

INSIDE DEVELOPMENT | AUSTRALIAN AID

# The winners and losers in Australia's 2020 aid budget

By *Lisa Cornish* // 06 October 2020

**Topics:** *Funding, Trade & Policy, Humanitarian Aid, DFAT, East Asia and Pacific, Australia*

Our **COVID-19** coverage is free. Please consider a **Devex Pro** subscription to support our journalism.



*An image of the 2020-21 budget papers inside the budget lockup at Parliament House in Canberra. Photo by: Lukas Coch / AAP Image / Reuters*

CANBERRA — Australia's aid program has received a boost of 304.7 million Australian dollars (\$217.9 million), but the government did not specifically call this an increase in its official development assistance.

The federal budget was finally revealed Tuesday after a six-month delay due to COVID-19 (<https://www.devex.com/focus/covid-19>) and aims to spend big in an effort to boost Australian jobs and economic growth. While sticking with the line that Australia's official development assistance — or ODA — will be AU\$4 billion for the 2020-21 financial year as previously forecast

We use cookies to help improve your user experience. By using our site, you agree to the terms of our Privacy Policy



(<https://www.devex.com/news/australia-s-federal-budget-impacts-for-australian-aid-94608>), the aid program will be receiving additional funds to support the Pacific and East Timor over the next two years.

Though there is no clarity yet on how these funds will be spent, they will be delivered through the Department of Foreign Affairs and Trade (<https://www.devex.com/organizations/australian-government-department-of-foreign-affairs-and-trade-dfat-australia-21826>) as grants, with priorities to be determined in partnership with the recipient countries. And they could be ODA-eligible, according to guidelines by the Organisation for Economic Co-operation and Development (<https://www.devex.com/organizations/organisation-for-economic-co-operation-and-development-oecd-29872>).

---

### **Australia's federal budget: Impacts for Australian aid**

(<https://www.devex.com/news/australia-s-federal-budget-impacts-for-australian-aid-94608>)

Australia's aid budget is on a downward trajectory with 4.04 billion Australian dollars (\$2.86 billion) committed for financial year 2019-2020 — down from the projected final spend of AU\$4.33 billion for the current financial year.

“This increased one-off support of AU\$305 million for the COVID-19 response and recovery in the Pacific and Timor-Leste is good news for our closest neighbours whose economies and livelihoods are reeling from the pandemic,” said Tim Costello, executive director of Micah Australia (<https://www.devex.com/organizations/micah-australia-122584>), in response to the budget announcement.

But after years of cuts (<https://www.devex.com/news/few-left-unscathed-as-impact-of-cuts-to-australia-s-aid-budget-unveiled-86132>), Costello said it was far from repairing what had been taken. And even with an overall increase in the budget, there were still cuts to sector and region allocation as DFAT pivots to a program focused on responding to COVID-19 — in line with its new aid policy released in May (<https://www.devex.com/news/dfat-announces-new-aid-policy-in-response-to-covid-19-but-is-anything-different-97349>). The Middle East and Africa, innovation, climate, and the volunteers program are among the areas that have been reduced to support changing priorities.

<https://www.devex.com/news/the-winners-and-losers-in-australia-s-2020-aid-budget-98255>  
The 2019 budget promoted its highest ever spending to the Pacific — with this increasing again in the 2020 budget. The Pacific is set to receive AU\$1.44 billion in development and humanitarian assistance over the coming year.

Among bilateral country programs, Papua New Guinea remains the largest recipient with AU\$491.1 million — down from AU\$512.3 million in 2019-20. Small island developing states are the recipients of the budget boost, with an additional AU\$4 million allocated to Kiribati, AU\$3.3 million to Nauru, and AU\$2.5 million to Tonga. Pacific regional programs are set to increase by AU\$43.2 million to AU\$274.7 million.

After having their budget cut in 2019, Southeast Asia and East Asia have seen a slight boost from AU\$1 billion to AU\$1.01 billion — a win, since they were expected to see ODA allocations reduce further this year. With the COVID-19 pivot, the need to support economic growth and maintain political stability in this region has become a priority for this government.

Among global programs, health, water, and sanitation have received a much needed boost after declining in focus. From AU\$102.4 million allocated in 2019-20, this budget sees the allocation expand to AU\$168.2 million in this financial year.

---

**Australia puts WHO, multilaterals under the microscope with new aid policy**  
(<https://www.devex.com/news/australia-puts-who-multilaterals-under-the-microscope-with-new-aid-policy-97485>)

The Australian aid program will be placing a more critical eye on the deliverables of multilateral institutions.

---

Gender equality initiatives will receive a AU\$10 million boost, with AU\$65 million allocated for the coming year. The humanitarian budget, incorporating refugee support and other unbudgeted needs in response to COVID-19, will also increase from AU\$450 million to AU\$475.7 million. The Emergency Response Fund, commonly used to support the response to natural disasters, is responsible for this boost with an increase from AU\$150 million to AU\$200 million.

Cash payments to multilaterals are set to increase over the coming year with a boost from AU\$128 million to AU\$362.6 million in total. This includes payments to development banks that are expected to be an important partner in promoting

recent times placed multilaterals under the microscope (<https://www.devex.com/news/australia-puts-who-multilaterals-under-the-microscope-with-new-aid-policy-97485>), budget allocations have largely been maintained — including for the World Health Organization (<https://www.devex.com/organizations/world-health-organization-who-30562>), UNICEF (<https://www.devex.com/organizations/united-nations-children-s-fund-unicef-20131>), and UN Women (<https://www.devex.com/organizations/un-women-45914>).

## The losers

While areas of Australia's aid budget are growing, it is at the expense of others. Bilateral aid programs supporting sub-Saharan Africa have dropped from AU\$31.8 million to just AU\$15 million. The Middle East and North Africa region has suffered a similar fate, with a AU\$3.4 million budget cut to AU\$17.1 million.

DFAT's innovation program, which had a budget of AU\$35 million two years ago, has been reduced to just AU\$6 million. Climate partnership programs have also dropped from AU\$25.7 million to AU\$20 million — although they did appear as their own a budget line item rather than traditionally being grouped as “other sectoral programs.”

The Australian Volunteers Program (<https://www.devex.com/news/understanding-australia-s-new-volunteer-program-strategy-94386>) and scholarship and education initiatives suffered budget cuts as COVID-19 made travel difficult for continuing in their previous forms. Overall, these programs have been reduced by AU\$32.2 million in total.

The boost to the emergency humanitarian fund was also made at the expense of global humanitarian partnerships — in particular, humanitarian partnerships with the International Committee of the Red Cross (<https://www.devex.com/organizations/international-committee-of-the-red-cross-icrc-22799>) and World Food Programme (<https://www.devex.com/organizations/world-food-programme-wfp-44564>). ICRC will see its humanitarian funding cut by AU\$7.5 million to be AU\$20 million, while WFP funding will reduce to AU\$30 million from AU\$40 million.

## A budget lacking detail

We use cookies to help improve your user experience. By using our site, you agree to the terms of our Privacy Policy



(<https://devex.zendesk.com/hc/en-us/articles/115000959453>).

## Understanding Australia's new volunteer program strategy

(<https://www.devex.com/news/understanding-australia-s-new-volunteer-program-strategy-94386>)

A new program strategy for the Australian Volunteers Program seeks to shift its focus to more monitoring. AVP Program Director Zoe Mander-Jones discusses the thinking behind it.

The information released this year (<https://www.dfat.gov.au/sites/default/files/pbs-2020-21-dfat-aid-budget-summary.pdf>) on the Australian aid budget was described as streamlined in a background briefing — just four pages of information, compared with the 120-page document (<https://www.dfat.gov.au/sites/default/files/2019-20-australian-aid-budget-summary.pdf>) released in 2019. Bilateral aid program and sectoral breakdowns in 2019 provided important insights into Australian aid priorities, as well as their thinking — information needed as partners understand how they will be required to transition their programming to support the requirements of the Australian government.

While information is expected to be forthcoming and available on the DFAT website in the coming year, there is critical information missing, including how much funding has been lost by disability programs. Despite being a small portion of the budget, this funding was reduced by 25%, said Jane Edge, CEO of CBM Australia (<https://www.devex.com/organizations/christian-blind-mission-international-australia-cbm-58431>).

“The disability budget is a very small amount that can go a long way to bring local voices of people with disabilities and their agendas to the table,” Edge said.

## ABOUT THE AUTHOR



### Lisa Cornish [lisa\\_cornish](#)

Lisa Cornish is a Senior Reporter based in Canberra, where she focuses on the Australian aid community. Lisa formerly worked with News Corp Australia as a data journalist for the national network and was published throughout Australia in major metropolitan and regional newspapers, including the Daily Telegraph in Melbourne, Herald Sun in Melbourne, Courier-Mail in Brisbane, and online through news.com.au. Lisa additionally consults with Australian government providing data analytics, reporting and visualization services. Lisa was awarded the 2014 Journalist of the Year by the New South Wales Institute of Surveyors.

