
The Parliament of the Commonwealth of Australia

Partnering for the greater good

The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region

Joint Standing Committee on Foreign Affairs, Defence and Trade
Inquiry of the Foreign Affairs and Aid Sub-Committee

June 2015
Canberra

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Foreword

In 2014, the Minister for Foreign Affairs launched a new development policy that changed the way Australian aid is to be delivered. Increasing engagement with our private sector, both in Australia and in developing countries, promoting gender equity and refocusing on the Indo-Pacific region is now underpinning our work to help reduce poverty through enabling and facilitating economic growth.

We want to partner with developing countries across the region. Together we will deliver outcomes. The Australian Government will consult in a meaningful way. We will forge new ways to engage in the region, seeing our aid dollar leveraged by appropriate partnering with the private sector and NGOs, and with other donor countries working in the region.

This report explores best practice domestically and internationally in public-private partnerships, in providing finance, and addressing the impediments or roadblocks which hinder participation and profit-making in the formal economies of developing nations.

Low-income communities – men and women in our region – want economic independence through jobs or their own entrepreneurial activity. Businesses, regardless of size, want to be able to grow. Helping to create a legal framework, a system of land titles and tenure, an effective tax regime and reducing corruption helps build an environment which supports men and women to achieve their aspirations.

Most developed nation revenue comes from private sector activity. Without that revenue governments cannot provide infrastructure or services necessary for individual wellbeing, including health, education, and law and order. Australia's capacity building assistance to governments in the region has helped provide the foundations to support the shift from 'aid to trade'. The 'aid for trade' expenditure target is now 20 per cent of the Australian aid budget.

The Committee has recommended that the Australian Government volunteer programs should also be firmly focused on supporting private sector development. Australian aid can help to build capacity and contacts which link

firms to local and global supply chains, as well as helping with access to finance. Partnerships with NGOs are still a key part of supporting development. For example, Fairtrade has helped to build demand for ethical and environmentally sustainable products.

While many countries are establishing development finance institutions, the Committee has not recommended this approach. The Australian Government has shown what can be done by partnering with Australia's own world-class financial institutions. Partnering agreements in place between the Australian Government, Westpac and ANZ respectively, are already increasing access to finance and improving financial literacy in the Pacific. The private sector is also moving ahead, sometimes in conjunction with NGOs, to address financing needs, with growing interest in the social impact investing sector. National Australia Bank is exploring how to measure such impact investment.

Some Australian businesses in developing countries are generating more than traditional goods, services and taxes. This may take the form of one-off charitable giving or occasional corporate social responsibility programs, however, some firms do much more. The Committee took evidence from a range of Australian companies that have substantial programs addressing health, education and other needs of their workforce or the communities in which they operate. Some, like Oil Search, are using tax credits to build infrastructure for the PNG Government, while also investing in the health of their host communities. Increasingly companies are finding that their customers and shareholders are expecting commitments on environmental impacts, social outcomes and good governance, and they expect reporting on these commitments.

In some cases social goals are achieved through multi-stakeholder partnerships, with involvement of non-government organisations, local communities, governments, aid donors and the private sector. These partnerships range from informal community arrangements to large global alliances. The Australian Government can support or build on these partnerships to leverage even greater development outcomes.

The Department of Foreign Affairs and Trade (DFAT) is responsible for implementing the Australian Government's aid program. Given the new Australian aid paradigm for overseas development, DFAT needs to be ready to collaborate more effectively with business. Australia's overseas representatives need to be actively engaging with other donors, governments of developing partner countries, businesses and NGOs, and they need to share this information across the department in a way that allows for innovation and opportunities to be developed.

The burdens of red tape need to be pared back to improve DFAT's tendering processes, communication flows and transparency. Understanding how to calculate and manage risk in public-private partnerships, how to evolve flexible

contracts and measures for outcome success are skills required across DFAT. DFAT official placements in commercial or not-for-profit private sector development enterprises, as well as two-way exchanges could promote greater expertise and understanding.

Evidence showed productive collaboration is already underway between the commercial and not-for-profit sectors. While there was some commentary about these sectors 'not speaking the same language', it was clear that translation between the private and civil society sector has been, and is, possible.

It will be of utmost importance that DFAT selects development partners carefully, and that there is a close fit between the development objectives of the Australian Government and the business' objectives. Appropriate due diligence processes are needed. Expecting partners to commit to international standards of performance or principles such as the UN Global Compact and the Women's Empowerment Principles, as well as industry specific platforms such as the Extractive Industries Transparency Initiative should help guide the new partnerships to international best practice.

Small and medium sized enterprises (SMEs) may need additional support to implement these platforms; however, it is important that the innovation and energy of our SMEs is embraced and that they are not locked out of partnering opportunities by DFAT only offering large aggregated projects. TAFEs, for example, complained that their capacity to participate was often stymied by the bundling of project elements and a refusal to disaggregate them into their discrete parts. 'Brokers' were then engaged often adding to the cost and complexity.

We also found evidence of DFAT's practice of untied donation transfers to, for example, the World Food Programme, that did not allow for in-kind provision of food by Australian suppliers who have limited opportunities otherwise to compete for tenders. Utilising Australian suppliers and product means better meeting our national interest objectives, better badging, and better quality and value for money. Delivery of this product can be made on a 'just in time' basis, removing the need for warehousing.

The comprehensive and constructive nature of the evidence provided by all was greatly appreciated by the Committee. As well, some key public sector agencies appeared before the Sub-Committee. Across the Australian Public Service are a number of programs that are relevant to the delivery of the aid program. For example the Australian Centre for International Agricultural Research's CEO welcomed the opportunity to better promote its work with business and the public, and efforts to more comprehensively embrace the private sector.

Much more needs to be done by DFAT to tell the story about the Australian Government's aid activities. Better awareness of opportunities and to leverage work that is already underway can be supported by an improved web-based

communication platform that describes all of the programs and projects in play, as well as upcoming opportunities for collaboration and partnering.

The Australian public needs to know how we are assisting and where. Australia's aid program needs to have our distinctive Australian identity made evident. Not only must our taxpayer-funded aid be more transparent, it should be highly visible.

It is clear that many donor recipients, NGOs and Australian businesses see the new aid paradigm as an exciting and important new era of development support in our region. With the new innovationXchange and the health data collection collaboration (Better data for health partnership), Australia stands on the threshold of new partnerships with our regional neighbours, some of whom have the greatest need globally, to address gender inequality and poverty.

The Hon Dr Sharman Stone MP

Chair

Foreign Affairs and Aid Sub-Committee



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Terms of reference

The Committee will inquire into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region. The Committee will consider the following issues during its inquiry:

- The current role of the private sector in accelerating the pace of economic growth and in reducing poverty in poor countries in the Indo-Pacific region.
- Current Australian Government support for private sector development through bilateral and multilateral investments.
- Legislative, institutional, social and policy constraints that may reduce the ability of private sector agencies to engage in development.
- Additional partnerships, activities or financial instruments the Australian government could use to enhance the role of the private sector in development in the Indo-Pacific region.
- The role of public-private partnerships in leveraging private sector investment in developing countries.
- Risks related to current and possible future approaches to enhancing the role of the private sector in development, and their management.
- The role Australian and international businesses could play to support development and inclusive growth in partner countries.

In making the referral, the Foreign Minister suggested that the Committee pay particular attention to the following issues:

- What other donors (new and traditional) are doing in this area.
- The particular role of women in ensuring a thriving private sector.
- The possible return on investment to Australia of private sector partnerships and specific financial instruments.



List of abbreviations

ABV	Australian Business Volunteers
ACFID	Australian Council for International Development
ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
AFD	Agence Française de Développement
AFP	Australian Federal Police
AHME	African Health Markets for Equity
ANZ	Australia and New Zealand Bank Group Ltd
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASPI	Australian Strategic Policy Institute
ATAB	Australian Trade and Development Business Network
AVI	Australian Volunteers International
AVID	Australian Volunteers for International Development
B4MD	Business Millennium for Development
B20	The Business 20 is a forum through which the private sector produces policy recommendations for the annual meeting of the G20 leaders.

BCCM	Business Council of Cooperatives and Mutuals
BCFW	Business Coalition for Women (Papua New Guinea)
B Corp	Certified 'B Corporations' have been certified as having met a high standard of overall social and environmental performance
BCtA	Business Call to Action
BFC	Better Factories Cambodia
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CIDA	Canadian International Development Agency
CGRGs	Commonwealth Grant Rules and Guidelines
CoST	Construction Sector Transparency Initiative
CSIS	Center for Strategic and International Studies
CSR	Corporate Social Responsibility
DFAT	Department of Foreign Affairs and Trade
DAC	Development Assistance Committee
DBE	Dame Commander of the Most Excellent Order of the British Empire
DCED	Donor Committee for Enterprise Development
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DIB	Development Impact Bond
DFI	Development Finance Institution
DFID	Department for International Development (United Kingdom)
DOTS	Development Outcomes Tracking System
ECF	Enterprise Challenge Fund for the Pacific and South East Asia
Efic	Export Finance and Insurance Corporation

EITI	Extractive Industry Transparency Initiative
ESG	Environment, social and governance
ETEP	East Timor Eye Program
EWB	Engineers Without Borders Australia
FICs	Forum Island Countries
FINGOs	Financial NGOs
FFI	Flour Fortification Initiative
FTA	Free Trade Agreement
G7	The Group of Seven comprises Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. Originally formed as the G8, Russia was suspended in 2014.
G20	The Group of Twenty membership comprises 19 countries plus the European Union. It is a forum for international economic decision-making and decision-making.
GAFSP	Global Agriculture and Food Security Program
GAIN	Global Alliance for Improved Nutrition
Gavi	Global Vaccine Alliance
GDP	Gross Domestic Product
GESI	Gender Equality and Social Inclusion
GIFT	Global Initiative on Fiscal Transparency
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoN	Government of Nepal
GPE	Global Partnership for Education
GRI	Global Reporting Initiative
GTSF	Global Trade Supplier Finance
HLF-4	4th High-Level Forum on Aid Effectiveness

HRLC	Human Rights Law Centre
IAD	InfraCo Asia Development
IAVI	International AIDS Vaccine Initiative
ICAI	Independent Commission on Aid Impact
Icddr,b	International Centre for Diarrhoeal Disease Research Bangladesh
IDC	International Development Contractors Australia
IDD	Integrity Due Diligence
IFC	International Finance Corporation
IIT	Institute for International Trade (University of Adelaide)
ILO	International Labour Organization
IWDA	International Women's Development Agency
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
LDC	Least Developed Countries
MCA	Minerals Council of Australia
MCC	Millennium Challenge Corporation
MDB	Multilateral Development Bank
MDG	Millennium Development Goals
MEDEP	Micro-Enterprise Development Programme
MOU	Memorandum of understanding
MSI	Marie Stopes International
MSME	Micro, small and medium enterprises

NGO	Non-government organisation
NSI	North-South Institute
NSW	New South Wales
OCHA	Office for the Coordination of Humanitarian Affairs
OCTA	Office of the Chief Trade Adviser
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OGP	Open Government Partnership
OPIC	Overseas Private Investment Corporation
OSII	Office of Social Impact Investment
P4P	Partnership for Prosperity Initiative
PACER	Pacific Agreement on Closer Economic Relations
PDPs	Product Development Partnerships
PHAMA	Pacific Horticultural and Agricultural Market Access program
PIDG	Private Infrastructure Development Group
PNG	Papua New Guinea
PPIAF	Public Private Infrastructure Advisory Facility
PPP	Public Private Partnership
PSD	Private Sector Development
PSDI	Pacific Private Sector Development Initiative (ADB)
PT&I	Pacific Islands Trade and Invest
SDG	Sustainable Development Goals
SHOPS	Strengthening Health Outcomes through the Private Sector (US)

SIB	Social Impact Bond
SIDA	Swedish International Development Cooperation Agency
SIWIBA	Solomon Islands Women in Business Association
SJV	Sunrise Joint Venture
SME	Small and medium sized enterprises
SMI	Sustainable Minerals Institute
SUZY	Scaling Up Zinc for Young Children
SWF	Sovereign Wealth Fund
TAFE	Technical and Further Education institutes
TB	Tuberculosis
TFP	Trade Finance Program
UMIC	Upper middle income countries
UN	United Nations
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UK	United Kingdom
US	United States of America
USAID	United States Agency for International Development
UTS	University of Technology, Sydney
WBCSD	World Business Council on Sustainable Development
WEF	World Economic Forum
WFP	World Food Programme
WTO	World Trade Organisation



List of recommendations

Chapter 2—The changing development landscape

Recommendation 1

The Committee recommends that the Australian Government:

- draw on the experiences of like-minded and similarly resourced bilateral donors in the development of new strategies and programs for working with the private sector, and explore opportunities for joint programs in these areas;
- build partnerships and share expertise with other donors, including non-traditional donors, with a view to consolidating and better coordinating Australia's aid effort in the Indo-Pacific region; and
- continue to strengthen Australia's involvement and representation of Australia's development interests at international and regional forums, including the OECD and ASEAN.

Chapter 3—The private sector

Recommendation 2

The Committee recommends that the Australian Government:

- partner with countries in the Indo-Pacific region to promote ethical business approaches to supply chain challenges;
- support and facilitate opportunities which foster the participation of low income men and women in supply chains; and
- through its web-based information systems, communicate to the public information about Australian-funded ethical supply chain development and outcomes.

Recommendation 3

The Committee recommends that the Australian Government:

- review, and amend as necessary, relevant Australian company legislation to fully accommodate social enterprises, including cooperatives and B corporations;
- ensure aid initiatives support:
 - ⇒ the establishment of in-country company legislation that accommodates social enterprises and other community and village corporate forms to reduce costs and the complexity of business formalisation; and
 - ⇒ promotion and assistance, particularly for women, to help them engage in the business registration process and ongoing requirements of operating a formal business.

Recommendation 4

The Committee recommends that the Australian Government work with the private sector and other non-state actors to develop opportunities to expand the range and reach of effective and affordable health care across the Indo-Pacific region, including by:

- exploring the feasibility of a flagship Australian initiative to enhance the role of private healthcare;
- engaging with governments in the region to support the development of appropriate policies for private sector health, specifically:
 - ⇒ addressing the integration and regulation of public and private systems;
 - ⇒ focusing on the needs of women, including for reproductive and maternal health services and products; and
- promoting pharmaceutical product development partnerships to better distribute or bring new medicines to poor communities.

Recommendation 5

The Committee recommends that the Australian Government:

- prioritise access to financial services and financial education, in particular to the most disadvantaged populations, and explore options to expand current private sector and donor programs beyond the Pacific; and
- address any negative consequences of increased financial independence for women by also engaging men to increase both

women and men's financial resource access, and educate men and boys about the rights of women.

Recommendation 6

The Committee recommends that the Australian Government take a whole-of-government approach to remittances and their role in international development by:

- identifying and addressing regulatory and non-regulatory constraints to providing remittance services, including where necessary implementing regulations that provide better protections for individuals;
- contributing to work being undertaken globally, ensuring that the interests of Australia and the countries of the Indo-Pacific region are adequately represented; and
- identifying the lowest cost but most efficient pathways for remittance service providers and recipients.

Recommendation 7

The Committee recommends that the Australian Government review current Australian funded business volunteering or mentoring initiatives to:

- improve connections to other Australian-funded business development initiatives;
- improve public information about Australia's volunteering programs;
- better collaborate with volunteering programs organised and funded by Australian businesses; and
- consider improved processes with a view to creating a more business-focused volunteering or twinning program.

Recommendation 8

The Committee recommends that the Australian Government require gender balance in the participation of horticultural workers in the Pacific Seasonal Worker Program so that there are equal numbers of men and women participants from each country.

Chapter 4—Women empowered through a thriving private sector

Recommendation 9

The Committee recommends that the Australian Government seek to protect the rights of women and vulnerable groups, and help build country capacity in achieving gender equity and governance systems to support this, including by:

- continuing to support programs that collect health data, and monitor and assess the rates and prevalence of domestic violence;
- helping to strengthen country legislative frameworks, law and order, and legal and judicial systems to support real reductions in violence in communities; and
- assisting countries in the Indo-Pacific region to put in place and maintain robust births, deaths and marriages registers.

Recommendation 10

The Committee recommends that:

- the Australian Government require all organisations partnering with Australia's aid program to be signatories to the UN Women's Empowerment Principles or otherwise demonstrate genuine commitment to these principles;
- the Department of Foreign Affairs and Trade (DFAT) ensure staff:
 - ⇒ have an expert understanding of the UN Women's Empowerment Principles and the UN Global Compact;
 - ⇒ are able to connect businesses, in Australia and overseas, to local representatives of UN Women and UN Global Compact; and
- DFAT use its web-based information system to identify which agencies or businesses are signatories to the UN Women's Empowerment Principles, including through linking to the searchable database on the Women's Empowerment Principles website.

Recommendation 11

The Committee recommends that the Australian Government:

- continue to support existing women's leadership programs, including the Pacific Women's Parliamentary Partnerships Project and the network of Asia and Pacific Parliamentarians for Population and Development and its committee on male parliamentarians involvement in elimination of violence against women;
- support and extend business leadership programs such as the Business Coalition for Women in Papua New Guinea across the Indo-Pacific region, including linking to women in leadership initiatives operating in Australia; and
- explore the future transition of the Pacific Women's Parliamentary Partnerships Project to one where all women's leadership positions are included for development and support.

Chapter 5—Growing the private sector—the role of governments and donors

Recommendation 12

The Committee recommends that the Australian Government continue to focus on projects that help build a system of legal land tenure in countries of the Indo-Pacific region that:

- take into account both individual and community customary tenure and any other access rights or titles that may be in place;
- seek to protect the rights and entitlements of women and vulnerable groups; and
- help build country capacity and governance systems through official exchanges of experts who have sufficient time and support to help effect change.

Recommendation 13

The Committee recommends Austrade and the Department of Foreign Affairs and Trade develop strategic partnerships with trade and investment promotion authorities in the Pacific, such as Pacific Islands Trade and Invest. These partnerships should include opportunities for twinning and fee for service arrangements that support small enterprises and those led by women.

Recommendation 14

The Committee recommends that the Australian Government:

- direct significant aid investment into innovative technology across the Indo-Pacific region; and
- utilise the innovationXchange to explore partnership opportunities to expand the use of technology in new and beneficial ways.

Chapter 6—Partnering in the overseas aid program

Recommendation 15

The Committee recommends that the Australian Government:

- continue to support multi-stakeholder global partnerships that have demonstrated their effectiveness in meeting Australia's aid objectives;
- encourage partnerships in the Indo-Pacific region, using Australia's overseas diplomatic missions more effectively at the local level to identify opportunities and support small businesses;
- require the Department of Foreign Affairs and Trade to:

- ⇒ undertake routine systematic reviews of global partnerships to ensure that the impact of Australia's aid investments is both maximised and appropriately acknowledged; and
- ⇒ monitor and report annually on business partnerships established as a result of Australian Government private sector development business engagement activities.

Chapter 7—Public Private Partnerships—infrastructure

Recommendation 16

The Committee recommends that the Department of Foreign Affairs and Trade leverage the expertise of other Australian Government agencies, including the Department of Finance and the Future Fund, as well as Australia's financial institutions in order to further promote the establishment and management of sovereign wealth funds for development partners.

Recommendation 17

The Committee recommends that the Australian Government:

- participate in or support joint ventures between the private and public sectors, and wherever possible ensure technology transfer and local contractors are engaged; and
- as a means to mobilising domestic financial resources, provide capacity building assistance to partner governments to develop effective and transparent governance frameworks to support tax credits being used for building infrastructure.

Recommendation 18

The Committee recommends that the Australian Government follow the World Bank Group's social, legal and environmental safeguards when entering into Public Private Partnerships to ensure:

- the model is optimal for the outcome sought;
- in-country stakeholders are consulted closely;
- there is technology transfer and local capacity building included in contracts; and
- the partner government has, or is supported to develop, appropriate and transparent legal and regulatory mechanisms so they can fully participate, and any corruption is identified and addressed.

Recommendation 19

The Committee recommends that the Australian Government support and participate in Public Private Partnerships (PPPs), where found to be

effective, to address social and other infrastructure needs in the Indo-Pacific region, ensuring that the Department of Foreign Affairs and Trade:

- explore and encourage all opportunities to leverage Australian business expertise and participation in the financing and provision of infrastructure in developing countries in our region;
- engage with the business sector early and comprehensively to share information about opportunities;
- continue targeted public sector capacity building initiatives for recipient governments in relation to PPPs;
- ensure safeguards policies are implemented by all partners; and
- review and amend the Adviser Remuneration Framework to ensure that the necessary specialist skills can be attracted.

Chapter 8—Mobilising finance for development

Recommendation 20

The Committee recommends that in those countries or regions where access to finance is a development priority the Department of Foreign Affairs and Trade:

- develop a more expert understanding of the financial sector in priority countries or regions, including financing constraints for groups (such as women) targeted by the aid program;
- ensure current activities impacting on the financial sector (including in microfinance, agriculture and governance) are made public and coordinated within the Australian aid program and with other donors;
- assess current and potential public-private partnerships' access to finance including with:
 - ⇒ multilateral development banks and bilateral development finance institutions; and
 - ⇒ commercial banks and financial institutions.

Recommendation 21

The Committee recommends that the Australian Government should:

- analyse if there is a need for an Australian development finance institution, including by assessing the unmet demand for finance at both the country and sector-specific levels across the Indo-Pacific region; and

- identify challenges, costs and broader implications of the creation of a standalone development finance institution, comparing this with:
 - ⇒ expanding the role of the Export Finance and Insurance Corporation; or
 - ⇒ partnering with current Australian financial institutions to provide innovative financing.

Recommendation 22

The Committee recommends that the Australian Government through the Department of Foreign Affairs and Trade:

- continue to develop expertise and knowledge about the social impact investing sector in the Indo-Pacific region, with Australia's overseas diplomatic representatives assisting with this information gathering;
- work with the Australian Advisory Board on Impact Investing to identify areas of potential collaboration to promote more impact investing in the region;
- participate in relevant Australian, regional and global working groups on impact investing, including the working group on Development Impact Bonds; and
- develop a means of effective and continuous communication about the prospects for impact investing with potential investors, including the Australian public.

Chapter 9—Delivering the aid program

Recommendation 23

The Committee recommends the Department of Foreign Affairs and Trade:

- identify roadblocks and unhelpful red tape hindering optimal outcomes for existing contracts and partnership arrangements, in order to improve the flexibility and effectiveness for all of these arrangements;
- review existing contracting or sub-contracting requirements that currently limit the pool of potential aid delivery partners, including small enterprises, TAFEs and others with specialist skills; and
- foster expertise in building partnerships, including by shifting departmental culture toward a more positive approach to the private sector.

Recommendation 24

The Committee recommends that, in line with its new aid paradigm, the Australian Government:

- review its untied aid grants strategy;
- strengthen our representation, influence, and the articulation of Australia's interests through Australia's permanent representatives at multilateral organisations;
- inform the Australian Parliament of any significant changes proposed by multilateral organisations that could impact on Australia's interests prior to any decision being taken; and
- continue to prepare and publish an annual assessment of multilateral institutions to:
 - ⇒ determine how well they are meeting the objectives and intentions of Australia's aid program; and
 - ⇒ inform decisions on Australia's future funding contributions.

Recommendation 25

The Committee recommends that the Australian Government:

- review development and humanitarian assistance with a view to increasing the proportion of in-kind aid to better meet our new national objectives; and
- streamline tender information and advertising processes so more Australian businesses can participate in supplying aid products and services.

Recommendation 26

The Committee recommends that the Department of Foreign Affairs and Trade:

- support a structured program of secondment of key staff between selected private and relevant public sectors; and
- develop a best-practice strategy to support cross-department acquisition of networks, knowledge and expertise from targeted secondments.

Recommendation 27

The Committee recommends that the Department of Foreign Affairs and Trade develop and maintain close, consultative relationships with:

- global forums on private sector development;
- the Australian Council for International Development, accredited Australian NGOs, and in-country NGOs;

- businesses, their associations and peak bodies, including those in developing countries; and
- commercial contractors to the aid program.

Recommendation 28

The Committee recommends that the Department of Foreign Affairs and Trade:

- establish an effective private sector and philanthropic communication and engagement unit which offers a clear participation pathway for potential partners, and that:
 - ⇒ provides a register of relevant aid projects, but is flexible and remains open to innovative ideas;
 - ⇒ has systems in place to capture contacts and manage relationships more effectively, including those generated by Australia's overseas diplomatic representatives; and
- introduce a mechanism through which partnerships can be established in a co-owned process to ensure risks, responsibilities and benefits are understood and properly assigned.

Recommendation 29

The Committee recommends that the Department of Foreign Affairs and Trade establish a panel of independent expertise, which can:

- advise and help facilitate private sector engagement; and
- provide independent and expert guidance on partnership proposals, review risk profiles and examine due diligence processes quickly and transparently.

Recommendation 30

The Committee recommends that the Department of Foreign Affairs and Trade develop clear principles for all partnerships with the private sector.

- These principles should:
 - ⇒ include clear enunciation of our objective of promoting gender equity, reducing poverty and promoting economic growth in the Indo-Pacific region;
 - ⇒ require close engagement with countries, building capacity and governance, and in particular, reducing corruption;
 - ⇒ be incorporated into eligibility requirements for partnerships, guidance to staff and in partnership agreements.
- These partnerships should be desirable processes with the minimum of red tape impediment.

Recommendation 31

The Committee recommends the Department of Foreign Affairs and Trade periodically assess, with their partners, the effectiveness and cost of current risk management measures including safeguards.

Recommendation 32

The Committee recommends that:

- subject to a successful conclusion of the pilot, the Australian Government adopt and implement the Extractives Industry Transparency Initiative; and
- Australian aid engagement should prefer companies in the extractives sector which support the Extractives Industry Transparency Initiative.

Recommendation 33

The Committee recommends the Department of Foreign Affairs and Trade:

- ensure staff have a highly developed expertise in, and understanding of, international standards and guidelines for business operations, particularly in those sectors which are priorities for the aid program; and
- be able to identify opportunities and connect businesses in Australia and overseas to global platforms, processes and frameworks, for example, the UN Global Compact.

Recommendation 34

The Committee recommends that the Australian Government:

- continue to support improved aid-related data collection and use in policy-making with governments of countries in the Indo-Pacific region, particularly in relation to gender outcomes; and
- evaluate the performance of the 'Data for health' initiative as soon as practicable with a view to replicating this model in other sectors inhibited by data paucity, for example education – school participation and attainment.

Recommendation 35

The Committee recommends that the Australian Government market its aid effort in a more effective and powerful way, including by:

- reviewing and improving the effectiveness of its current international signage and branding; and
- developing effective ways to co-brand 'Australian Aid' and 'Australia Unlimited' to maximise recognition and benefits.

Recommendation 36

The Committee recommends that the Department of Foreign Affairs and Trade develop and implement as a matter of priority a new communications strategy for the aid program. This strategy should recognise:

- the wide range of stakeholders who have varying levels of understanding and interest in the activities of Australia's aid program; and
- that a key stakeholder is the Australian taxpayer.

Recommendation 37

The Committee recommends that the Department of Foreign Affairs and Trade make clear that 'Australia is open for business partnering' on its website. Specifically, the Department should:

- increase cross-promotion with relevant portfolio agencies to engage with business and capture opportunities which target development;
- test the website on a range of stakeholders, particularly those outside the traditional base, to ensure value and ease of access; and
- monitor and report on the usage of the engagement portal with a view to continuous improvement.