

May 2025 aid news

by Development Policy Centre

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Australia is funding the World Health Organization's PNG Office to bolster the integration of polio vaccines with routine childhood immunisations

Photo Credit: Facebook/AusHCPNG

Australian aid

The re-elected Labor government led by Anthony Albanese has appointed **Dr Anne Aly**, who has been promoted into the cabinet, as its new Minister for International Development, as well as holding the small business and multicultural affairs portfolios. **Pat Conroy** will remain in the cabinet and, maintaining his defence industry portfolio, serve as the new Minister for Pacific Island Affairs. **Senator Nita Green** will serve as the Assistant Minister. **Senator Penny Wong** will retain her position as Minister for Foreign Affairs.

The Liberal and National parties confirmed that they will form a coalition in opposition, following a week of uncertainty, and announced **a joint shadow ministry**. **Liberal MP Jason Wood** will be the shadow minister for international development and the Pacific. Wood has not been included in the shadow cabinet. **Liberal Senator Michaelia Cash** has been appointed as the shadow minister for foreign affairs. Wood's predecessor, Nationals MP Michael McCormack, has **released a statement** reflecting on his period in the shadow portfolio.

As the prospects of a population-wide famine increase and calls to prevent a **potential genocide** intensify, the government **has joined 23 other countries** and the European Union in calling upon Israel to "allow a full resumption of aid into Gaza immediately and enable the UN and humanitarian organisations to work independently and impartially to save lives, reduce suffering and maintain dignity". Albanese **has labelled** Israel's two-month aid blockade as "outrageous" and said that, "Israel's excuses and explanations [were] completely untenable and without credibility". The UN and other aid agencies have said **they will not participate** in a controversial US-backed plan for Gaza that would involve private companies delivering aid via Israeli-controlled military checkpoints because it does not adhere to basic humanitarian principles. The first attempt to deliver aid using this system **resulted in chaos** at a food distribution site in southern Gaza.

Australia is providing \$5 million and technical advisors to support PNG's response to **an outbreak of polio**, including the scale up of vaccination programs. During her first visit to the region since the government was re-elected, Foreign Minister Wong also announced \$4 million to **support Fiji's ongoing response** to an HIV/AIDS outbreak.

During Albanese's visit to Jakarta, the Prime Minister and Indonesia's President Prabowo Subianto announced that Australia **will contribute** \$50 million to capitalise the KINETIK Fund for Green Infrastructure to "incentivise investment in high-potential green infrastructure and clean energy projects in Indonesia". The investment is part of the \$200 million Australia-Indonesia Climate and Infrastructure Partnership launched in 2022.

DFAT has made additions to its **AusDev aid transparency portal**, including updated expenditure and investment data for 2023-24, as well as more information on development activities delivered by other government departments and via ODA-eligible loans.

Regional/global aid

Amid reports of chronic bed shortages in the maternity wing of Port Moresby General Hospital, Prime Minister James Marape has ordered PNG health officials to **address delays** in the approval of a Japanese aid project to upgrade the wing.

The Green Climate Fund has allocated over US\$100 million (A\$155 million) to **a project involving 14 Pacific countries** to improve the sustainable management of tuna fisheries in the face of warming oceans. An additional US\$50 million (A\$78 million) will be provided in co-financing and in-kind contributions from other donors.

Attending their annual meetings in Milan, Italy, officials Asian Development Bank (ADB) delegates **reportedly sought to downplay references** to "climate change" in an apparent effort to appease the Trump administration. The US is, alongside Japan, the biggest shareholder in the ADB. In 2024, the ADB committed to provide **50% of its financing** for climate change by 2030 and to deliver \$100 billion in cumulative climate finance between 2019 and 2030.

In its **budget request to Congress** for financial year 2026, the Trump administration has foreshadowed more cuts to discretionary foreign aid spending. The cuts include the elimination of annual budgets for bilateral development and economic assistance, the cessation of core funding to multiple UN organisations, cuts to global health, food aid and humanitarian programs, as well as the termination of US contributions to the African Development Fund and to global climate funds. It would also reduce the pledge made by former President Joe Biden to the replenishment of

the World Bank's concessional financing arm, the International Development Association (IDA), from US\$4 billion (A\$6.2 billion) to US\$3.2 billion (A\$5 billion).

Trump's budget also proposes a new US\$2.9 billion (A\$4.5 billion) **America First Opportunity Fund**. The fund would focus on "strategic investments that make America safer, stronger, and more prosperous", including funding for the repatriation of migrants, efforts to counter China and other "near-peer rivals" and "new activities to strengthen America's national security priorities". The proposal also seeks to establish a US\$3 billion (\$4.7 billion) revolving fund under the US Development Finance Corporation (DFC), allowing it to retain earnings for reinvestment without Congressional approval. The DFC has previously been flagged by some Trump advisors as a vehicle through **which the US could acquire** access to Greenland's mineral resources.

Ahead of the Fourth Financing for Development Summit, to be held in Spain from 30 June to 3 July, the Trump administration is **reportedly seeking to weaken draft proposals** aimed at reforming the global financial system to assist developing countries and to delete references to climate, gender equality and sustainability in the draft outcome document.

UK foreign minister David Lammy has proposed **convening an international conference** later in 2025 on the future of global aid in the wake of the US's and other donors' aid cuts, including large cuts announced by the Starmer government itself earlier this year. As part of those cuts, UK development minister Jenny Chapman **has flagged reductions** in gender and education aid, as well as confirming that the UK is reviewing its IDA pledge of £1.98 billion (A\$4.1 billion) made at the end of 2024.

Bill Gates **has pledged** that his namesake foundation will spend US\$200 billion (A\$310 billion) in global philanthropic funding between now and the "sunsetting" of the foundation in 2045 — a doubling of its past rate of expenditure. The Gates Foundation will continue to focus its spending on improving child and maternal health, efforts to prevent and treat infectious diseases, and lifting people out of poverty. Gates **has criticised** aid cuts by the US and other donors.

Books, reports, articles, podcasts, etc.

The UN has released the **2025 edition of its Human Development Report** and its accompanying Index, which measures countries' development progress across several income, health and education indices. The report finds that, excluding 2020-2021, 2024 saw the smallest increase in development progress since 1990 and a widening gap between wealthy and poor nations.

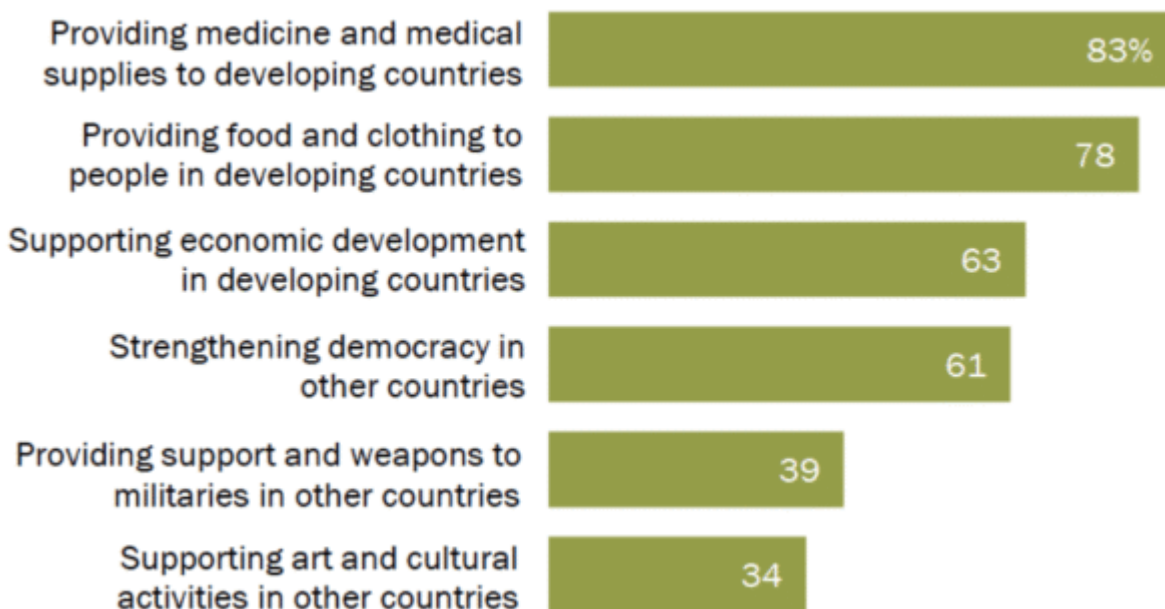
The Center for Global Development’s Rachel Glennerster and Oxford University’s Stefan Dercon discuss “radical simplification” and political economy-informed “selectivity” as **alternative approaches** to getting the most out of development assistance in the wake of global aid cuts on a VoxDev webinar.

Writing for *Foreign Affairs*, the Carnegie Foundation’s Zainab Usman argues that the “end of the global aid industry” **presents an opportunity** for African countries to prioritise industrialisation as a pathway to development.

A **new study** from the Asia Society reports on a series of dialogues with US, Chinese and recipient country officials on the impacts of geopolitics on development cooperation and potential ways to manage US-China competition to enhance aid effectiveness.

A new **public opinion survey** conducted by the Pew Research Center has found that Americans’ support for foreign aid varies depending on its intended purpose. More than three-quarters of respondents say that aid should be given to developing countries for medicine and medical supplies (83%) or food and clothing (78%) and smaller majorities support aid for economic development (63%) or strengthening democracy (61%) in other countries (see Figure 1).

Figure 1: Percentage of US adults who say the US should give foreign aid for the purpose of...



Source: Pew Research Center, *Survey of US adults conducted 24-30 March, 2025: “Majorities of Americans support several – but not all – types of foreign aid”*

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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