

October 2026
Policy Brief.

Three Years On: A future no policy could predict.

Development
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Australia's 2023 [International Development Policy](#) (IDP) was a welcome return to purpose. It named development cooperation as a pillar of foreign policy and asserted Australia's ambition to be a partner of choice in the Indo-Pacific region. But since its launch, the world has changed more profoundly than even the most forward-looking policy could have anticipated.

Today, the global development landscape is being upended by five forces: (1) the shifting world order, including what Foreign Minister Wong describes as a '[permanent state of contest](#)', (2) the radical reduction in global development finance (particularly Official Development Assistance) and ongoing impact of US tariffs, (3) the compounding effects of climate change, (4) the rise of AI and (5) increasing humanitarian crises and conflict risks. These dynamics are reshaping development trajectories globally and, in turn, the demands on Australia's development investments.

Australian development cooperation therefore finds itself buffeted not only by radical disruption, but by mixed mandates, competing priorities, limited resources, uncertainty and – in some cases - opportunity. As mid-cycle reviews of bilateral and regional Development Partnership Plans (DPPs) commence, a practical window presents itself to review and adjust Australia's development cooperation with its Indo-Pacific partners.

This brief does two things: It tracks the progress made against the IDP's commitments, and it examines two of the major dynamics that will continue to shape Australian development in the years to come.

Thank you for reading.



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One | What's progressed?

Three years on, progress continues against IDP commitments

Three years ago, in 2023, the Australian Government's [International Development Policy](#) (IDP) was launched. Since then, the Lab has found steady implementation progress from initial steps in its One Year On brief in 2024, to progress against almost every commitment in its Two Years On brief in 2025.

This year, the progress has consolidated. [Table 1](#), maps this in detail. Below is a snapshot.

Progress made on biannual perceptions survey, multilateral performance and climate change target

In the Lab's 2025 Two Years On assessment, progress against Government's commitment to conducting a biannual perceptions survey and assessing Australia's work with multilateral organisations was considered substantial. In 2026, both commitments are fully delivered. In 2025, progress against Government's commitment to climate change targets in the development program was considered only partially progressed whereas this year, substantial progress has been shown.

Progress pending on Civil Society Partnerships Fund and a national research agenda

In the IDP, Government committed to establishing a Civil Society Partnerships Fund and a national development research agenda. For the Civil Society Partnerships Fund, an [initial funding announcement](#) was made in 2024 and consultations ensued. In 2025 prior to the publication of Two Years On, Government announced a further stage in its consultation process. In 2025, the Lab found only partial progress had been made towards implementing the fund and virtually no progress made on the national research agenda.

This year, both commitments are partially progressed. Whilst publicly available information with respect to both the Civil Society Partnership Fund and the national research agenda has been limited this year, the Lab understands that substantial activities for both are in train for the remainder of this calendar year. See [Table 1](#) for further detail.

Development Partnership Plans due for mid-cycle reviews

The IDP committed Government to establishing Development Partnership Plans (DPPs) for all major bilateral and regional development partnerships. These Plans have ministerial endorsement in Australia and with partner countries, and represent the overarching priorities for Australian development cooperation. Mid-cycle reviews are scheduled to commence in late 2026 for all [DPPs published to date](#). This year marks an opportunity to reflect on what is working, what's not, and how to adjust course. The Lab understands that these mid-cycle reviews will be published.

Table 1: Progress against International Development Policy commitments, August 2026

All judgments made in this table are those of the authors. Advice was sought from Government to verify underpinning facts. Details of commitment statuses can be found on the following page.

Item	Commitment in the International Development Policy	Status
Policy, strategy and implementation		
Development Partnership Plans*	Enhance country and regional planning through new Development Partnership Plans.	SP*
International Gender Equality Strategy	Develop an international gender equality strategy.	SP
Humanitarian Strategy	Develop a humanitarian strategy.	SP
Disability Equity and Rights Strategy	Develop a disability equity and rights strategy.	SP
Locally led development approaches	The IDP commits to locally led development in its approach and performance.	SP
First Nations approaches	Embed First Nations Australians perspectives in development efforts.	PP
Senior Responsible Officers	Appoint Senior Responsible Officers for bilateral and regional programs.	SP
Integration with other elements of statecraft**	The IDP governs both ODA and non-ODA development related activity, including through WoG governance and engagement.	PP**
Programs		
Civil Society Partnerships Fund***	Establish a new Civil Society Partnerships Fund.	PP***
Development financing	Establish Australian Development Investments (ADI) and expand the use of innovative development finance.	SP
National development research agenda****	Establish a national development research agenda to maximise the value of Australian expertise.	PP****
Performance and transparency		
Climate change target	From 2024-25, at least 50 per cent of all new bilateral and regional investments valued at more than A\$3m must have a climate change objective, rising to at least 80 per cent in 2028-29.	SP
Gender target	80 per cent of investments will address gender equality effectively, and all new investments over A\$3m will include gender equality objectives.	SP
Impact assessments	Publish post-completion impact assessments.	SP*****
Performance and Delivery framework	Establish a Performance and Delivery Framework (PADF) and publish an annual Performance of Australian Development Cooperation (PADC) report.	FD
Transparency portal	Create a new online portal to provide access to key data and information about programs and resume reporting to the IATI.	FD
Biannual Perceptions Survey*****	Conduct a biannual perceptions survey seeking feedback on the implementation of the IDP by Australia's in-country partners.	FD*****
Aggregation of multilateral performance	Regularly assess Australia's work with multilateral organisations to ensure partnerships are performing effectively and delivering results.	FD

Green (FD) = Fully delivered – commitment completed, with demonstrable outcomes.

Yellow (SP) = Substantial progress – commitment completed (or significant action taken), implementation in progress.

Orange (PP) = Partial progress – some activity or announcement, implementation not significantly underway.

Red (N/A) = N/A – little progress, or progress information is not publicly available.

Table 1 continued: Details of commitment statuses

*Development Partnership Plans

Mid-cycle reviews are scheduled to commence in late 2026 for all [DPPs published to date](#). Published DPPs consist of four regional plans (Pacific, Southeast Asia, South Asia, Africa); seven bilateral DPPs for Southeast Asia (Cambodia, Indonesia, Laos, Myanmar, Philippines, Timor-Leste, Vietnam; excludes Malaysia and Thailand, who receive only regional ODA); six bilateral DPPs for the Pacific (Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu); and three bilateral DPPs for South Asia (Afghanistan, Bangladesh and Sri Lanka).

**Integration with other elements of statecraft

DFAT's Development Program Committee meets monthly and includes whole-of-government (WoG) representation, as does its subcommittee, the International Development Finance Advisory Committee. DFAT also collects data from other departments on their contribution to Tier 2 indicators under the IDP's Performance and Delivery Framework (PADF). WoG development activities and results are included in the annual Performance of Australian Development Cooperation (PADC) report. It is difficult to ascertain how the IDP 'governs non-ODA development related activity' for its contribution to development outcomes.

***Civil Society Partnerships Fund

The Lab understands final discussions are underway to implement the Civil Society Partnerships Fund and information will be publicly available prior to the end of the 2026 calendar year.

****National development research agenda

The Lab understands that DFAT has completed a stocktake of the development research it funds, with results to be published this quarter, and is looking to consult further with the research sector in 2026 on ways to improve research partnerships and their impact on development in the region.

*****Impact assessment

The IDP distinguishes between four types of assessments: Investment Reports, Independent Evaluations, Impact Assessments, and real-time reviews. The 2024-25 PADC report lists 46 evaluations completed that year, 43 of which were published on DFAT's website alongside a management response. It is difficult to discern whether impact assessments or real-time reviews are being undertaken.

*****Biannual Perceptions Survey

The inaugural Biennial Perceptions Survey was conducted in late 2025. Results are published in the 2024-25 PADC report.

LGBTQIA+ strategy and Inclusion and Equality Fund

While not explicitly committed within the IDP, in March 2023, Foreign Minister Penny Wong [committed](#) DFAT to developing a LGBTQIA+ human rights engagement strategy and an [Inclusion and Equality Fund](#). The latter is now funding the [Equality Collaboration](#). There remains no publicly available information on the progress of the LGBTQIA+ human rights engagement strategy.

Two | What dynamics will test the program?

The Australian Government is implementing the plan it wrote

Since the launch of the IDP three years ago, the global and regional economic, geopolitical, environmental and security landscapes have shifted drastically. Three years on, the Australian Government is delivering the policy it wrote in 2023 and most of the policy's commitments are being realised. But even the best laid policies and plans would struggle to rise to the challenge of the multiple shifts and often compounding crises of 2026.

Two dynamics are emerging to keep a close eye on

In the Lab's 2025 [Two Years On](#) assessment, we outlined the implications of global aid cuts testing Australia's resolve on development and multilateralism; a dynamic that continues to shape the development trajectories of Australia's partners, and the demands on Australian cooperation. We also examined how the pursuit of [integration as Australia's unwritten Pacific policy](#) was shaping Australian-Pacific relations and how [budget pressures](#) would force hard choices for Australia's international ambition. Again, these are dynamics that are still at play in 2026 when it comes to shaping the policy and practice of Australian Development.

But in 2026, Lab analysis suggests five key dynamics will shape Australian development in the years ahead: (1) the shifting world order, including what Foreign Minister Wong describes as a '[permanent state of contest](#)', (2) the radical reduction in global development finance (particularly Official Development Assistance) and ongoing impact of US tariffs, (3) the compounding effects of climate change, (4) the rise of AI and (5) increasing humanitarian crises and conflict risks. Here we take a closer look at two of these dynamics: the rise of AI and increasing humanitarian crises and conflict risks.

Dynamic one: Artificial intelligence is changing developmental trajectories

Every generation of development practitioners encounters a technology that promises to transform development: radio would educate millions, mobile phones would revolutionise financial inclusion, big data would make aid more efficient and effective, or drones would reinvent humanitarian disaster response. Now, artificial intelligence offers not just another set of useful tools, but is much more rapidly reshaping the economic and political conditions within which development itself takes place.

For Australia, this demands a significant shift in thinking. The development program will need to grapple with two distinct challenges. The first is how AI can improve development practice and implementation. The second is how Australia can help communities and countries build resilience in a world being reshaped by AI. The second challenge is larger and more consequential – testing an international development ecosystem that has not always been quick to adopt or respond to technological change.

Much of the current discussion remains focused on how AI might make development programs more efficient. Can it improve delivery? Write better reports? Translate languages? Support teachers? Strengthen health diagnostics? These are worthwhile questions, but they are also limited.

The more significant dynamic is that AI is already changing countries' development trajectories. Productivity, labour markets, education systems, public administration, media, political participation and economic competitiveness are all likely to be reshaped over the coming decade.

Some countries will harness these changes, but others risk falling further behind, not necessarily because they lack access to AI tools, but because they lack the institutions, skills and governance systems needed to adapt to an AI-enabled economy.

International development assistance has always grappled with helping countries navigate structural transitions, including industrialisation, globalisation, urbanisation, and demographic changes. Now artificial intelligence belongs in the same category. Depending on the context, AI capability will become an enabling or disabling condition that will influence progress in every nation.

If Government and Australian development organisations fail to seriously examine how AI will shape Australian development policy and practice, it will carry significant consequences, both for development outcomes and for Australia's national interests. AI is already lowering the cost of producing and spreading misinformation, increasing the sophistication of cyber-enabled influence, and reshaping how citizens consume information and engage with governments.

Trust, already one of the most precious commodities in public life, is likely to become harder to build and easier to erode. The quality of institutions, the independence of media, the capability of public services and the resilience of democratic processes will matter even more in an AI-enabled world. This will be particularly important in the Pacific, where young populations are increasingly connected to rapidly changing information environments.

Australia will not compete through technological scale, and it cannot match the investment of the United States or the size of China's AI ecosystem. But Australia's comparative strength has always been in helping countries strengthen institutions, improve governance and build public capability. As artificial intelligence increases the premium on trusted institutions, capable governments and informed citizens, then those investments become more valuable, not less.

Of course, development planning often works in five-year cycles whilst AI is advancing in days, weeks and months. The challenge is that AI will move faster than development systems traditionally do and this may become one of the defining tests of Australia's development systems in the years ahead.

For more from the Lab on AI x Development: <https://www.devintelligencelab.com/ai>

Dynamic two: Conflict, conflict risks and humanitarian disasters are becoming more persistent features in the countries where Australia cooperates

The Australian foreign affairs community has tended to understand conflict prevention through the prism of major power competition. That framing warrants re-examination: interstate tension and domestic fragility increasingly feed into each other across the region, rather than sitting on separate tracks to be weighed against one another. Political settlements, local grievances, declining social cohesion, governance failures and climate stress can generate instability that interacts with, and is shaped by, wider geostrategic competition.

There are a few specific trends which further increase the conflict and instability risks in the region:

An unusually severe El Nino event is forecast across Southeast Asia and the Pacific, likely to reduce agricultural production and hydropower generation in places like the Mekong. This compounds food and

energy price shocks from the Iran war, testing household and community resilience as government finances come under strain. Where unemployed young people are numerous, climate driven insecurity is an especially effective driver of grievance.

Drug trafficking across the Pacific is also increasing, bringing more family violence and communal tension with it. Security forces are stretched by the task, and trafficking creates openings for corruption and state capture. Rising drug use in communities can erode public trust in government, adding to the grievances that raise the likelihood of instability.

Technological change is outpacing regulation and public understanding of its risks. AI has increased the speed and scale at which misinformation spreads, at a time when social media companies are investing less in protecting users. Unverified information moving through online echo chambers has hardened community grievances into violence before, as in Myanmar, and governments now manage crises while competing with unverified narratives, including ones targeted at particular ethnic or religious communities. In some countries, greater connectivity online also enables greater connection between potentially violent groups seeking to mobilise.

Fragility is becoming more complex in countries that are key partners to Australia, including Papua New Guinea, Solomon Islands, Timor-Leste, and Vanuatu, where climate pressure, economic shocks and political instability are converging with rising competition for influence in institutions already under strain.

Last year's Two Years On assessment argued that conflict prevention needed more attention within Australia's development agenda. That question was taken up in the parliamentary inquiry into the role of Australia's international development program in preventing conflict.

The challenge now is whether Australia's development system is adapting quickly enough. Evidence to the inquiry reflects different assessments: DFAT has outlined how conflict prevention is already incorporated across the program, while other submissions argue for stronger specialist capability, more systematic conflict and resilience analysis and more deliberate investment in prevention.

The inquiry's findings, and the Government's response - including through the Mid-Cycle Reviews of the DPPs, will signal how Australia positions its development program for the conflict environment ahead.

Three | Conclusion

Three years ago, Australia's International Development Policy publicly settled an argument that had shaped Australian development for more than a decade: Australia's development dollars would be spent in pursuit of development outcomes, and development in the Indo-Pacific was itself in Australia's national interest. The policy positioned development once again as part of Australia's foreign policy and national security architecture.

After years of declining political and bureaucratic prominence, there was genuine relief that development once again had a seat at the table, supported by a Cabinet minister with a place on the National Security Committee. Australia's development policy reflected this renewed confidence. So did the ecosystem narrative surrounding it - development dollars should be spent on development outcomes.

Three years on, many of the policy's specific commitments have been realised: new Development Partnership Plans have been agreed, institutional reforms have largely been established and are

being implemented, and transparency has improved (to name a few). By any objective and reasonable measure, implementation is on track.

But policy settings are only part of the story. Australia's development program is shaped by the people, power and politics of the world in which it now operates. The disruption of AI and the rise of humanitarian crises and conflict risks will be just two dynamics that will test Australian Development in the year ahead.

The drafters of Australia's International Development Policy could not have anticipated the scale of the changes now reshaping international development. And whilst there are few serious calls for the policy itself to be rewritten or refreshed – those holding the pens on its implementation should be confronted as mid-cycle reviews commence by three key questions:

- Is ODA money going where it can make the greatest development impact?
- Is the development program calibrated to supporting regional resilience in the face of these emerging disruptions? And,
- What more can be done to harness the increasing non-ODA expenditure for development outcomes?

About this brief

This analysis has been prepared independently by the Development Intelligence Lab, drawing on publicly available information and guided by rigorous desk research and expert consultation. In developing this work, the Lab also engaged with officials from the Department of Foreign Affairs and Trade (DFAT) to verify key facts. The views expressed in this brief are those of the authors and do not necessarily reflect the positions of any funders or consulted stakeholders.

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The Development Intelligence Lab is a Canberra-based think tank. It administers funding from a range of sources, including DFAT.

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