

April 2025 aid news

by Development Policy Centre

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Count and sort in Queanbeyan, New South Wales

Photo Credit: [Flickr/Australian Electoral Commission](#)

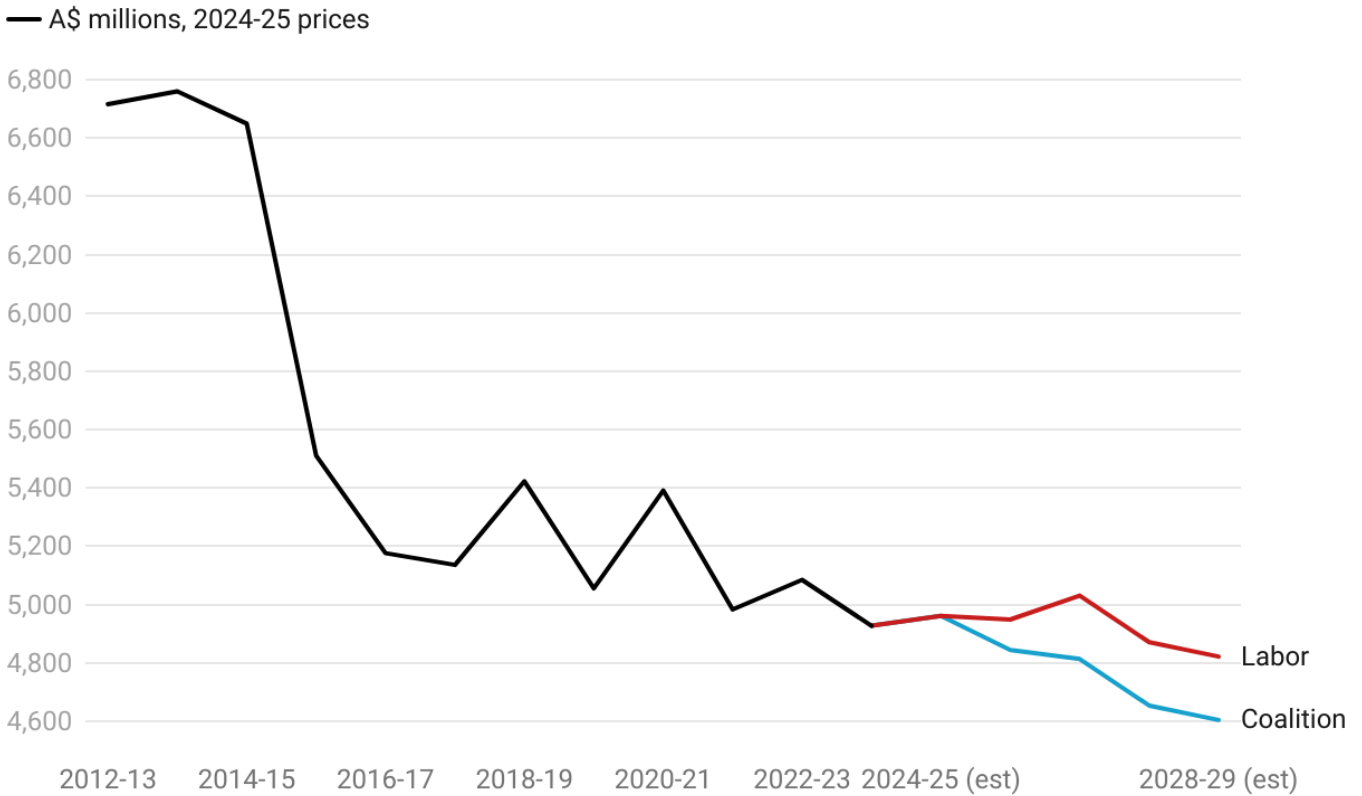
Australian aid

Ahead of the 3 May federal election, several politicians — including Labor’s Minister Pat Conroy, the Australian Greens’ Deputy Leader Senator Mehreen Faruqi, and independent MP Zali Steggall — [have spoken to the Devpolicy Talks podcast](#) to discuss their vision for aid and international development in the next parliament, including their position on increasing Australia’s international development assistance budget. Minister Conroy’s Coalition counterpart, Michael McCormack, initially agreed to participate in the discussion [but later withdrew](#).

Several other cross-benchers and independents have [indicated that increases](#) to the aid budget would be something that they would positively consider if re-elected.

The Coalition’s [final pre-election costings](#) include a \$813 million cut to aid spending over four years, cuts which average about 4% a year compared to Labor’s March 2025 aid budget. The Pacific, Timor-Leste and Indonesia have been exempted which would mean that the cuts would have to be applied to other Southeast Asia and “Indo-Pacific” programs, as well as global and multilateral programs. The cuts, which have been justified as “efficiencies”, keep nominal aid roughly flat at somewhat less than \$5 billion but mean that aid would fall in real terms. The inflation-adjusted forward estimates for aid spending under Labor versus the Coalition are shown below (Figure 1).

Figure 1: Labor vs Coalition aid estimates

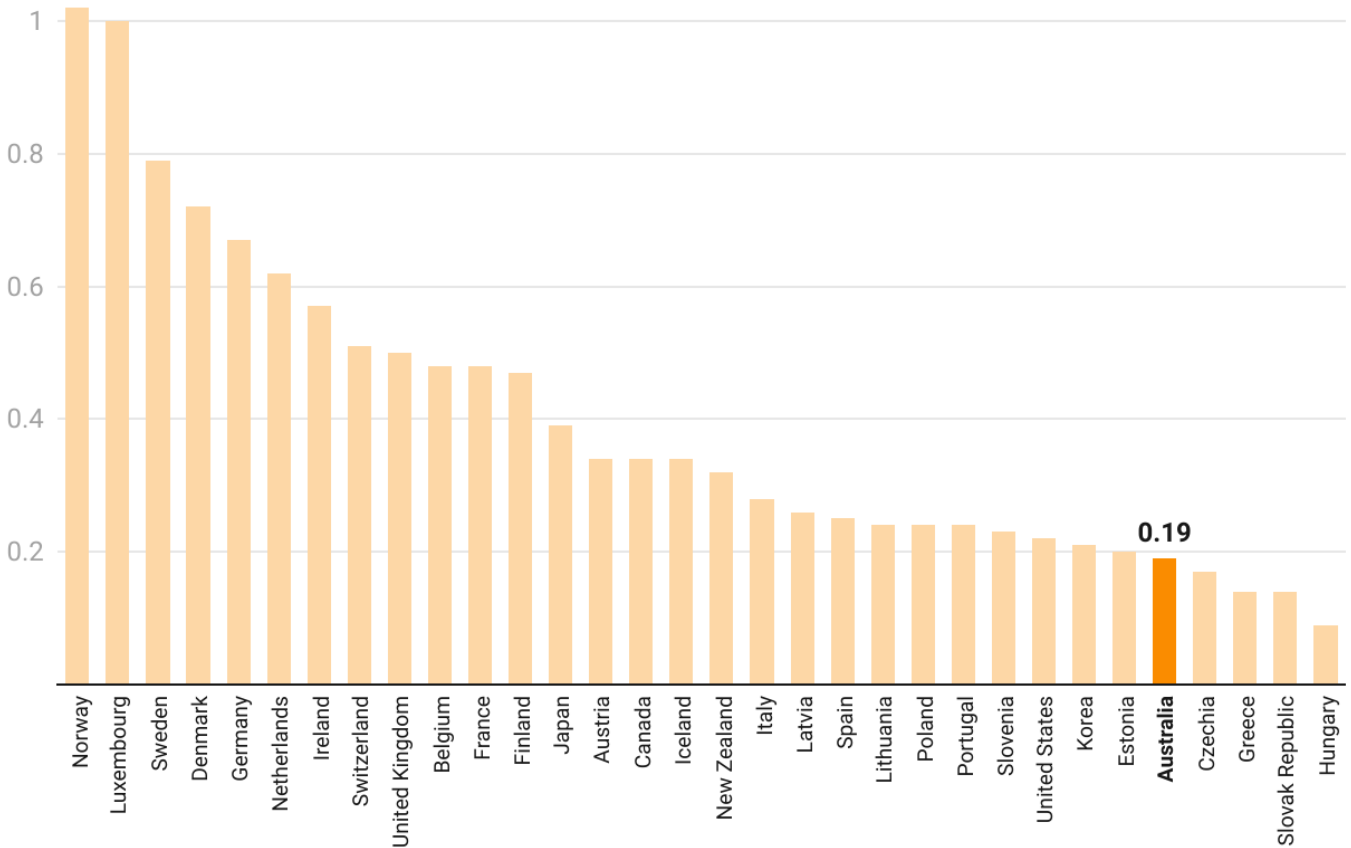


Created with Datawrapper

The Coalition **also announced** that, if elected, it would increase the cap for off-budget, non-concessional lending under the Australian Infrastructure Financing Facility for the Pacific (AIFFP), from \$3 billion to \$5 billion. Five years since its establishment, only one eligible country, Papua New Guinea, **has borrowed significant amounts for AIFFP projects** and only \$254 million in loan funding (8% of the existing \$3 billion lending cap) has been disbursed by the Facility.

According to **preliminary data on Official Development Assistance (ODA) in 2024**, last year Australia ranked 28th out of the 32 members of the OECD’s Development Assistance Committee (DAC) on aid generosity — that is, ODA as a share of Gross National Income (GNI). South Korea overtook Australia on this comparison for the first time (see Figure 2). Australia’s ODA-GNI is projected to decrease further over the coming decade. In volume terms, Australia’s aid remained stable at \$US3.3 billion (inflation-adjusted) in 2024.

Figure 2: ODA/GNI (%) for DAC members, preliminary 2024 data



ODA data on a grant equivalent basis.

Chart: Development Policy Centre, Australian Aid Tracker: Comparisons • Source: OECD Data Explorer • Created with Datawrapper

Overall, **total ODA from all DAC donors fell by 7.1% in 2024** in real terms compared to 2023, the first drop after five years of consecutive growth. The OECD estimates that with many key DAC donors pursuing ongoing cuts to aid, ODA will fall further, by between 9% and 17%, in 2025.

Foreign Minister Penny Wong **has joined calls** for a “thorough and independent investigation” into the killing of 15 Palestinian paramedics and emergency workers in southern Gaza by the Israel Defence Forces (IDF). A subsequent IDF investigation **has blamed** “professional failures” and has resulted in the dismissal of one IDF officer. The Palestinian Red Crescent Society and other international organisations continue to call for an investigation that is independent of the IDF. Separately, the World Food Programme **has warned that** “hundreds of thousands of people” in Gaza are at risk of “severe hunger and malnutrition” as Israel’s aid blockade continues.

The government has announced an additional allocation of **humanitarian aid for**

Myanmar in the wake of the 28 March earthquake, bringing Australia's total contribution to date to \$9 million.

Regional/global aid

Timor-Leste, **Kiribati** and **Solomon Islands** will have more US aid funding cut due to the Trump administration's **shuttering of the Millennium Challenge Corporation**, an agency established by Congress in 2004 to advance economic growth in developing countries.

A group of **Pacific leaders** has written to **President Donald Trump** outlining their concerns over the potential impact of his administration's tariff policies, cuts to US climate aid, and its withdrawal from international agreements and institutions such as the Paris Agreement and the World Health Organization.

Some Pacific states have **expressed disappointment** with an agreement reached by the members of the International Maritime Organization on reducing greenhouse gas emissions from global shipping, arguing that the carbon levies imposed will not be sufficient to meet the costs of helping vulnerable countries adapt to climate change.

China **has nominated Zou Jiayi** to replace Jin Liqun as President of the Asian Infrastructure Investment Bank (AIIB). Jin has been AIIB's President since the Bank's establishment in 2016 and will step down in January 2026. Zou is a former vice finance minister who currently serves as a deputy secretary-general of the National Committee of the Chinese People's Political Consultative Conference.

The World Bank has **released the outcomes** of the twenty-first replenishment (2026-28) of the International Development Association (IDA21), which provides concessional finance to the world's poorest countries. Donor governments contributed a total of US\$23.7 billion, a 4.6% real reduction compared to IDA20. A US pledge of US\$4 billion, made by former President Joe Biden, remains subject to the Trump administration's review of US membership of all international organisations and budget negotiations with Congress.

US Treasury Secretary Scott Bessent has said that the US **wants to expand its leadership** of the Bretton Woods institutions but accused both the IMF and the World Bank of "mission creep" and called on the Bank to adopt an "all-of-the-above" approach to energy that includes financing for fossil fuels and for nuclear power, as well as renewables, and to cease lending to China.

Secretary of State Marco Rubio **has rebuked critics** accusing the US of a lacklustre response to the Myanmar earthquake, arguing that "we are not the government of

the world” and that other “rich countries” like “China and India” should be doing more.

The Trump administration has informed Congress that it plans to cut nearly all the remaining positions at USAID by the end of September. A new blueprint for the State Department would see much of US development assistance managed by regional bureaus and USAID’s remaining functions overseen by a downsized Office for the Coordination of Foreign Assistance and Humanitarian Assistance.

The administration’s review of foreign aid, originally due to be completed by 20 April, appears to have been extended by another 30 days. This has raised new questions about the status of previously announced cuts, including additional cuts to food aid announced just in the last several weeks.

Germany’s new coalition government has signalled that it will abandon the country’s commitment to the 0.7% ODA/GNI aid spending target. It will, however, retain the Federal Ministry for Economic Cooperation and Development (BMZ) as a stand-alone development agency and will establish a new “North-South Commission” to improve the coherence of its global development engagement.

Books, reports, articles and podcasts

Dr Nina Schwalbe discusses the potential implications of a US withdrawal from global health funding with leading Australian experts on ABC Radio National’s Big Ideas program.

ODI Global takes a look at the prospects for Southern-led multilateral development banks in a new episode of its Think Change podcast.

A new paper (open access) published in the journal *Climate Change* examines the role of developed countries’ export credit agencies in the clean energy transition and finds that “despite some improvements in financial flows after the Paris Agreement in 2015, fossil fuel investments remain pervasive and growth in clean energy investments is minimal”.

Writing for the Center for Global Development, Charles Kenny examines what role development finance institutions might best play role in an era of aid austerity.

And Kenny and his colleagues also look at the performance of Chinese firms on projects delivered through World Bank contracts, finding that “the share of project contract value awarded to Chinese firms is not a correlate with better or worse project outcomes”.

Disclosures:

Material for this update has been collected by Devpol staff; editorial responsibility lies with Cameron Hill. Devpol's work on Australian aid is supported by the [Gates Foundation](#). The views represent those of Centre staff only.

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The Development Policy Centre is part of the Crawford School of Public Policy under the College of Law, Governance and Policy at The Australian National University.

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