

Australia's aid ranking takes a tumble

by Stephen Howes and Robin Davies
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New data **released** by the OECD has surprised everyone by showing that OECD foreign aid increased in 2013 to a record \$US135 billion, above its 2010 level of \$134 billion (in constant 2012 prices), after falling by a total of six per cent in real terms over the last two years.

The data also show that Australia's standing as an aid donor is, unsurprisingly, in decline. In 2012, Australia had risen to be a leading second-tier donor. The five giants of bilateral aid are the OECD's five biggest economies, the US, the UK, Japan, Germany and France. Australia is the OECD's eighth-largest economy and was in fact placed eighth in the 2012 aid rankings—but it stood shoulder to shoulder with Canada and Netherlands as an important second-tier donor. The aid budgets of these three countries ranged from \$5.4 to \$7 billion, with Australia's set to rise and the other two set to fall.

But now Sweden and Norway, both of which increased aid in 2013, have joined the Netherlands at the top of the second tier, while Canada and Australia have tumbled to the bottom of it. As the chart below shows, Australia is now the tenth-largest OECD donor, just behind Canada.



In terms of aid as a percentage of Gross National Income (GNI), Australia fell from 0.36 to 0.34 per cent but kept its thirteenth spot – but only because there was quite a bit of clear air below us. Austria now sits on the next rung down at 0.28 per cent, with Canada at 0.27 per cent.

Canada and France were the only two donors whose aid fell by as much as Australia's: all three countries posted reductions of more than half a billion US dollars relative to the 2012 outcome. Australia was clearly affected by the Coalition's 2013-14 aid cuts, though it should be noted that the data relate only to calendar 2013 and therefore the first half of Australia's 2013-14 fiscal year. Some damage was also done by the seven per cent depreciation of the Australian against the US dollar.

Our own **prediction**, based on donors' budget statements, was that aggregate OECD aid would increase by the tiniest smidgen or at least stop falling in 2013 before resuming its descent. We'll shortly be publishing an analysis of what we, and others, missed.

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Link: <https://devpolicy.org/australias-aid-ranking-takes-a-tumble-20140422/>