



Australia prioritises investments in governance because where governance is poor, development outcomes are also poor. This is particularly true in fragile and conflict-affected settings. Governance influences the extent to which governments develop and implement good policy, citizens have access to basic services, and businesses flourish.

Strategic direction

Our approach to governance is set out in Effective Governance: Strategy for Australia’s aid investments. This strategy guides our official aid expenditure in governance, and supports our staff to make informed investment choices.

Australia invests in building systems that have a direct role to play in promoting stability, inclusive economic growth and poverty reduction, and in advancing gender equality. The focus of Australia’s aid investments in governance will depend on the context but may include:

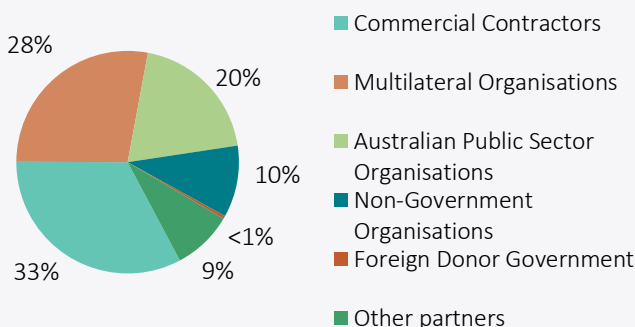
- strengthening transparent and accountable law and justice systems
- improving the regulatory environment for business
- supporting efforts to tackle corruption
- building fair and broad-based tax systems
- enabling quality public service delivery
- preventing conflict and contributing to inclusive peace-building initiatives.

Australia’s work on effective governance contributes towards achieving the global 2030 Agenda for Sustainable Development, particularly SDG 16 on peace, justice and effective institutions.

Key framework document

- [Effective Governance: Strategy for Australia's Aid Investments](#)

Australian Effective Governance ODA, by Partner Type 2015-16



AUSTRALIAN EFFECTIVE GOVERNANCE ODA BY REGION	2016-17 Estimated Outcome (\$m)	2017-18 Budget Estimate (\$m)
Pacific	410.4	399.6
East Asia	196.7	207.8
South & West Asia	51.5	69.3
Sub-Saharan Africa & the Middle East	15.4	13.5
Rest of the World*	127.1	133.6
Total	801.1	823.7

**Includes ODA that is not attributed to particular countries or regions
 ODA = Official Development Assistance*

Sector performance in 2015-16

- Overall, 87% of governance investments were rated as effective, and 87% as sustainable (see chart on next page).
- In Indonesia, we helped to establish a small claims process for legal disputes valued at under IDR200 million (\$20,000), so that businesses and individuals have access to a fast and affordable avenue for resolving cases.
- We supported Pacific Island countries to prevent and combat corruption, including through assistance on anti-money laundering in the Marshall Islands, whistle-blower protection in the Federated States of Micronesia and public complaints mechanisms in Palau.
- In Timor-Leste, we worked closely with the ministry responsible for economic reform to help diversify the economy, currently primarily reliant on oil and gas revenue. This will help make Timor-Leste’s economy more resilient and sustainable in the future.
- We helped increase women’s leadership in the Pacific, including in Vanuatu where our support to the Vanuatu Women in Shared Decision Making (WISDM) coalition has helped increase women’s political participation in municipal councils in Port Vila and Luganville.
- We encouraged political dialogue, supported peace negotiations, and promoted the role of women in peace-building efforts in Myanmar and the Philippines.

Operational evaluations in 2015-16

- PNG – Family and Sexual Violence Units: further support for reform and service delivery is needed.
- Indonesia – Women’s empowerment: support has helped shift public policy in favour of poor women and access to services.
- Indonesia – Partnerships for Decentralisation: support has led to mixed results, but worked well where we operated with the political and contextual grain.



Current Priorities

- In 2017, the Developmental Leadership Program will publish synthesis reports on research funded by DFAT since 2008, on leadership, coalitions, and politically-informed development programming to help DFAT make its governance aid more effective.
- Australia is providing support to developing countries to implement the SDGs, including SDG 16 (Peace, Justice and Strong Institutions). DFAT is helping to implement and measure SDG16, particularly as it relates to supporting peace and reducing violence.



An Australian-supported village court outside Port Moresby. Photo credit: DFAT



Gender equality

is a significant objective in **44%** of investments.

69% of investments have sufficient expertise and resources to achieve gender equality outputs



Disability inclusiveness

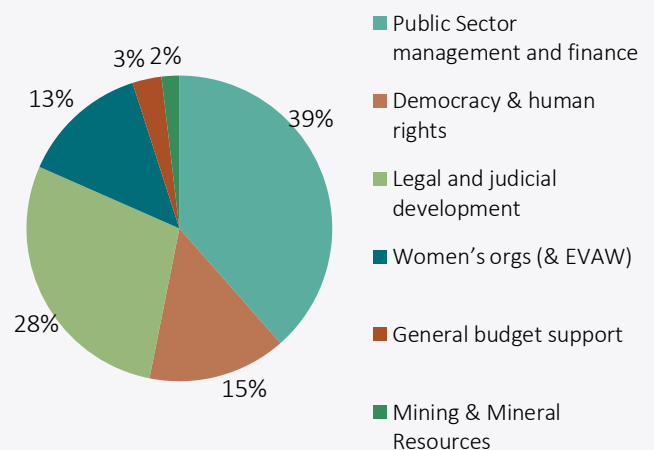
50% of investments identify and address barriers to inclusion and opportunities for participation of people with disability.



Innovation

Pulse Lab in Jakarta using 'Big Data' analytics to provide real time data to Indonesia President and government on climate and air pollution (including platforms installed in Presidential situation room).

Expenditure by sub-sector in 2015-16 (\$m)



Governance Investments Performance 2015-16 % of Aid Investments rated Satisfactory

