

Australia's new COVID-19 development response strategy: strengths and contradictions



PARTNERSHIPS FOR RECOVERY:
AUSTRALIA'S COVID-19
DEVELOPMENT RESPONSE

From the cover of the new strategy.

by Stephen Howes

4 June 2020

There's a [lot to like](#) about Australia's new [COVID-19 response strategy](#), which was released last week: more spending on emergency budget support and health, and a focus on economic recovery.

I [said](#) back in March that “the current time was not one for shaping a new long-term aid strategy, but it is an opportunity to provide a new direction, and a new sense of purpose for the aid program as a whole.” The government has come out with a [two-year strategy](#). And it certainly has some exciting new directions. “Existing investments ... will be reoriented to support partner governments to deliver critical services.” “We will place a strong focus on the localisation of our assistance through partner government systems and local organisations...” “We will investigate ways to deploy non-grant financing tools...” All very positive statements of intent.

There is also a new [performance framework](#), which clearly draws on work previously underway for a new development policy (now on hold). The new framework is a sharp departure from the ten-point approach of Julie Bishop and resurrects the three-tier framework recommended by the [2011 aid review](#) (which I was part of) that was briefly implemented by Labor before being dismantled by Bishop. It all sounds quite sensible. There is even a [commitment](#) to “[i]mproved transparency aligned with the ANU Development Policy Centre aid transparency audit methodology.”

Judgement needs to be reserved, however, until we have more detail. Last year, when [announcing](#) it would be introducing a new development policy, the government said it would “streamline” the existing performance framework. One fears, for example, for the future of Annual Portfolio Performance Reviews. Are they to be downgraded to “brief annual progress reports” (p. 27)?

The new strategy does have some weak points. The entire aid program is now subsumed into a COVID-19 response. But many pre-existing initiatives are to continue. This requires some fancy footwork to reconcile. It is odd to put education, governance and measures to stop violence against women, among others, all under a heading of stability — the third, and seemingly residual objective of the new strategy after health security (ie, health) and economic recovery.

There are some good statements about multilateral commitment and international cooperation, but no mention of the \$500 million humanitarian spending target even though that is a White Paper commitment, and the White Paper is heavily profiled. And it is odd to see the Pacific trade agreement PACER Plus highlighted as an “important example” of success — this for a treaty that is yet to come into force more than three years after it was finalised.

More importantly, however, the strategy is hobbled by two self-contradictions.

The first is that the government continues to talk of the Indo-Pacific (it appears in all three of the aid program’s new vision, focus and objective), but has in fact narrowed its aid focus to just the Pacific and Southeast Asia. Outside of this, our “immediate neighbourhood”, we will now only make “targeted investments” (p.13). It was already **known** that we were shutting down our Pakistan bilateral aid program to fund the Pacific Step-up. This is surely a signal that Bangladesh, Afghanistan, Sri Lanka and Nepal will face a similar fate – if not a total cessation of bilateral aid, then severe cuts. Afghanistan is our fourth largest bilateral program. It doesn’t get a single mention in the document.

The primary focus on the Pacific and Southeast Asia makes sense, and is nothing new, but why make it so exclusive? There is certainly nothing “Indo” about it: if we are putting South Asia in the same category as Africa, then we cannot say that we are partnering with the Indo-Pacific. Nor is there any link to COVID-19. The strategy’s concerns around stability are surely more pertinent to South than Southeast Asia. What this relegation of South Asia is really about is, one suspects, the Pacific Step-up, and the lack of new funding to finance it.

The second internal contradiction is between the portrayal of the current situation as an international crisis and the fact that there is no mention of and clearly no appetite for an aid increase.

Where will the money come from to fund the COVID-19 response? As mentioned, South Asia seems to be on the chopping block. There is no mention of repurposing the Pacific infrastructure fund (AIFFP), or more generally taking funds from infrastructure, though that is an obvious solution. Just to repeat my **March stat**: aid

health spending has been cut by 25% after inflation since 2013–14, whereas infrastructure spending has been increased by 50%. It looks like governance spending will finally take a beating, not because of any admission of failure in the Pacific, but because all the advisers have gone home.

But reallocating savings will not be enough. It *is* a crisis. Aid is so far the only area of Australian government spending that is being required to finance new COVID-19 expenditure by cost savings.

It is not only the aid response that is half-hearted. There is **no COVID-19** in many Pacific countries. Fiji detected its last case on April 21, PNG on April 23. Several countries have had no cases at all. The only path to economic recovery for the Pacific is through an opening of international borders. Obviously, none should be pressured to, but Pacific countries will increasingly want to open up. The best things that Australia can offer them are tourists and work opportunities – something which will, unlike more aid, benefit not cost us. But all the new strategy, despite its emphasis on taking a whole of government approach, undertakes to do in these regards is to “explore options.” Canada has **allowed in** Caribbean seasonal workers since late March.

In all, the COVID-19 response strategy takes some important steps in the right direction, but also some missteps, and is too tentative to be convincing. We want to talk about the Indo-Pacific, but without an Indo-Pacific aid program. And we want to talk about our response to a crisis without putting in place a crisis response.

Author/s:

Stephen Howes

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

Link:

<https://devpolicy.org/australias-new-covid-19-development-response-strategy-strengths-and-contradictions-20200604-1/>