

Local communities, global impact, a safer world: Australian aid and the role of NGOs

ACFID 2025-26 Pre-Budget Submission



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

Labor's Commitment

Labor will rebuild Australia's international development program and increase Official Development Assistance to internationally accepted levels in a timely manner. We will work with the international community to achieve the longstanding funding targets for the international development program of at least 0.5 per cent of Gross National Income. Labor will increase aid as a percentage of Gross National Income every year that we are in office starting with our first budget.

ALP National Policy Platform 2023



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Australia has a proud history of supporting those in need during conflict and crises, but a changing world requires a new approach.

Senator the Hon Penny Wong
Minister for Foreign Affairs
20 August 2024



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When Australia's friends and neighbours need help, we respond - just as they have consistently helped Australia in our own times of need.

Hon Pat Conroy MP
Minister for International Development and the Pacific
20th August 2024, 16th October 2024

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We have revitalised how we do development, backed by sustainable increases to the ODA budget - investing in our regional and global partners.

Overview and outlook

Amidst a backdrop of compounding global crises, **the Australian aid budget is at a crossroads.**

In FY2024-25, the Australian aid budget **is the least generous that it has ever been**, as a percentage of the Federal Budget, at just 0.68%.

Despite a promising initial uptick in 2022-23, the share of Federal Government spending on aid is projected to flatline in the coming years, at a time when global need is growing and large donors typically relied upon are walking away.

This Budget, we are looking for investments that put Australia on track to increase aid to 1% of the Federal Budget in 2026-27.

As the 14th largest economy in the world and 9th largest economy in the OECD Development Assistance Committee (OECD DAC), **Australia can and should do more.** Australia sits close to the bottom of the development assistance ladder, **ranking 26 of 31 OECD DAC** donors in terms of aid generosity.

As the world grapples with the highest number of conflicts globally since 1945, **humanitarian funding requires urgent and sustained increase** to meet the growing scale of need. And, as the climate crisis threatens the existence of our neighbours – **Australia must commit to meeting Australia's climate finance fair share of the global New Collective Quantified Goal** as agreed at COP29. The development program is a key piece of Australia's foreign policy, supporting our regional partnerships, and combatting the unprecedented challenges of climate change, conflict and economic instability facing our region and the world.

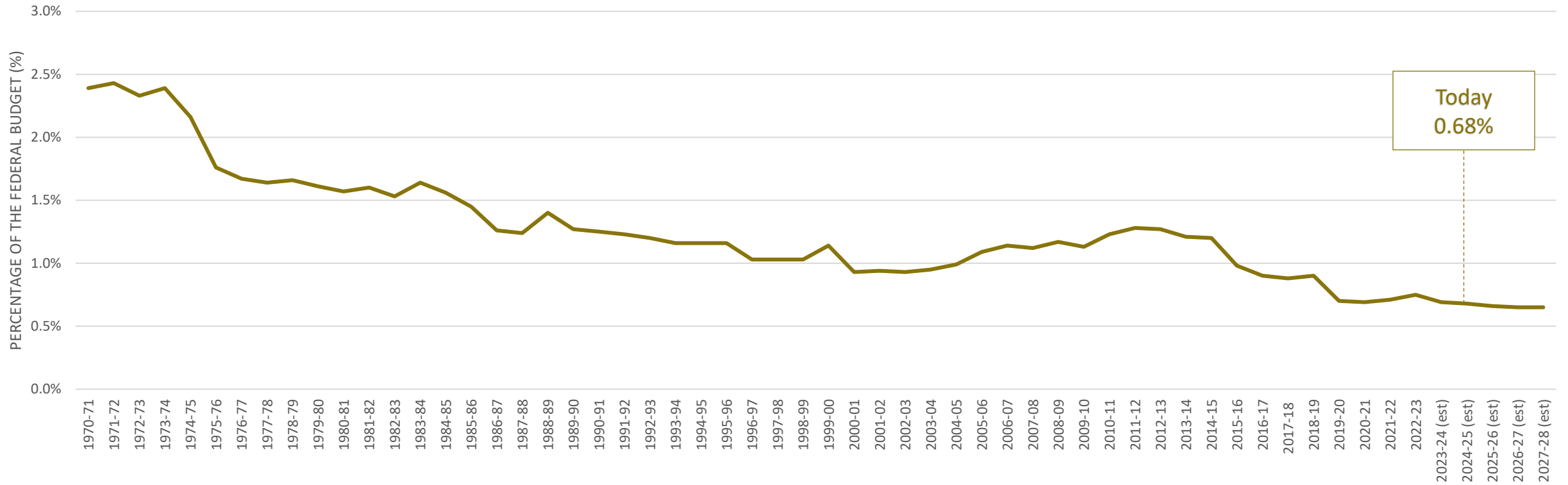
Australian Non-Government Organisations (NGOs) and humanitarian agencies are proven effective development and humanitarian actors and deeply connected to local communities, including in priority regions and countries. Australian NGOs stand ready to meet the moment, to scale up programming and drive development progress and humanitarian response together with local partners.

With **over a million individual donors from across Australia** annually, **there is public support for the aid program and Australian NGOs** responding to pressing development needs and humanitarian crises. We will be watching for investments that **prioritise quality, effective and inclusive aid programming that empowers Australian NGOs** and enables civil society organisations on the ground to meaningfully address the development challenges in their communities.

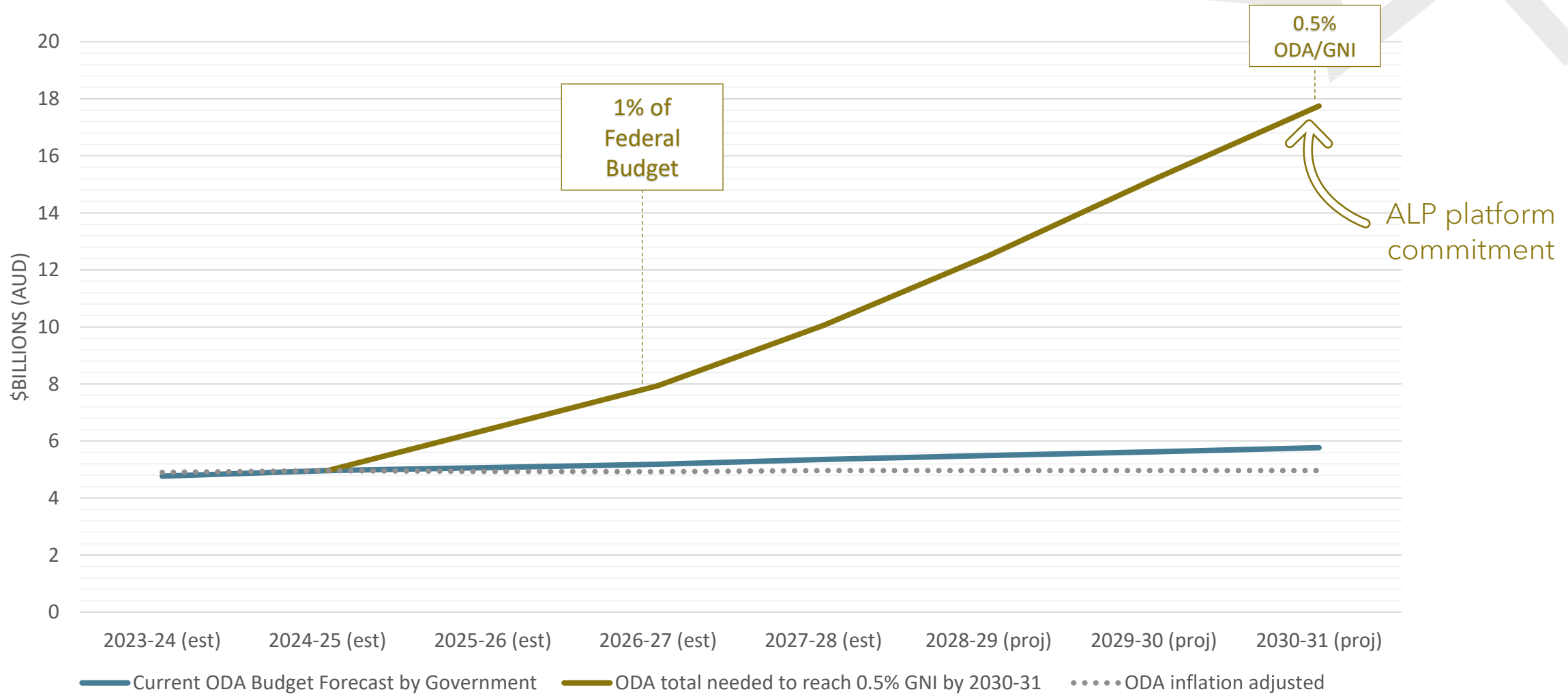
Reasons to invest:

- As a wealthy and generous nation, it's the right thing to do
- With over a million donors to Australian development and humanitarian NGOs annually, there is strong public support for Australia's aid program
- Pre-position the aid program to meet current and future need
- Australia's development program can play an outsized role in achieving foreign policy objectives

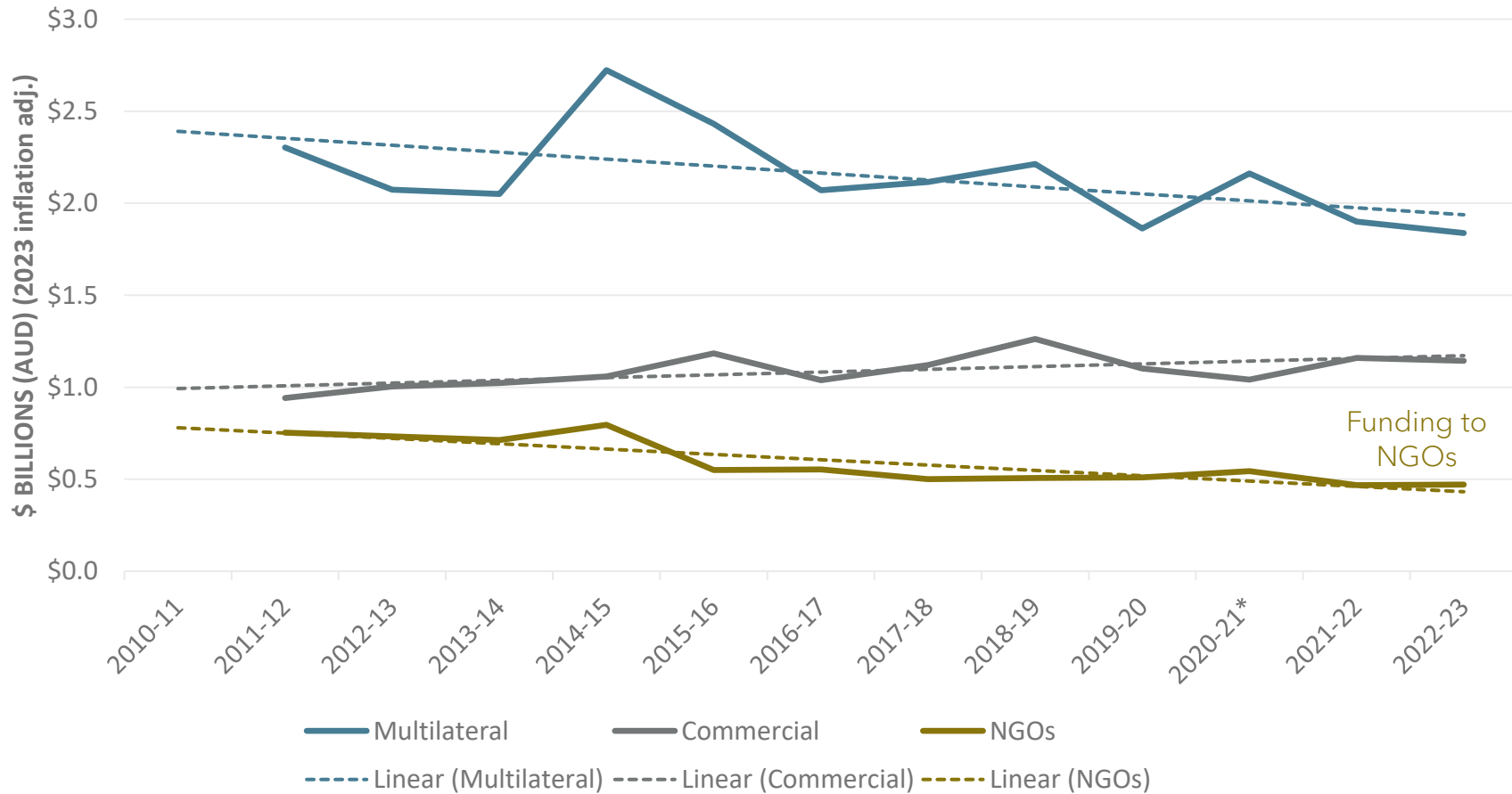
Australian aid as a percentage of Federal Budget over time



Current ODA trajectory vs. reaching ALP commitment



Australian aid by delivery partner over time (top 3)



Over the past decade funding to Australian NGOs has decreased in real terms. This follows a reduction of Government supported NGO-led funding windows from an average of 8 annually between 2011-15 to just one today (the Australian NGO Cooperation Program).

Australia risks losing a valuable resource and effective partners for the development program if this decline is not addressed.

- Australian NGOs and humanitarian agencies bring:
- Strong and wide-ranging links to local communities
 - Authentic story-telling to the Australian public
 - High-quality inclusive programming
 - Trusted long-term local partnerships
 - Value for money



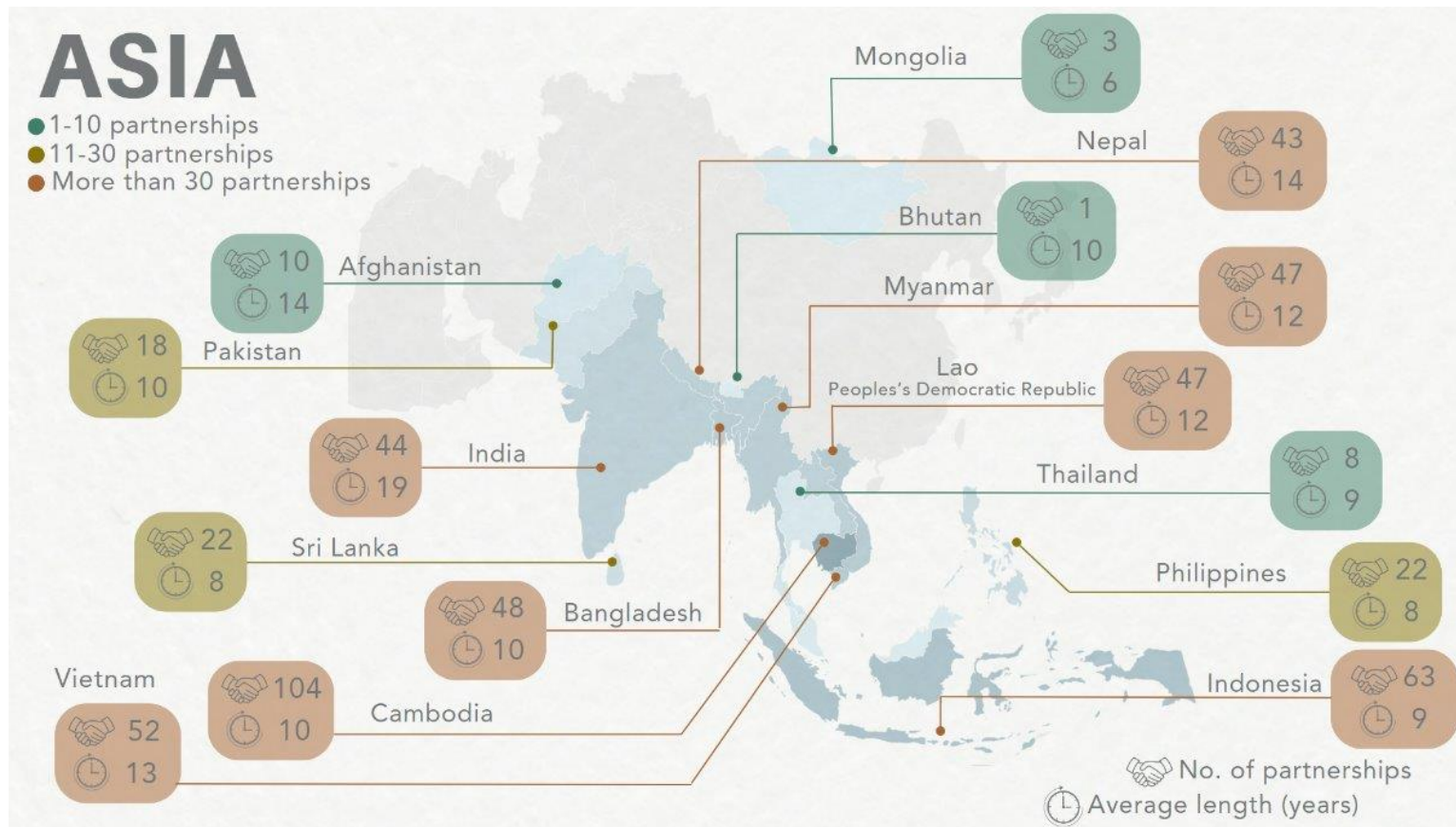
NB: NGO funding is to local, international and Australian NGOs - this is not all funding for Australian NGOs. Some funding to commercial and multilateral partners flows to NGOs where they are engaged to deliver development and humanitarian program.

*Includes COVID-19 TTS

Source: Development Policy Centre, Australian Aid Tracker.

Australia NGOs: key delivery partners for Australian aid

Australian NGOs and humanitarian agencies hold vast partnerships globally, working in diverse and priority regions around the world to deliver development and humanitarian programs. Australian NGOs work closely with local communities and civil society to facilitate valuable local partnerships which are indispensable to the aid program. Despite their unique and valuable role Australian NGOs are under-resourced, under-utilised and underfunded.



Left: Example of a partnerships held by a subset of Australian NGOs delivering programs through the Australian NGO Cooperation Program in Asia.

Types of partnerships

- With local and national governments: 138 partnerships
- With health institutions: 107 partnerships
- With churches and religious institutions: 61 partnerships
- With Organisations of People with Disability: 15 partnerships
- With national, subnational and community level organisations: 558 partnerships (of which 139 in the Pacific, 112 in South Asia, 181 in South-East Asia)



PART ONE –
Increasing Australian aid to 1% of the Federal Budget
Why?

Reaching 1%: core to our national interests

Investing in Australia's development program is core to Australia's national interests and strategic foreign policy objectives.

Strengthening civil society, democracy and the rules-based order

Australia's development program is a powerful tool for strengthening democratic norms. When increased ODA goes towards supporting Civil Society Organisations it acts as an effective bulwark against ever-growing autocratic rule. Currently just 13 per cent of Australian aid is delivered to or through civil society organisations.

Strategic foreign policy

In the most contested geostrategic environment since the Second World War, Australia's partnership with the region matters. As the region's largest donor, Australia's development program is a core mechanism through which Australia builds crucial people-to-people and government-to-government links.

A credible player on the multilateral stage

If Australia plans to host a COP with our Pacific Partners in 2026 and run for a seat on the UN Security Council for 2029-30, we must contribute our fair share on global crises and multilateral commitments including climate finance and humanitarian funding.

Strengthening economic security

Ten of Australia's top 15 export markets today, are countries that once received Australian foreign aid. Development assistance contributes to economic security, for Australia and the partner countries we work with.

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...our commitment to upholding the free and open rules-based international order, with its strong support for the principle of freedom, human rights, rule of law, democratic values, sovereignty and territorial integrity...

Quad Foreign Minister's Joint Statement
July 2024

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Australia has a long history of supporting democracy in the Pacific and will continue to work with our regional partners to support prosperity and security based on our shared values.

The Hon Richard Marles MP
Deputy Prime Minister and Minister for Defence, 16th April 24

Reaching 1%: a moral responsibility

Australia has a moral responsibility to invest in its development and humanitarian assistance program.

Meeting this obligation enhances our standing as a responsible global citizen. Increased aid can deliver life-saving services, support education, and improve health outcomes in some of the world's poorest regions.

With the Sustainable Development Goals (SDGs) regressing or failing to make progress, action to increase international development assistance is urgently needed. There are only 5 years left to reach the SDG targets.

Australia is also the 13th largest economy in the world, but one of the least generous donors globally – sitting at 26 out of 31 donors on the OECD DAC ladder. Australia must arrest the real terms flatlining of the ODA budget and increase our ODA spend to at least 1% of the Federal Budget.

Support from across the political spectrum is critical, and will ensure that these investments are sustainable, impactful, and contribute to a safer, more prosperous world for all.



“We’re doing pretty well. And there are lots of people who aren’t doing so well. So, it’s our responsibility to look after our neighbours.”

**Participant
Redbridge Research, July 2024**

Reaching 1%: meeting public support with Government ambition

Australian support for the aid program

Australian public support for development and humanitarian agencies is significant. In 2022-23 the total revenue raised by ACFID's membership from all sources amounted to \$1.94 billion with \$728 million donated by over 1.1 million Australians.

Communities across Australia are connected to communities globally

Australian development and humanitarian agencies have close ties to the Australian public - including close connections to civil society such as our schools, churches, community groups and workplaces. Australian aid agencies serve as critical interlocutors connecting communities across Australia with those around the world.

Australians care about doing our part globally

Redbridge Research conducted a study in 2024 with focus groups and an Australia-wide survey, which found that Australians care about doing our part in the world and value the outsized impact a small proportion of our budget can have on the lives of millions globally.

Disapora connections around the world

With more than 50 per cent of Australia's population born overseas or having a parent born overseas, Australians are interlinked with families and communities around the world - including countries facing the biggest development and humanitarian challenges of our time, such as Lebanon, the Occupied Palestinian Territories, Sudan and Myanmar.



I do think (foreign aid) is an essential part of where our tax money should be going. This is actually something which can impact on people's lives!

Participant
Redbridge Research, July 2024

Climate action: Australia as a responsible and committed partner

The events of the past year have made Australian leadership on global climate action more important than ever.

Wars and humanitarian catastrophes in Gaza, Sudan and Ukraine have crowded-out global focus on the longer-term existential threat of climate change, yet extreme heat, flooding and cyclones displaced millions and killed thousands in 2024. 2024 was the hottest year on record and the first to surpass 1.5°C above pre-industrial levels, at about 1.55°C.

The UN estimated that, by 2030, climate change could push more than 120 million more people into poverty, with women being most impacted. It is estimated that 80 per cent of the people displaced by climate change are women.

In the region, the Pacific is at high risk. In its latest assessment round, the Intergovernmental Panel on Climate Change (IPCC) found that Small Island Developing States, including those in the Pacific, have already observed higher temperatures, sea level rise, ocean acidification, shifts in rainfall patterns and intensification of cyclones, with these impacts projected to worsen.

These effects are being felt by the communities, as seen in Plan International's 2024 report, *Pacific Girls in a Changing Climate*, which reported that 82 per cent of surveyed girls said climate change has affected their life at home, in school or in their community.

There is also significant uncertainty regarding the impact of the second Trump Administration in the U.S. on international climate action. In his first day in office, President Trump signed Executive Orders ordering the withdrawal of the U.S. from the Paris Agreement under the UNFCCC and terminating Biden's Green New Deal, including an immediate pause on renewable energy and electric vehicle disbursements through the Inflation Reduction Act and Infrastructure Investment and Jobs Act.

In the face of these challenges, middle powers such as Australia will need to take on a greater leadership role to maintain hard-won progress on international climate action. With a Pacific bid for COP31 on the table, Australia needs to role model that it is a reasonable and committed partner to Pacific Island countries in their efforts to achieve climate justice on the world stage.

Humanitarian action commensurate with global need

Across Sudan, Gaza, Lebanon, Myanmar, Ukraine and the Pacific, climate, violations of international humanitarian law and conflict are driving an unprecedented increase in humanitarian need.

As of 14 November 2024, only 37 per cent of United Nations Global Humanitarian Appeals are funded. Against a backdrop of growing global need, it is more vital than ever that humanitarian assistance is fully resourced.

Meanwhile, Australia's funding to respond to humanitarian crises has remained stagnant. The Humanitarian Emergency Fund (HEF) has not been increased since 2018. A growing number of crises are requiring scaled-up and long-term responses. Australia needs an invigorated focus on humanitarian action and capabilities that are fit to deal with future challenges and reflect Australia's commitment to international peace and security. As the Government begins to implement its new Humanitarian policy, ACFID urges a response commensurate with global need.



Jimmy holds his Unblocked Cash e-Card which he had used to purchase tin roofing for building a verandah on his house. Photo: Arlene Bax/Oxfam



Pre-positioned Humanitarian assets in Laos, through the Australian Humanitarian Logistics Capability. Photo: DFAT Media Library

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The New Humanitarian Policy is not just about saving lives and meeting humanitarian needs. It is also about protecting the peace, stability and prosperity that we want for Australia, our region and the world.

Senator the Hon Penny Wong
Minister for Foreign Affairs, 20th August 2024



PART TWO –
ACFID's proposed pathway for increasing
Australian aid to 1% of the Federal Budget

ACFID's Budget Proposals 2025-26

- A budgetary pathway for Government to increase Official Development Assistance to 1% of the Federal Budget in the first budget following the upcoming election.

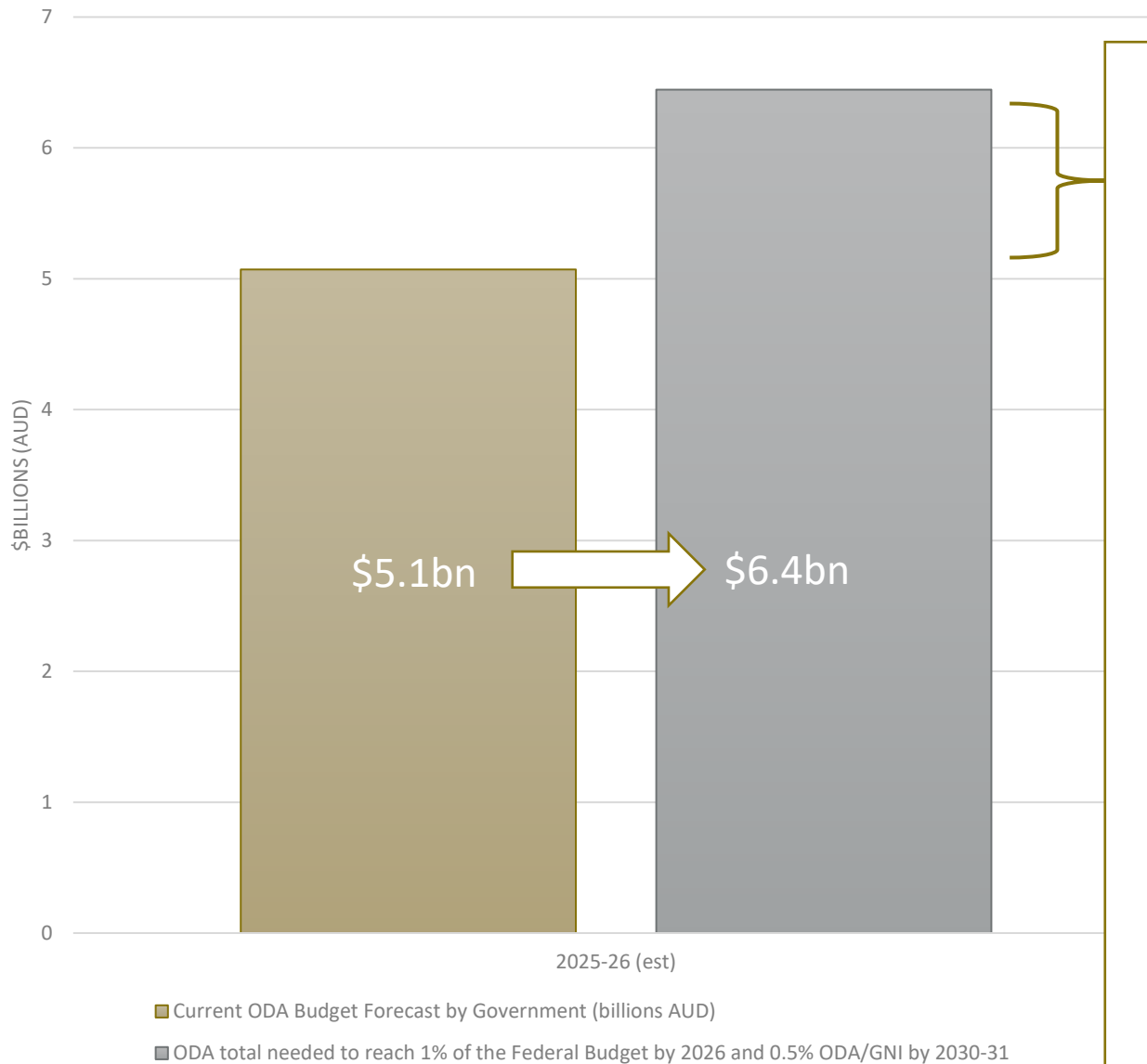
We propose reaching the 1% target by:

- Doubling the **Humanitarian Emergency Fund** (additional \$150m p.a. ongoing) to respond to increasing humanitarian need
 - Increasing **funding for protracted crises** (additional \$350m p.a. ongoing) to address growing complex crises
 - Expanding the **Australian NGO Cooperation Fund** (\$40m p.a. ongoing) and **committing to 2.5% year-on-year growth** for long-term sustainability of Australia's longest running NGO program
 - Commit to next phase of **Pacific Women Lead** (\$250 over 5 years from 2026-27, including \$25m over 5 years for the highly successful *Pacific Girl* program)
 - Increasing the **Gender Equality Fund** (\$35m additional p.a. ongoing)
 - Boosting the **Equality and Inclusion Fund** (\$15m p.a. ongoing)
 - Investing in **partnerships for disability equity** (\$20m p.a. over the life of the new International Disability Equity and Rights Strategy)
 - Investing in the **Sustainable Development Goals that are most off-track** (\$15m in 2025-26 with staged increases thereafter)
- Meeting Australia's climate finance fair share (\$4.4bn) in new and additional funding to the existing ODA budget, with an emphasis on boosting funding to projects where climate adaptation or climate mitigation is the principal objective. Proposed programmatic spends include:
 - A locally-led **NGO Climate Adaptation Funding Window** for the Pacific (\$40m in 2025-26 with staged increases thereafter)
 - An **NGO Just Transitions Funding Window for South-East Asia** (\$40m in 2025-26 with staged increases thereafter)
 - A **Global Gender-Responsive Climate Adaptation Funding Window** (\$40m in 2025-26 with staged increases thereafter)
 - **Off-Grid Renewable Energy Partnership Grants** (\$75m in 2025-26 with staged increases thereafter)
 - To fund ODA and climate finance measures, ACFID supports calls to review tax measures and end government subsidies to fossil fuel companies through the Fuel Tax Credits Scheme.

ACFID's Budget Proposals over the forwards

Program investments	2025-26 (\$m)	2026-27 (\$m)	2027-28 (\$m)	2028-29 (\$m)	Total over 4 years (\$m)
Double the Humanitarian Emergency Fund to \$300m p.a.	150	150	150	150	600
Increase protracted crises funding	350	350	350	350	1400
Expand Australian NGO Cooperation Program	40	40	40	40	160
Long-term sustainability of ANCP (2.5% year on year)	4.6	4.7	4.8	4.9	19.0
Commit to next phase of Pacific Women Lead	0	50	50	50	150
Increase the Gender Equality Fund to \$100m p.a.	35	35	35	35	140
Boost to the Equality and Inclusion Fund	11.5	11.5	11.5	11.5	46
Investing in partnerships for disability equity	20	20	20	20	80
Targeted boosts to SDGs most off-track	15	20	30	40	105
Total programmatic investments	626.1	681.2	691.3	701.4	2,700

Funding required in this Budget to reach 1% by 2026-27



Impact of funding the gap to reach 1% ODA

By expanding existing successful programs, below are examples of what the additional funds could achieve:

Emergency Assistance

Provide emergency assistance to a further **14 million** people in conflict and crisis situations.

Health

Immunize a further **5.9 million** individuals.

Medical Supplies

Make **18.6 million** additional medical equipment and supplies accessible.

Education

Enroll **146,500** additional children in school.

Social Protection

Reach an additional **97.6 million** people with social protection programs.

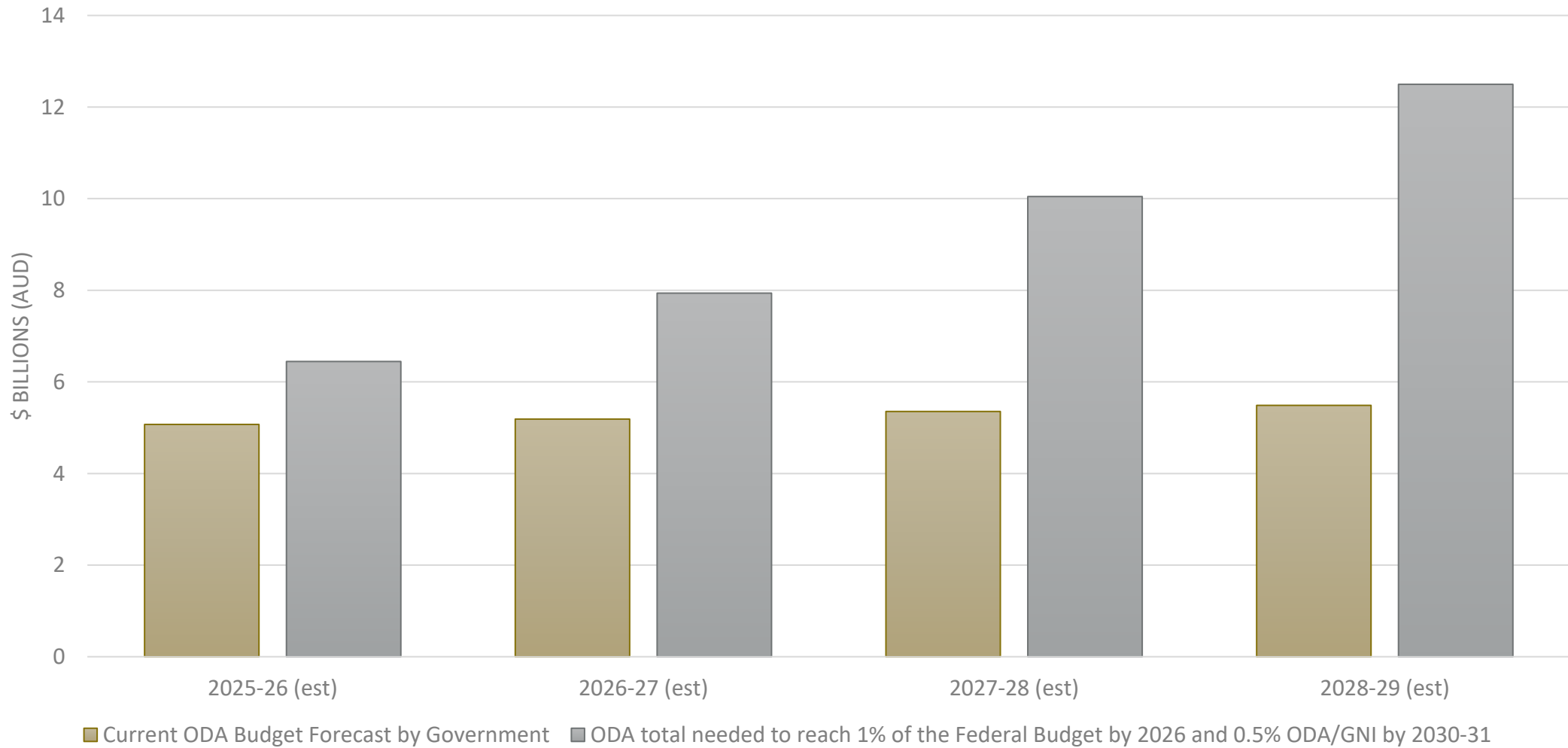
Gender-based Violence Support

Provide an additional **146,839 services to women and girl victims/survivors** of violence.

Economic Empowerment

Support a further **288,476 women entrepreneurs** with financial and/or business development services.

ODA Forward Estimates Profile to reach 1% of Federal Budget by 2026-27



Investments to increase Australia's climate finance fair share

Program investments	2025-26 (\$m)	2026-27 (\$m)	2027-28 (\$m)	2028-29 (\$m)	Total over 4 years (\$m)
NGO Climate Adaptation Funding Window for the Pacific	40	80	120	160	400
NGO Just Transitions Funding Window for South-East Asia	40	80	120	160	400
Global Gender-Responsive Climate Adaptation Funding Window	40	70	90	100	300
Off-Grid Renewable Energy Partnership Grants	75	85	95	105	360
Total programmatic investments	195	315	425	525	1,460.0

Investing in climate action

Australia as a responsible party to the United Nations Framework Convention on Climate Change has an obligation to contribute towards global climate targets and goals. This includes the global climate finance goal – the New Collective Quantified Goal (NCQG) – of \$300bn USD annually by 2035, of which Australia’s fair share is \$14.4bn AUD annually by 2035. Australia’s current climate finance contributions sit on average at \$629m per annum, well below Australia’s fair share based on historic emissions and capacity to pay. Australia’s climate finance must grow in quantity and quality, including the proportion that reaches the most vulnerable countries and communities, and that includes ANGOs and local CSOs in design, implementation and delivery.

Locally-led Climate Adaptation Window for the Pacific

Design and deliver a flexible funding pool for NGOs and local communities to propose and deliver climate adaptation and resilience projects in the Pacific.

Despite exponentially growing demand for adaptation finance in the Pacific, existing climate funds are largely inaccessible to CSOs. As the largest bilateral provider of grant-based finance to the Pacific region, there is an opportunity for the Australian Government to establish a new financial mechanism that will address the community adaptation funding gap and climate risk.

CSOs are embedded in local communities, have place-based knowledge and existing relationships, and are best-placed to deliver adaptation programs. This investment will improve CSO access to climate finance and contribute to Australia reaching its fair share.

Allocate \$400m over initial four years

Locally-led Just Transitions in South and South-East Asia

Design and deliver a funding pool for Australian NGOs and local CSOs to work in partnership to support communities to achieve a just transition to renewable energy across South and South-East Asia.

The transition from fossil fuel powered energy to renewable energy requires significant economic and societal transformation. Workers and communities whose livelihoods are dependent on fossil fuels require re-education, reskilling and redeployment into different industries, as well as social safety nets, for the transition to be just and fair, which ANGOs and CSOs are best-placed to deliver.

This funding window will also support ANGOs and CSOs to undertake rights-based advocacy in local communities to minimise the inequitable impacts of the energy transition, including increased demand for critical minerals, such as labour protections for workers and environmental conservation to protect the ecosystem services communities rely on.

Allocate \$400m over initial four years

Investing in climate action (continued)

Global Gender-Responsive Climate Adaptation Funding Window

Design and deliver a \$300m gender-responsive climate adaptation fund over 4 years to ensure Australia's climate finance is accessible to non-government- and civil society organisations working at the intersection of gender equality and climate justice and support diverse women leaders to participate in climate and disaster risk reduction institutions and advocacy at all levels.

Research shows that only 10 percent of climate finance flows to the local level, with women and girls receiving an even smaller percentage. According to UN Women, in 2022, just 3% of climate-focused ODA worldwide had gender equality-related objectives. It is crucial that climate finance better reaches women and girls, as climate impacts continue to exacerbate gender inequalities, power imbalances, and gender-based violence.

Gender-responsive climate programs are not just the right thing to do for communities but have been proven to be more effective in reaching climate adaptation objectives, as reported by the UNFCCC's Standing Committee on Finance in 2023.

Allocate \$300m over four years from 2025

Off-Grid Renewable Energy Partnership Grants

Building from the \$75m announced for the Off-Grid Renewable Energy Partnership grants at COP29, allocate a total \$360 million to the Partnership over the next four years to support climate mitigation and energy sovereignty in remote communities across the Asia Pacific region.

According to the SDG Progress Report 2024 for Asia and the Pacific, renewable energy share in the region has regressed since 2015. Australian NGOs such as Action Aid, Caritas and Engineers Without Borders, and Pacific CSOs, received initial partnership funding from the Australian Government in 2024 in support of 10 off-grid projects in six countries, providing reliable energy to remote Pacific communities, reducing unhealthy diesel emissions, and protecting communities from the economic shocks of volatile petrol prices.

Boosting funding to provide more Partnership grants and building capacity to scale up existing grants would allow more remote communities across the region to benefit from renewable energy access across a wider range of infrastructure and sectors.

Allocate \$360m over four years from 2025

Non-ODA investments – Department of Climate Change, Energy, Environment and Water

COP31- Civil society engagement package

Should the bid be successful, an Australia-Pacific co-hosted COP31 will be a historic opportunity to boost climate ambition and strengthen Australia's relations with Pacific Island Countries. To achieve ambitious outcomes, in the lead up to COP31 and during the COP Presidency, the Australian Government will need to engage and leverage civil society including civil society's knowledge, lived experience of climate impacts, and networks across the Pacific.

ACFID echoes the recommendations of the COP31 Collaboration Group, of which it is a member, to fund civil society engagement in COP31 through adopting a similar model the UK Government did for COP26 in Glasgow. We support the establishment of six fully-resourced COP31 envoys (\$30m per annum), a coordination function (\$2m per annum), increased resourcing to Australia's diplomatic missions in engaging key international non-state actors (\$2m per annum), and research and evaluation of COP31 activities and outcomes (\$1.5m per annum).

The purpose of the six COP31 envoys is to deliver coordination, information and awareness-raising campaigns, events, research and consultations, and will support the full participation of a broad cohort of civil society from First Nations communities, charities, NGOs, businesses and investors, policy tanks, and environmental groups.

Fund a COP31 civil society engagement package of \$35.5m p.a. for two years from 2025

Humanitarian action commensurate with global need

The cost of global humanitarian response will double by 2050, which will have implications for Australia as a donor. Therefore, Australia needs a humanitarian budget fit for the future, which does not require us to take from development funds to respond to urgent-onset crises, and a development program that helps to reduce the root causes of humanitarian crises. For the goals of the Australian Government's new Humanitarian Policy to be met, humanitarian funding must be increased, in addition to investment in DFAT capability and capacity to manage an increasingly complex world.

Australia's humanitarian assistance should be allocated in proportion to need, irrespective of where that need arises. In 2024, conflict and violence drove rising displacement and deepened suffering in contexts such as the Democratic Republic of the Congo (DRC), Haiti, the Occupied Palestinian Territory (OPT), Myanmar and Sudan, while climate shocks—including floods, cyclones and drought caused loss of lives and livelihoods in multiple countries. Yet, halfway through the year, global humanitarian funding against the Global Humanitarian Overview was 18% less funded than at the same time the year before.

Humanitarian Emergency Fund

The Humanitarian Emergency Fund is the key source of funding for the Australian Government to respond to humanitarian needs as they emerge. It has not increased in the last six years despite a significant rise in global humanitarian need and inflation.

An injection to this fund will increase the Australian Government's ability to respond to increasing humanitarian demand as it arises across the world, including Pacific neighbours in response to cyclones and other climate-induced disasters.

Allocate an additional \$150m p.a. ongoing

Meet our fair share of humanitarian assistance through protracted crisis funding

Climate change, breaches of international humanitarian law and geopolitics are increasing humanitarian crises. As the number of internally displaced persons (IDPs) and those displaced across borders grows within the region and globally, and an ever-growing number of countries become affected by protracted crises, the need for later-scale and longer-term responses is placing unsustainable pressure on humanitarian organisations.

In 2024, Australia's fair share of humanitarian funding was \$1.14bn. The ODA Budget must map out a pathway to meet this over time. This can be achieved through investments in protracted crises funding.

Allocate an additional \$350m p.a. ongoing

Expand high-performing NGO programs

In 2022-23, Australian NGOs working through the ANCP supported over 4.8 million people, by delivering 402 projects in 50 countries. 77 % of these projects were in the Indo-Pacific. Accredited NGOs represent a significant opportunity to leverage aid investments, maximizing their capacity to adapt to emerging needs.

Invest in the Australian NGO Cooperation program and leverage its in-built adaptive capacity

The Australian NGO Cooperation Program (ANCP) is a unique investment in Australian NGOs that both amplifies community support for the aid program and enables accredited NGOs to program funding maximising impact for millions of people in need every year. The 2022 independent evaluation of the ANCP found significant opportunity to invest in ANCP. This was reinforced by the 2023 accreditation and funding policy review which has indicatively recommended increasing the fixed funding allocation to NGOs, which could be achieved by increasing the overall allocation to the ANCP. The ANCP remains under-utilised in Australia's aid investments as a modality that can significantly boost the development program's capacity to manage risks and respond to crisis.

Recognising the importance of providing long-term stability and security to the Australian aid budget, the Government committed in May 2023 to increasing Australia's overall ODA spend by 2.5% annually in the decade commencing 2026-27. Under the umbrella of sustainable growth to the aid budget provided by this commitment, we urge the Australian Government to commit to building in year-on-year growth of 2.5 per cent of the ANCP in recognition of increasing costs to Australian NGOs and their partners to deliver services, operate and adequately remunerate their staff.

Allocate an additional \$40m p.a. ongoing and commit to year-on-year growth of the ANCP by 2.5%

Adequately invest in long-term NGO resilience and effectiveness

To better reflect the real costs of delivery of humanitarian and development programs, ACFID recommends increasing ANCP administration fee limit from 10 to 15%. The 10% was increased during COVID-19 (2019-21) to 20% - in response to increased operating costs in complex and changing scenarios. The environments Australians NGOs and their partners operate in every day are complex, demanding and uncertain. Consequently, following COVID-19, Australian NGOs have had to meet the gap in the costs of managing, implementing and reporting on ANCP with donations from the public. Raising this limit would enable ANGOs to more effectively leverage community donations for the work of partner organisations, who would in turn be empowered to more realistically cover their core costs, leading to greater effectiveness and impact. A review of the administration fee costs structure should be included as part of the ANCP Funding Review with future decisions on admin fee changes reflective of the increasing costs of aid delivery.

Increase the ANCP admin fee limit from 10 to 15% ongoing

A development program that achieves progress for all

With 26 of the 61 countries worldwide that criminalise lesbian, gay, and bisexual individuals being located in the Asia-Pacific, targeted funding is urgently needed to address the heightened risks faced by LGBTIQ+ people in the Asia-Pacific region.

The government has demonstrated a strong commitment to gender equality through mainstreaming targets. However, at the current pace, we are 132 years away from closing the global gender gap. With the impacts of climate change, rising conflicts, and global setbacks to gender equality, it is crucial for the Australian Government to actively invest in and commit to achieving gender equality.

The Government's recent Strategy and investments in assistive technology are welcome steps towards achieving equity for people with disabilities. Investing in Organisations of People with Disabilities is crucial to this goal and must begin by providing funding certainty for existing OPD partners.

Inclusion and Equality Fund

The Government's initial partnership and investment in LGBTIQ+ organisations is a welcome step forward for supporting locally led progress towards LGBTIQ+ equality. However, more funding is urgently needed: the Asia-Pacific is already severely underfunded (receiving just 5% of global LGBTIQ+ funding) and other government donors to LGBTIQ+ rights in the Asia-Pacific are reducing or ceasing their support. Increasing the Inclusion and Equality Fund to \$15 million annually will be adequate to support diverse local LGBTIQ+ civil society in all key Australian development partner countries.

Allocate an additional \$11.5m p.a. ongoing

Gender Equality Fund

The Gender Equality Fund is the primary mechanism for investing in specialised programs that advance gender equality and women's empowerment. The fund should support grassroots movements, prioritising local, constituency-led organisations, including youth-led and faith-based groups, with a focus on engaging women and people of diverse SOGIESC in climate resilience and adaptation programming.

Allocate an additional \$35m p.a. ongoing

Pacific Women Lead

To provide confidence in Australia's continued leadership in gender equality and to enable multi-year partnerships to sign contracts beyond mid-2026, a funding commitment for the next phase of Pacific Women Lead (including allocated budget of \$25m over 5 years for the highly successful *Pacific Girl* program) should be included in the 2025-26 Budget forward estimates. The Pacific Women Lead program has demonstrated considerable impact in enhancing women's rights, building women's leadership, economic empowerment and reducing and responding to the high rates of gender-based violence in the region. This funding commitment must be accompanied by a fully consultative design process.

Allocate \$250m over five years from 2026-27

Investing in partnerships for disability equity

"Investing in partnerships and movements" is the first priority in the Government's new International Disability Equity and Rights Strategy which requires investment in long-term partnerships, supporting core funding to strengthen and diversify the international disability rights movement, including funding for Organisations of People with Disabilities, as well as ensuring technical expertise is available to support the movement to be strong, diverse and representative. In order to reach the target set within IDEARS of 70% effective performance on disability equity by 2030, \$20m per year should be allocated to disability equity partnerships across the life of the strategy and its evaluation period, out to 2032.

Allocate \$20m p.a. ongoing to 2032

Boosting investment in the Sustainable Development Goals most off track

The Asia-Pacific region is not on track to meet any of the 17 Sustainable Development Goals by the 2030 deadline. Small Island Developing States lag furthest behind with just 6% progress across the SDGs since 2015. Unless quality and sustainable funding is ramped up, the gains of the previous decades will be lost and unable to be recovered. Australian NGOs stand ready, experienced and deeply connected to communities to drive implementation across the broad ranges of areas urgently requiring attention. We welcome targeted ODA investment to meet Australia's commitment to achieving the SDGs by 2030. Investments must be positioned to leverage development partner connections and expertise and accelerate development progress on:

Goal 1 & 11 – Poverty and resilience to disasters

The Asia-Pacific region is the most disaster affected region in the world. Investment in preparedness, risk reduction and recovery capability are crucial to protecting lives and livelihoods as well as preventing communities being pushed back into poverty when disaster strikes. This is particularly pertinent for marginalised groups who are often excluded from preparedness and recovery efforts.

Goal 2 - Undernourishment and food security

The Asia-Pacific region makes up half of the world's population facing severe food insecurity. Child malnutrition is particularly prevalent leading to stunted growth and poor health outcomes. Investments that strengthen supply chains and access to sustainable food systems are crucial to building resilience to shocks that risk increasing food poverty in the region.

Goal 3 - Achieving Universal health coverage

Half the world's population do not have access to essential health services. Strengthening regional health infrastructure, workforce capacity and essential services are crucial to achieving equitable and quality healthcare access for all in the Asia-Pacific where achieving targets on universal healthcare coverage is regressing.

Goal 4 – Achieving quality education for all

Achieving equal access to quality, equitable and inclusive education is necessary to achieving development progress. Across the Asia-Pacific women and girls, particularly those in rural areas, are faced with additional challenges to enrolment, education and consequently, equal employment opportunities.

Boosting investment in the Sustainable Development Goals most off track (continued)



Goal 6 – clean water and sanitation

1.9 billion people lack access to safe water and sanitation. Investing in programs and initiatives that address water pollution, scarcity and sanitation is crucial to expanding equitable access to clean water. Investments in this goal will also improve progress on health challenges such as the spread of infectious diseases as a result of inadequate WASH facilities.

Goal 5 – gender equality

Limited data prevents a full understanding of violence against women, sexual and reproductive health, and unpaid care. Globally, 640 million girls were married in childhood, and 230 million have undergone female genital mutilation. Women spend 2.5 times more hours on unpaid care work than men, and less than 50% participate in the workforce, often in low-wage jobs.

Goals 13, 14 & 15 – climate action

Boosting investment in climate action, particularly to support Pacific Island countries is crucial. In addition to meeting Australia' emission reduction targets investment in climate change adaptation and mitigation, affordable clean energy and sustainable marine and conservation practices are crucial to support local communities and economies.

Goal 16 – peace, justice and strong institutions


None of the targets for SDG 16 are on track. In particular, violence affects around 1 billion children annually with costly long-term consequences. Action is needed as preventative measures can reduce much of this violence, and as a pre-condition for development. Other key issues include displacement, corruption and human trafficking.

Allocate \$15m in 2025-26 to NGO programs meeting outcomes on SDGs that are most off-track. This funding should be scaled over the forward estimates to accelerate development progress where Australian NGOs, humanitarian agencies and local partners are already delivering programs and are pre-positioned with strong community and government links to catalyse achieving the SDGs and contribute to overall progress towards regional and global poverty reduction.




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