

# The 2021 Aid Budget

#aidbudget2021



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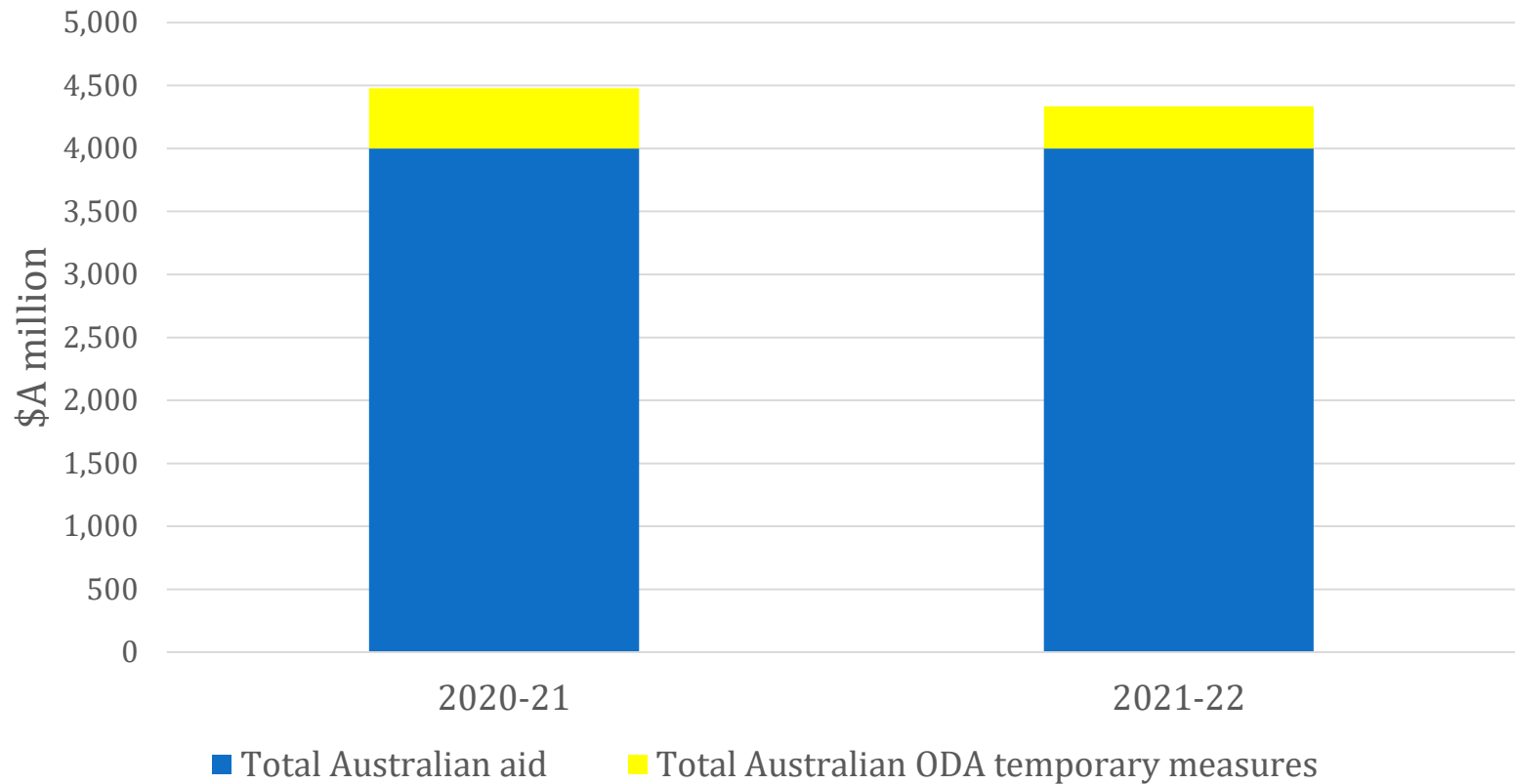
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# Structure

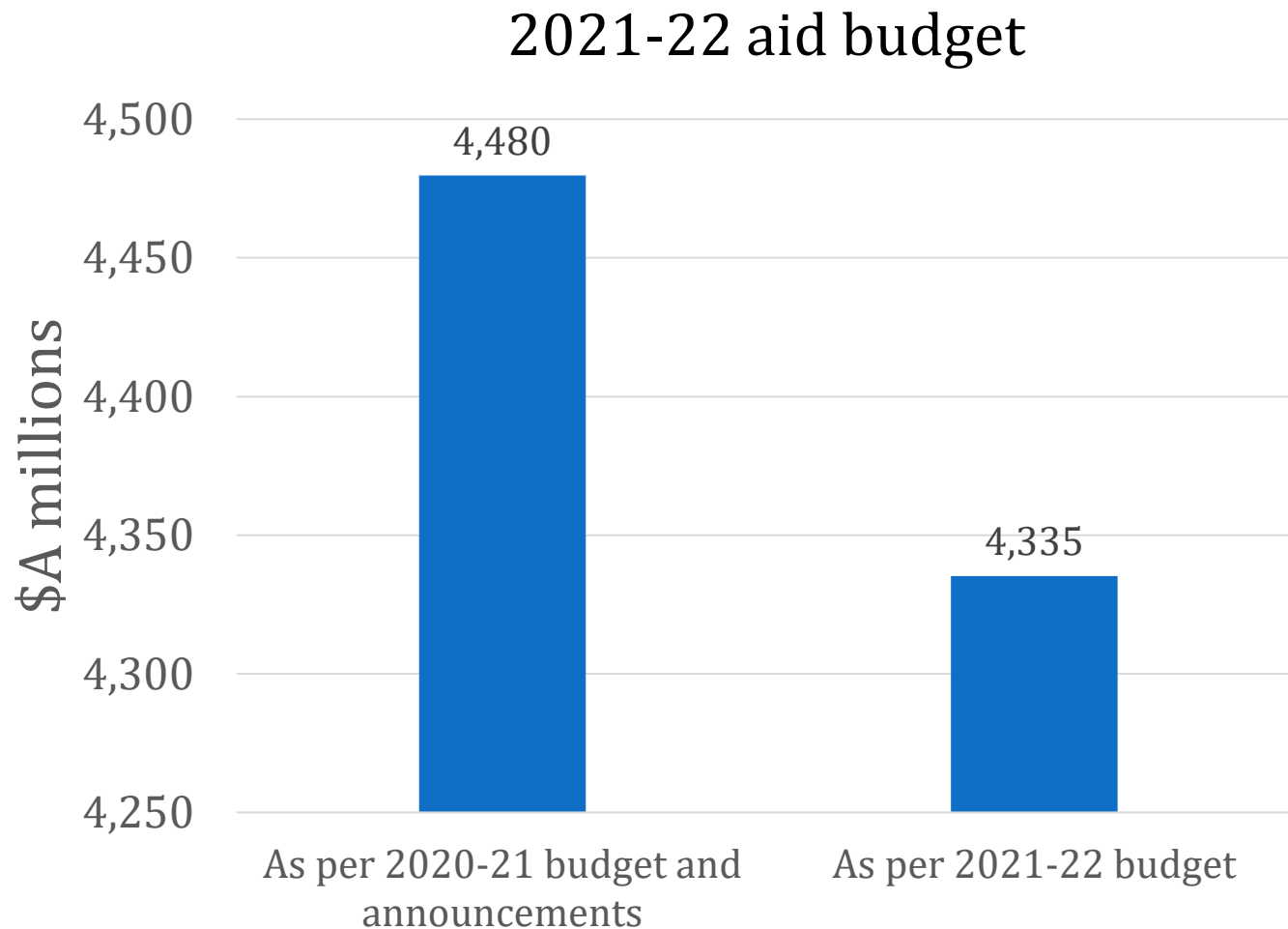
Three tests for the aid budget  
Budget context  
Aid updates  
Aid and COVID-19  
Australia's aid in a global context

# Three tests for the aid budget

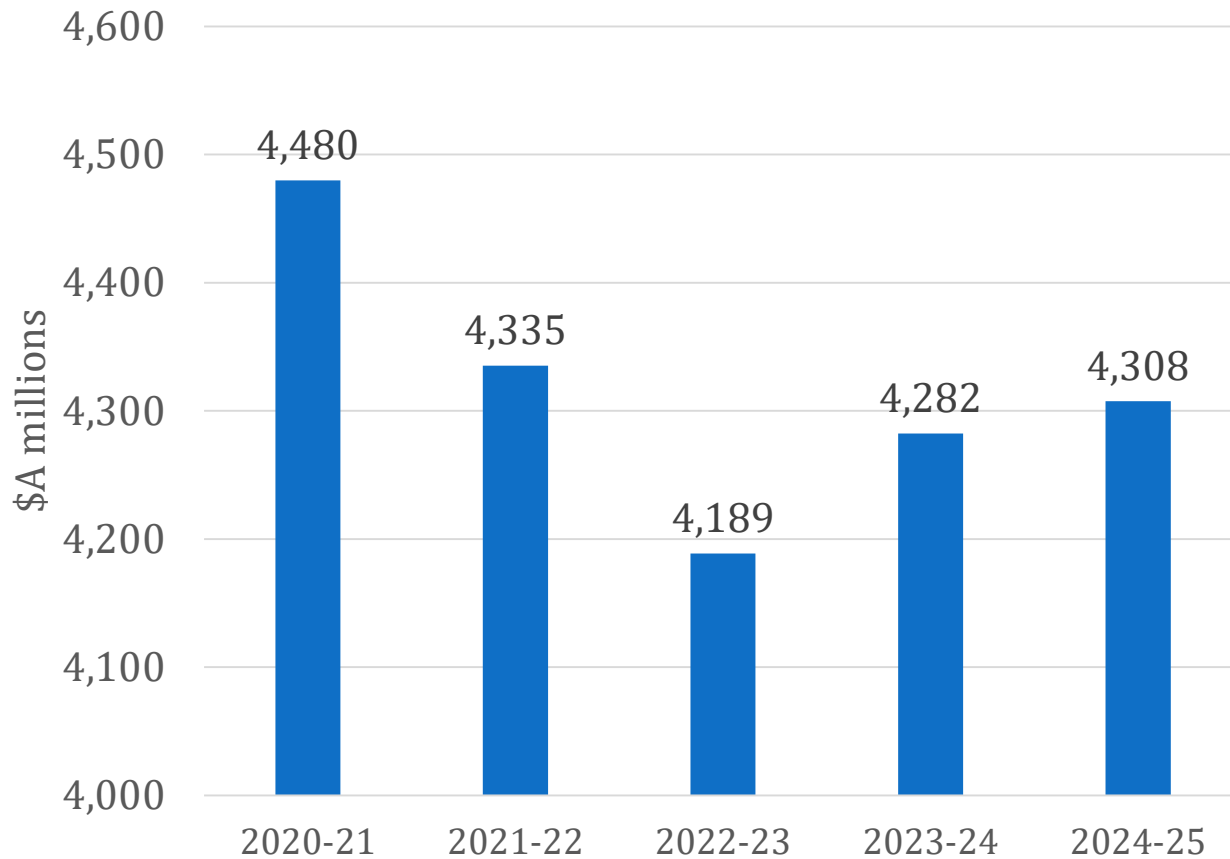
# 1. Estimates of ODA provided for 2020-21 & 2021-22?



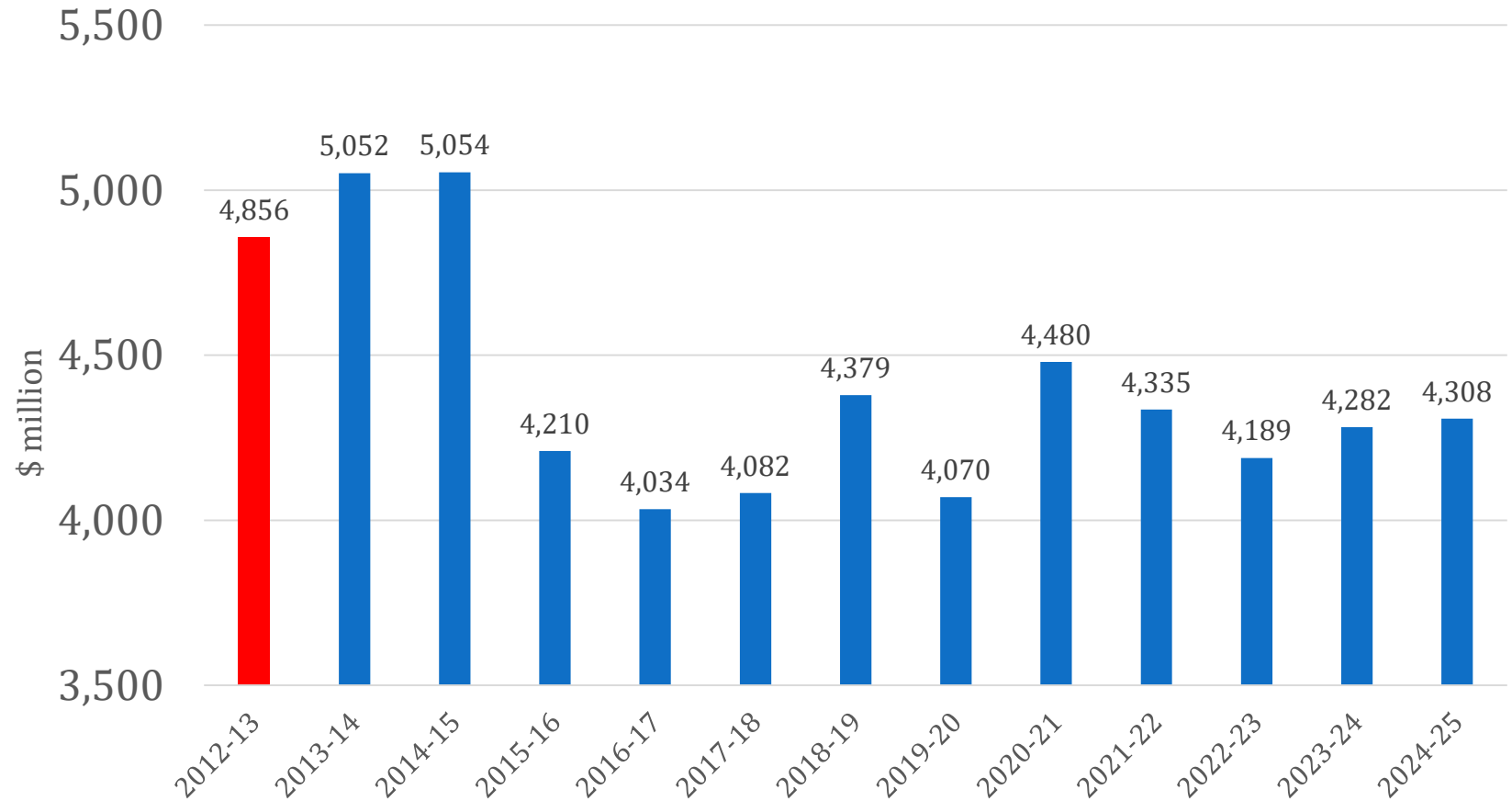
## 2. Any further increases in aid next year?



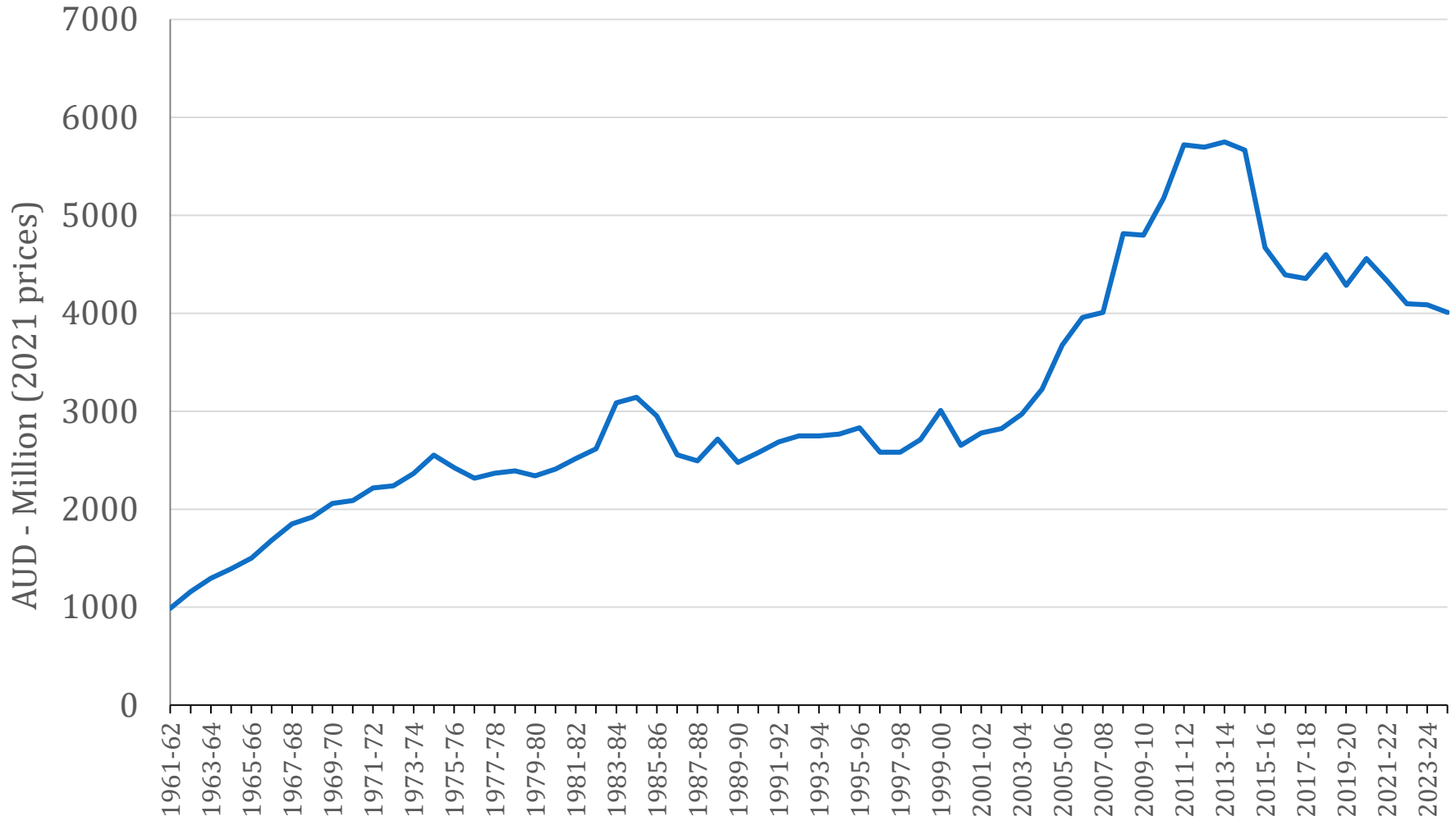
### 3. Aid increases sustained?



# The aid trajectory under the Coalition

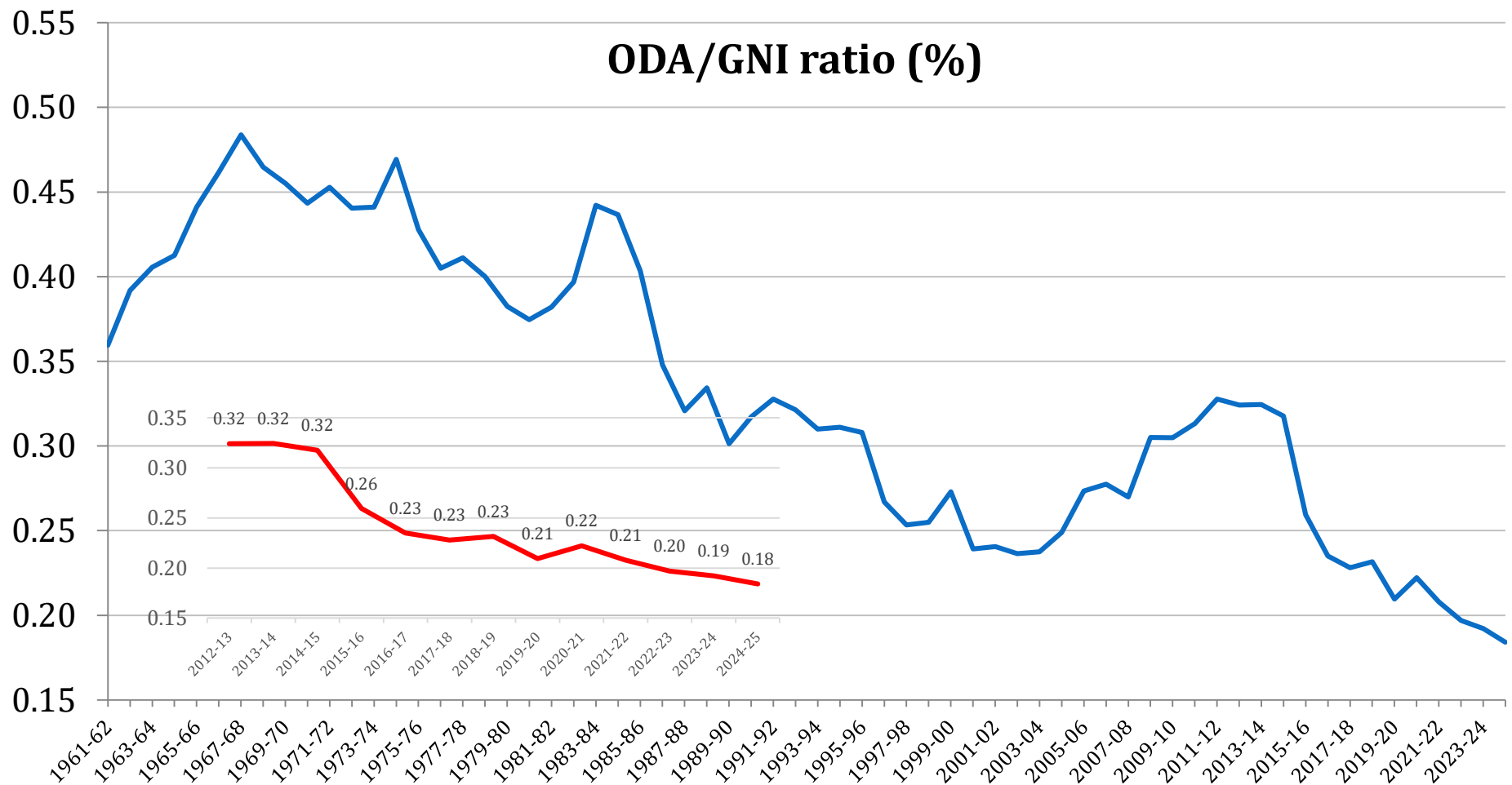


# The long view



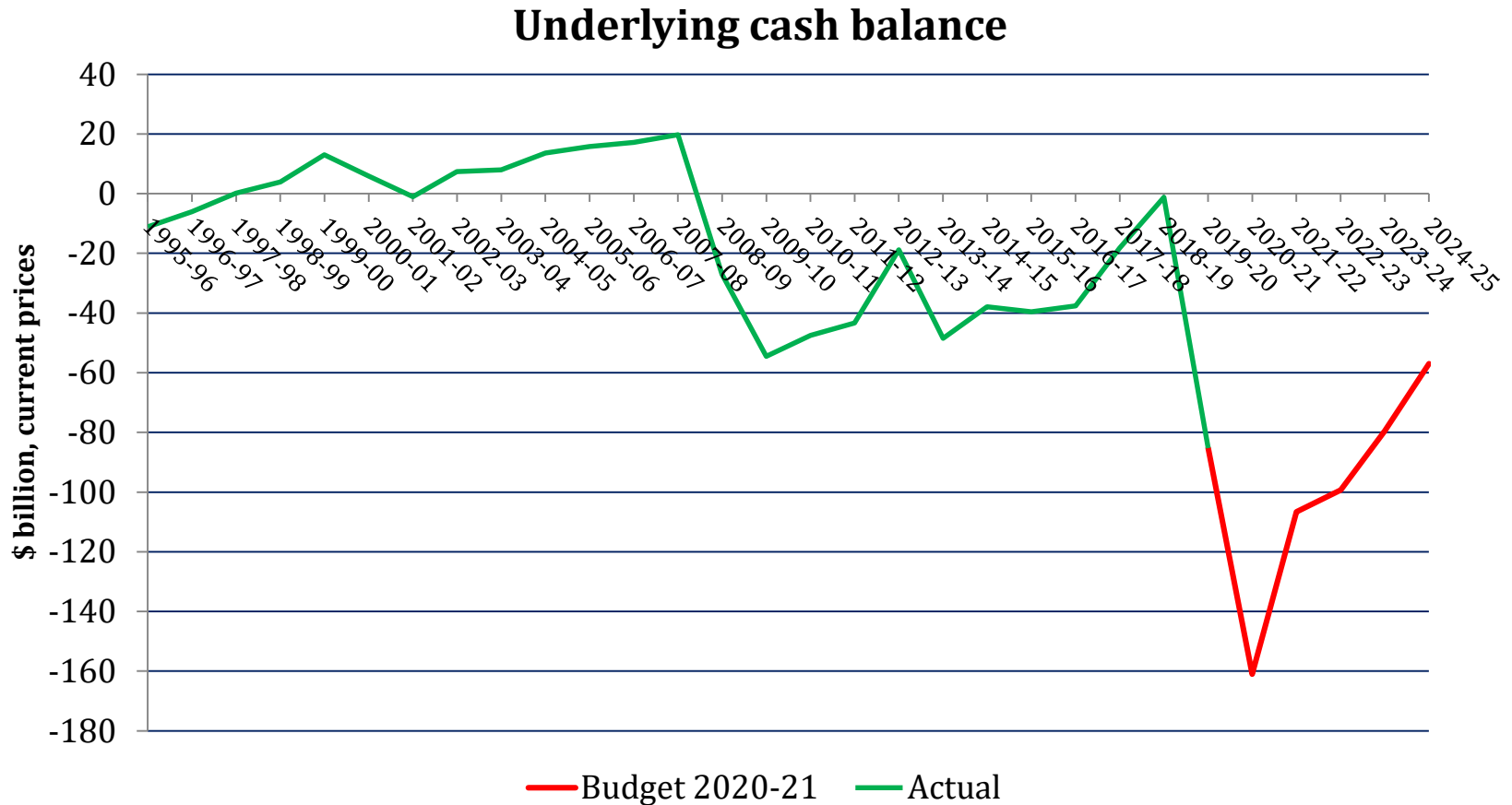


# ODA/GNI: declining once more

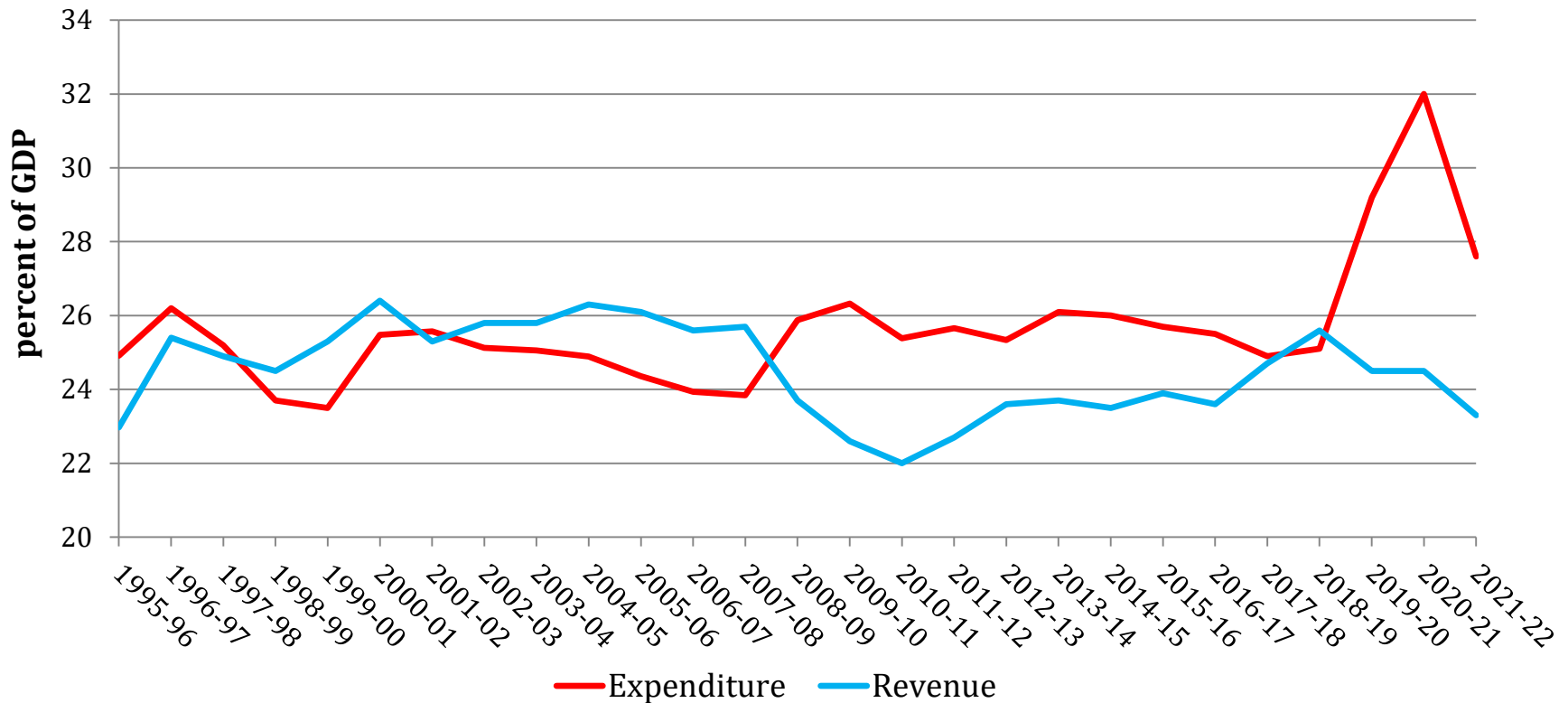


# Budget context

# Underlying fiscal position not as bad as feared

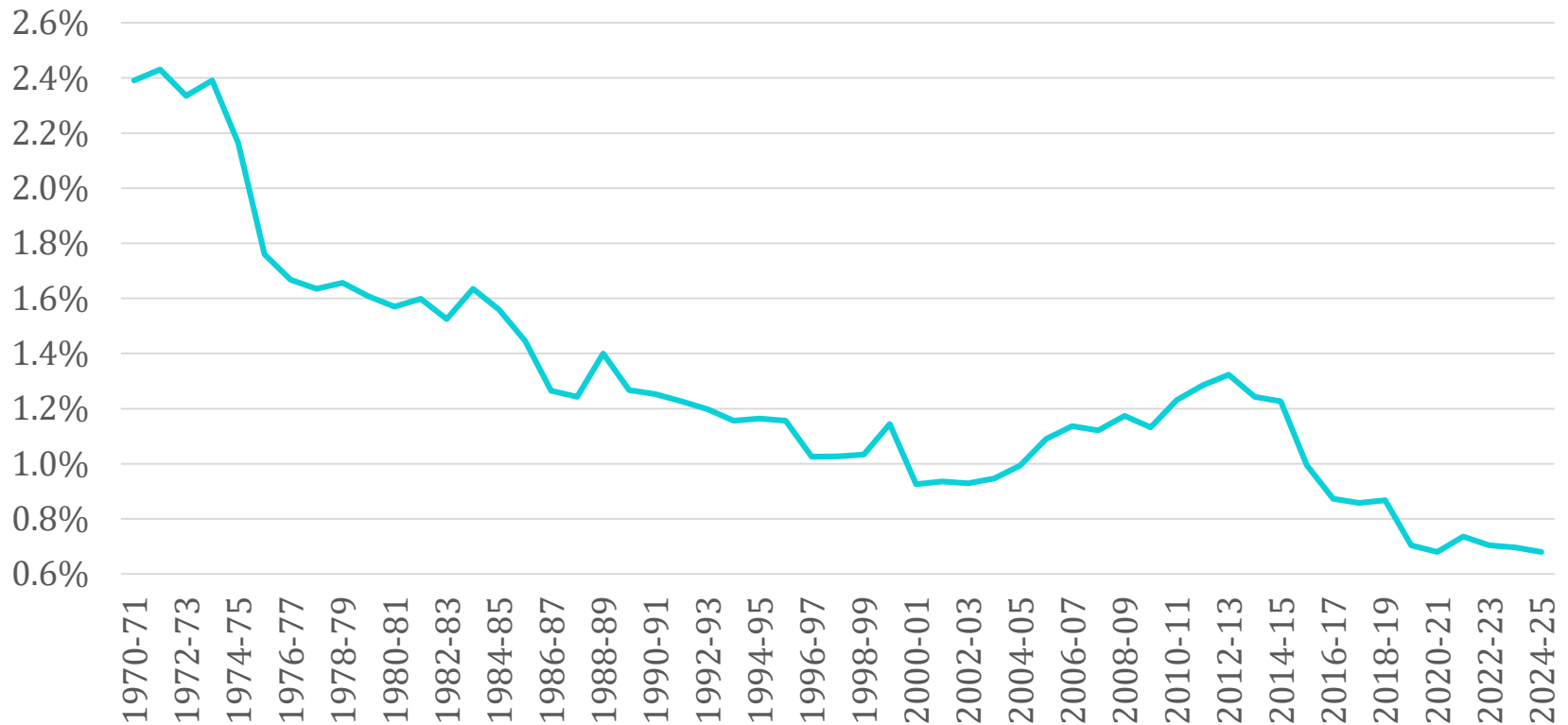


# Government not in a hurry to bring expenditure right back down



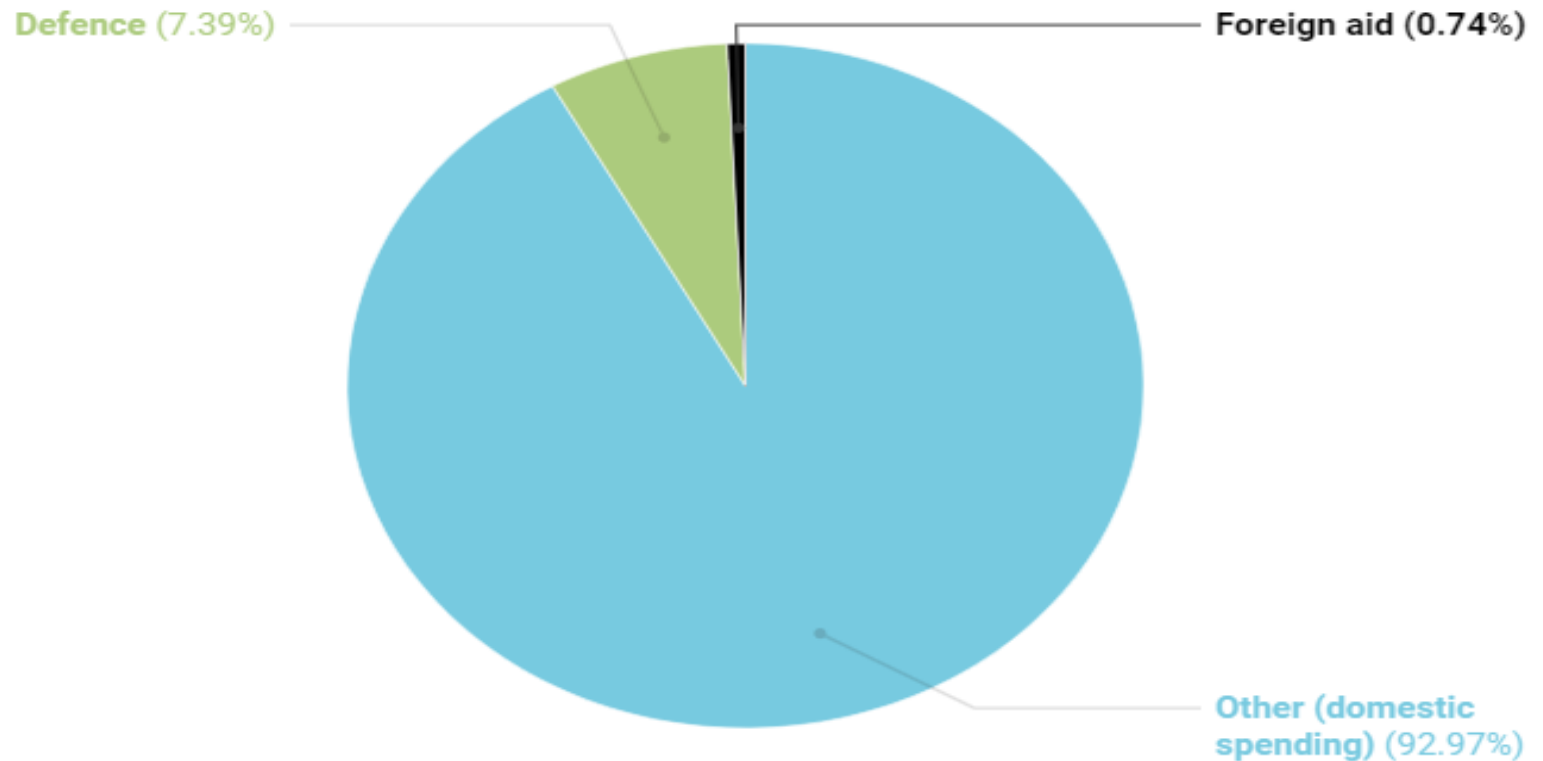
# Aid a low priority

## ODA/total expenditure



# Aid/defence

## Federal Budget spending

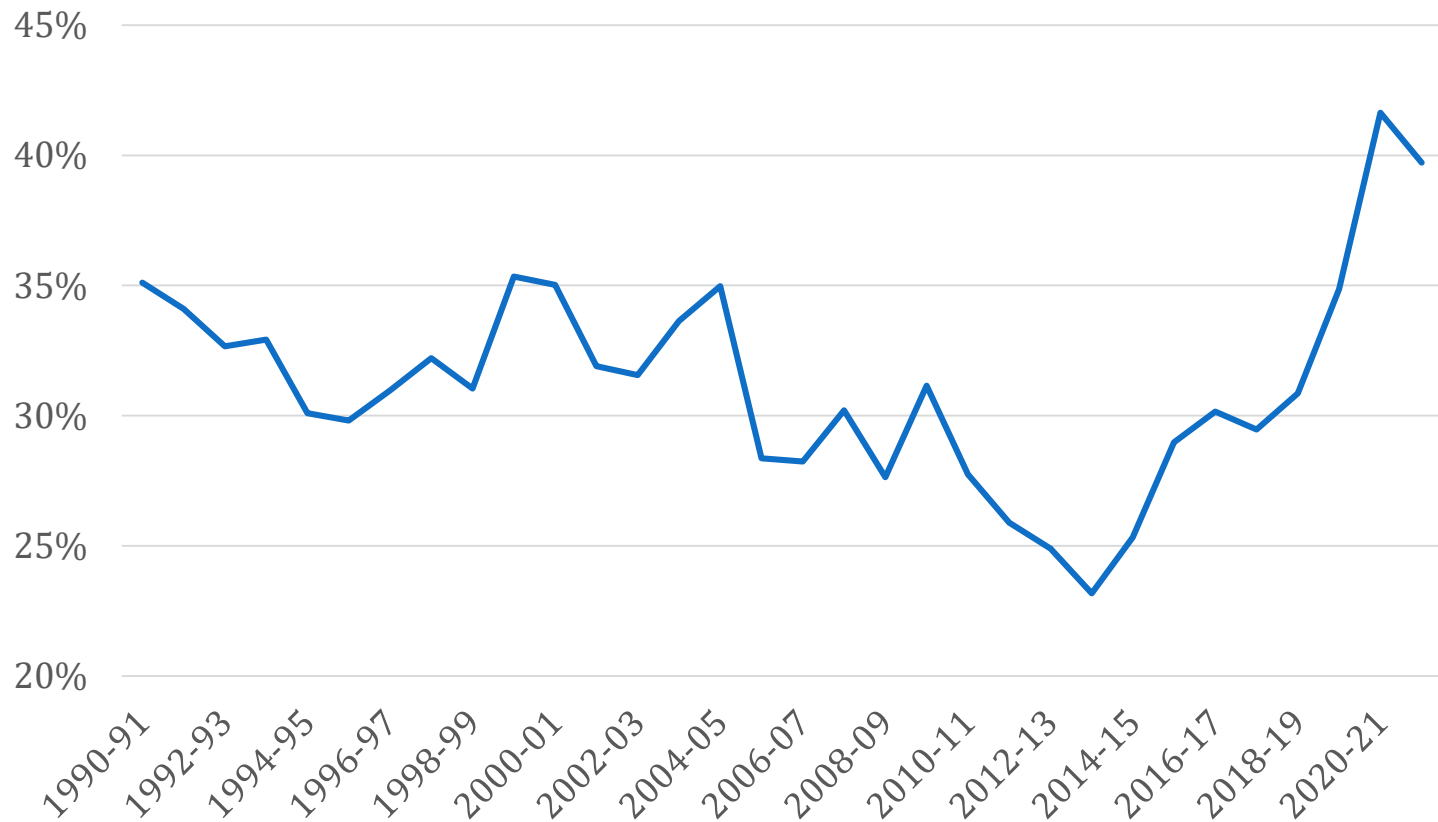


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# Aid updates

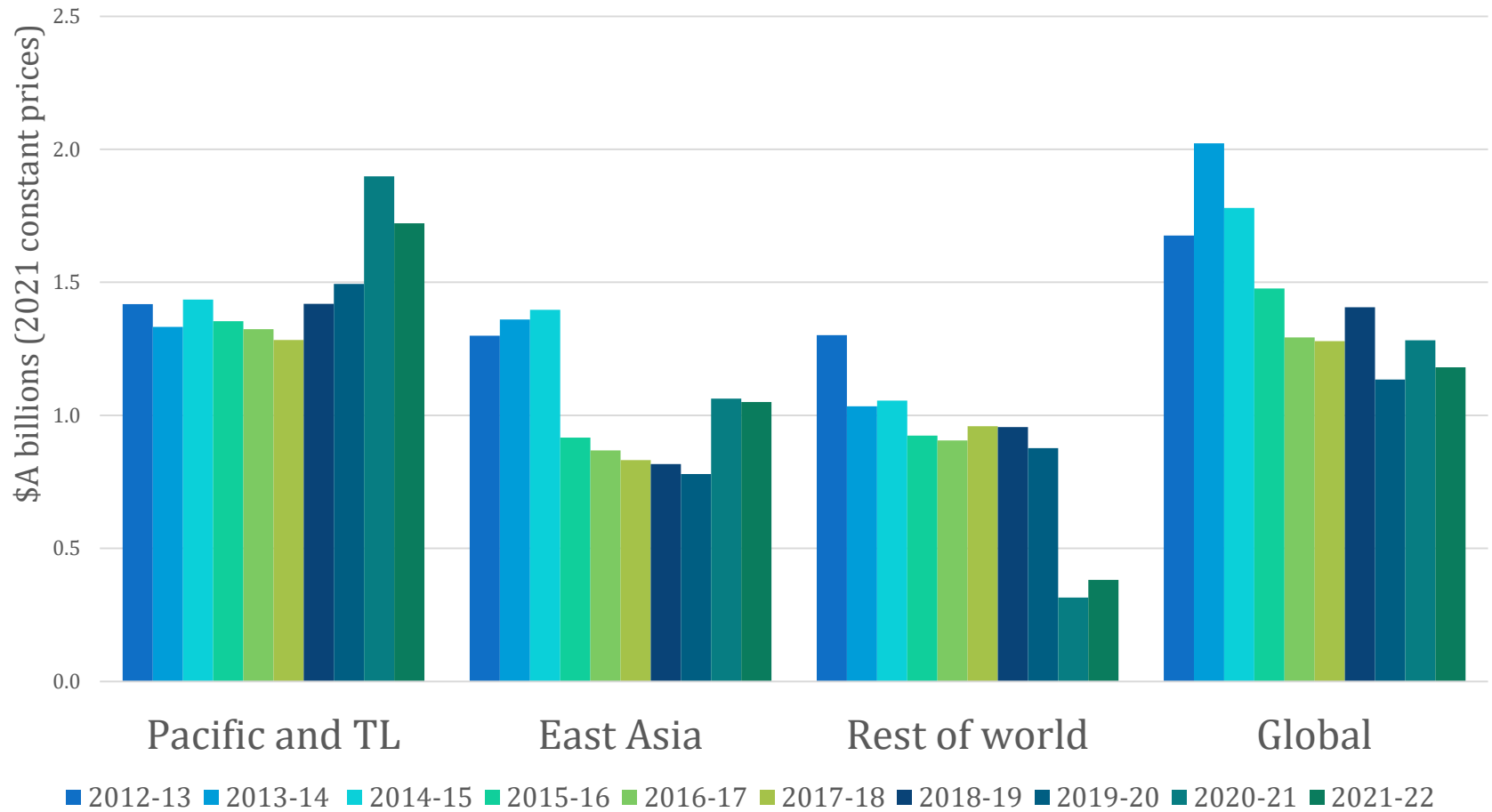
# The Pacific Step-Up continues

The share of the aid program going to the Pacific and Timor-Leste



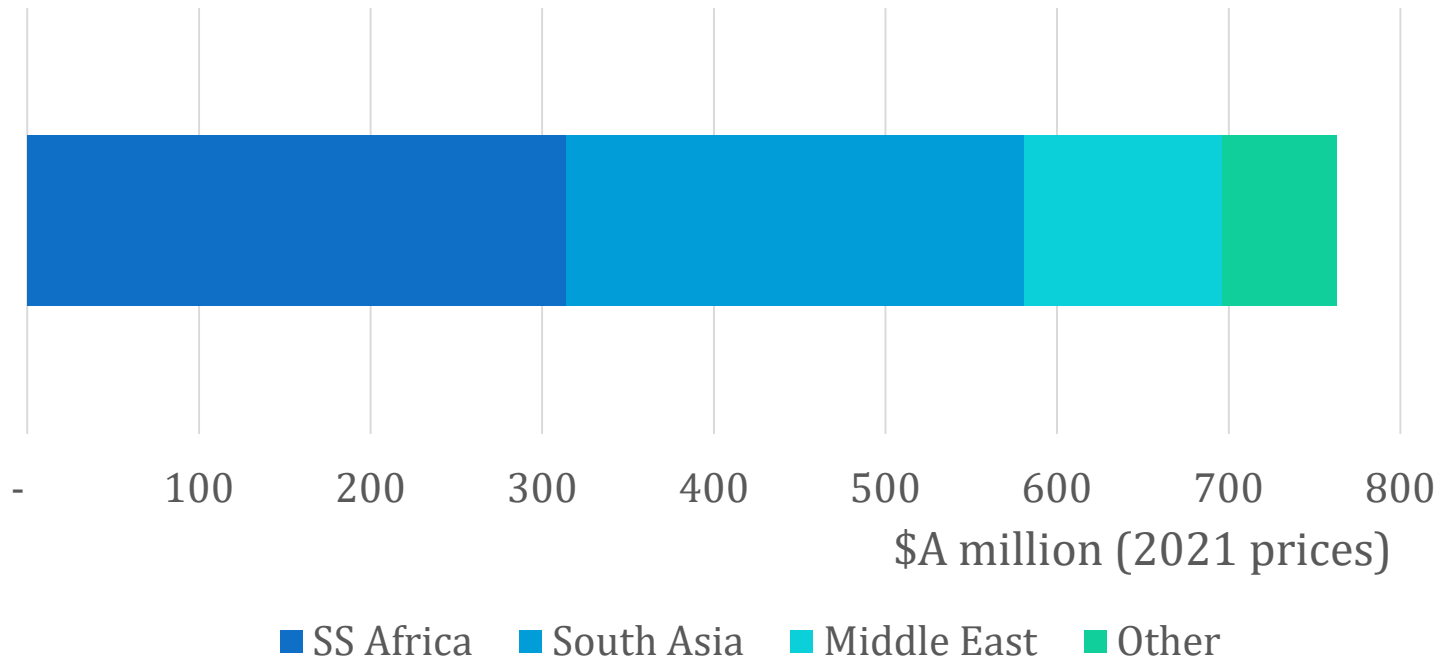


# Regional funding trends



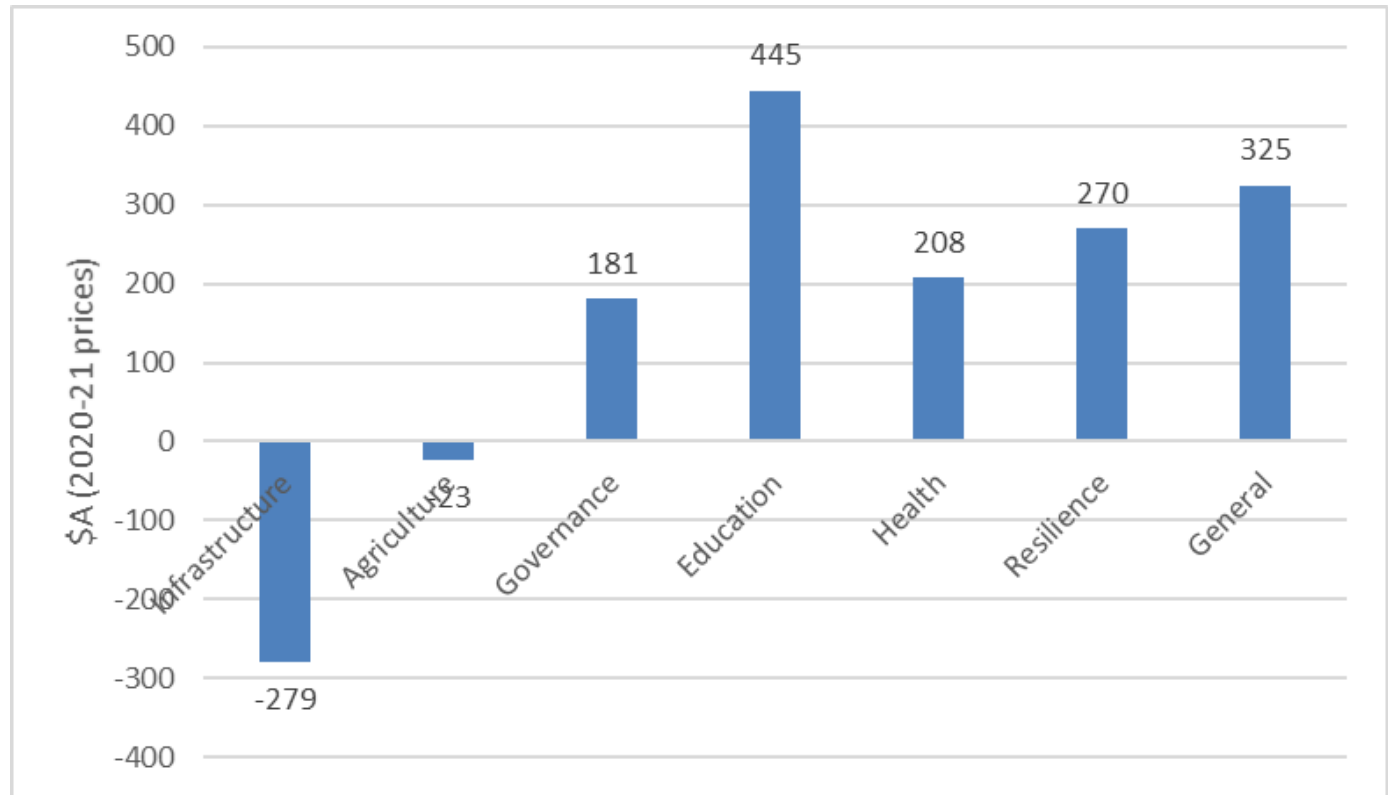
# How the Pacific Step-up has been funded

Increase (2012-13 to 2021-22) due to rising Pacific aid share financed by cuts to...



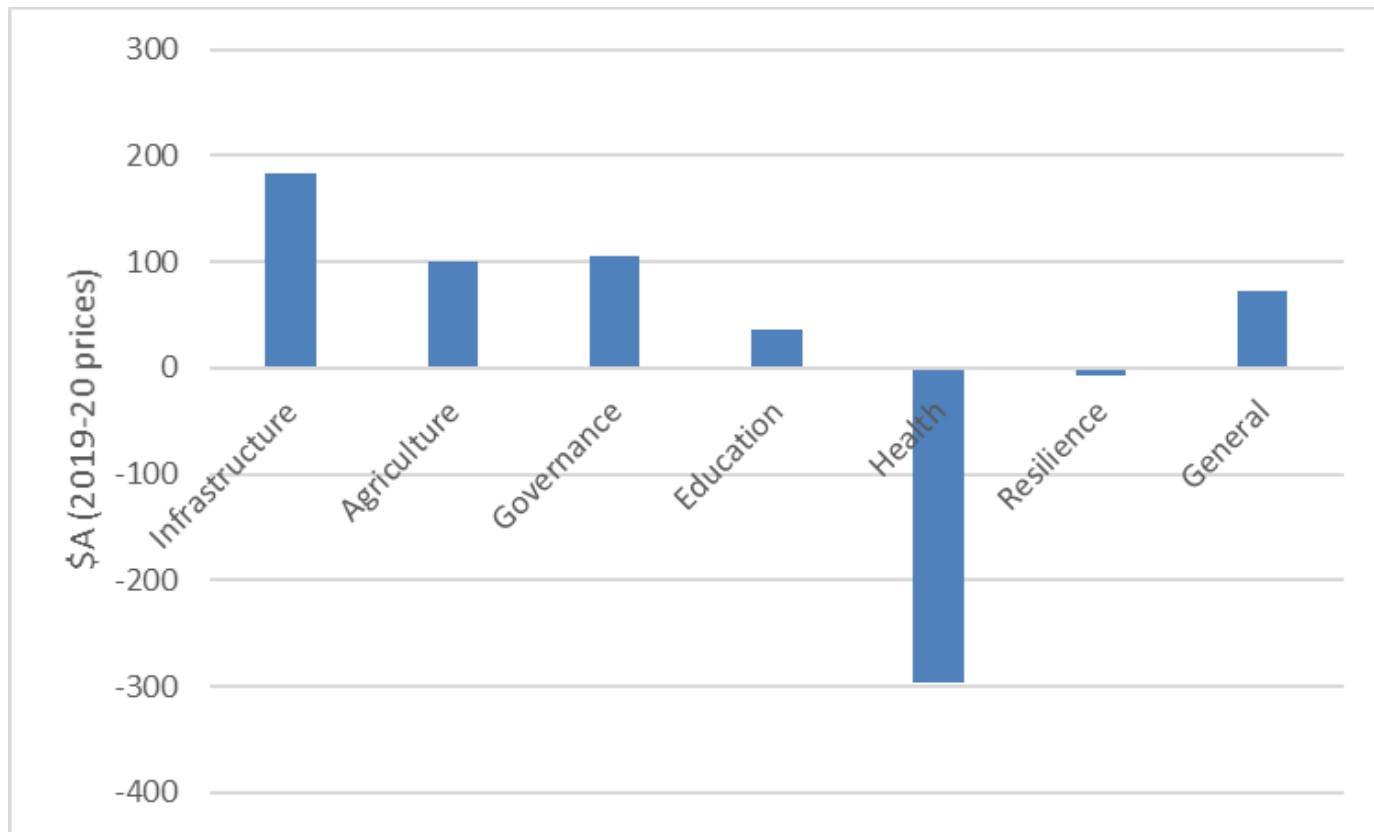
# Sectorally, health, education and resilience have borne the brunt

(a) Aid cuts from 2013/14 to 2018/19



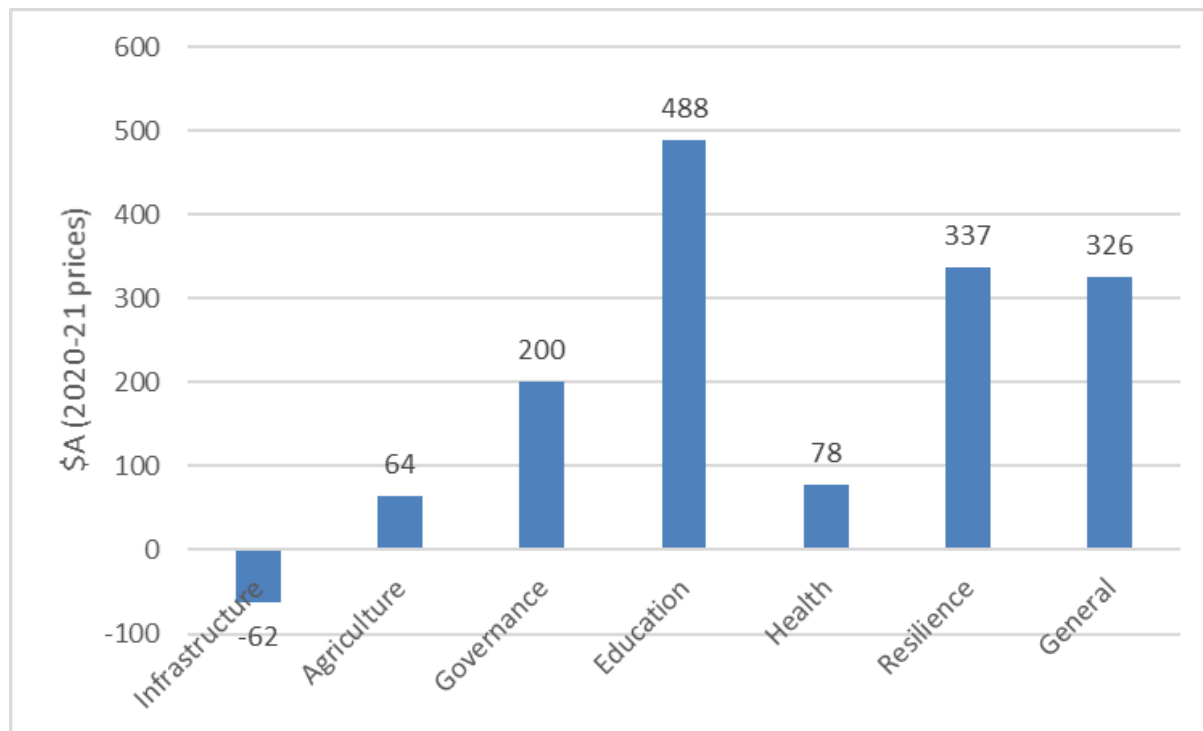
# But last year, health cuts mostly reversed

## (b) Aid cuts in 2019/20

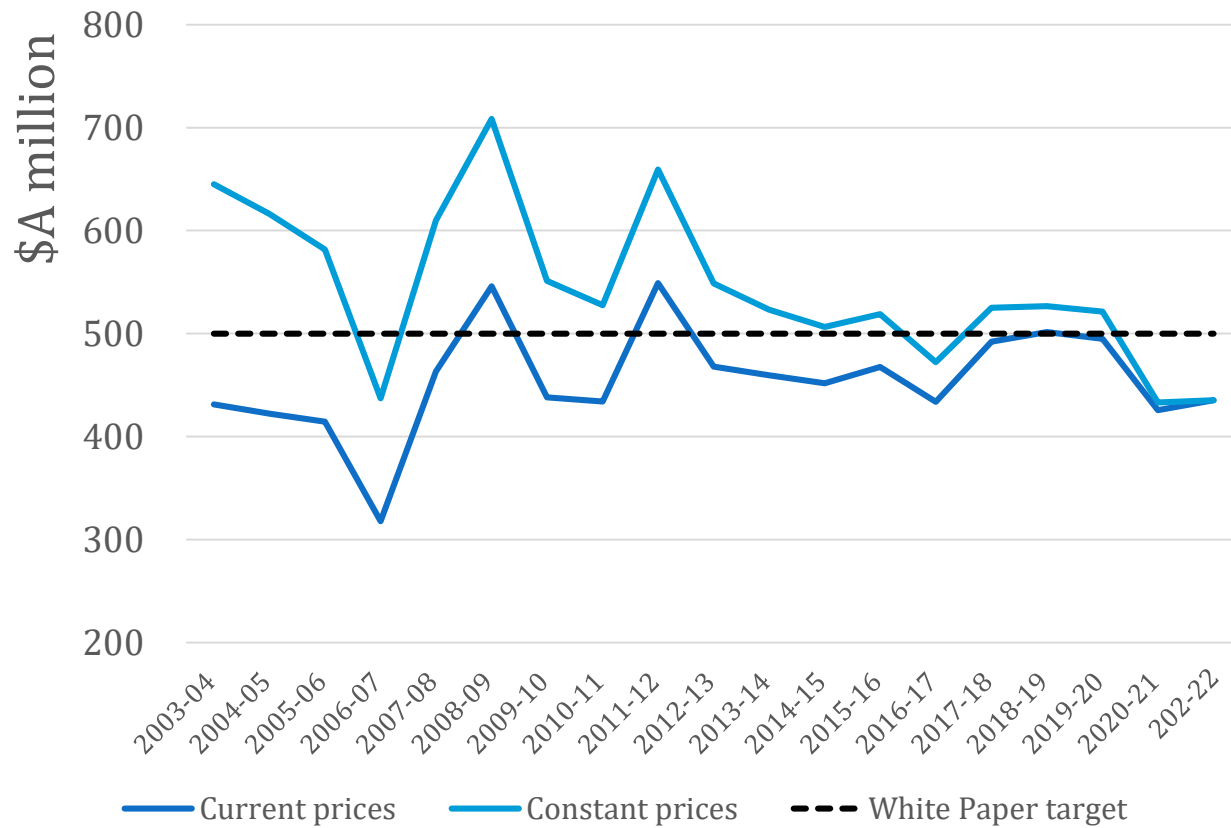


# So now cuts focused on education and resilience

(c) Aid cuts 2013/14 to 2019/20



# Humanitarian aid has slipped below \$500 million White Paper target

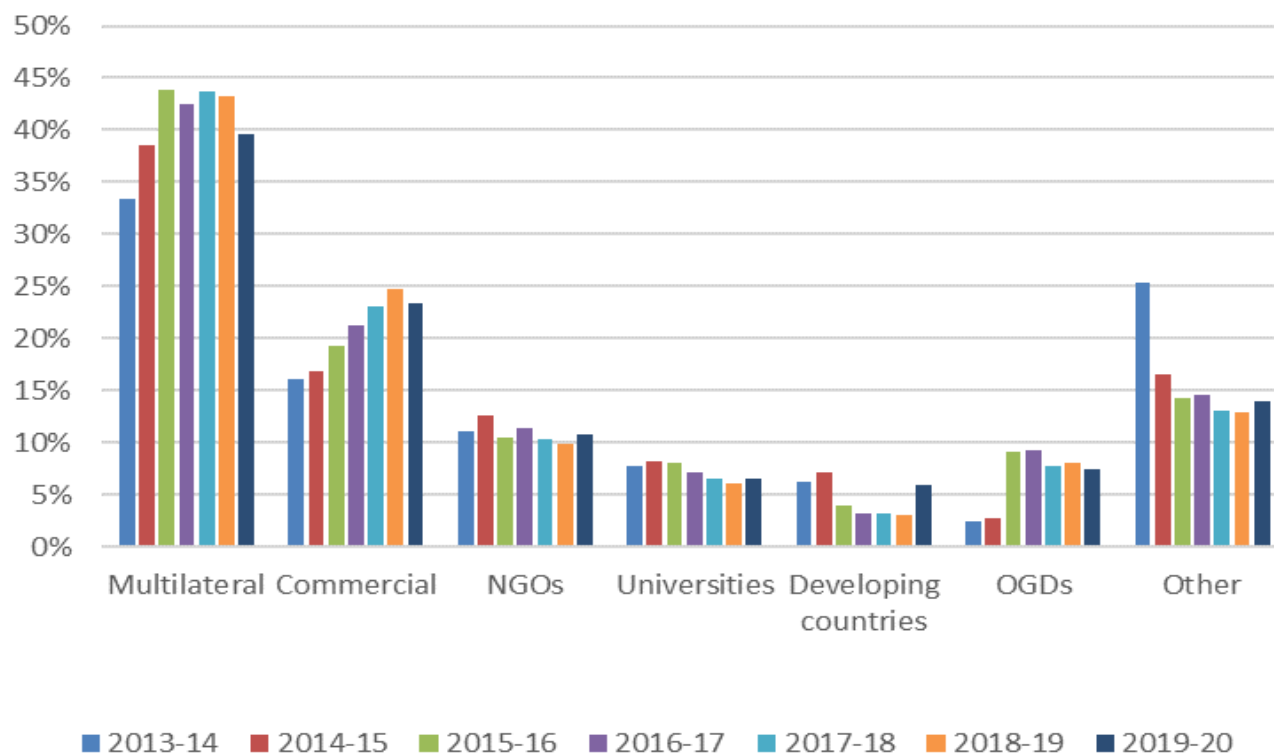


Note: COVID Response Fund excluded from humanitarian

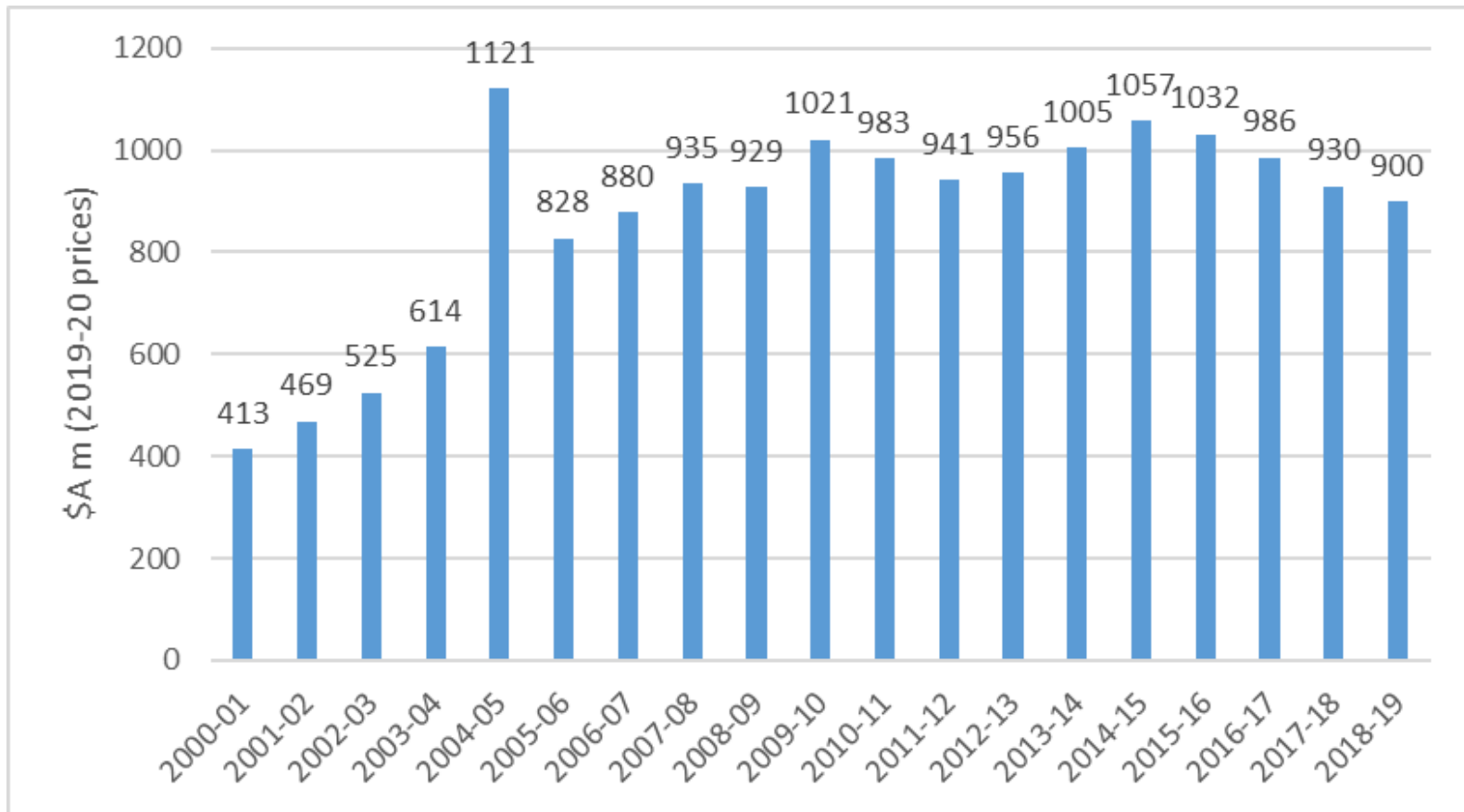
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# Multilaterals and contractors deliver 2/3 of aid program; up from 50% in 2013.

ODA by partner (%)



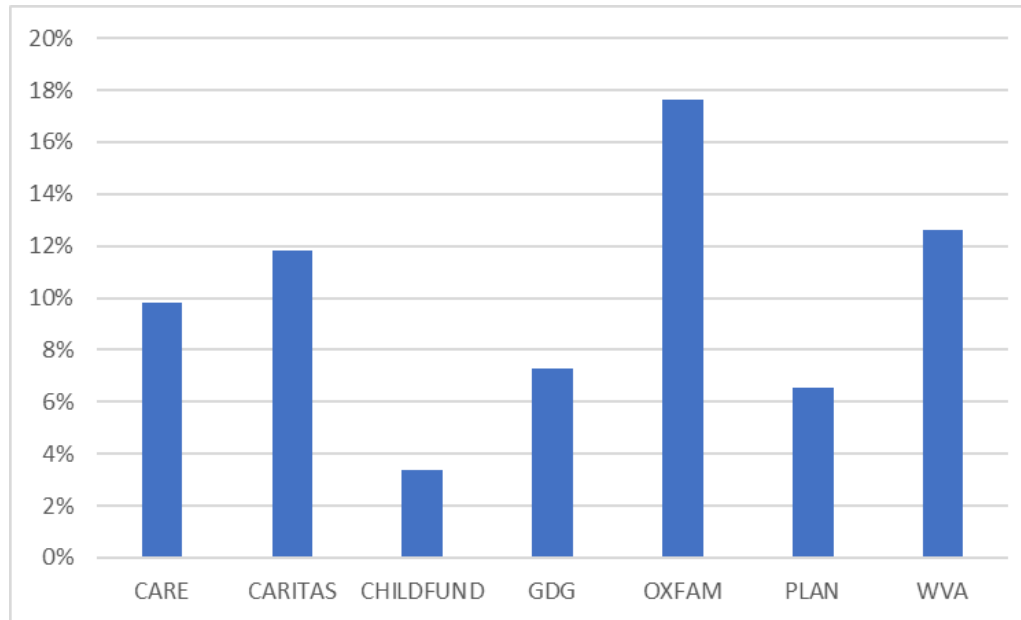
# Public donations to NGOs on sustained decline (pre-COVID)





# Public donations to NGOs likely fell further in 2019-20

Percentage fall in donations for 7 major development NGOs for which 2019-20 annual reports available. Total donations about \$300 million; average fall 12%



# Australian aid and COVID-19



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# Major initiatives

- Economic support Pacific and TL - \$300 m ODA over 2 years
- Vaccine access for Pacific and SE Asia - \$523 million over 3 years; all ODA
- India response: \$37 m over 2 years.
- Enhanced partnerships SE Asia : \$500 million over 4 years; not all ODA

# Other initiatives

- Support for ASEAN Centre for Public Health Emergencies and Emerging Diseases: \$21 million over 2 years
- Partnerships for Social Protection \$16 m for the Pacific over 4 years
- Quad Vaccine Partnership: \$100 m over 2 years
- Australian manufactured vaccines (not costed)

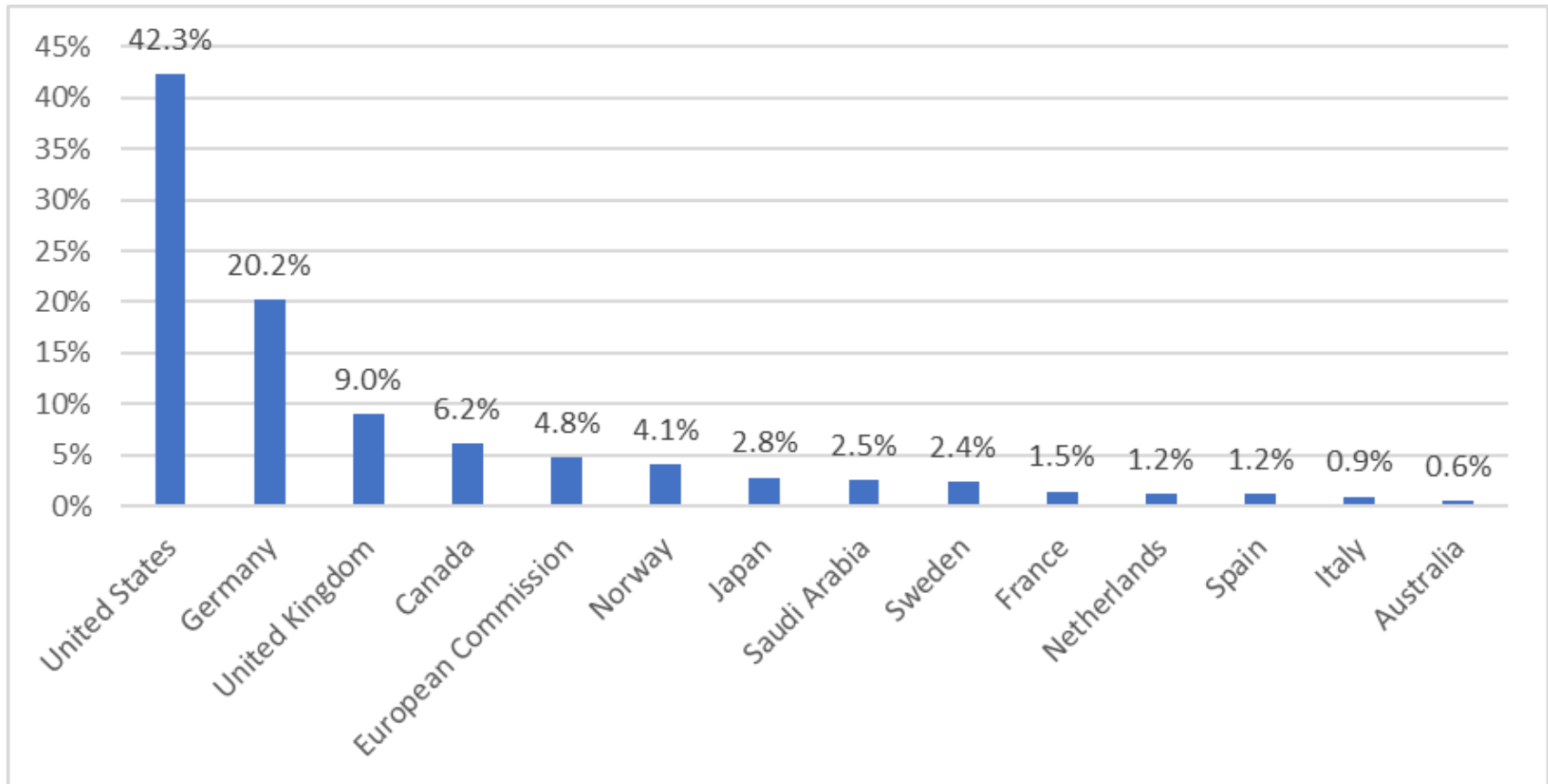
# Fall in spending in second half of last year

- Aid went up in 2020-21 compared to 2019-20 by 10.1%
- Aid went down in 2020 compared to 2019 by 9.3%.
- “[D]ue to slowed spending as a result of the pandemic” - OECD



# Global COVID-19 funding (ACT-A)

Australia has contributed 0.6% out of a total of \$12.3 billion from governments for global COVID-19 response (less than BMGF)



# Australian aid in global context



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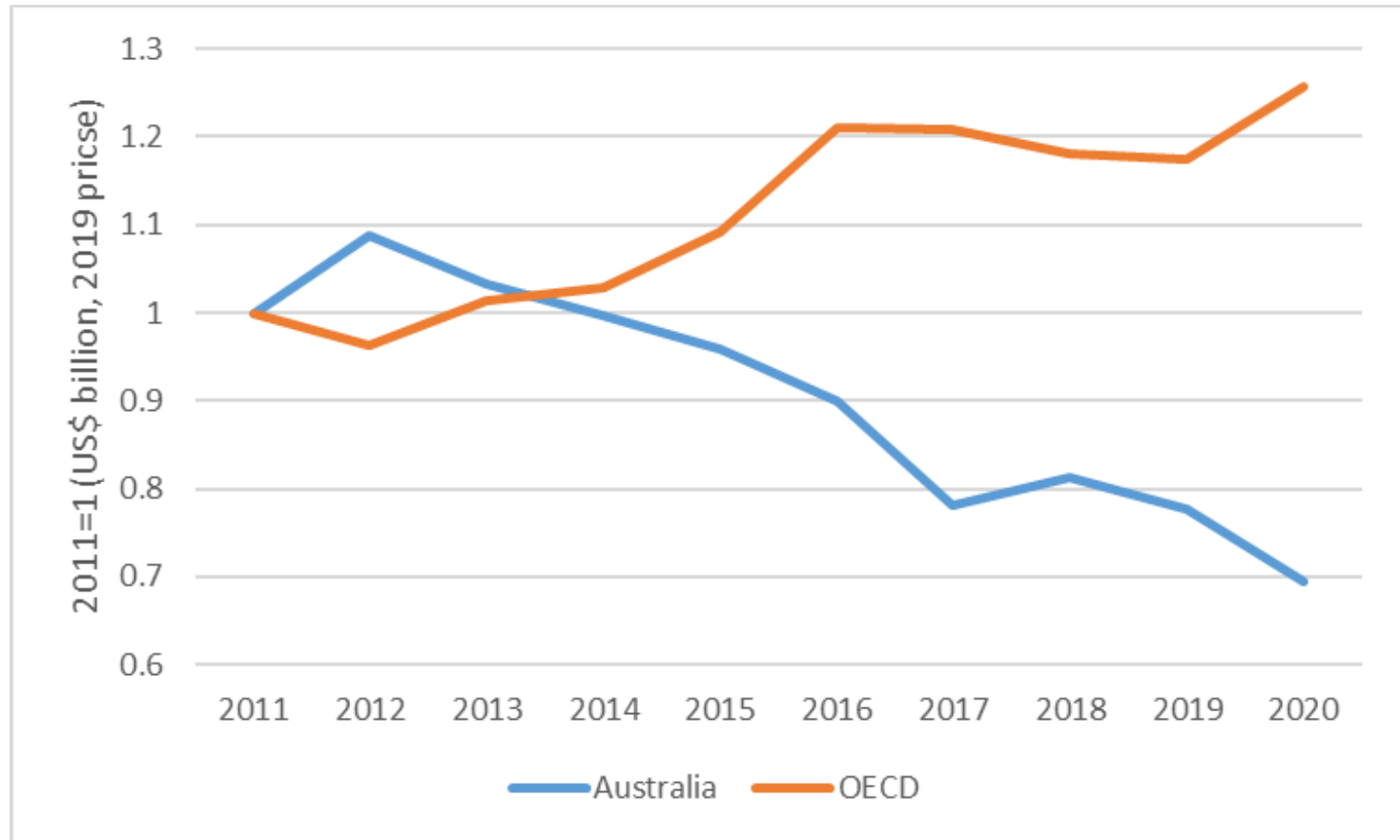
# The difference of a decade

	2011	2020
<b>Aid generosity (aid/income)</b>	0.34%	0.19%
<b>Our generosity relative to the average OECD donor</b>	110%	59%
<b>No. traditional OECD donors less generous than us</b>	8	2
<b>Our share of the global aid effort</b>	3.7%	1.6%

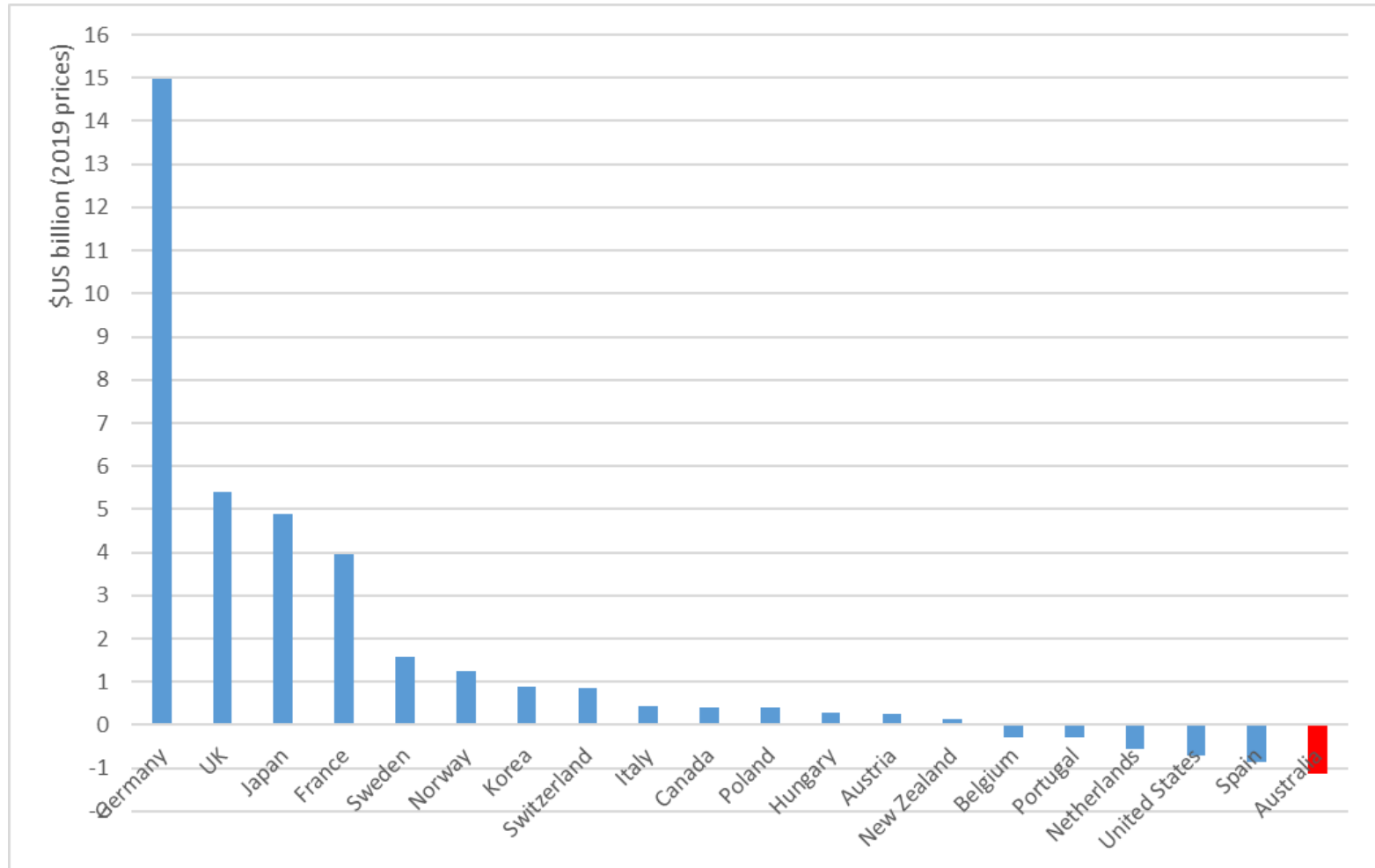
NB: this and next few graphs use OECD data (incl. Australian reported data).



# Australian aid the mirror image of OECD aid

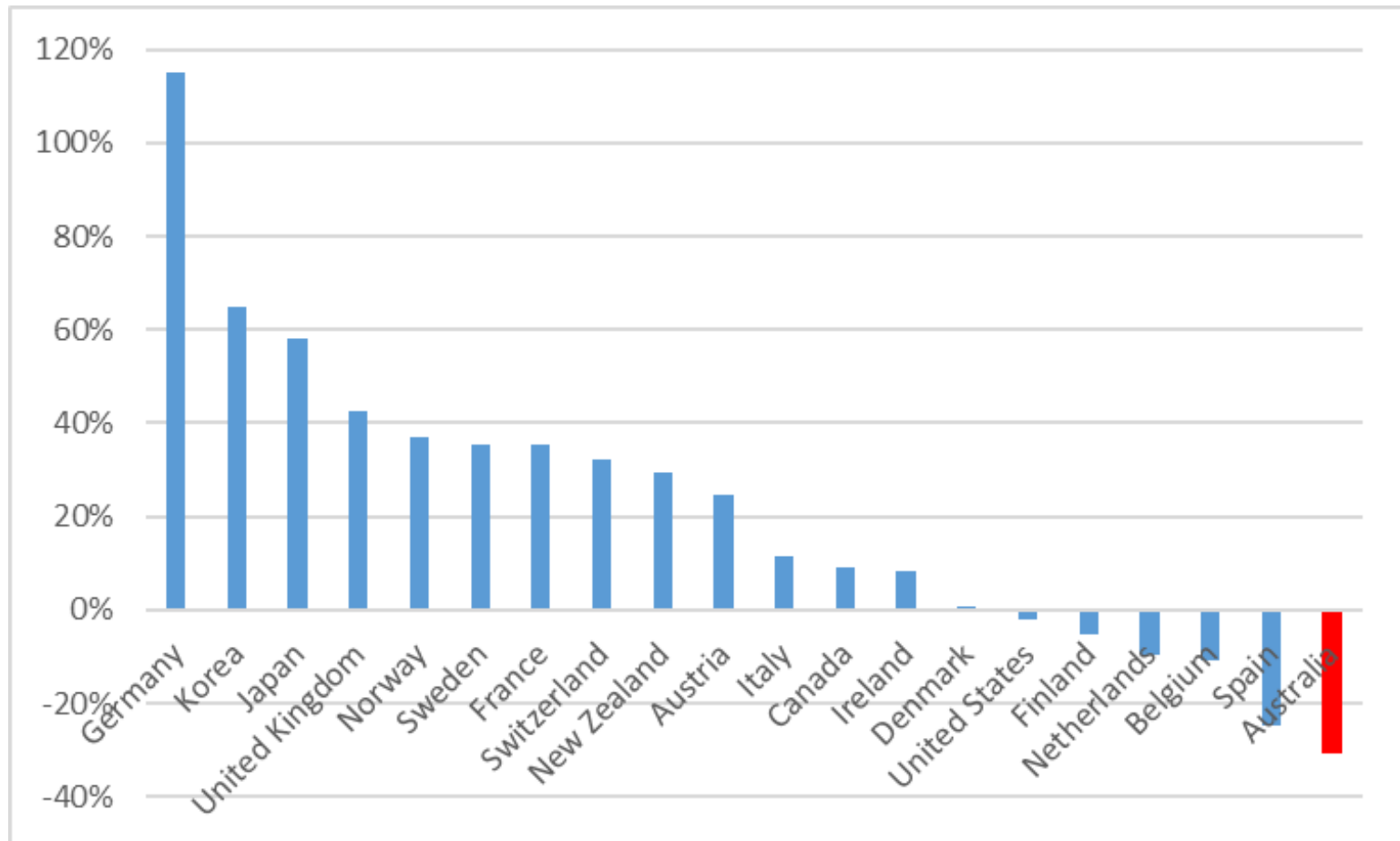


# Of all the DAC donors, Australia's aid shows the biggest absolute decline over this period

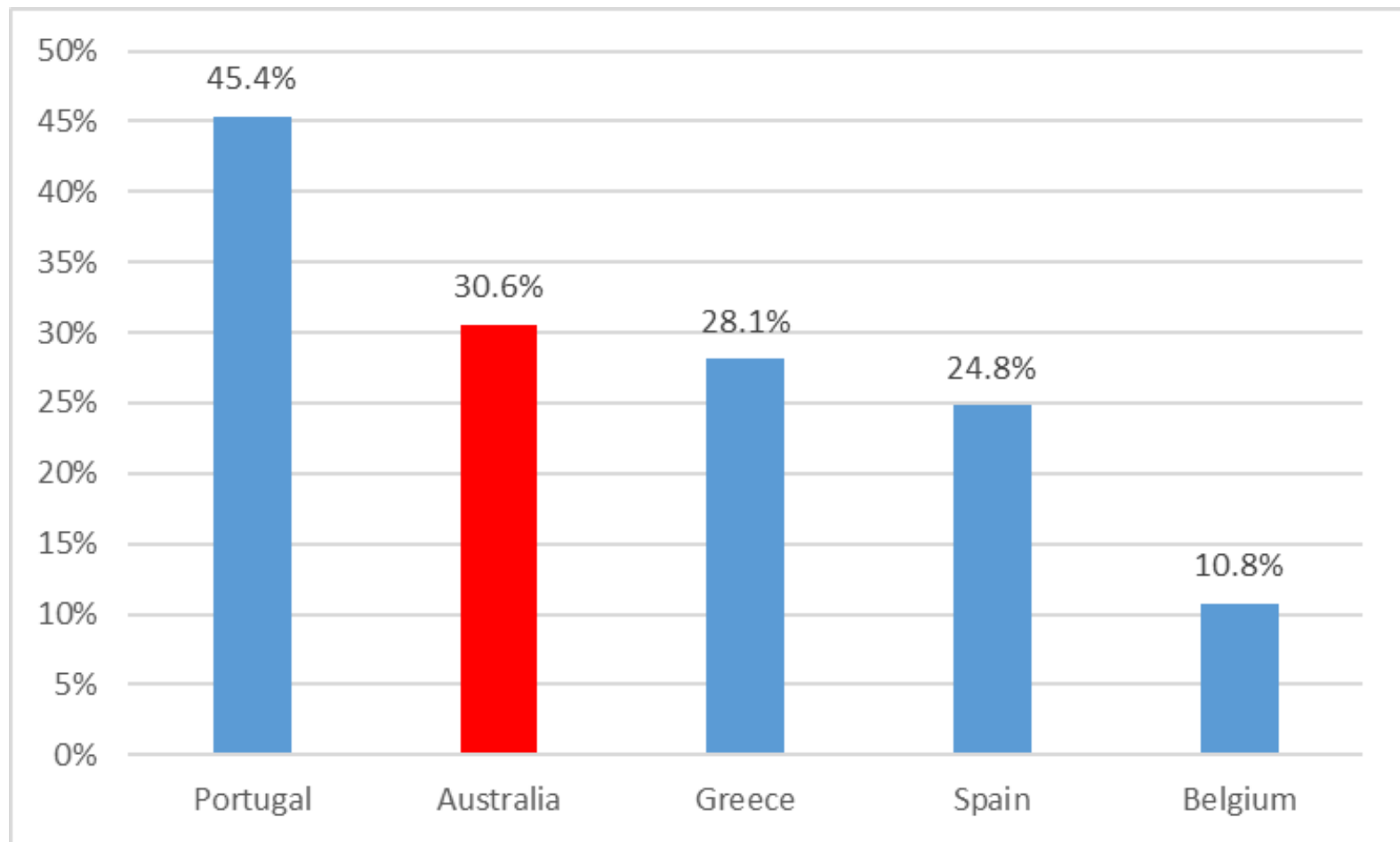


NB: Donors with a change less than +/-0.1 US billion excluded

# Of all DAC donors with aid >US\$1 billion, Australia has cut aid the most.



# Only the European crisis countries have cut aid like Australia over the last decade.



# Conclusion

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- Last budget and subsequent announcements were steps forward, despite transparency concerns.
- But now we are going backwards again.
- Hope for further announcements in the course of the year.

# Thank you

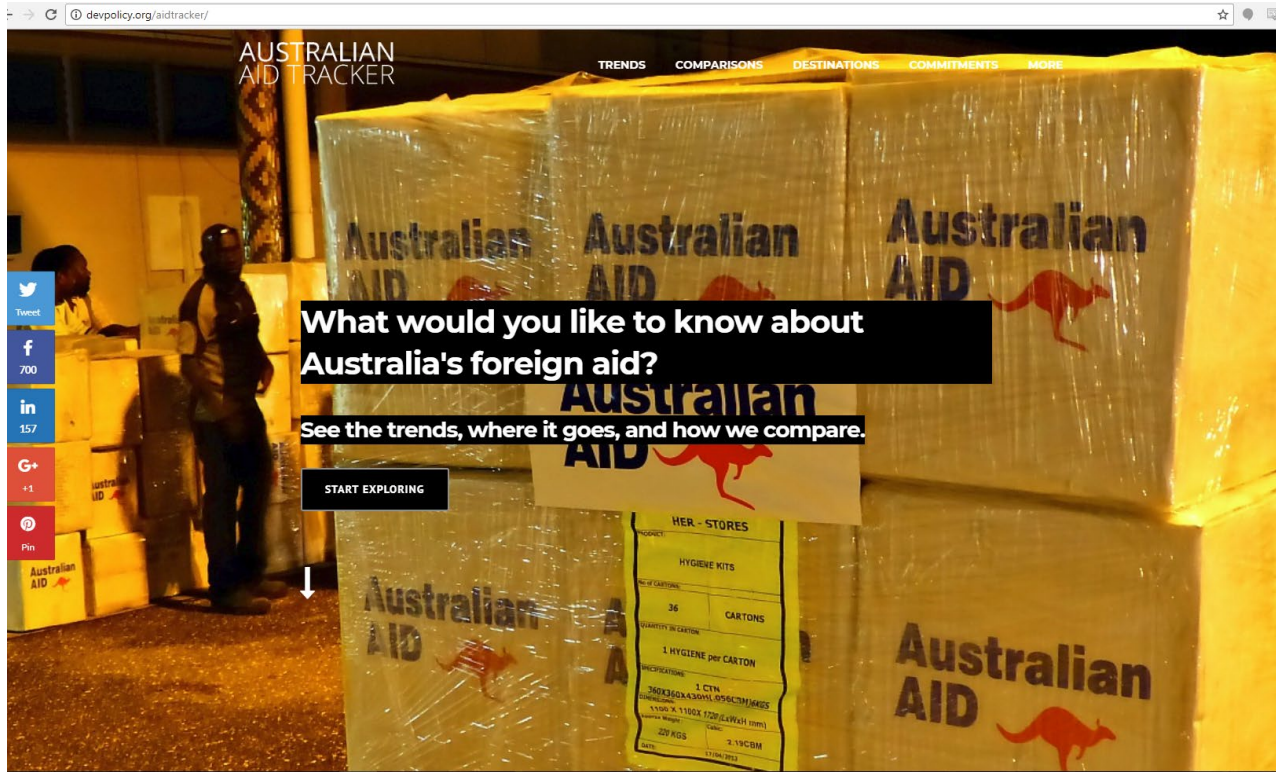


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# Aid Tracker



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