Handwashing using a tippy tap station in Indonesia.
Photo: Agus Haru / PLAN International.
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ACFID has welcomed new, additional investments in tackling COVID-19 in the region as part of Australia’s international development program. ACFID CEO, Marc Purcell, said:

“This is a promising budget to help tackle the profound health, social and economic costs of COVID-19 in our region. We welcome the more ambitious path the Government has set out.

“We are rightfully investing an additional $304.7m in the Pacific and Timor-Leste to help ward-off the worst social and economic costs of COVID-19. We also welcome the investments in regional vaccine procurement and health security.

“Australia’s recovery is linked to the region’s and Asia needs to know that we are with them. We are looking to the Government to continue on this path, lock-in these temporary increases, and expand our development cooperation in Asia as part of the May 2021 budget.

“We are deeply disappointed by the declines in Afghanistan, Bangladesh, Sri Lanka and Pakistan, as well as reductions in some global humanitarian partnerships and disability programs.

“The COVID-19 Recovery Fund is a welcome one-off investment at this time of crisis. But we continue to hold the view that Australia’s overall Official Development Assistance budget should increase so we can maintain the hard-won development gains which are now at risk due to the pandemic.”
OVERALL DEVELOPMENT EXPENDITURE

“Whilst in ODA/GNI terms the Official Development Assistance budget has largely remained the same, the additional $304.7m allocated to the Pacific and Timor-Leste is a promising sign of a more ambitious Government path. We are looking to the Government to continue on this path, lock-in these temporary increases and expand our development cooperation in Asia as part of the May 2021 budget.

MARC PURCELL
CEO
ACFID
OVERALL DEVELOPMENT EXPENDITURE

ODA Total

FY 2019-20

$4.044B

FY 2020-21

$4.000B

(Non-ODA $304.7m COVID-19 Recovery Fund over 2 years)

NON-ODA FUNDING TO DFAT

$1.63bn has been allocated to DFAT to pursue its diplomatic objectives in FY 2020-21. This is an increase of $118m from FY 2019-20. DFAT’s Average Staffing Level will see an increase from 5,598 in FY 2019-20 to 5,849 in FY 2020-21.
Australia’s public spending on Official Development Assistance (ODA) as a proportion of our total government expenditure continues to decline.

In FY2020-21, this proportion will fall to 0.60% of total government expenditure.
Australia’s public spending on Official Development Assistance (ODA) as a proportion of our Gross National Income in FY 2020-21 has remained the same as in FY 2019-20 at 0.21% of GNI.

The newly announced COVID-19 Recovery Fund, worth $304.7m for the Pacific and Timor-Leste over two years, is not counted as ODA by the Australian Government.

The total nominal value of the ODA budget has declined from $4.044bn (2019-20) to $4.0bn (2020-21). However, due to the lower GNI this year, the ODA/GNI ratio remains at 0.21% (the same as 2019-20), despite previous predictions of a further decline.
## OVERALL DEVELOPMENT EXPENDITURE

### ODA Administered by Non-DFAT Departments

<table>
<thead>
<tr>
<th>Other Government Department</th>
<th>Aid delivered directly from budget measure ($m)</th>
<th>Aid delivered in partnership with DFAT ($m)</th>
<th>Total ODA ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Water and the Environment</td>
<td>7.5</td>
<td>0.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Attorney-General’s Department</td>
<td>1.6</td>
<td>1.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Australian Centre for International Agricultural Research</td>
<td>98.0</td>
<td>9.1</td>
<td>107.1</td>
</tr>
<tr>
<td>Australian Federal Police</td>
<td>54.2</td>
<td>7.6</td>
<td>61.9</td>
</tr>
<tr>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
<td>0.0</td>
<td>5.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Department of Home Affairs</td>
<td>2.5</td>
<td>8.1</td>
<td>10.5</td>
</tr>
<tr>
<td>Employment, Skills, Small and Family Business</td>
<td>11.0</td>
<td>0.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Finance</td>
<td>0.6</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Health</td>
<td>11.5</td>
<td>2.2</td>
<td>13.7</td>
</tr>
<tr>
<td>Treasury</td>
<td>59.7</td>
<td>1.3</td>
<td>61.0</td>
</tr>
<tr>
<td>Other</td>
<td>1.0</td>
<td>39.7</td>
<td>40.7</td>
</tr>
<tr>
<td>States and territories</td>
<td>0.4</td>
<td>1.6</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Total ODA delivered by other government departments</strong></td>
<td><strong>247.9</strong></td>
<td><strong>78.1</strong></td>
<td><strong>326.0</strong></td>
</tr>
</tbody>
</table>
THE COVID-19 PIVOT

“Ending COVID-19 means ending it for everyone, everywhere. Australia’s development program can be a catalyst for improved health security, as well as economic and social recovery in our region. Until tonight, our ambition to be a partner of choice has not been matched with new funding. The announcement of a COVID-19 Recovery Fund is a sure-footed, compassionate and strategic step in the right direction.

BRIDI RICE
DIRECTOR OF POLICY AND ADVOCACY
ACFID
THE COVID-19 PIVOT

Existing COVID-19 Commitments

In 2019-2020, Australia announced $280m of existing ODA budget would be redirected to address COVID-19, including:

- $205m to the Pacific, including $105m in direct budget support to 10 countries [Public Record]
- $25m to the Australian Humanitarian Partnership [Public Record]
- $80m to the GAVI-COVAX Advance Market Commitment over a period of years [Public Record]

Other related ODA announcements include:

- $23m to ASEAN nations for health security, economic recovery, and stability [Public Record]
- $60m to ASEAN under the Partnerships for Recovery Strategy [Public Record]
THE COVID-19 PIVOT

New COVID-19 Recovery Fund

WHAT WE KNOW

▪ $304.7m over two years
▪ Pacific and Timor-Leste
▪ For economic and social costs of the pandemic
▪ Administered by DFAT but not ODA
▪ Likely to include spending on budget support, women and girls

WHAT TO WATCH

▪ Announcements in Country Response Plans
▪ Measuring impact of expenditure
▪ Eligibility criteria and allocations
WINNERS AND LOSERS

The Government has found new funds to fight COVID-19 in the Pacific and Timor-Leste. A region economically-savaged by the decline in tourism, this is a welcome shot in the arm. Regional investment in vaccine access and health security is also very promising.

But reductions in South and West Asia belies the Government's intentions to be an Indo-Pacific partner-of-choice.

TIM WATKIN
HEAD OF GOVERNMENT RELATIONS AND COMMUNICATIONS
ACFID
Geographic

**SOUTHEAST & EAST ASIA**
Remains at $1bn in 2020-2021

**THE PACIFIC**
$1.38bn in 2019-2020 to $1.44bn in 2020-2021
  • Additional $304.7m (non-ODA) COVID-19 Recovery Fund for Pacific and Timor-Leste

**SOUTH & WEST ASIA**
$266m in 2019-2020 to $193m in 2020-2021
  • Afghanistan down 35% to $53.6m
  • Pakistan down 66% to $11m
  • Bangladesh down 21% to $55.7m

**SUB-SAHARAN AFRICA**
$119m in 2019-2020 to $61.4m in 2020-2021 (48% reduction)

**MIDDLE EAST & NORTH AFRICA**
Down from $80.9m in 2019-2020 to $31.6m in 2020-2021 (61% reduction)

**GLOBAL**
Down from $4.044bn in 2019-2020 to $4bn in 2020-2021

*Note – numbers used here are total ODA not DFAT administered ODA*
ACFID welcomes the strong commitment to gender equality in this year’s budget. This is critical in countering the gendered nature of poverty we see around the world. However, the apparent 25% reduction in disability-inclusive funding is extremely concerning.

The implementation of the Government's ‘Partnerships For Recovery’ Strategy must protect those most vulnerable to the shocks of COVID-19.

MADELEINE FLINT
COMMUNICATIONS AND POLICY ADVISOR
ACFID
WINNERS AND LOSERS

Programs

GENDER EQUALITY FUND
$55m in 2019-2020 to $65m in 2020-2021

NGOS: ANCP
$132.5m in 2019-2020 to $133.5m in 2020-2021

UN, CTH & OTHER INT ORGS
$288.1m in 2019-2020 to $265.5m in 2020-2021

VOLUNTEERS
$40m in 2019-2020 to $26m in 2020-2021

GLOBAL HUMANITARIAN PARTNERSHIPS
$133.5m in 2019-2020 to $106m in 2020-2021
  • International Committee of the Red Cross (ICRC) down 27% from $27.5m to $20m
  • United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) down 50% from $20m to $10m
  • World Food Programme (WFP) down 25% from $40m to $30m

*Note – Sectoral budget breakdowns are not yet released
An increase of $25.7m in humanitarian assistance is a step closer to the promised $500m per year but demands further scrutiny to ensure the expanded emergency response fund retains its primary focus on humanitarian crises.

The Government’s commitment to maintain its response to the Rohingya crisis is welcome. However cuts to ICRC, UNRWA, and WFP are disappointing. Humanitarian assistance should be allocated according to need, no matter where it occurs across the globe. We are hopeful that assistance for other protracted crises, including the regional response to the Syria crisis, will also be maintained.
Funding

- Humanitarian funding has risen from $450m in 2019-2020 to $475.7m in 2020-2021.
- This increase is primarily due to a $50m increase to DFAT’s flexible emergency response fund, renamed the Humanitarian Emergency and COVID-19 Response Fund.
- Global Humanitarian Partnerships have been cut by 21%, with cuts to ICRC, WFP, and UNRWA.
- The commitment of $500m/year in humanitarian funding as outlined in the Foreign Policy White Paper will again not be reached.
- Australia will sustain its funding to the Rohingya crisis. Funding for other protracted crises has not been confirmed.
## Year-on-Year Funding

<table>
<thead>
<tr>
<th>THEMATIC AREA</th>
<th>A. FY17-18 Budget Estimate</th>
<th>B. FY18-19 Budget Estimate</th>
<th>C. FY19-20 Budget Estimate</th>
<th>D. FY20-21 Budget Estimate</th>
<th>F. %YOY (Comparison of C and D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disaster risk reduction, preparedness and response</td>
<td>39.0</td>
<td>39.0</td>
<td>51</td>
<td>52</td>
<td>2%</td>
</tr>
<tr>
<td>Protracted crises and strengthening humanitarian action</td>
<td>78.4</td>
<td>87.2</td>
<td>115.5</td>
<td>117.7</td>
<td>2%</td>
</tr>
<tr>
<td>Emergency fund</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
<td>200</td>
<td>33%</td>
</tr>
<tr>
<td>Global Humanitarian Partnerships</td>
<td>132.3</td>
<td>133.5</td>
<td>133.5</td>
<td>106</td>
<td>-21%</td>
</tr>
<tr>
<td><strong>HUMANITARIAN, REFUGEES AND COVID-19 RESPONSE TOTAL</strong></td>
<td><strong>399.7</strong></td>
<td><strong>409.7</strong></td>
<td><strong>450.0</strong></td>
<td><strong>475.5</strong></td>
<td><strong>6%</strong></td>
</tr>
</tbody>
</table>
NGO PROGRAMS AND CIVIL SOCIETY FUNDING

"The ‘Partnerships for Recovery’ Strategy puts partnerships at the heart of the development program. Effective civil society is a cornerstone of regional stability. ACFID welcomes the small increases to the high performing Australian NGO Cooperation Program (ANCP).

Civil society needs to be supported as essential partners in the newly announced $304.7m COVID-19 Recovery Fund.

SARAH BURROWS
HEAD OF POLICY AND PARTNERSHIPS
ACFID
**Volunteer and Community Programs**

<table>
<thead>
<tr>
<th>THEMATIC AREA</th>
<th>A. FY17-18 Budget Estimate</th>
<th>B. FY18-19 Budget Estimate</th>
<th>C. FY19-20 Budget Estimate</th>
<th>D. FY20-21 Budget Estimate</th>
<th>E. %YOY (Comparison of C and D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global NGO Programs</td>
<td>132.4</td>
<td>135.6</td>
<td>138.6</td>
<td>138.6</td>
<td>0</td>
</tr>
<tr>
<td>Australian Volunteer Programs</td>
<td>42.6</td>
<td>42.6</td>
<td>40</td>
<td>26</td>
<td>- 35%</td>
</tr>
<tr>
<td>Community Engagement and International Research</td>
<td>8.4</td>
<td>8.4</td>
<td>13.4</td>
<td>10.5</td>
<td>- 22%</td>
</tr>
<tr>
<td>NGO VOLUNTEER AND COMMUNITY PROGRAM TOTAL</td>
<td>183.4</td>
<td>186.6</td>
<td>191.9</td>
<td>175.1</td>
<td>- 9%</td>
</tr>
</tbody>
</table>

- COVID-19 has impacted on placement of volunteers
- Further information on Community Engagement and International Research is needed
The Australian NGO Cooperation Program (ANCP) funding has increased from $132.5 million in 2019-2020 to $133.5 million in 2020-2021.
TRANSPARENCY, ACCOUNTABILITY AND THINGS TO WATCH

COVID-19 has demanded an unprecedented level of innovation and flexibility in our development response. However, it is critical that this response is consistent with international principles of development effectiveness and transparency that Australia has helped to build.

ACFID looks forward to gaining a clearer picture of how Australia’s development assistance will be used to address the long-term, underlying factors that underpin this crisis — disparities in access to basic health and education services, growing economic inequality, and closing civic space.

DR CAMERON HILL
POLICY AND ADVOCACY ADVISOR
ACFID
THINGS TO WATCH

TRANSPARENCY, ACCOUNTABILITY AND THINGS TO WATCH

Things to Watch

2019-2020 ESTIMATED OUTCOMES

- This year, DFAT has not provided estimated outcomes for the previous year’s ODA spending. It is not known if these will be published.

REGIONAL AND COUNTRY RESPONSE PLANS

- When published, these plans will include critical sectoral priorities and allocations in the Pacific and Southeast Asia.

DATA ON SECTORAL FLOWS

- This year, DFAT has not provided sectoral funding data. It is understood this will be published at a later stage.

COVID-19 RECOVERY FUND

- The new $304.7m fund for the Pacific and Timor-Leste will be programmed according to eligibility criteria and country priorities. The fund will be delivered through a mixture of budget support and existing channels.

PAPUA NEW GUINEA BUDGET SUPPORT LOAN

- The details of this year’s $135m budget support loan for PNG have not been published in the budget. This may be included in the PNG country response plan.
What We Don’t Know Yet

THE POST-COVID AGENDA

- The COVID-19 crisis has accelerated regional trends that we know will persist on the other side of this crisis — for example, disparities in access to basic health and education services, growing economic inequality, and closing civic space.

- What is the Government’s long-term plan to address these fundamental drivers of poverty and instability?

DECISIONS ABOUT PROGRAM CANCELLATIONS, POSTPONEMENTS AND REPHASING

- The Government is yet to publish a full list of programs that have been cancelled, postponed or rephased due to the COVID-19 pivot.

- Apart from COVID-19 related travel and mobility restrictions, what other criteria have been used to make these decisions?

AUSTRALIA’S FUTURE ROLE BEYOND ITS IMMEDIATE REGION

- Do the continued reductions in assistance to South and West Asia, the Middle East and Africa portend a permanent withdrawal in our development footprint in countries and regions in which we have worked for decades?
FURTHER READING

DFAT BUDGET DOCUMENT
Available here

FOREIGN AFFAIRS AND TRADE PORTFOLIO BUDGET STATEMENTS 2020-21
Available here

ACFID 2020-2021 PRE-BUDGET SUBMISSION
Available here

DEVELOPMENT POLICY CENTRE BUDGET BREAKFAST 2020 EVENT (7 OCTOBER)
Register here

LOWY INSTITUTE LIVE: PACIFIC AID IN THE TIME OF COVID (8 OCTOBER)
Register here