

February 2023 aid news

by Development Policy Centre

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Our monthly update of news and analysis on aid and international development, with a focus on Australian aid.

Australian aid

The [Australian government has committed](#) \$18 million to date to assist the ongoing international response to earthquakes in Türkiye and Syria, including support through NGOs, the UN and the deployment of an Australian search and rescue team. [ABC Gives has launched a donation appeal](#) with Australia's Emergency Action Alliance charities and their local partners.

Australia has [also committed](#) an additional \$25 million to assist humanitarian crises in the Horn of Africa (\$15 million), Yemen (\$5 million) and Pakistan (\$5 million).

According to the [latest statistical summary](#), humanitarian assistance was Australia's third biggest aid sector in 2021-22 (15%), after health (23%) and governance (20%) and ahead of "multi-sector" aid (12%), education (11%), economic infrastructure (11%) and agriculture and trade (8%).

Speaking on the [Good Will Hunters–ACFID podcast](#), International Development Minister Pat Conroy shared some of the government's early thinking on priorities, partnerships, finance and capability in an integrated DFAT, ahead of the new international development policy.

Foreign Minister [Penny Wong has confirmed](#) that, in addition to the international development policy, the government will also develop a new gender equality strategy. Separately, Minister Wong [has noted Pacific countries' concerns](#) with the effectiveness of multilateral climate finance, an observation that suggests Australia won't be re-joining the Green Climate Fund anytime soon.

The government has announced a [new "Partnerships for a Healthy Region" initiative](#) that will include assistance to combat both communicable and non-communicable diseases, improve sexual and reproductive health, and strengthen health systems. It

will also fund research and development for new vaccines, drugs and diagnostics. Although the funding allocation is not specified in the media release, it is **reportedly worth \$620 million** over five years.

Australia will provide **Timor-Leste with a further \$20 million** in direct budget support to assist economic recovery and service delivery. This reflects Australia's **wider shift towards increased budget support** in the region since the start of the pandemic.

Regional/global aid

New **allegations aired by ABC's Four Corners** program highlight some of the integrity risks associated with carbon credit projects in Papua New Guinea's forestry sector.

The **AP News has published an in-depth update** on the challenges facing the US\$20 billion "Just Energy Transition Partnership" in Indonesia. The partnership, which aims to accelerate carbon pollution reduction in the world's ninth largest emitter, is being funded by the US, Japan, Canada, Denmark, the EU, France, Germany, Italy, Norway, the UK, and private global financial institutions.

Japan, which will host this year's G7, will provide US\$5.5 billion in **additional financial aid to Ukraine** to restore infrastructure destroyed by Russia's invasion and support livelihoods. One year since the invasion, estimates of the **costs of rebuilding Ukraine's physical infrastructure** range from US\$138 billion to US\$750 billion.

While much of the world's attention remains focused on the situation in Ukraine, Myanmar's 2021 military coup and the collapse of its economy has resulted in almost a **quarter of people in Yangon's poorest townships** being deprived of any income over the last year. In Bangladesh, a lack of adequate funding means that the World Food Programme (WFP) will be forced to **reduce food rations for hundreds of thousands of Rohingya refugees** living in temporary camps.

Bangladesh will be **the first Asian country beneficiary** of the IMF's new Resilience and Sustainability Trust, a financing vehicle that will use "recycled" Special Drawing Rights (SDRs) from wealthier countries to support green growth and address vulnerability to climate change in low and middle income countries. Of the US\$100 billion in SDR recycling promised by the G20 in 2021, only US\$60 billion has been pledged and, as at mid-February, **no SDRs had been received by eligible countries**.

US President **Joe Biden has nominated Ajay Banga**, the former boss of Mastercard, to replace David Malpass as head of the World Bank after Malpass leaves in June. John Kerry, President Biden's climate envoy, said Banga's appointment would allow the Bank to "mobilise capital to power the green transition".

President Biden is [also reportedly pushing for Cindy McCain](#), US ambassador to the UN in Rome and widow of the late US Senator John McCain, to be chosen as the next WFP head in the coming months.

Gavi, the [Vaccine Alliance](#), has [appointed as its new CEO](#) Dr Muhammad Ali Pate, a former health expert with the World Bank and Harvard University and health minister of Nigeria.

Preet Gill, the UK Shadow Secretary of State for International Development, has argued that Britain needs to restore its development and diplomatic reputation and [refocus its aid on poverty reduction](#) in a world of crisis, conflict and climate change. She has said that Labour would also bring back a dedicated development agency with its own staff and budget, push for reform of global aid rules, and work more with diaspora communities and civil society on international development.

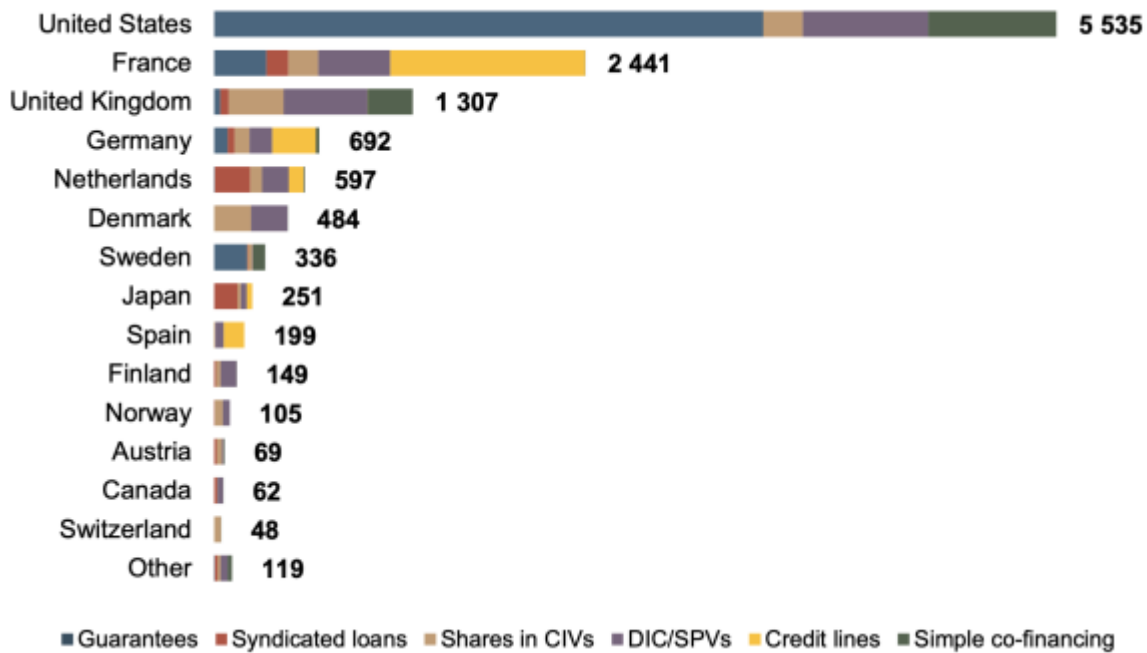
Papers, books, reports, podcasts, etc.

A [new paper from Nature Energy](#) examines the impacts of the ongoing global energy price crisis on households, estimating that it will push an additional 78 million to 141 million people into extreme poverty.

The OECD Development Assistance Committee has released its [2023 Development Cooperation Report](#), and the [2023 report on private finance mobilised](#) by official development finance interventions.

The latter report finds that in 2018-20 most of the private capital mobilised through official development agencies continued to flow to middle income countries (87%), the majority was mobilised by multilateral development banks (69%), and around a third was directed towards climate change mitigation and adaptation. The US, France, the UK, Germany and the Netherlands were the bilateral donors that mobilised the most private finance (see below).

Mobilised private finance by bilateral providers, 2018-20 average, USD million



Source: OECD (2023), *Private finance mobilised by official development finance interventions*, p. 21

The Institute for Southeast Asian Studies examines why China’s Global Development Initiative is [attractive to ASEAN countries](#).

Deborah Brautigam argues for great power cooperation to address the [developing world’s coming debt crisis](#) in *Foreign Affairs*.

The Thomson Reuters Foundation has published a [useful video explainer](#) on “loss and damage” finance.

The Asia Foundation explores how [coalitions can shift elite positions](#) on difficult reform issues, and how external actors can better support local forms of collective action.

And The Global Development Primer podcast discusses the [ethical challenges that AI and ChatGPT might pose](#) to the development sector (stick with it for the twist).

Disclosures:

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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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