



Scope of Initiative

Economic Infrastructure

2009-10 Budget

As announced in the 2009-10 Budget, the Australian Government will implement initiatives targeted at responding to the global recession and advancing the Millennium Development Goals. The 2009-10 Budget underlines the Government's ongoing commitment to increasing Australia's Official Development Assistance (ODA) to 0.5 per cent of Gross National Income (GNI) by 2015-16. This budget initiative is an important part of that commitment.

The *Economic Infrastructure* initiative will fund high priority infrastructure needs in developing countries, facilitating economic growth and job creation. The initiative will focus on funding infrastructure activities and improving their development impact in East Asia and Papua New Guinea. This initiative is a key element of the Government's aid response to the global recession.

The initiative will invest \$454.2 million over four years.

The initiative will support infrastructure needs through two main components. Activities include:

Funding High Priority Basic Infrastructure

- Planned activities include: extension of rural electrification in Vietnam, Cambodia and Laos; rehabilitation and maintenance of provincial roads in the Philippines and Indonesia; labour intensive public works as a means of generating employment; and maintenance of key transport infrastructure in Papua New Guinea as agreed under the bilateral Partnership for Development.

Strengthening the Capacity of Infrastructure Agencies and Supporting Conditions for Increased Infrastructure Financing

- Strengthening the corporate structures and management capacity of infrastructure delivery agencies.
- Improving the enabling environment and governance conditions to make increased, recurrent infrastructure financing an attractive proposition for government and the private sector.