

KEY QUESTIONS

the big six



What are Australia's priorities for global development?

Focus is on promoting stability in the Pacific and 'aid for trade'

Australia's development policy was last updated in 2014 following a change in government. The policy, called 'Australian aid: promoting prosperity, reducing poverty, enhancing stability', outlines objectives and priorities. According to the strategy, the purpose of Australia's development program is to "promote national interests by contributing to sustainable economic growth and poverty reduction" with a strengthened focus on the Indo-Pacific region. In the ministerial foreword, former Minister for Foreign Affairs Julie Bishop states that the Australian development program "is not charity; it represents an investment in the future of the Indo-Pacific region," complementing its diplomatic and security efforts to promote regional stability.

Engaging the private sector and promoting its growth in developing countries is one of the government's key development priorities. The government has set a funding target for 'aid for trade' of 20% by 2020, which it has met since the FY2016/17 budget. Aid for trade refers to investments that strengthen country's integration in the global trading system, through investment in value chains, infrastructure, support for entrepreneurs to export goods. These investments are in line with the 'Strategy for Australia's Aid Investment in Private Sector Development', which discusses how to use funding to foster investment environments, support growth, and maximize the development impact of business.

Since 2014, the government has prioritized the empowerment of women and girls by establishing a Gender Equality Fund (funded with US\$41 million in FY2018/19), launching the 'Gender Equality and Women's Empowerment Strategy', and setting a target that over 80% of development programs effectively integrate gender equality and women's empowerment.

Australia tailors investments according to its own national interest and each individual country context in six priority sectors and areas: 1) infrastructure and trade; 2) agriculture, fisheries, and water; 3) effective governance; 4) education and health; 5) building resilience; and 6) gender equality and empowering women and girls.

This strategy is driven by the conviction that public financing represents an ever-diminishing proportion of

Australia's six development priority areas:

- infrastructure and trade;
- agriculture, fisheries, and water;
- effective governance;
- education and health;
- building resilience; and
- gender equality and empowering women and girls.

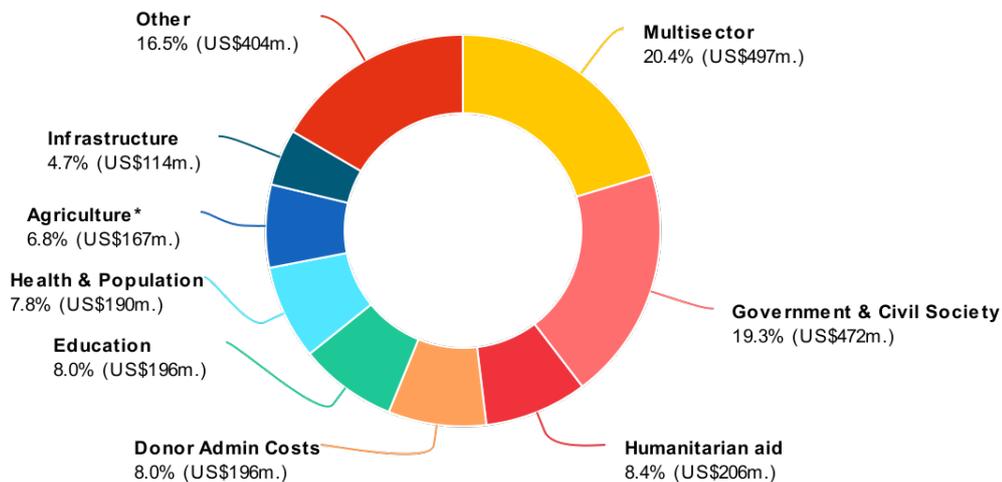
financing for global development. As such, Australia's development strategy documents focus on drivers of growth and development and on strengthening already established development partnerships. The country's efforts to improve development effectiveness and efficiency are centered on concepts such as transparency, value for money, fraud and anti-corruption, risk and safeguards, consolidation, and the choice of effective partners.

The policy is accompanied by a performance framework, 'Making Performance Count: enhancing the accountability and effectiveness of Australian aid', using eight assessment criteria: effectiveness, efficiency, relevance, sustainability, monitoring and evaluation, gender, risk management, and innovation.

The Department of Foreign Affairs and Trade (DFAT) released a Foreign Policy White Paper in 2017 that outlines Australia's priorities for its broader foreign policy. It reiterates Australia's development policy focus on promoting economic stability and addressing poverty in the Indo-Pacific region, in line with national interests. The White Paper specifically references global health risks as an important focus issue and commits Australia to supporting global health research and development (R&D), particularly in the areas of drug-resistant tuberculosis and malaria. The White Paper mentions Timor Leste as the focus of its engagement with neighboring countries. Overall the White Paper does not give strong emphasis to the role of development assistance.

AUSTRALIA'S BILATERAL ODA BY SECTOR, 2017

Total: US\$ 2441 million



OECD CRS. Gross disbursements. *Includes agriculture, forestry, fishing, and rural development. In 2017 prices.