



AID FOR TRADE

Development cooperation fact sheet: February 2020

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, improved infrastructure and building workforce skills.

Strategic direction

The [Strategy for Australia’s Aid for Trade Investments](#) articulates how aid for trade supports key objectives of the Foreign Policy White Paper and the Australian development cooperation program, to reduce poverty and lift living standards through sustainable economic growth. Australia’s investments encourage 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 2017-18, when aid for trade reached 22 per cent.

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

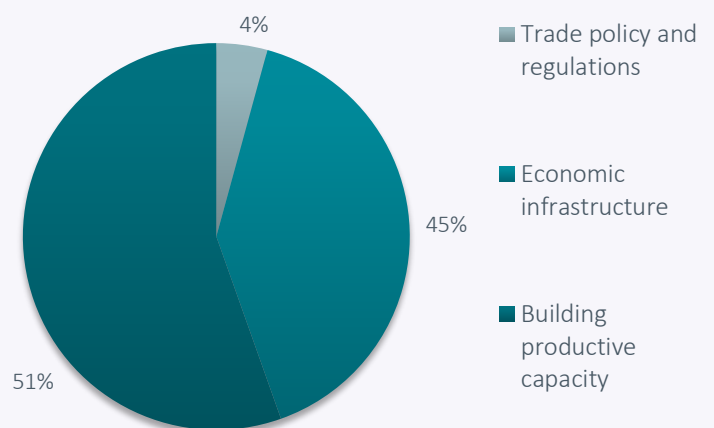
Sector performance

In 2017-18, 90 per cent of aid for trade investments were rated by DFAT as effective, and 91 per cent as sustainable (see chart on page 2).

Australian ODA	2017-18 Actual (\$m)*	2018-19 Actual (\$m)*	2019-20 Budget Estimate (\$m)*
Pacific	216.1	336.4	375.3
East Asia	333.3	347.1	317.8
South and West Asia	56.5	52.7	31.8
Africa and the Middle East	25.3	24.8	34.5
Rest of the World**	265.6	292.8	190.0
Total Australian Aid for Trade ODA*	896.8	1053.7	949.4

*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.

Estimated Expenditure by Aid for Trade Category 2018-19



Aid for Trade Investment Performance, 2017-18

percentage of aid investments rated satisfactory against aid quality criteria



Priorities for 2019-20

In 2019–20, Australia’s aid for trade investments will continue to:

- **support developing country engagement in the multilateral trade system:** with the World Bank and the World Economic Forum, we will support developing countries to implement the WTO Trade Facilitation Agreement;
- **support women’s economic empowerment:** in partnership with the International Labour Organization, we will work to improve wages and working conditions in exporting garment factories, where around 75% of workers are women; and
- **promote the use of digital technologies to make trade more inclusive:** we will support the uptake of e-commerce to make trade cheaper, more efficient and more accessible to disadvantaged groups, including women, and small and medium enterprises.



Garment Factory Worker in Vietnam. Courtesy of the Better Work Program, International Labour Organization/ International Finance Corporation.

SUSTAINABLE DEVELOPMENT GOALS



For more details:

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