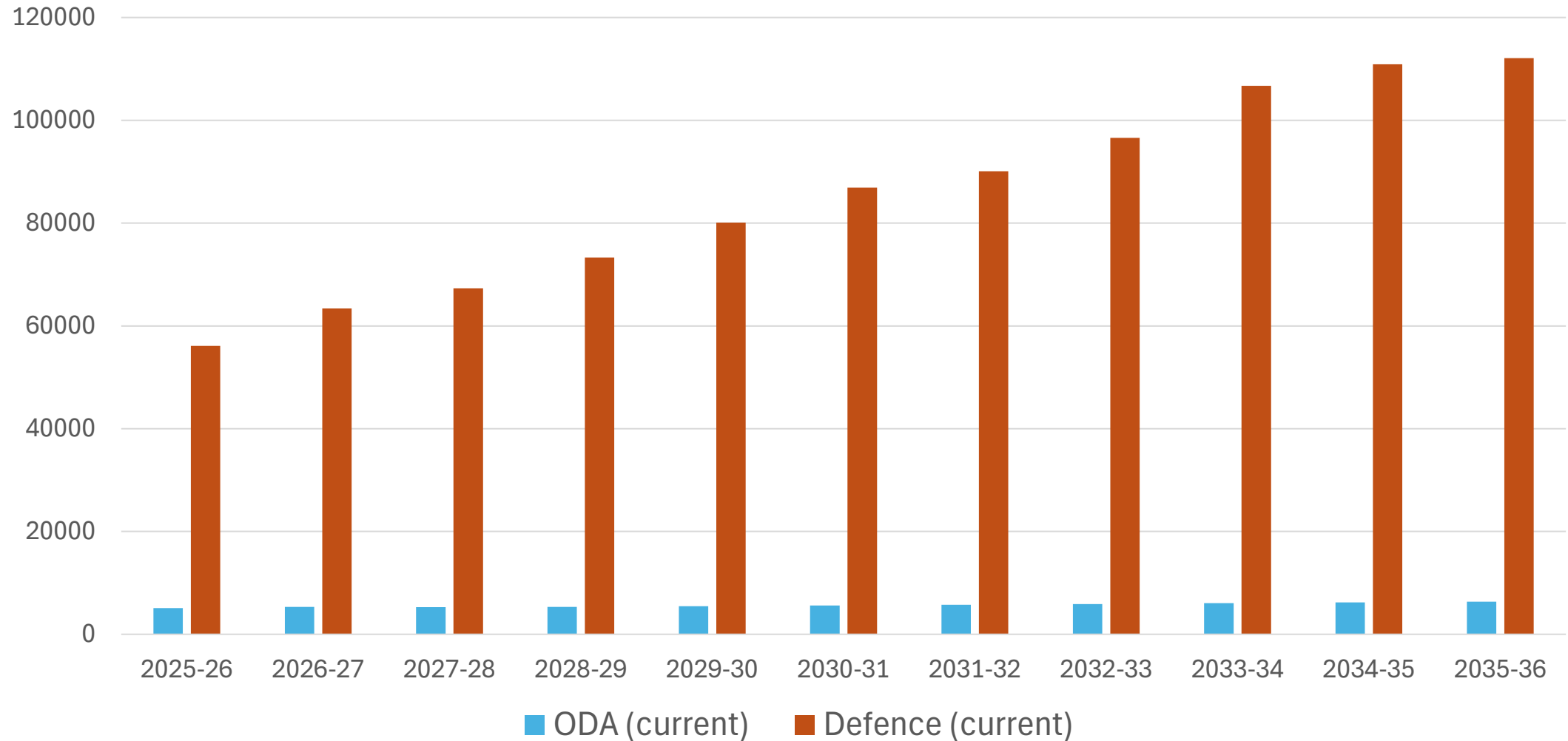
# ...as does aid as a share of the budget

ODA share of federal budget (%)



# The decade of defence

Projected ODA vs Defence budget, 2025-26 to 2035-36 (AUD million, current)



Source: ODA figures from Development Policy Centre, [Australian aid tracker: trends](#), website; Defence figures from Department of Defence (2026), [2026 National Defence Strategy and Integrated Investment Plan](#), Canberra, Australian Government.

# “Reprioritisations” within budget

## **Cuts in 2026/27:**

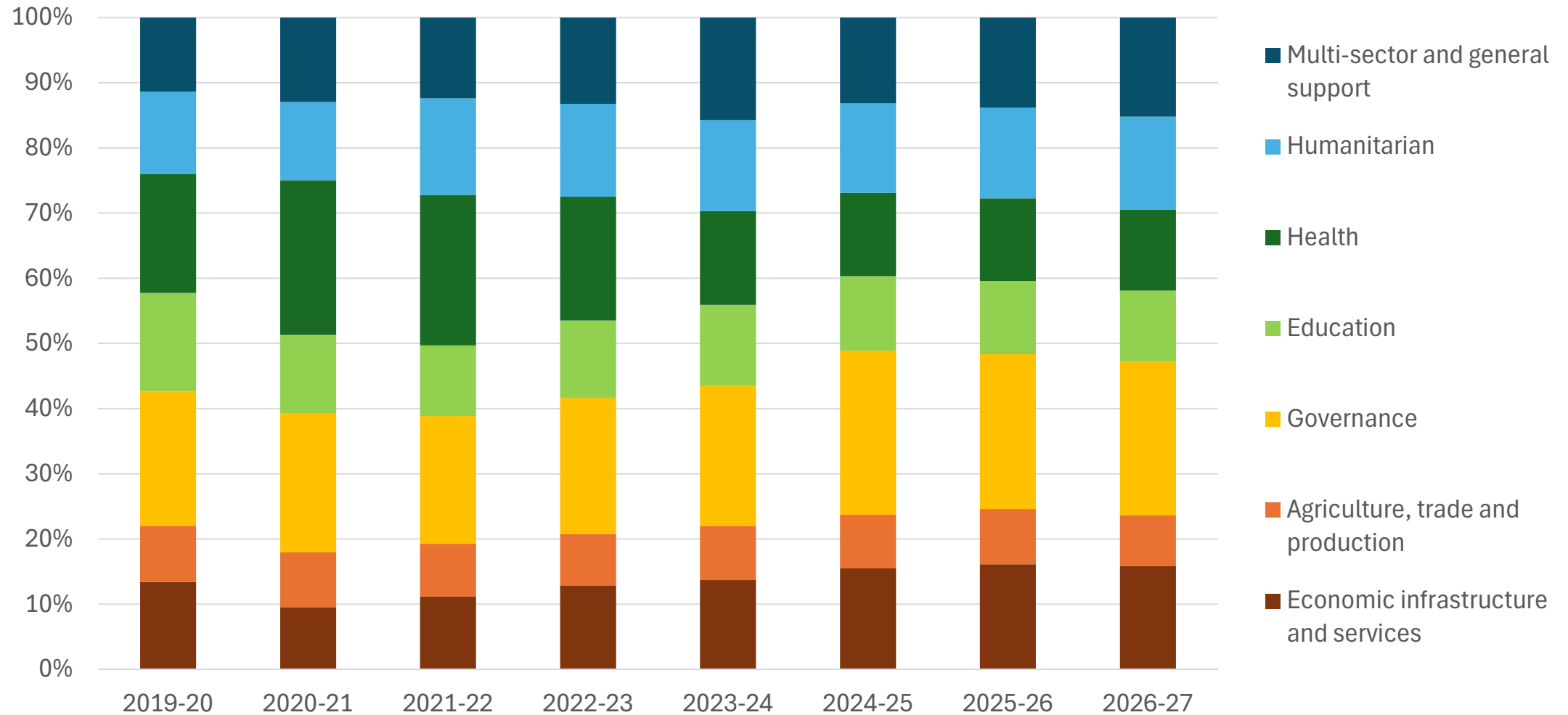
- \$111 million reduction in global/multilateral funding, including:
  - cuts to UNDP (-\$3m) and Global Partnership for Education (?) core funding
  - cessation of core funding for UNAIDS and the Pandemic Fund
- ME and Africa (-\$8m)

## **Increases in 2026/27:**

- Total ODA to Pacific (+\$66m), SE/East Asia (+\$53m) & Sth/Central Asia (+\$3m)
- Australian NGO Cooperation Program (+\$7m)
- Australian Volunteers Program (+\$4m)

# Sectors: little change, governance still dominates

ODA budget share by sector, 2019-20 to 2026-27 (%)



Source: Development Policy Centre, [Australian aid tracker: sectors and partners](#), website.

# Australian aid: ten-year snapshot

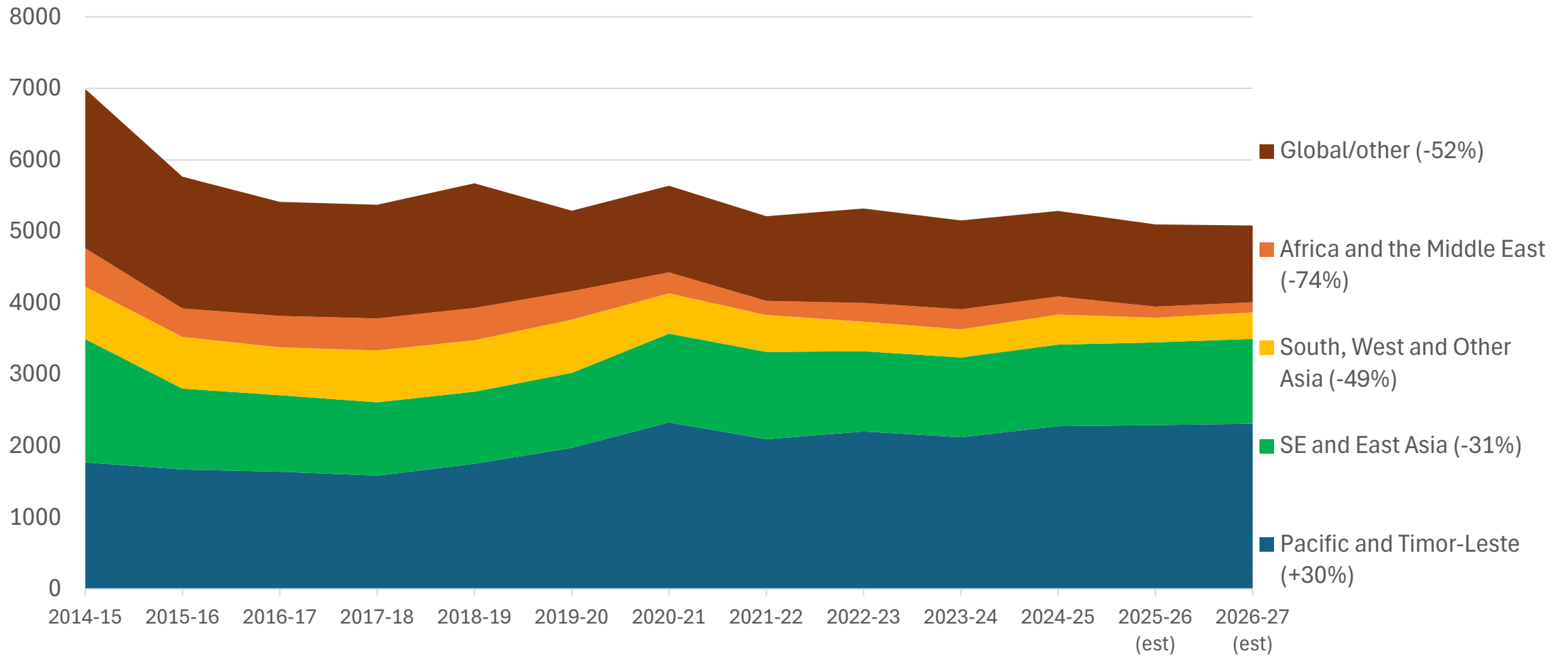


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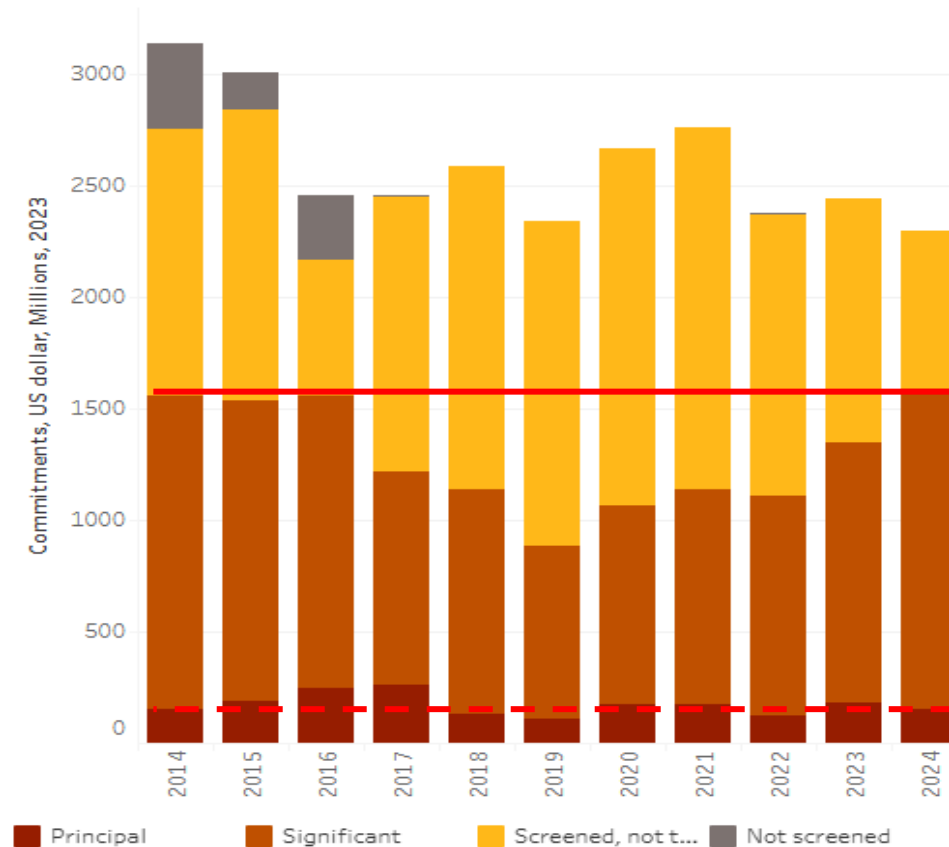
# Destinations: more Pacific, less “Indo”

Australian ODA by destination (2025-26, AUD millions)



# Sectors: gender equality spending, 2014-24

Australian aid targetting gender equality



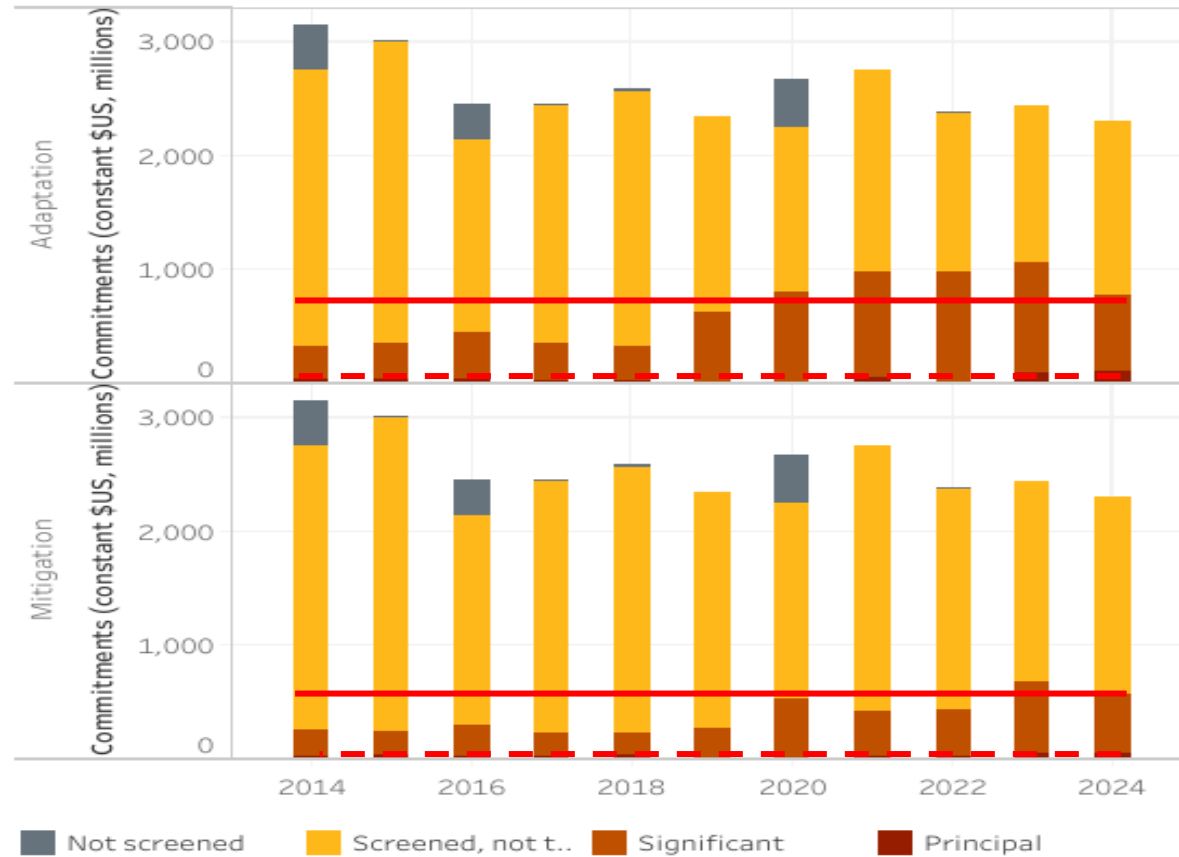
Data are sourced from OECD Data Explorer. Only bilateral allocable aid is included. Constant prices are based on 2023 USD.

According to OECD, "Principal" means gender equality is an explicit objective of the activity and fundamental to its design; "Significant" means gender equality is an important, but secondary, objective of the activity; and "Not targeted" means an activity is not found to target gender quality.

- Inflation-adjusted gender spending has returned to 2014 levels in the context of a much smaller aid program.
- “Significant” category still makes up overwhelming majority (>90%) of gender spending, with no change in “principal” spending.
- Total spending likely to increase as new programs >\$3m designed since 2023 target come online.

# Sectors: climate spending, 2014-24

Australian aid targetting climate change

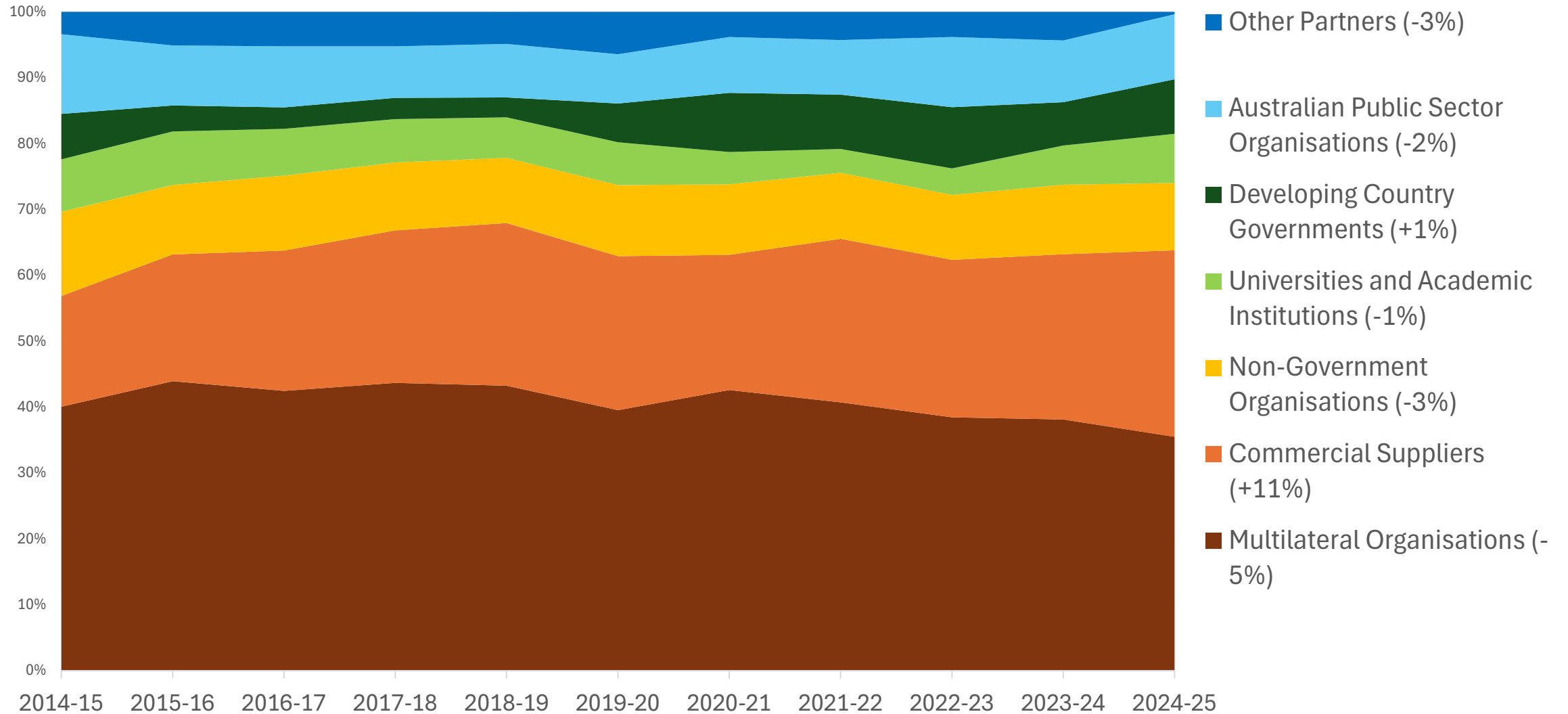


Data are sourced from OECD Data Explorer. Only bilateral allocable aid is included. Constant prices are based on 2023 USD. Score definitions are similar to that of gender equity, but for climate change objectives. Mitigation refers to efforts to reduce or limit greenhouse gas emissions or to enhance sequestration, while adaptation refers to efforts to reduce the vulnerability of human or natural systems to the current and expected impacts of climate change. Individual projects can be reported to the OECD DAC as having both mitigation and adaptation objectives.

- Both adaptation and mitigation spending more than doubled between 2014 and 2024.
- “Significant” funding (>85%) heavily outweighs principal funding in both categories. Questions over what is included in “significant”.
- Total spending likely to increase as new programs >\$3m designed since 2023 target come online.

# Partners: multilaterals still largest, more through contractors\*

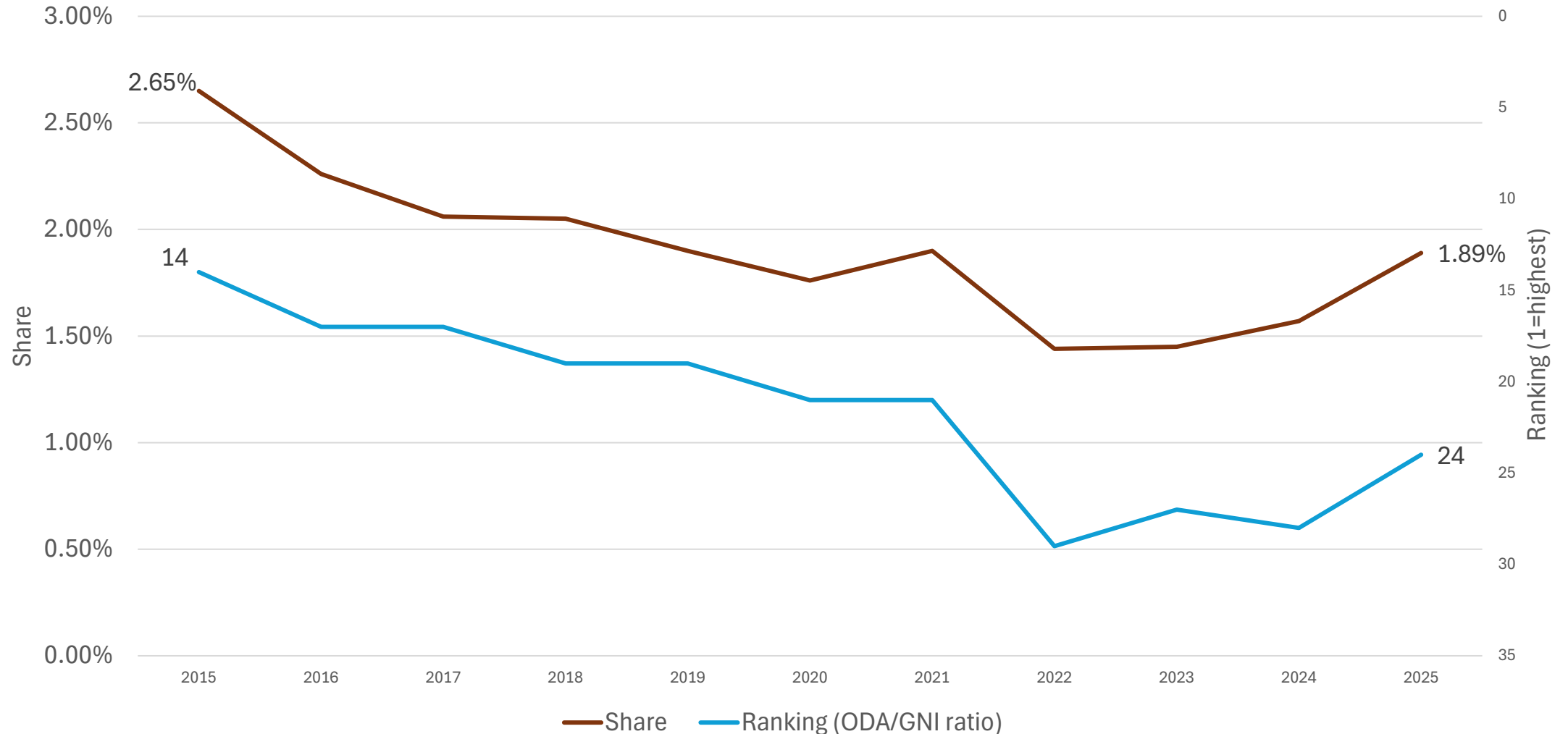
Share of ODA budget by partner, 2014-15 to 2024-25 (%)



Source: Development Policy Centre, *Australian aid tracker: sectors and partners*, website.

# Comparisons: Australia in the global aid landscape

Australia as share of total OECD DAC aid (%) and ranking



# Global aid update



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# Figure 1: DAC countries' net ODA, 1970-2025

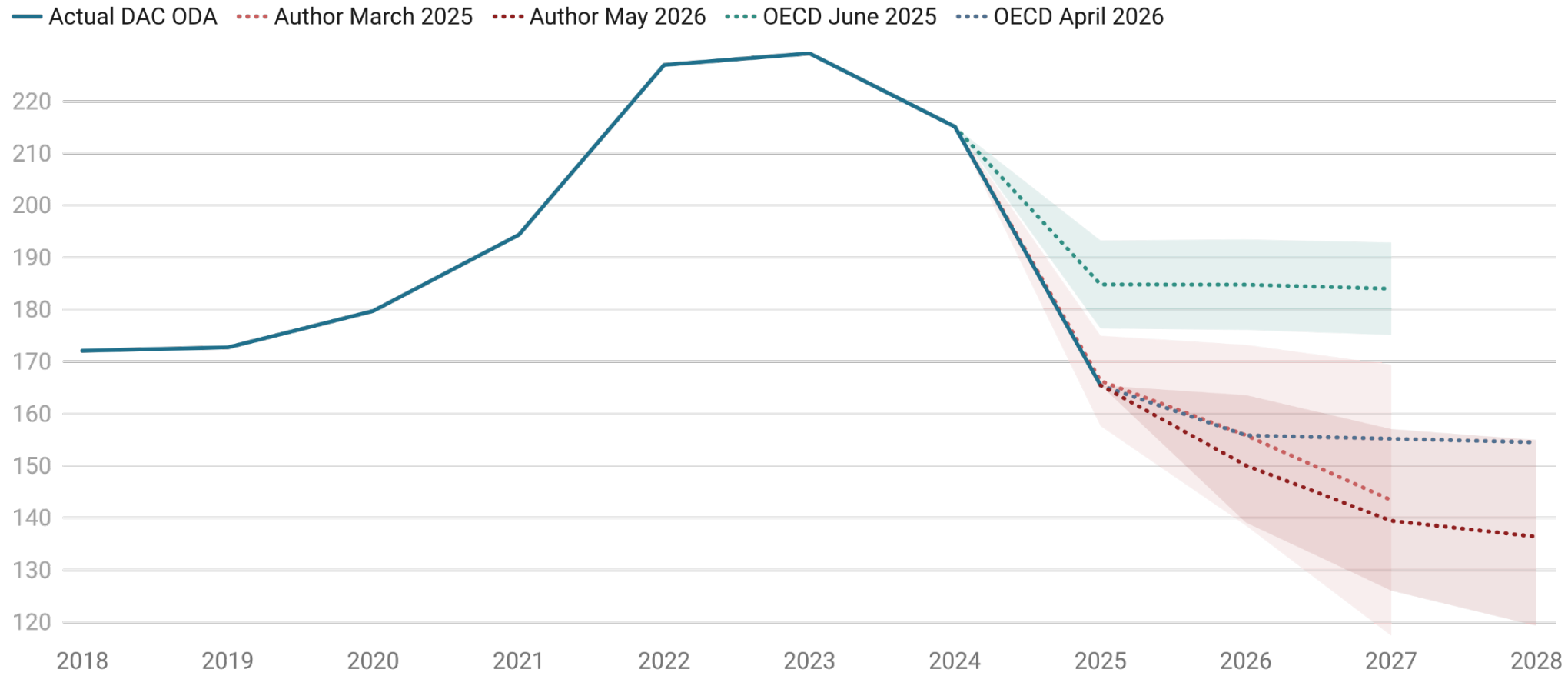
Cash-flow-basis net ODA, USD billions, constant 2024 prices.



Net ODA is used for the long-run history because the grant-equivalent headline series begins in 2018. Source: OECD DAC Statistics, DAC Table 1; annotations draw on OECD Development Co-operation Reports 1997, 1998, 2005 and 2006.

## Figure 2: DAC countries' projected ODA, 2026–28

Grant-equivalent ODA for DAC countries, with projection and forecast vintages, USD billions, constant 2024 prices.

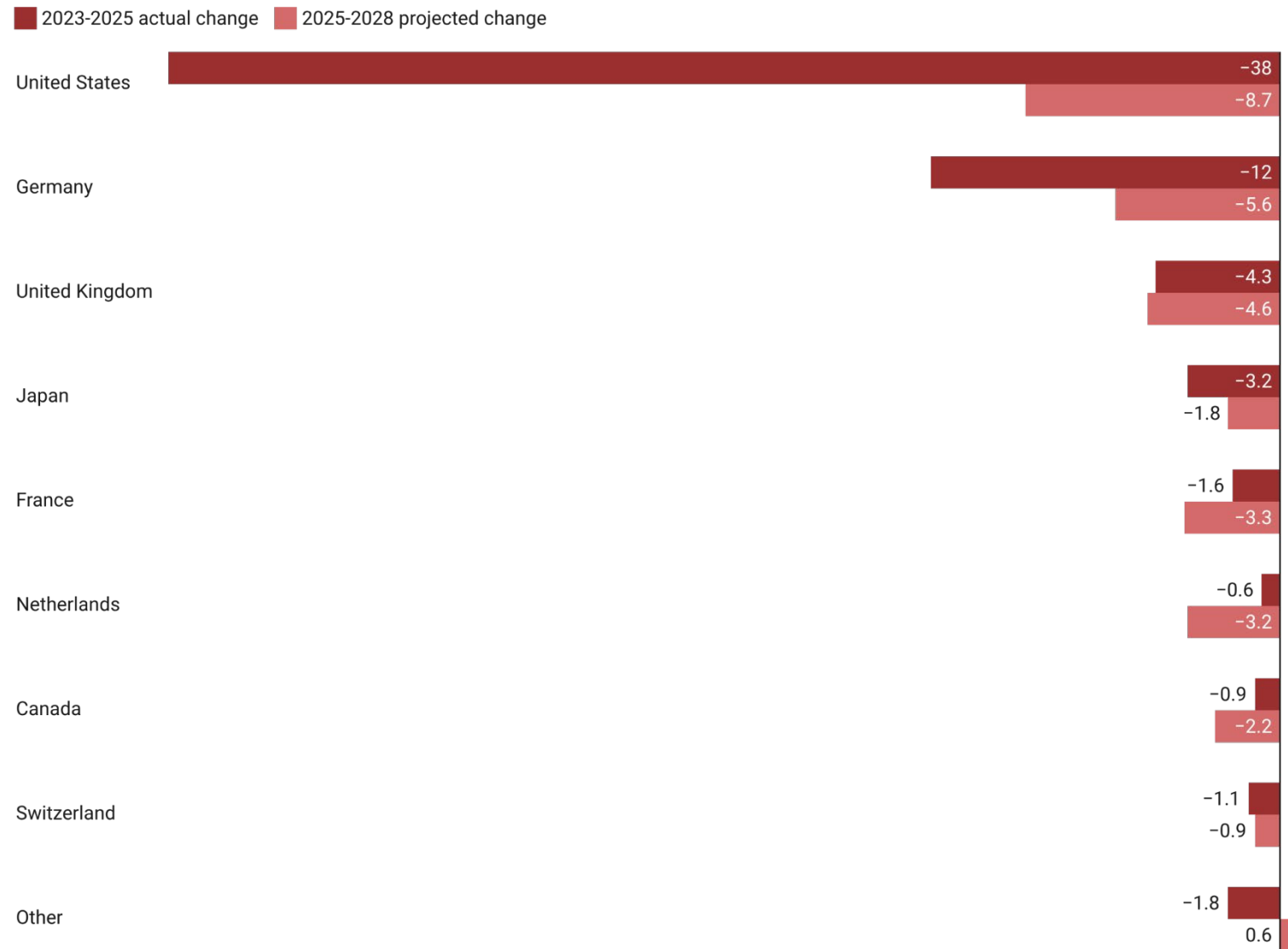


Actuals are 2018-2025. Dotted lines are forecast/projection vintages; shaded bands show ranges. March 2025 and OECD June 2025 include 2025 because it was still a forecast year then; May 2026 and OECD April 2026 anchor on the known 2025 actual and begin forward values in 2026.

Sources: OECD DAC Statistics; OECD June 2025 ODA cuts brief; OECD April 2026 detailed summary note; author estimates.

### Figure 3a: ODA cuts, to date (2023–25) and projected (2026–28)

Donor-level grant-equivalent ODA change, split between the 2023-2025 actual fall and the 2025-2028 projected change.

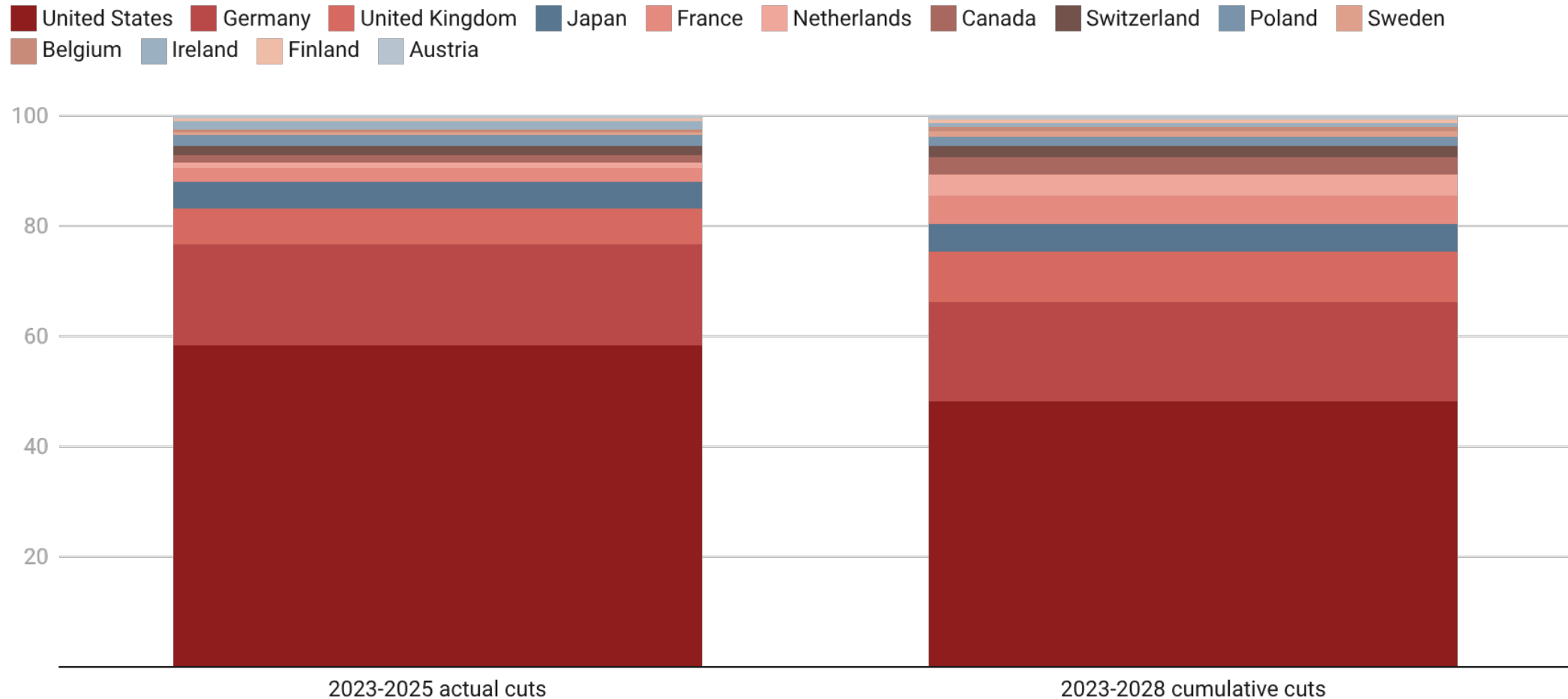


USD billions, constant 2024 prices. Negative values are reductions; positive values are increases. Actuals are OECD DAC data; projections are May 2026 author estimates. Other comprises Poland, Belgium, Sweden, Ireland, Finland, Austria, South Korea, Denmark and Spain.

Sources: OECD DAC Statistics; author estimates: May 2026 gold-standard central projections for 2026-2028 donor changes.

## Figure 3b: Composition of ODA cuts, actual (2023–25) and cumulative (2023–28)

Donor shares of the realised 2023-2025 cuts and projected cumulative 2023-2028 cuts.

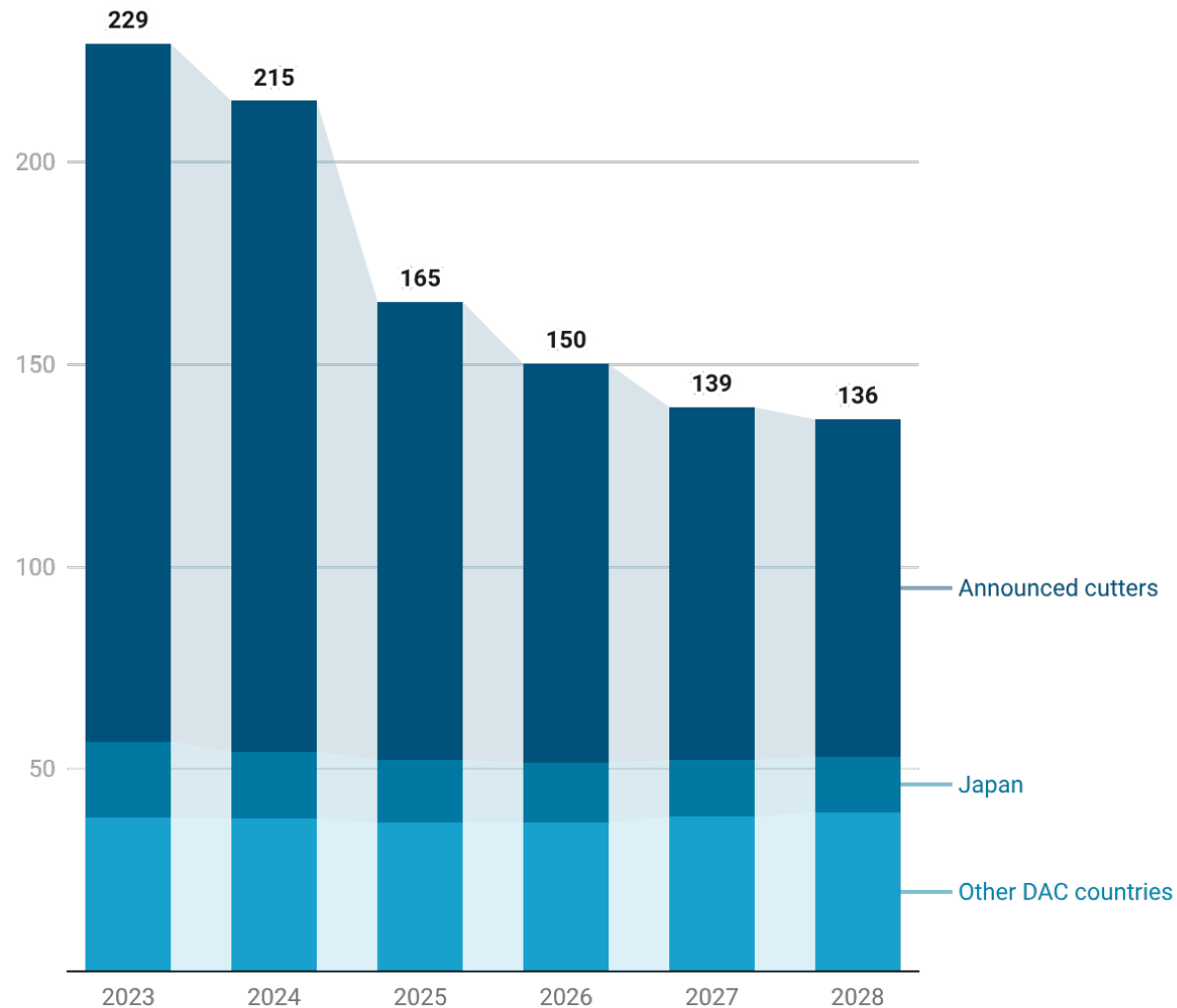


Shares of total cuts, calculated from USD billions in constant 2024 prices. Both columns use the same donor universe: donors with a negative cumulative 2023-2028 change. The left column shows those donors' realised 2023-2025 cut shares; the right column shows their cumulative 2023-2028 cut shares.

Sources: OECD DAC Statistics; author estimates.

## Figure 4: Programmatic ODA cutters vs other donors, 2023-2028

Grant-equivalent ODA by donor group, USD billions, constant 2024 prices.



Values are USD billions, constant 2024 prices. 2023-2025 are OECD actuals; 2026-2028 are May 2026 central projections. Announced cutters are Belgium, Canada, Finland, France, Germany, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States (together 75.3% of DAC country ODA in 2023, the peak year). Japan is shown separately because its decline materially affects the total, but it is not classified as an announced cutter. EU Institutions are excluded.

Sources: OECD DAC Statistics; author estimates.



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