



Aid for trade is about helping developing countries address their internal constraints to trade such as cumbersome regulations, poor infrastructure and lack of workforce skills. Trade is crucial to creating an enabling environment for economic growth and development. No country has achieved high and lasting growth without participating in international trade.

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.

The Australian Government has set an aid for trade target of 20 per cent of the total aid budget by 2020, which is consistent with the level of similar investment by other key donors and the increasing demand from developing countries, especially in the Pacific.

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 2017-18, Australia's aid for trade expenditure is expected to reach \$771.1 million or 19.7 per cent of Australia's total aid budget.

Sector performance in 2016-17

- We are working with the International Labour Organization to in promoting internationally recognised human and labour rights by improving working conditions and reducing gender discrimination in garment factories in developing countries, while increasing business productivity by 22 per cent. We are supporting 1.7 million workers across 1,750 factories, about 80% of which are women (2016-17 investment quality reporting not yet available).
- In 2015-16, 91 per cent of aid for trade investments were rated as effective, and 95 per cent as sustainable (see chart in next page).

Australian Aid for Trade by Aid Investment Priority	2016-17 Estimated Outcome (\$m)*	2017-18 Budget Estimate (\$m)*
Infrastructure, Trade Facilitation and International Competitiveness	484.2	505.2
Transport	201.3	179.6
Banking & finance	90.3	86.0
Energy	47.9	46.7
Business support	62.9	92.0
Trade policy	41.5	55.2
Industry support	32.0	35.9
Communications	6.8	8.1
Tourism	1.6	1.7
Agriculture, fisheries & forestry	249.1	257.6
Agriculture	235.4	243.4
Fishing	12.2	12.6
Forestry	1.5	1.6
Effective governance	14.7	8.3
Mining & mineral resources	14.7	8.3
Grand total	748.0	771.1

*Due to rounding, discrepancies may occur between sums of the component items and totals.

Priorities for 2017-18

Aid for trade is embedded in the UN Sustainable Development Goals (SDGs) and our future investments will, in turn, be influenced by these goals. Aid for trade plays a prominent and cross-cutting role in the 2030 Agenda for Sustainable Development Goals provided below.



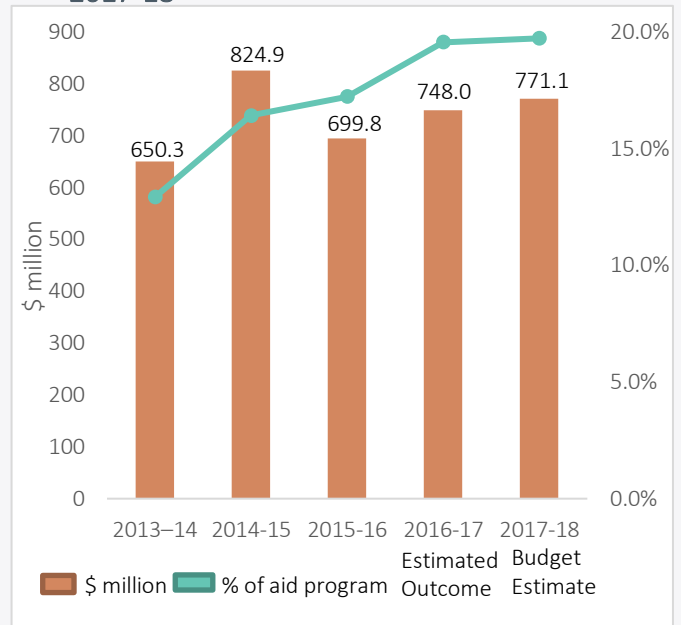
SUSTAINABLE DEVELOPMENT GOALS



Recent investment examples

- Implementation of the WTO Agreement on Trade Facilitation** - through the World Bank Trade Facilitation Support Program (TFSP), we are helping developing countries implement reforms under the WTO Trade Facilitation Agreement, including by improving efficiency of their customs procedures. For example, in 2016 with TFSP support, Timor Leste reduced border processing time at Dili Port from 16 to nine days.
- Trade Finance for SMEs in Developing Countries** - through the Asian Development Bank's Trade Finance Program, we are supporting banks in developing countries to improve their prudential and governance practices, and develop new financial instruments, so that trade finance is more readily available to small and medium enterprises that want to export. In 2016, the Trade Finance Program globally supported \$3.1 billion in trade.
- Improving Corporate Transparency** - with the Global Reporting Initiative, we are helping businesses in developing countries to report on sustainability issues, such as human rights, climate change and corruption, in their operations. Through improved transparency, businesses are better able to join global value chains and access investment finance.

Australian Aid for Trade 2013-14 to 2017-18



Aid for Trade Investments Performance 2015-16
 (% rated satisfactory against quality assessment criteria)

