Private Sector Development in the Australian Aid Program

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Australia’s Aid Program in 2014

• 2014-15, Australia will provide an estimated $5,031.9 million in Official Development Assistance

• DFAT & AusAID Integration

• New Aid Policy Framework Announced

• JSCFADT Inquiry - The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region
Australia’s Economic Diplomacy Agenda

**Trade** – Pursue trade liberalisation through bilateral, regional and global trade agreements that open up new markets for Australian exporters and sustain a strong, rules-based architecture for global trade.

**Growth** – Support global growth, including by using Australia’s aid program and other measures to promote economic reform and infrastructure, and through regional and global economic cooperation fora.

**Investment** – Promote investment into Australia and Australian investment internationally.

**Business** – Advance the interests of Australian business overseas, the development of a stronger private sector in our region, and promote Australian tourism.

Increased focussed on private sector engagement will underpin all of these components.
Australia’s Aid Policy Framework

Promoting Australia’s national interests by contributing to sustainable economic growth and poverty reduction

To achieve

Private Sector Development ↔ Human Development

We maximise impact by being innovative and leveraging knowledge and finance

Infrastructure, trade facilitation and international competitiveness
Agriculture, fisheries and water
Effective governance: policies, institutions and functioning economies
Education and Health
Building resilience: humanitarian assistance, disaster risk reduction and social protection
Gender Equality and empowering women and girls

We invest in

For each country, the balance of investments will be tailored to country context and reflect Australia’s national interest.
Joint Standing Committee for Foreign Affairs Defence and Trade Inquiry

The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region

Over 120 Submissions from Government (Donor and Partner), NGO’s, Individuals, Industry Groups and Private Companies

- The most commonly raised issues were new non-financial partnerships with DFAT (40%); market/sector support (37%) and new financial partnerships with DFAT (31%).

- Exploring new financial instruments (28%); business regulation (27%) and governance (27%) were also highly rated.

Committee will report ~ December 2014
Building better business enabling environments.


Addressing constraints to growth in specific markets/sectors.

- Supply chain issues, including infrastructure, access to finance, human resources and the connection between supply chain components.

Maximising the development impact of individual businesses.

- Supporting the private sector to implement business models that serve the poor as consumers, producers or employees.
New Investment Design

Investing in Infrastructure - Cambodia

Co-funding Infrastructure in Direct Partnership with Private Operators

Co-investment with Private Equity and or Social Impact Funds

Catalytic Interventions to Address Infrastructure Market Constraints
Questions / Contact

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