



AID FOR TRADE

Aid fact sheet: May 2018

Trade is a key contributor to economic growth and poverty reduction. Aid for trade builds the capacity of developing countries to engage in the global trading system, including through regulatory reform, infrastructure modernisation and building workforce skills.

Strategic direction

The [Strategy for Australia’s Aid for Trade Investments](#), launched on 1 July 2015, articulates how aid for trade supports the aid program’s key objectives of reducing poverty and lifting living standards through sustainable economic growth. It encourages innovation, including by partnering with the private sector and promoting market-based solutions.

In 2014, the Australian Government set a target for aid for trade to be 20 per cent of the total aid budget by 2020. The target was surpassed in 2016-17, when aid for trade reached 23.3 per cent.

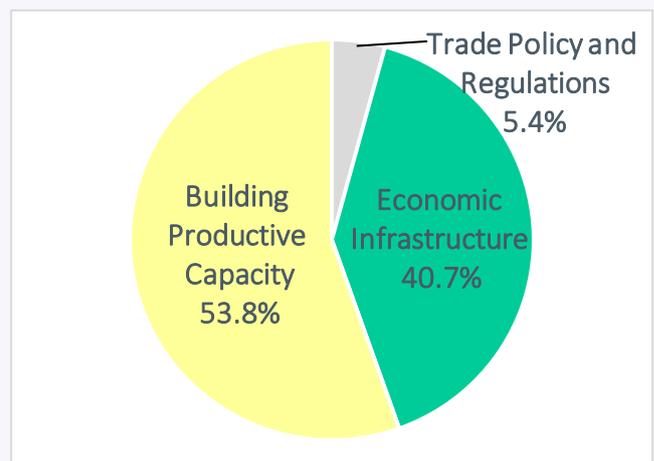
Australia’s aid for trade priorities include trade and investment policy, trade facilitation, global value chains, private sector development, services, economic empowerment of women, knowledge and skills development, economic infrastructure and agriculture.

In 2018-19, Australia’s aid for trade expenditure is expected to reach \$1 billion or 24.5 per cent of Australia’s total aid budget.

AUSTRALIAN AID FOR TRADE ODA* BY REGION	2017-18 Estimated Outcome (\$m)**	2018-2019 Budget Estimate (\$m)**
Pacific	192.3	312.5
East Asia	359.8	374.8
South and West Asia	56.8	52.1
Africa and the Middle East	29.7	23.3
Rest of the World***	273.2	257.7
Total Australian Aid for Trade ODA	911.8	1020.4

* Does not include ODA delivered by other government departments
** Due to rounding, discrepancies may occur between sums of the component items and totals.
*** Includes ODA that is not attributed to particular countries or regions.
Note: All outcome and budget figures include scholarships.

Estimated Expenditure by Aid for Trade Category 2018-19



Sector performance

In 2016-17, 88 per cent of aid for trade investments were rated as effective, and 91 per cent as sustainable (see chart on page 2).

Priorities for 2018-19

In 2018–19, Australia’s aid for trade investments will continue to:

- **reduce trade costs at the border:** with the World Bank and the World Economic Forum, we will help developing countries make customs procedures more efficient;
- **improve access to trade finance for small businesses:** in partnership with the Asian Development Bank, we will increase access to trade finance in developing countries;
- **make trade more inclusive:** in partnership with the Global Trade Professionals Alliance, we will improve support services for women-owned small businesses in developing countries.

Key framework documents

- [Strategy for Australia's Aid for Trade Investments](#)



Source: courtesy of the Women in Trade (PNG) program, the International Trade Centre.

SUSTAINABLE DEVELOPMENT GOALS



Innovation

A 2015-16 review of innovation in the Australian aid program found that infrastructure and trade investments are more innovative than any other aid investment priority, both in applying new approaches to aid delivery and in applying innovative programming (e.g. financing, use of technology).

Aid for Trade Investment Performance 2016-17 (percentage rated satisfactory against the aid quality criteria)



