

March 2025 aid news

by Development Policy Centre

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Families carry World Food Programme high-energy biscuits to their shelters in the Kutupalong refugee camp in Bangladesh.

Photo Credit: World Food Programme/Sayed Asif Mahmud

Australian aid

The [2025-26 federal budget](#) will see Australian Official Development Assistance (ODA) remain largely steady in real terms at an estimated \$5.097 billion in the coming financial year, or 0.18% of Gross National Income (GNI). This ODA/GNI level constitutes a new historic low for Australian aid generosity and, under current budget settings, the level [is projected to fall](#) to 0.13% by 2036-37.

The budget contained some re-allocations of planned 2025-26 funding (\$119 million, 2.3%) in response to US aid cuts in the Pacific, with a particular focus on health assistance in PNG, Fiji, and the wider region. Aid to the “Indo-Pacific” as a proportion of total ODA increases from 73.5% in 2024-25 to 74.4% in 2025-26. Within this, the share of Australia’s aid going to the Pacific (42%), Southeast Asia (25%) and South and Central Asia (7%) remains largely unchanged. [Sectoral estimates](#) are unchanged from 2024-25, including health which is expected to account for 13% of total aid in 2025-26.

You can read Devpol’s [analysis on the Devpolicy Blog](#). The recording of our 2025 aid budget breakfast presentation [can be found here](#) and a [special Devpolicy Talks podcast episode](#) provides a more concise overview. The [Australian Aid Tracker](#) has been updated to reflect the 2025-26 budget estimates and the latest reporting on aid expenditure.

The [Australian Council for International Development](#), the [Lowy Institute](#) and the [Development Intelligence Lab](#) have also produced analyses of the budget.

Prior to the budget, Foreign Minister Penny Wong said [that the Australian government](#) “will continue to engage with the US on key issues as it conducts its [aid] review.”

Speaking at the Lowy Institute, Opposition Leader Peter Dutton [said that US aid](#)

cuts in the Pacific were “detrimental to the collective interests in the region” and that Australia should advocate for the return of this US funding. He also said that, if elected, a Coalition government **would cease funding** for the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

As part of its parliamentary inquiry into Australia’s sanctions regime, the Joint Standing on Foreign Affairs, Defence and Trade **has recommended** that the Australian government amend the 2011 autonomous sanctions law “to provide a standing exemption from all sanctions measures for legitimate humanitarian assistance, consistent with the approach taken in United Nations Security Council Resolution 2664 (2022)”.

DFAT has published its *Australia’s Official Development Assistance: Statistical Summary, 2023-24* and *Performance of Australian Development Cooperation, 2023-24* (PADC) reports. The PADC reports that in 2023-24 DFAT published 43 of 47 development evaluations and management responses on its website. The **current multi-year evaluation plan** (2024-25 to 2026-27) says that DFAT will complete 112 evaluations this financial year.

The Emergency Action Alliance, a coalition of Australian humanitarian NGOs, have **released a consolidated appeal** for donations to assist the response to the Myanmar earthquake.

Regional/global aid

As a result of the US’s and other donors’ aid cuts, the World Food Programme has announced that in the absence of additional funding it will be forced **to cut the monthly food allowance** for over a million Rohingya refugees living in camps in Bangladesh from US\$12.50 a month to US\$6.00, the “minimum survival level”. The US **contributes around half** of the international humanitarian assistance provided to Rohingya refugees.

Aid agencies have said that with the breakdown of the Israel-Hamas ceasefire and **Israel’s blockade of all aid into Gaza** the re-emergence of a food crisis is likely.

Based on the latest document that the Trump administration has shared with the US Congress on terminated and retained contracts, experts at the Center for Global Development **estimate the extent of the USAID cuts in the region**. They find that PNG will likely lose 100% of its USAID funding (-US\$23 million), Indonesia 98% (-US\$108 million), the Philippines 95% (-US\$104 million), Cambodia 98% (-US\$54 million), Vietnam 65% (-US\$63 million) and Myanmar 34% (-US\$52 million).

Globally, Ukraine is expected to lose the most funding in dollar terms (-US\$1.4

billion), while Liberia stands to lose the most US aid as a share of its economy (-2.6%).

The Trump administration **has denounced** the 2030 Sustainable Development Goals at the UN and announced funding terminations or large funding cuts for multiple UN development agencies, including **the UN Population Fund (UNFPA)**, the **UN Joint Program on HIV/AIDS (UNAIDS)** and the **Food and Agriculture Organization (FAO)**. The UN-adjacent **International Organization for Migration (IOM)** also faces severe cuts.

The Trump administration is also **planning to terminate** future US support for Gavi, the Vaccine Alliance. The US provides around 13% of Gavi's funding. According to **Lowy Institute data**, from 2020-22 Gavi provided US\$53 million to the Pacific, making it the fifteenth-largest donor to the region (of 84) and the eighth-largest provider of health-focused aid.

Despite the **continued legal contention** around the constitutionality of the Trump administration's abolition of USAID, officials **have mooted new plans** for its incorporation into the State Department. The plan would involve the abolition of the majority of USAID's pre-2025 bureaus and functions and limit its mandate to "humanitarian assistance, disaster response, global health and food security".

The UK's International Development Minister, Anneliese Dodds, **has resigned in protest** over Prime Minister's Keir Starmer's decision to cut the country's aid budget by around one-third by 2027 to fund a boost to defence spending. Jenny Chapman, a member of the House of Lords, has been appointed as Dodds' replacement.

Publish What You Fund **has announced** that will not conduct its planned 2026 Aid Transparency Index and that future editions are in doubt due to funding constraints.

Books, articles, reports, blogs, podcasts etc.

A new paper (open access) from Shahar Hamieri and Lee Jones argues that despite their competition, there is a **"miserly convergence"** between Western donors and China when it comes to the provision of development finance, largely due to their respective domestic political economy constraints.

A new report from the Lowy Institute **looks at the divergent patterns** of Southeast Asian countries' dependence on and use of China's development finance.

Duncan Green has established **a new blog website** at the London School of Economics — "Activism, Influence and Change".

Disclosures:

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Author/s:

Development Policy Centre

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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