

July 2024 aid news

by Development Policy Centre

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Australia aid

ACFID will co-host a series of events to mark World Humanitarian Day on 19 August, **including a morning vigil** at Parliament House to commemorate all humanitarian workers who have lost their lives on the front lines in the last year.

The Minister for Defence Industry and Capability Delivery, concurrently Minister for International Development and the Pacific, Pat Conroy, has been promoted into Cabinet as part of the government's **recent changes** to ministerial arrangements.

In response to **Australia's rating of "poor"** (ranked 48 out of 50 donors) in Publish What You Fund's 2024 Aid Transparency Index, Minister Conroy has said that the government will **resume reporting** to this global database this year and "we expect our work to see Australia's rating rise over the coming years".

Speaking **at the launch** of a new Asia-Pacific Development, Diplomacy and Defence Dialogue (AP4D) paper, the Assistant Minister for Trade, Tim Ayres, stated that the Albanese government's approach to regional "economic statecraft", including through its development program, is not about the use of "carrots" (inducements) or "sticks" (coercion) because Australia's conception of its national interests and those of Pacific and Southeast Asian countries are "utterly aligned".

Commenting on the United States' latest annual global anti-trafficking report, one expert has **raised questions** about the efficacy of donor training programs involving senior law enforcement officials in Cambodia. **A 2023 review** of Australia's eight-year, \$30 million Mekong anti-transnational crime program, redacted and released by DFAT under Freedom of Information legislation in May, found that while the program had helped strengthen law enforcement relationships, "progress against End of Program Outcomes has been weak" and that "value for money is currently poor". The review offers 18 recommendations to improve performance.

Amid concerns that some Pacific countries' access to banking services risks being cut off as Western banks withdraw — and that China's banks are looking to play a larger role in the region's finance sector — Australia, the US and other Western donors **have indicated their support** for a new World Bank-led program. The **proposed program** would enable emergency access to foreign currency to support regional trade and remittance flows, develop options to help improve Pacific access to global financial services, and support compliance with international anti-money laundering frameworks.

Australia will provide FJ\$86 million (A\$58 million) to the government of Fiji **under its latest tranche** of policy-based direct budget support.

As part of a visit by Tuvalu's Prime Minister, Feliti Teo, **the government announced** that the first tranche of Australia's new budget support program had been delivered and that “a design team is conducting consultations in Tuvalu in July to support a new economic governance program”.

Following his visit to Australia last month, Solomon Islands Prime Minister Jeremiah Manele has said that **he would like Australia to fund** the recruitment, or even the salaries, of an additional 3,500 police officers over the next ten years. He said that a reported \$30 million in grant-financed budget support from China will mostly be used to fund road improvement in Auki, the capital of Malaita Province.

Regional/global aid

China is also reportedly funding **more road improvement programs** in Vanuatu, with 13 individual MOUs “with a strong emphasis on infrastructure projects” signed during a visit by Premier Li Qiang.

The tenth leaders' meeting between Japan and the members of the Pacific Islands Forum **included an announcement** from Japan that it would extend a new scholarship program for junior officials to undertake postgraduate study in Japan to Pacific countries.

Médecins Sans Frontières has **suspended its operations** in northern Rakhine State in Myanmar, citing “the extreme escalation of conflict, indiscriminate violence, and severe restrictions on humanitarian access ...”.

Kenya's debt crisis spilled over into deadly riots and protests in late June in response to **proposed tax increases** designed to avoid a default. While the government has subsequently withdrawn the proposals, the country needs to

service US\$80 billion (\$122 billion) in domestic and foreign public debt, the equivalent of nearly three-quarters of Kenya's entire economic output. Separately, the first contingent of Kenyan police **arrived in Haiti** to lead a UN-backed peace mission to help quell gang violence and restore civil order.

The US is **reportedly planning** to convene talks between Sudan's two warring parties in Switzerland in August to revive long-stagnant efforts to end a conflict that has killed tens of thousands of people and pushed millions to the brink of famine.

At the G20 finance ministers' meeting in Brazil, US Treasury Secretary Janet Yellen announced **a US\$667 million (\$1.02 billion) contribution** to the Pandemic Fund's current investment round, subject to congressional approval.

Attending the G20 development ministers' meeting, the UK's new development minister, **Anneliese Dodds, has joined** the Brazilian President's "Global Alliance against Hunger and Poverty" as part of Labour's pledge to strengthen Britain's relationships with the Global South and "modernise the UK's approach to international development". The new Labour government has also **re-instated funding** to the UN Relief and Works Agency (UNRWA), pledging £21 million (\$41 million).

Dodds' Conservative predecessor, Andrew Mitchell, has **expressed concern** that Labour has not maintained international development as a stand-alone portfolio — Dodds is also the minister for Women and Equalities — as well as regret that "I tried hard in office to strengthen the development silo in the Foreign Office, with some, but frankly not enough, success".

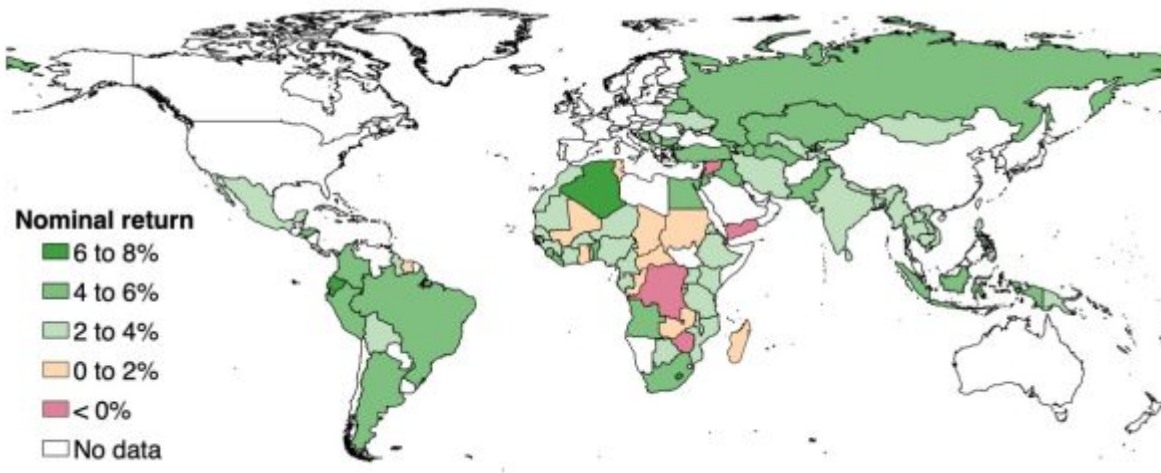
Books, articles, reports, blogs and podcasts

The OECD Development Assistance Committee's **2024 Development Cooperation Report** finds that while its members' ODA has reached record levels in 2023, the allocation of this aid has "underestimated poverty levels in least developed countries, where poverty and inequalities are concentrated, and overestimated them in wealthier middle-income countries".

Experts from the Center for Global Development **reflect on** the recent World Bank's *Annual Bank Conference on Development Economics*. One conference paper showed that China's Belt and Road loans are not pulling in much revenue: "the net financial return on Chinese lending works out to about 1.7% per annum ... [more] than the 0.1% return on US Treasuries over the same period, but far below the 8.1% return on global equities or even the 4.6% return on Chinese equities" (see

Figure 1).

Figure 1: realised financial return on China's Belt and Road lending



Source: Franz et al., *The Financial Returns on China's Belt and Road*, Annual Bank Conference on Development Economics, July 9, 2024.

The UN released its annual [State of Food Security and Nutrition in the World report](#), revealing that approximately 733 million people faced hunger in 2023, equivalent to one in eleven people globally and one in five in Africa.

Ilaria Carrozza from the Peace Research Institute Oslo discusses how states in the Global South are [navigating great power competition](#) on the *In Pursuit of Development* podcast.

Experts from the US Institute of Peace discuss [the causes and possible consequences](#) of the current political crisis in Bangladesh.

And on our *Devpolicy Talks* podcast this week, Robin Davies speaks with [Dr Ruth Goodwin-Groen](#), an Australian financial inclusion specialist who recently stepped down from her position as founding Managing Director of the Better than Cash Alliance.

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Disclosures:

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