

Photo credit: Transform Aid International
Picture of woman with her son and daughter.

Australia's Role in a Changing World

*ACFID's Overview of our
Incoming Government Brief*



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COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

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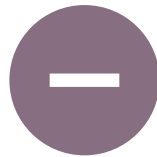
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Global Development Context



Global funding for **foreign aid is projected to shrink by 25-50% by 2027** due to US, UK and other donor cuts.



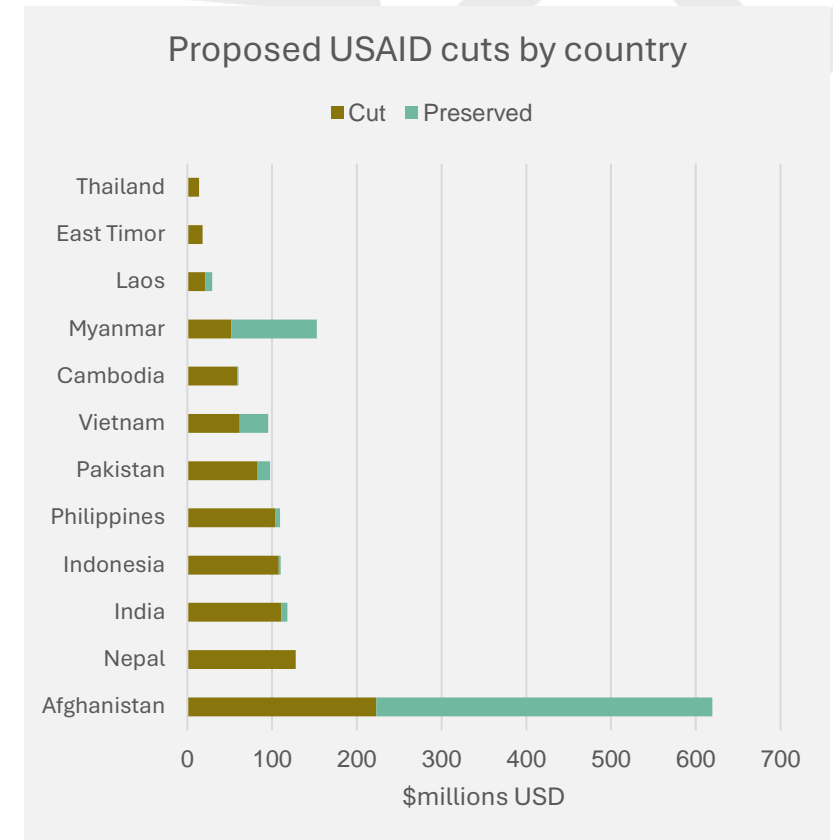
Shrinking civic space and rising authoritarianism is making it more difficult for aid organisations and local civil society to work.



Multilateral aid organisations such as the World Food Program are facing **significant funding cuts**, restricting their work.



Developing countries worldwide, including many in the Asia-Pacific region **will lose up to 100% of their USAID funding.**



Source: Graph compiled by ACFID from data provided by Centre for Global Development.

A new chapter for Australia's development program: **ACFID's vision**

ACFID asks that in the Government's 2025-28 term:



Government **builds on the foundations and achievements** of the previous three years



Australia's development program is characterized by **implementation and ambition**



Australia takes a **leading role in our region and beyond**, given the challenges of our current era

A new chapter for Australia's international development program: **challenges**

There are several forces that we expect to impact the Australian development program over the next term.

- A **retreat and hollowing out** of the international aid system
- Rising **humanitarian and climate crises** that will cause further disruptions and shocks
- The **cost-of-living crisis to persist domestically**, which reinforces our collective need to make the case for development assistance, in an interconnected world.



Global aid is projected to **shrink by 25-50%** by 2027

A new chapter for Australia's international development program: **opportunities**

Taking into account the challenges the Government is likely to face in its second term and the **comparative strengths** our development program, **ACFID has mapped out the following opportunities for Australia to lead.**

- 1 Re-assert Australia's legacy **leadership on international humanitarian action**, including retaining our life-saving assistance directed to global crises, and new announcements for locally-led initiatives in the Pacific.
- 2 Deliver a **powerful set of commitments ahead of COP31** on climate initiatives for our region, especially in the Pacific.
- 3 Commit to rebalancing our aid program with more programs that '**focus on the foundations**' of **health, education, livelihoods, nutrition and poverty alleviation** programming. Civil society investment in these areas move Australia towards delivering on its comparative advantage and build on our people-to-people links.
- 4 Advance our leading global work on **Gender Equality, Disability and Social Inclusion (GEDSI)**.

A new chapter for Australia's international development program: **enablers**

Funding, development capability and civil society partnerships are the key enablers of the opportunities presented on the previous slide.



Funding for development

A strategic and forward-looking foreign policy approach would see **a staged increase to Australia's development program to reach 1% of the Federal Budget** during the Labor Government's second term.



Civil Society Partnerships

Elevating the role of civil society, including Australian NGOs, as critical partners in the delivery of Australia's development and humanitarian assistance.



Development Capability

Increasing Australia's development capability will be critical to the continued delivery of our robust and impactful development programs.

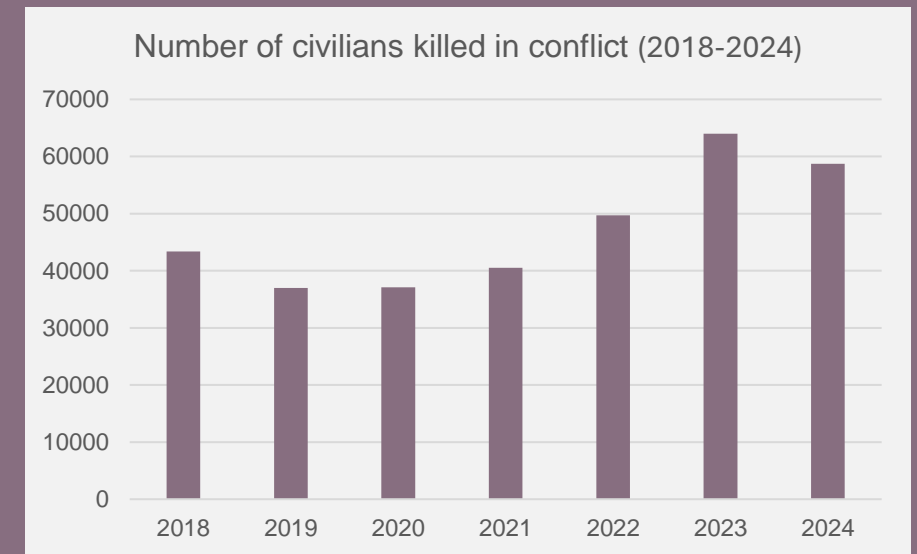
Opportunity 1

Reassert Australia's leadership on international humanitarian action

In 2024, the release of the Government's first overarching policy on Australia's humanitarian program in nearly a decade could not have been more timely.

With the collapse and downsizing of international aid by several major countries, the global rise in conflict and decreasing respect for international law – Australia's leadership on humanitarian action and respect for international humanitarian law is critical.

In their second term the Albanese Government should utilise multilateral fora and bilateral engagements to lead and galvanise global support for the rights and legal protections of civilians in conflict in line with the Geneva Conventions.



Source: Global Humanitarian Overview 2025

Opportunity 1: Reassert Australia’s leadership on International Humanitarian Action

To re-assert Australia’s leadership on humanitarian action in line with the aspirations outlined in new Humanitarian Policy, ACFID recommends the Government:

Recommendation	Details	What this would achieve
1. Increase the Protracted Crisis Fund	Increase the current fund (mostly limited to Bangladesh and Myanmar) to \$400m to allow funding for protracted crises across a range of contexts.*	<i>More funding for lengthy and complex crises – the type that are dominating our world today.</i>
2. Legislate a standing humanitarian exemption	A number of Australia’s peer jurisdictions including the United States, United Kingdom, the European Union and Canada have changed their domestic laws and implemented the UN humanitarian exemption and some have extended its application to their autonomous sanctions and counter-terrorism financing regimes. It is time for Australia to legislate a humanitarian exemption across all sanctions and counter-terrorism financing regimes.	<i>Ensure that humanitarian assistance can be legally carried out in contexts where sanctioned entities are present – often contexts where humanitarian need is greatest.</i>

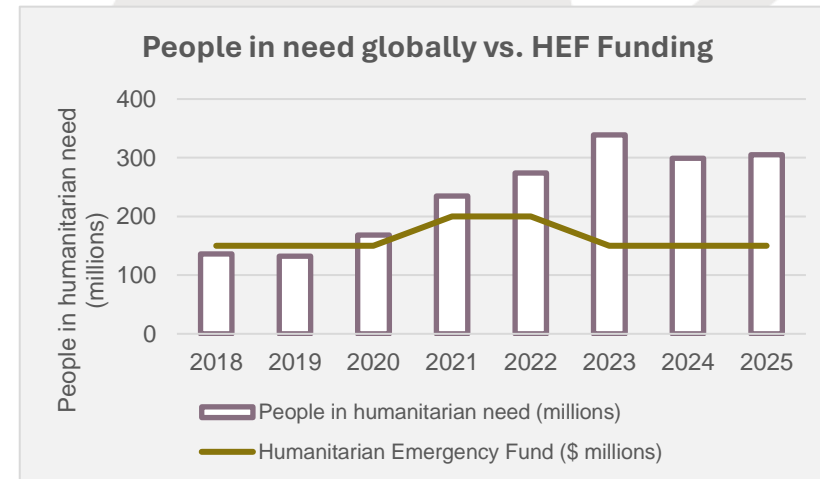


10 years
average duration
of a humanitarian
plan/appeal

*DFAT’s Development Budget Summary 2025-26 provides “Protracted Crises and Strengthening Humanitarian Action” line item at \$167.7m for 2025-26. The individual breakdown of funding for the Protracted Crises Fund is not publicly available but is assumed to the majority of the \$167.7m figure.

Opportunity 1: Reassert Australia's leadership on International Humanitarian Action

Recommendation	Details	What this would achieve
3. Appointment of humanitarian affairs to ministerial portfolio	There should be an explicit and transparent appointment at the ministerial level for humanitarian affairs given the current global challenges.	<i>Ensure that humanitarian action is a whole of government priority leading to improved implementation.</i>
4. Double the Humanitarian Emergency Fund	The current Humanitarian Emergency Fund is \$150 million. Despite a significant increase in need globally, this fund has not permanently increased since 2018.	<i>The Government would be better able to respond to the growing number and scale of crises occurring globally.</i>



Source: UN OCHA Global Humanitarian Overview, DFAT Statistical Summaries and 2025-26 Budget Summary.

In 2025
305 million people
 worldwide will need
 humanitarian assistance

Opportunity 1: Reassert Australia's leadership on International Humanitarian Action

Recommendation	Details	<i>What this would achieve</i>
<p>5. Pilot Program: direct funding of the Pacific Humanitarian FALE</p>	<p>Implement a \$10 million pilot program to fund the Pacific Fale Hub hosted by the Pacific Islands Association of non-Government Organisations (PIANGO).</p> <p>The Pacific Hub recognises the role of local civil society organisations as first responders, “working to engage locally led humanitarian actors so that they can provide services that ensure the lives of people are safeguarded in any crisis.”</p> <p>This is in line with Australia’s commitments under the Grand Bargain 2.0 which puts local-actor engagement at the heart of humanitarian response.</p>	<p>This funding will assist the Pacific Region Hub to:</p> <ul style="list-style-type: none"> • Support country-level hubs in setting up their own governance and coordination functions that will drive greater locally-led response and action in solidarity with local communities. • Pilot a community-led approach to monitoring, evaluation, accountability, and learning. This will support affected communities to be the agents and targets of learning, using indigenous Pacific Island approaches to dialogue and discuss with communities. • Formalise governance structures of the hub and encourage a wider set of local, national, and international stakeholders to be involved in the hub process.

Opportunity 2

Ramping up Australia's investment in climate action

The biggest shared challenge facing Australia's nearest neighbours is outlined the opening lines of the Pacific Islands Forum's 2050 Strategy for the Blue Pacific Continent;

"We have a deep concern for and commitment to the need for urgent, immediate and appropriate action to combat the threat and impacts of climate change."

The International Development Policy signals a welcome prioritisation of climate action in Australia's development program, but much remains to be done in what is a race against time for many in the region.



Tuvalu Minister gives COP26 address.
Source: CNBC.

Opportunity 2: Ramping up Australia's investment in climate action

To maintain momentum on climate action and deepen its commitment and partnership with the Pacific in the lead up to COP 31, ACFID recommends the Government:

Recommendation	Details	What this would achieve
1. A new strategy to guide Australia's international climate action	DFAT's current Climate Change Action Strategy is due to expire this year - with COP31 on the horizon, now is a critical time to signal climate leadership and refresh the strategy.	<i>Show Australia's leadership and set a plan to guide Australia's international climate engagement.</i>
2. Pay Australia's fair share on climate finance	As a high emitter and a wealthy country, Australia should be contributing about 4-5% of the new global target (\$300bn USD annually by 2035), yet we currently pay less than 1%.	<i>Help developing countries to adapt to climate change impacts and recover from climate change losses.</i>



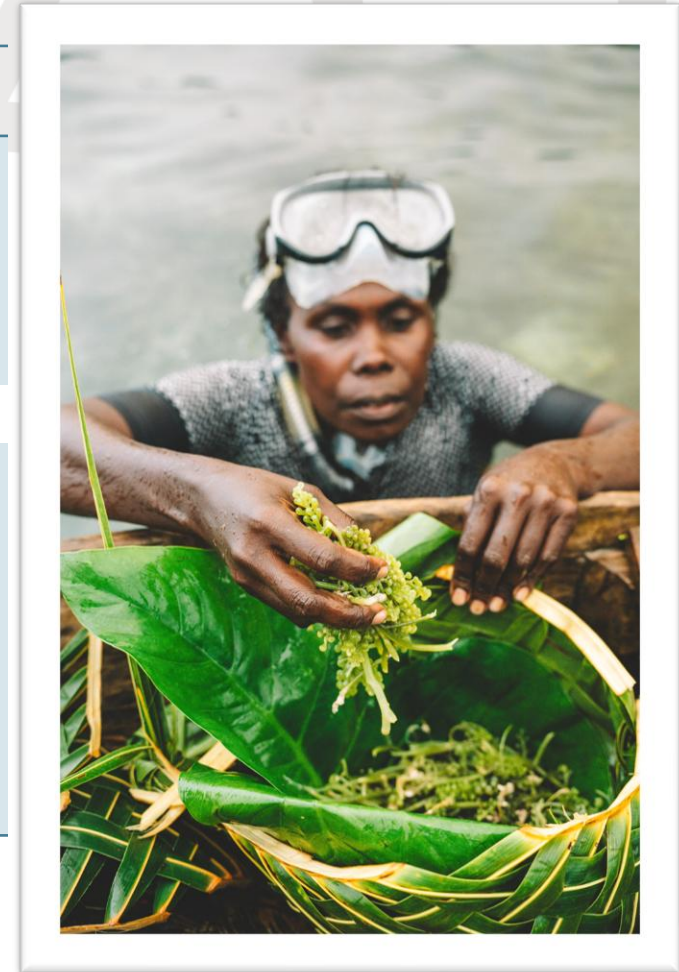
We will stand shoulder to shoulder with our Pacific family in response to this crisis.

...we will work to regain Australia's role as an international leader on climate change.

Foreign Minister Penny Wong, 2022
Speech to Pacific Islands Forum Secretariat

Opportunity 2: Ramping up Australia's investment in climate action

Recommendation	Details	What this would achieve
3. Significantly increase funding for programs that directly address climate change	The Government's welcome new climate mainstreaming approach has not led to an increase in funding for programs that explicitly target climate change as the main objective of the program .	<i>More programs that focus specifically on adapting to and mitigating the impacts of climate change.</i>
4. Provide funding for local organisations to address climate change*	Commit long-term funding to NGO funding windows* for local climate change solutions, starting at \$120m in the first year. *ACFID has prepared designs for these climate funding windows and is ready to engage with DFAT for their input with a view to implementation.	<i>More funding for grassroots and local solutions. An NGO climate window would target NGOs that partner with local organisations and help them to directly access funding for their programs.</i>



Right: In Solomon Islands, traditional practices is helping to conserve sea grapes, a critical food source in the face of a changing climate. Credit: WWF-Pacific Andrew Buoro

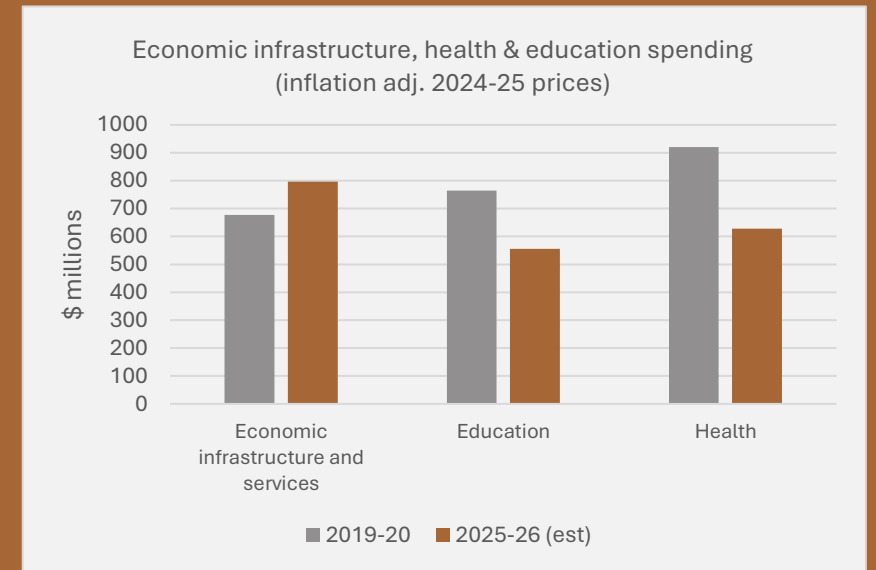
Opportunity 3

Re-focus on the ‘foundations’ of development

While strides have been made in eliminating extreme poverty the Asia-Pacific region, critical development areas like food security, equal access to education and universal health coverage are far from being realised.

The 2025-2028 term presents an opportunity to rebalance Australia’s aid program towards programs that underpin human development health, education, livelihoods and nutrition – areas where investment has waned in recent years.*

*Funding on global health has decreased to from 18% to 13% since 2019-20, education has dropped from 15% to 11% while there has been a corresponding increase in economic infrastructure and services.



Source: Australian Aid Tracker, Development Policy Centre.

Opportunity 3: Reinvesting in the basics of development

To strengthen and expand people-to-people links and rebalance the aid program towards programs that achieve poverty alleviation, ACFID recommends the Government:

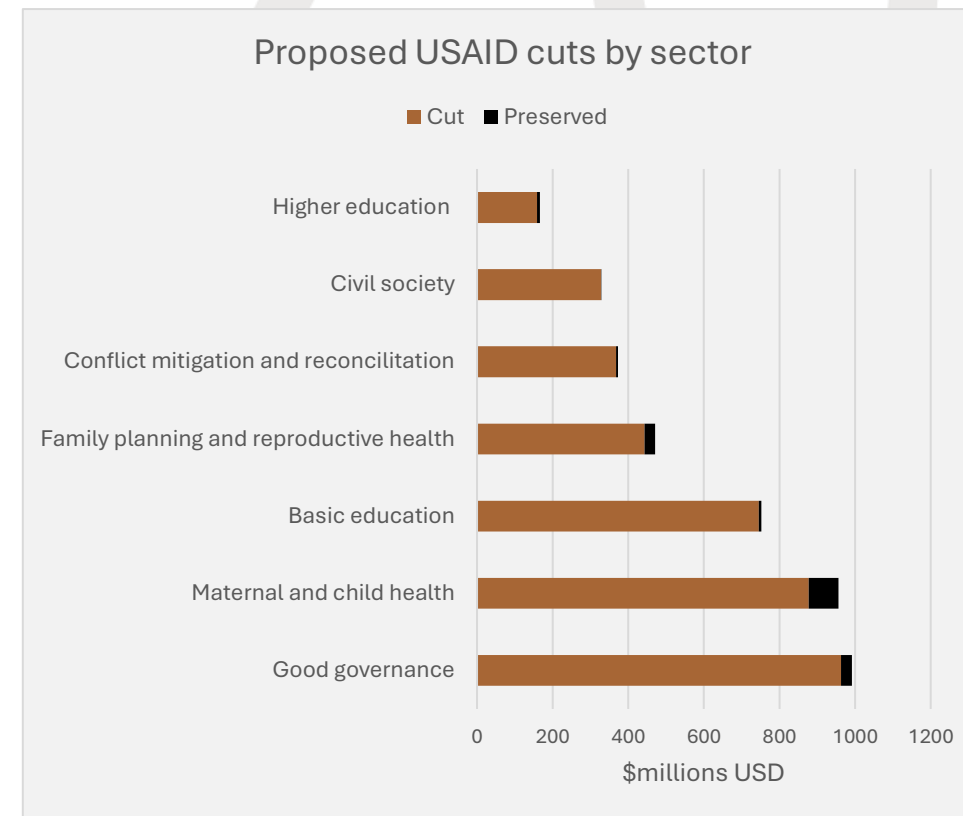
Recommendation	Details	What this would achieve
1. Increase funding for Australian NGOs by \$40m per annum	Increase the funding available for the NGOs through the Australian NGO Cooperation Program to drive impact and development progress through NGO partnerships.	<i>Alleviate and reduce poverty while building critical regional partnerships and civil society connections.</i>
2. Allocate \$15 million to development areas that are furthest behind	Scale funding from a base of \$15 million where Australian NGOs are already delivering programs in development areas where progress is lagging such as health, education, food security and child malnutrition.	<i>NGO programs that are already underway are pre-positioned with strong community and government partnerships to deliver development outcomes.</i>

Australian NGO Cooperation Program in 2023-24

-  **4.1 million** people reached
-  **382** projects
-  **51** countries worldwide
-  **50+ NGOs** working with **2000+** local partners

Opportunity 3: Reinvesting in the basics of development

Recommendation	Details	What this would achieve
3. Invest in the foundations of development	In this new era of international aid, Australia should rebalance investments towards programs that drive human development, alleviate poverty and reduce inequality.	<i>Through helping to fill the massive shortfall created by the withdrawal of US funding for the 'basics' of development, Australia can save lives, protect development gains and deepen its relationships in the region.</i>



Source: Graph compiled by ACFID from data provided by Centre for Global Development.

Opportunity 4

Advance Australia's leading global work on GEDSI

With rights and equality under attack globally, the next three years presents an opportunity to advance social inclusion on the global stage and in Australia's development program.

This requires implementing the Government's world-leading strategies, on gender equality, disability equity, LGBTQIA+ rights (yet to be released).

It is also an opportunity to consider and invest in the needs of overlooked population groups, ensuring that Australia's development and humanitarian programs deliver equitable opportunities to all.

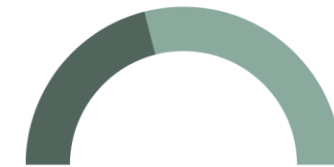


Source: Department of Foreign Affairs and Trade

Opportunity 4: Advance Australia’s global leadership on GEDSI

To advance and strengthen Australia’s leadership on social inclusion ACFID recommends the Government:

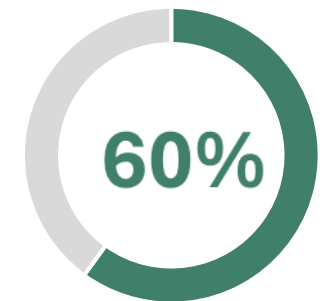
Recommendation	Details	What this would achieve
1. Boost funding for gender equality in the region	Increase the Indo-Pacific Gender Equality Fund by \$35m per annum to \$100m per annum and fund the next phase of Pacific Women Lead (\$250m over 5 years from 2026-27).	Strengthen Australia’s leadership and bolster investments in programs that advance gender equality and women’s empowerment in the region.
2. Invest in partnerships with people with disabilities	Adequate funding and capability is required to realise the government’s priority of “investing in partnerships” in the new disability strategy. ACFID proposes investing \$20m per annum to meet this priority.	Establish new partnerships across the region which will in turn drive positive change for people with disabilities.
3. Boost funding to the Inclusion and Equality Fund	Increase funding to the Inclusion and Equality Fund by \$11.5m per annum. Local LGBTQIA+ civil society has a critical role in protecting LGBTQIA+ rights, dignity, and broader civil and political freedoms.	Support diverse local LGBTQIA+ civil society and human rights defenders in all key Australian development partner countries.



26 out of the 61 countries worldwide that criminalise same-sex relations are in the Asia-Pacific

Opportunity 4: Advance Australia’s global leadership on GEDSI

Recommendation	Details	What this would achieve
4. Deliver a LGBTQIA+ Human Rights Engagement Strategy	At World Pride in 2023, Foreign Minister Penny Wong announced that DFAT would develop and release a LGBTQIA+ human rights engagement strategy. Two years later, this promised strategy has not yet been released	Outlines the policy frameworks that establish an ambitious role for Australia in reducing discrimination and harm towards LGBTQIA+ people in the Asia Pacific region.
5. Establish a child and youth focal point within DFAT	Australia’s development program should actively consider the particular marginalisation that children and young people experience.	Drive policy progress and oversee humanitarian and development investments that are attuned to the needs of the most marginalised children and young people.



of the world’s youth live in the Asia-Pacific

Enablers

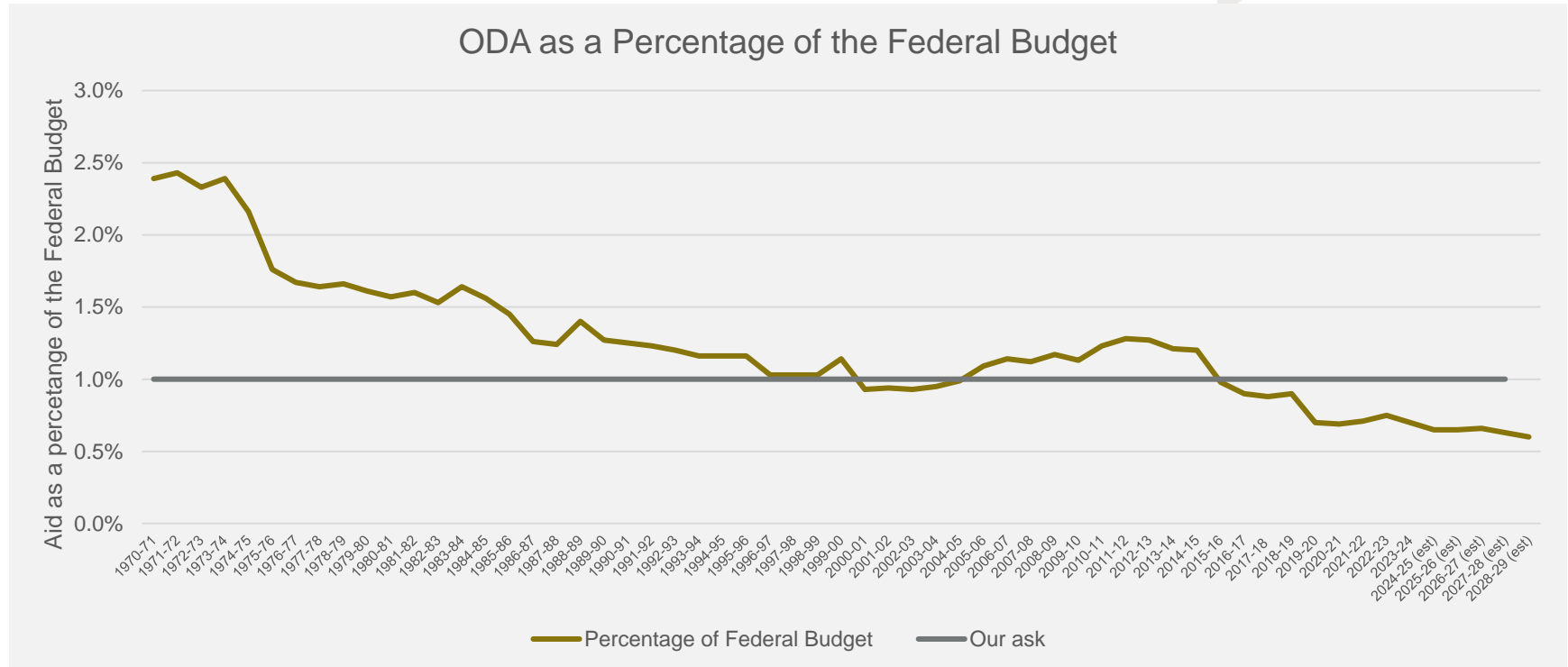


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Enabler 1: Increasing funding for development assistance

ACFID calls on the Government to allocate **1% of the Federal Budget to Official Development Assistance** in Labor's second term.

This will ensure the recommendations outlined in this brief move from opportunities to action (and act as a stepping stone for Labor to meet its policy platform commitment of 0.5 ODA/GNI).



Enabler 2: NGO capability better leveraged

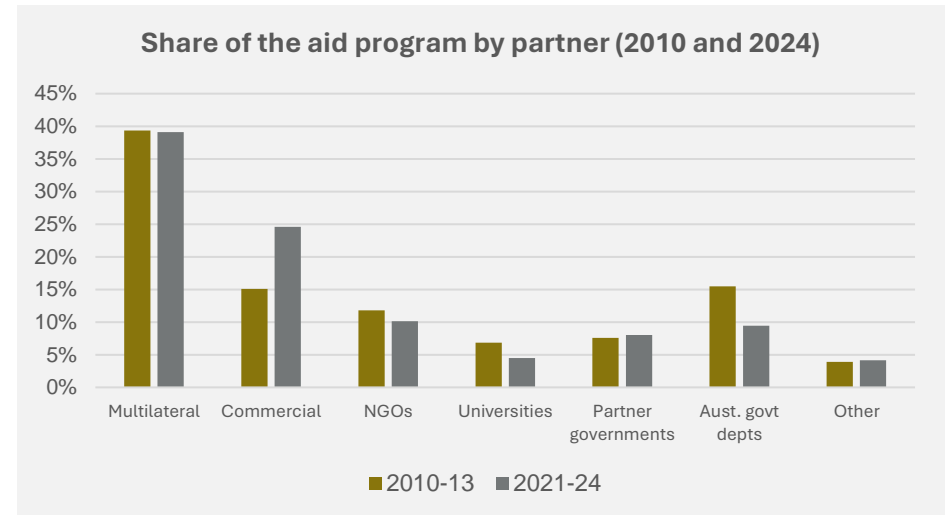
ACFID calls on the Government to elevating the role of civil society, including local organisations and Australian NGOs, as critical partners in the delivery of Australia’s development and humanitarian assistance.

Prioritise capabilities that enable greater DFAT funding for local civil society and prioritise NGOs as delivery partners

→ Australia needs **more direct funding streams** designed to **strengthen the critical work of CSOs** around the world, having staff and systems in place to enable this would benefit the Australian development and humanitarian programs and **produce better results for civil society** in the Asia-Pacific.

→ Australian NGOs offer a vast global network of **trusted local partnerships, specialist expertise** and **nuanced understanding of local contexts**. Despite their unique value-add, Australia’s development program has increasingly moved away from NGOs as preferred delivering partners.

→ To maximise the value of its aid expenditure, **leverage local partnerships** and ensure community driven results we recommend the Government **utilise NGO-led funding windows** as a priority delivery mechanism for future investments.



Source: Australian Aid Tracker, Development Policy Centre; DFAT Statistical Summaries.

Enabler 3: Development Capability Uplift

The first term of Government has delivered some early achievements on development capability – with initiatives like the 2024 launch of the Transparency Portal and the revitalisation of the Performance of Australian Development Cooperation Report.

If this next chapter of Australia’s development program is **implementation and ambition**, then there is a need for the Government to continue to increase available resourcing and funding to bolster existing development capability.

Photo: Meri’s rice harvest has grown four times since she received training in modern farming. Now, she can feed her family year-round.
Credit: Australian Lutheran World Service, Indonesia.



A photograph of two men on a boat deck. The man in the foreground is smiling broadly, wearing a grey t-shirt. The man behind him is wearing a purple tank top and a patterned headband. They appear to be working together on the deck. The background shows the blue railing of the boat and the ocean.

ACFID looks forward to working with the Government on the next chapter of Australia's development program.



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