

October 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.

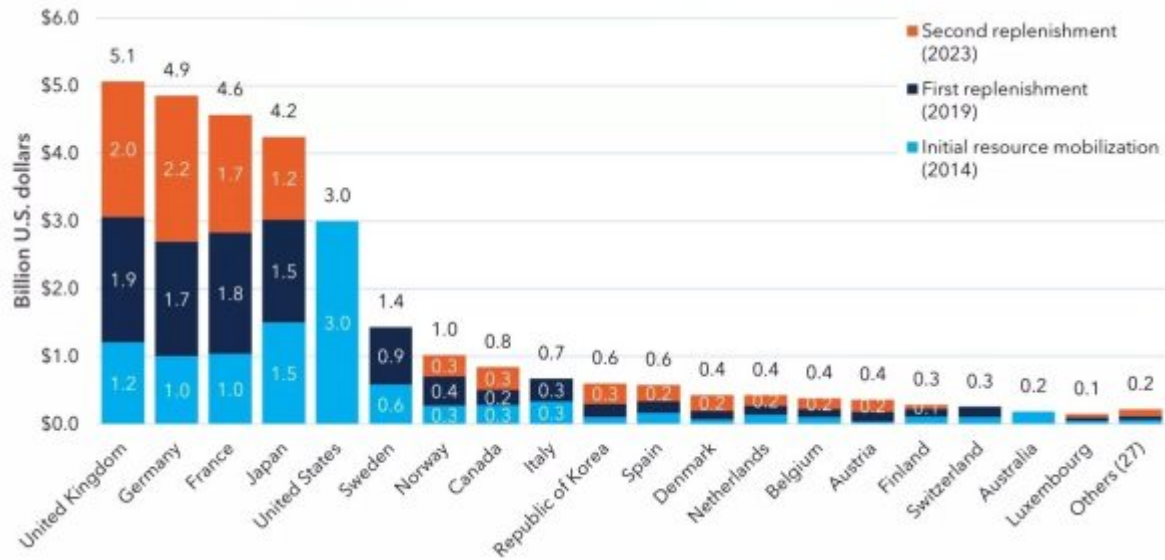
Australian aid

As the tragedy in Gaza worsens, the Australian government has **announced an allocation** of \$25 million in emergency assistance to date, and **called for a humanitarian pause** to the hostilities. Thirty Australian **NGOs have also called for** the protection of civilians, the safe release of hostages, and a humanitarian pause and corridor to facilitate the urgent delivery of aid into Gaza, which remains heavily restricted. An Australian Associated Press **Factcheck has confirmed** that allegations that Australia provides aid to Hamas are unfounded.

Australia will **allocate \$1 million** to humanitarian agencies in Afghanistan following earthquakes which are estimated to have killed more than 1,200 people and displaced thousands more. This is in addition to Australia's \$50 million in ongoing assistance to Afghanistan for 2023-24.

Australia will **rejoin the Green Climate Fund (GCF)** via an as-yet unquantified "modest contribution" to the Fund's second replenishment. A comparison of country pledges to date is shown in Figure 1.

Figure 1: GCF pledges by country (as at 5 October 2023)



Source: [Natural Resources Defence Council](#)

Delivering the Alfred Deakin Institute Oration, the Minister for International Development and the Pacific, **Pat Conroy, again declared** that “international development is at the heart of our statecraft”. Speaking at the Lowy Institute, **the minister criticised** the previous Coalition government’s aid-for-trade focus, promised more “real-time” evaluations and randomised controlled trials to improve aid effectiveness, and called for “aggressive and ambitious” reform of the multilateral development banks.

Speaking at the Development Policy Centre, the President of the Asian Infrastructure Investment Bank (AIIB), **Jin Liqun, highlighted** Australia’s foundational role in helping establish the bank; the AIIB’s increasing interest in assisting countries with clean energy transitions and economic and regulatory reform; and the importance of multilateral development banks’ preferred creditor status in debt restructuring negotiations.

The Coalition have used Senate Estimates **to assert that** the government’s claim that it will spend \$8.6 billion from 2026-27 to 2036-37 to ensure “sustainable growth” (2.5% nominal growth p.a.) of Australia’s aid is overinflated. This assertion rests **on a briefing note** from the Parliamentary Budget Office which claims that the government “cancelled” the Coalition’s indexation (at the same level) in the October 2022 federal budget and then reinstated it in the May 2023 budget. The government contests this claim. The Coalition promised to index the aid budget prior to the 2013 federal election **but only did so** in their final budget in March 2022.

At their leaders’ meeting in Washington D.C., Australian Prime Minister Anthony Albanese and US President Joe Biden have agreed to pursue a range of **joint development priorities** in the Pacific region with a focus on digital connectivity,

infrastructure and climate change.

DFAT's 2022-23 Annual Report (p. 89) states that of the 47 aid investments that were completed in the last financial year, **70% were assessed as satisfactory** against both effectiveness and efficiency criteria, up from 62% in 2021-22. The report cites the continuing impact of COVID-19 and "uncertain and difficult operating contexts" as the reason for the results. In terms of the 412 ongoing projects monitored, 87% were rated as satisfactory against the same criteria.

Today marks the **ten year anniversary** of the Abbott government's 2013 abolition of the Australian Agency for International Development (AusAID).

Regional/global aid

At the annual meetings of the World Bank and International Monetary Fund, shareholders **endorsed reforms** including a new mission for the Bank incorporating efforts to address climate change ("Ending Poverty on a Liveable Planet"), balance sheet changes to drive more lending, and mechanisms to leverage increased private development finance. The Bank's new president, **Ajay Banga, has said** that as well as seeking a "better bank" he also wants a "bigger bank", and will be requesting a general capital increase from shareholders once the reforms are in place.

Despite chaos in the Congress, President Biden has, as part of a wider national security package, **requested over US\$11 billion** in additional aid for the humanitarian crises in Ukraine, Gaza and elsewhere (US\$9.15 billion) and to fund alternatives for developing countries to China's "coercive and unsustainable financing" (US\$2 billion). The wider package also includes additional direct budget support for Ukraine.

Ahead of a summit in Beijing to mark ten years since its establishment, China has **released a new White Paper** on the Belt and Road Initiative (BRI). President Xi Jinping used the summit to **promise US\$100 billion** in new finance for BRI projects with a focus on "small yet smart" investments, including green infrastructure.

Negotiations in a UN committee to finalise a new climate change "loss and damage fund" **have broken down** due to disagreements between developed and developing countries over a range of issues, including a funding target, eligibility for the fund, who should be required to pay into it, and whether or not it should be housed within the World Bank. Another meeting of the committee has been scheduled for early November, ahead of this year's climate summit (COP28) in Dubai.

UK Labour's new international development shadow minister, **Lisa Nandy, has**

[refused to commit](#) to returning the UK to spending 0.7% of national income on aid within five years, and suggested that Labour will not bring back a separate aid department if it wins next year's general election.

Carbon Brief reports that the UK has ["added" £450 million](#) to its climate-aid spending by including contributions to multilateral development banks and private sector finance mobilised through vehicles like British International Investment.

The World Health Organization (WHO) [has recommended a new vaccine](#), R21/Matrix-M, for the prevention of malaria in children. This is the second malaria vaccine recommended by WHO. These vaccines are [not silver bullets](#), but represent important additions to the global health toolkit.

Books, papers, reports, podcasts etc.

A new [paper published by the Centre for Economic Policy Research](#) assesses whether China's development finance has effects on public opinion in recipient countries.

A new [report from AidData](#) summarises the results of an effort to code and analyse 2.7 million official development finance projects between 2010 and 2021 and their contributions to the Sustainable Development Goals. The report finds that affordable and clean energy, sustainable cities and economic growth were the three SDG areas most affected by the redirection of aid for the pandemic response during 2020 and 2021.

The latest edition of the [Global Philanthropy Tracker](#) estimates that US\$70 billion was provided in philanthropic flows to developing countries in 2020, compared to US\$590 billion in remittance flows and US\$180 billion in official development assistance. Africa was the largest recipient region and education and health were the two largest sectors.

A new [report from the World Bank](#) on basic education in East Asia and the Pacific finds that learning poverty – defined as whether a 10-year-old can read and understand age-appropriate reading material – is above 50% in 14 out of 22 countries, including in Indonesia, Myanmar, Cambodia, the Philippines and Laos.

Disclosures:

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