



# PRIVATE SECTOR DEVELOPMENT

Development Cooperation Factsheet: May 2021

The Australian Government’s development policy *Partnerships for Recovery – Australia’s COVID-19 Development Response* and performance framework outline how DFAT is working with businesses to support economic recovery. We are working with the private sector to create livelihood opportunities, support inclusive business practices, enhance gender equality and collaborate with countries to build back better and strengthen resilient economic recovery.

## Strategic direction

The private sector is critical to achieving the Sustainable Development Goals. Sustainability has emerged as a key priority for the business sector.

**Private sector development:** The private sector is a core partner supporting the development program’s objective to increase sustainable economic growth and reduce poverty. The goal of private sector development is to expand trade and business opportunities for our partner countries through the following approaches:

- **building better business and investment environments:** for example, improving access to finance;
- **supporting growth in specific markets:** for example, removing barriers to efficient market operation; and
- **maximising the development impact of individual businesses:** partnering with businesses that engage the poor as employees and consumers.

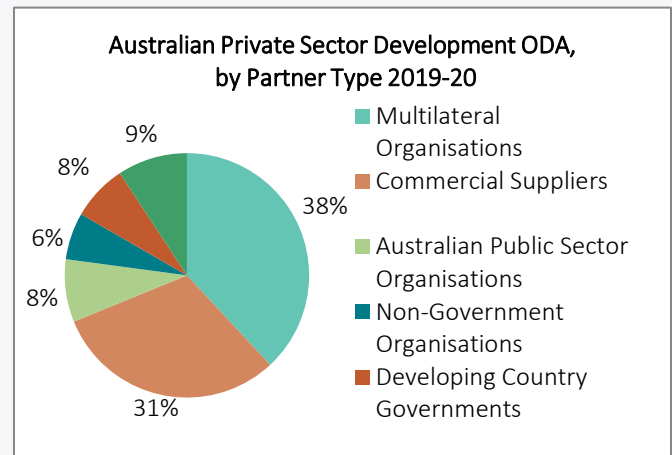
**Private sector engagement:** the private sector brings a wealth of knowledge, innovative ideas, capabilities and resources that can improve the effectiveness of Australia’s development cooperation program. Working with business enables us to leverage each other’s assets, connections, creativity and expertise to achieve mutually beneficial outcomes that achieve both development and commercial objectives. In practice, the development program is:

- increasing focus on sustainably **growing the private sector in developing countries** in the region; and
- **increasing engagement with the private sector** across the full range of Australia’s development cooperation priorities.

## Sector performance

Australian Private Sector Development ODA* by Region	2019-20 Actual(\$m)**	2020-21 Budget Estimate (\$m)**	2021-22 Budget Estimate (\$m)**
Pacific	561.3	621.9	667.9
Southeast, East and Other Asia	388.6	407.6	368.1
South and West Asia	50.9	31.9	28.1
Africa and the Middle East	13.7	28.1	8.7
Rest of the World*	230.1	145.5	190.6
<b>Total Australian Private Sector Development ODA</b>	<b>1,244.6</b>	<b>1,234.9</b>	<b>1,263.3</b>

\* Includes ODA that is not attributed to particular countries or regions  
\*\*Due to rounding, discrepancies may occur between sums of the component items and totals.



In 2020, DFAT established the **Emerging Markets Impact Investment Fund (EMIIF)**. This AUD40 million initiative will enhance DFAT’s bilateral investment capability, enabling the use of non-grant finance to crowd in private capital and address access to finance challenges for small and medium enterprises in South Asia, South East Asia and the Pacific. As a central part of its investment strategy, EMIIF will adopt a ‘gender lens investing’ approach that will encourage investment in enterprises that positively impact women.

Under the **Business Partnerships Platform**, Australia’s

development program has invested approximately AUD9.5 million to establish 33 partnerships with businesses, across 14 countries, leveraging AUD25.9 million in additional resources for development in the region. The BPP brings the private sector's financing, knowledge and capabilities to bear on development challenges in our region.

In 2019, the [Market Development Facility](#) generated approximately AUD111 million in additional income and reached some 242,000 disadvantaged and vulnerable individuals across five countries.

The [Pacific Readiness for Investment in Social Enterprise](#) (Pacific RISE) program seeks to connect investors to social enterprises, with the aim of securing investment deals and attracting AUD10 million private capital into the Pacific. For example, an AUD656,000 investment into a Vanuatu coffee producer will expand operations and generate employment for farmers.

## Current Priorities

- Deliver the [Emerging Market Impact Investing Fund](#) (EMIIIF) to provide investment capital and technical assistance to financial intermediaries who in turn will provide access to financing for SMEs in South Asia, Southeast Asia and the Pacific.
- Support impact-focused businesses in Asia and the Pacific to scale their development impact through better incubation and acceleration services and increased access to appropriate finance through the [Scaling Frontier Innovation Program](#).
- Build on existing market knowledge and partnerships to stimulate new investment, business innovation and regulatory reform to support inclusive growth in rural and urban areas in the Indo-Pacific region through the [Market Development Facility](#).
- Continue to **help business better connect** with government, NGOs, universities, philanthropic organisations, and other stakeholder groups by creating opportunities for partnering with Australia's development cooperation program.
- Helping grow the private sector and developing countries by **increasing opportunities to export** goods and services and improving the regulatory and enabling environments through **Aid for Trade**.



**BUSINESS  
PARTNERSHIPS  
PLATFORM**

The [Business Partnership Platform](#) (BPP) enables DFAT to partner with business to deliver Australia's development cooperation program and is pivoting projects to respond to the impacts of COVID-19. For example, [BPP business partner, Karma Healthcare](#) faced challenges when clinics were forced to close due to nation-wide restrictions in India. With DFAT's support, Karma Healthcare and NGO partner, Smile Foundation rapidly pivoted their model from clinic consultations to at-home telehealth consultations through a mobile application and increased the availability of doctors through their platform. Once restrictions were lifted, Karma Healthcare continued providing both at-home or in-clinic consultations. Karma sees both options as complementary services to reach the under-served communities they operate in. Smile Foundation has increased the flexibility of its clinics by re-fitting its outreach van as a fully mobile telehealth clinic.

In the past six months, despite the challenges of COVID-19, Karma Healthcare has served over 1,000 patients, (52% female) and with DFAT's support has increased the availability doctors. This has kept wait times for a consult (at-home or in-clinic) under 15 minutes.

For more information, [visit our website](#).

## For more details:

- [Partnerships for Recovery – Australia's COVID-19 Development Response](#)
- [2017 Foreign Policy White Paper: advancing Australia's interests](#)
- [Ministerial Statement on engaging the private sector in aid and development – Creating Shared Value through Partnership](#)
- [Strategy for Australia's aid investments in private sector development](#)
- [Operational Framework for private sector engagement in Australia's aid program](#)
- [Guidance note for engaging the private sector](#)
- [Australian aid: promoting prosperity, reducing poverty, enhancing stability](#)

**SUSTAINABLE DEVELOPMENT GOALS**

