



Australian Government

Department of Foreign Affairs and Trade

AUSTRALIAN AID BUDGET SUMMARY 2016–17



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MINISTERS' FOREWORD



As outlined in the 2014–15 Mid-Year Fiscal and Economic Outlook (MYEFO), Australia will provide \$3.8 billion in Official Development Assistance (ODA) in 2016–17.

The Australian Aid Budget Summary provides a comprehensive overview of Australia's ODA in the year ahead, across our bilateral, regional and global programs.

Australian aid is an investment in our region, the Indo-Pacific, where over 90 per cent of our bilateral and regional aid is invested. Australians benefit when our

region is stable, economically vibrant, open to trade, and home to people who are safe, healthy, educated and employed.

The 2016–17 Budget builds on the modernisation of our aid program outlined in *Australian aid: promoting prosperity, reducing poverty, enhancing stability*.

The Coalition Government is delivering an aid program that is more focussed, more effective and more innovative.

The Government has increased the Emergency Fund to \$130 million to enable timely and effective responses to disasters and will provide up to \$220 million over the next three years to address humanitarian needs in Syria and its neighbours hosting large numbers of refugees. Australia is helping to rebuild Fiji after Cyclone Winston and Vanuatu after Cyclone Pam in a way that minimises the impact of future disasters.

We are driving innovation in Australia's aid program by providing \$50 million to trial new approaches to solve complex development challenges through the innovationXchange. Gender equality and empowering women will remain central to our aid program, including with a \$55 million allocation to the Gender Equality Fund.

We are encouraging greater private sector engagement in our aid program by improving business environments and leveraging private sector finance. We are on track to invest 20 per cent of our aid program by 2020 to boost trade.

Australia's aid program in 2016–17 will continue to support Australia's strategic, security and economic interests and respond to the current and evolving needs of our partner countries.

The Hon Julie Bishop MP
Minister for Foreign Affairs

Senator the Hon Concetta Fierravanti-Wells
Minister for International Development
and the Pacific



INTRODUCTION

In 2016–17, Australia will provide \$3.8 billion in Official Development Assistance (ODA).

Australia's aid program is modernising, underpinned by our development policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*. This policy reflects Australia's national interests by contributing to sustainable economic growth and poverty reduction. It also reflects the changed context in which our aid program operates, including the transition of some of our aid recipients to economic partners. It addresses the complementary objectives of economic and human development, through six investment priorities. Our aid will support countries to implement the 2030 Agenda comprising the *Sustainable Development Goals* and the Addis Ababa Action Agenda on financing for development.

The Indo-Pacific¹ will remain the focus of the aid program, where we will spend more than 90 per cent of our country-attributable aid this year. Contributing to sustainable economic growth and poverty reduction in our neighbourhood is a key part of Australia's foreign policy, and complements our diplomatic, trade and security efforts.

Innovation—one of Australia's strengths—is a key element of the new face of Australian aid. In 2016–17, \$50 million will be provided to the innovationXchange within the Department of Foreign Affairs and Trade to continue to open up our program to fresh ideas. Already, it has embarked on a series of "grand challenges," including on humanitarian responses in the Pacific, aquaculture and health in the Pacific to ensure we are trying new ways and partnerships for better development results.

Gender equality is critical to development and stability, and will remain a central pillar of the aid program. In 2016–17, Australia will increase funding for the Gender Equality Fund to \$55 million. The Fund will support country and regional programs with a gender focus, global initiatives that can advance progress towards the sustainable development goals, and work by private sector and non-government organisations to promote gender equality. And our aid policy requires that at least 80 per cent of all Australia's aid perform effectively in promoting gender equality.

The Indo-Pacific will remain the focus of the aid program

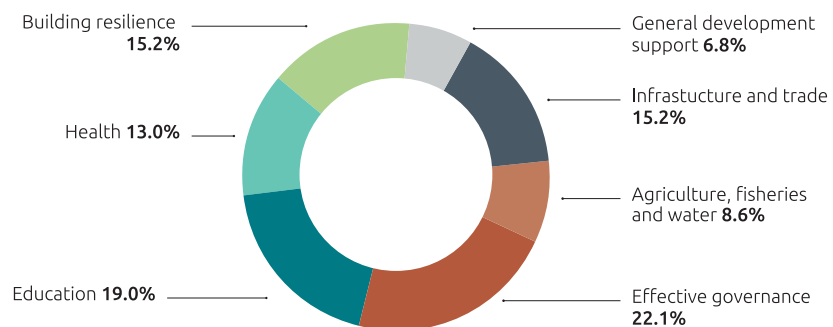
Innovation—one of Australia's strengths—is a key element of the new face of Australian aid

Gender equality is critical to development and stability, and will remain a central pillar of the aid program

¹ The Indo-Pacific region is the Asia Pacific region (the Pacific and East, South and West Asia) with the addition of other Indian Ocean rim countries (based on the Indian Ocean Rim Association).

Australia has an ongoing commitment to humanitarian assistance, and will increase the Emergency Fund to \$130 million in 2016–17, to enable timely and effective responses to disasters and other humanitarian crises. Up to \$220 million over the next three years will be provided to address humanitarian needs in Syria and neighbouring countries hosting large numbers of refugees. An additional \$16 million will be provided to Fiji in 2016–17 to assist with ongoing recovery efforts following Cyclone Winston.

Figure 1: Australian ODA by investment priority



We are helping developing countries to grow the size and inclusiveness of their private sectors

Australia will contribute to improving the business environment across the region. We are helping developing countries to grow the size and inclusiveness of their private sectors, including through greater access to private sector finance, in line with the *Strategy for Australia's Aid Investments in Private Sector Development* and the *Ministerial Statement on Engaging the Private Sector in Aid and Development*. Initiatives like the Business Partnerships Platform are providing unprecedented opportunities to bring the private sector's financing, knowledge and capabilities to the task of meeting the most pressing and complex development challenges in our region.

Australia's aid program will strengthen and build resilient public health systems, as outlined in the *Health for Development Strategy 2015–2020*. Our focus on health security measures will ensure countries in our region are capable of detecting and responding to health threats that can rapidly cross borders. And our multiyear commitments to global health funds will help address critical health issues within and beyond our immediate region.

Estimated percentage of the 2016–17 aid budget spent on:

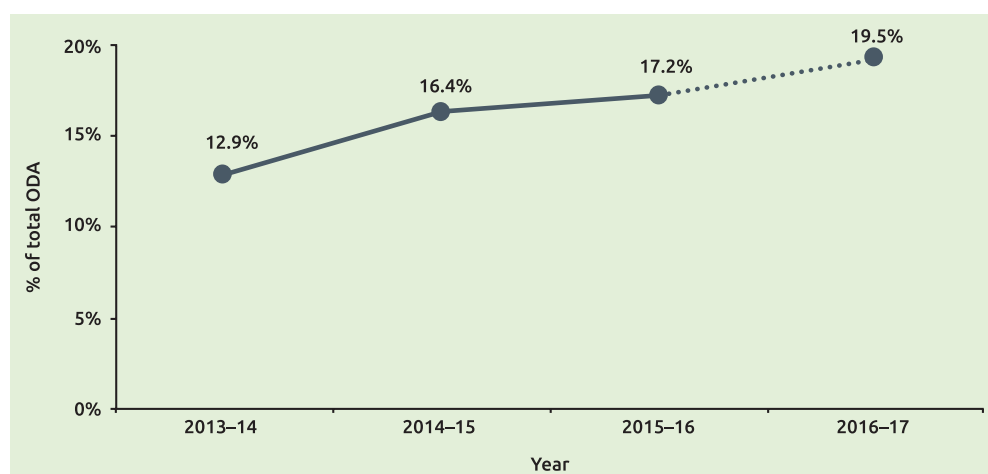
INDO-PACIFIC

92.9%

AID FOR TRADE

19.5%

Figure 2: Aid for Trade trajectory



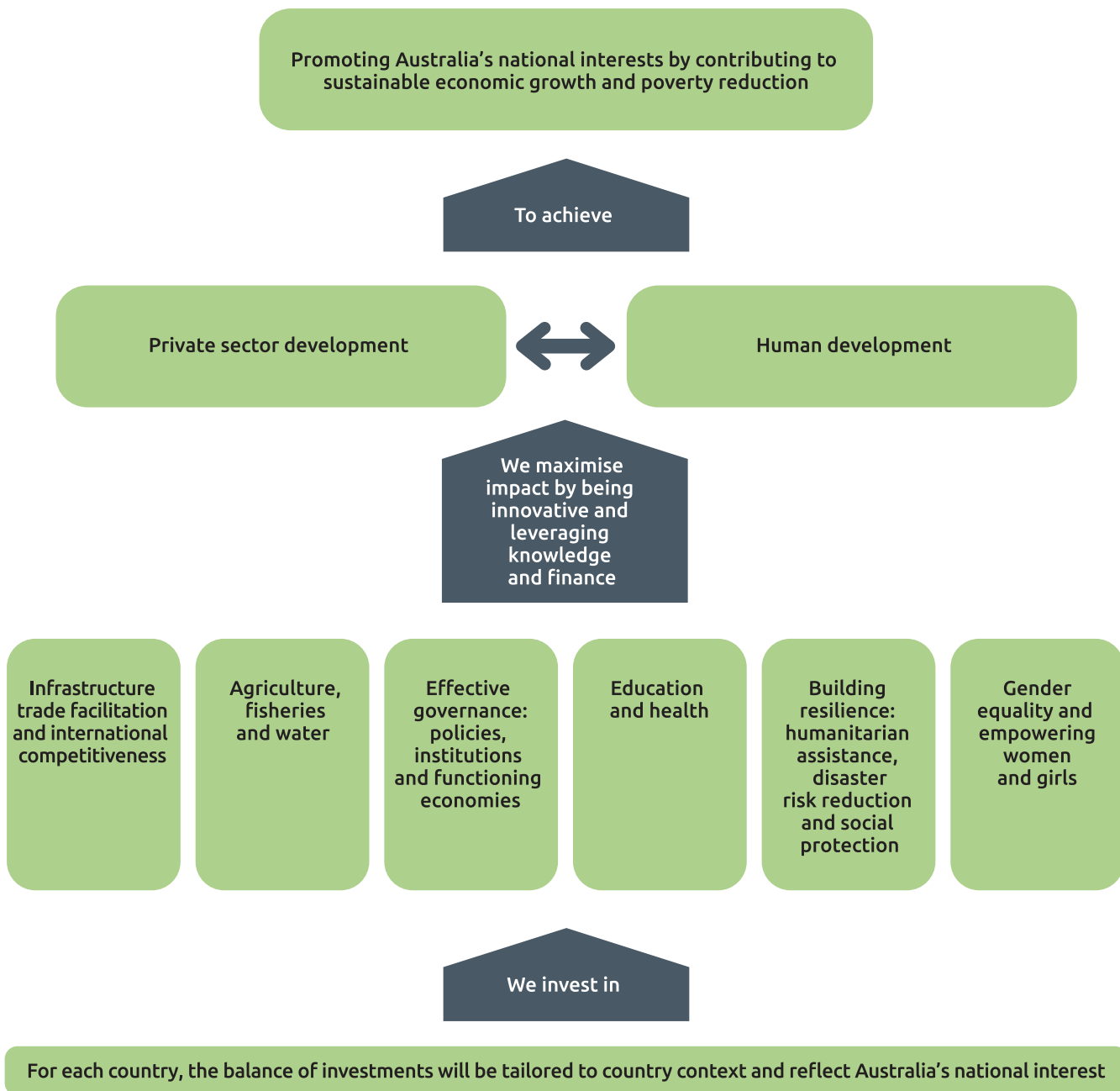
Australia is committed to playing a leadership role in disability-inclusive development. This commitment is articulated in *Development for All 2015–2020*, Australia's strategy for strengthening disability-inclusive development in the aid program. Our aid program will support people with disabilities in developing countries to find pathways out of poverty and realise their full potential.

In 2016–17, Australia will also invest \$200 million to support the Government's five-year \$1 billion commitment to address climate change challenges. This will support developing countries' to build climate resilience, reduce emissions, leverage financing from the private sector and implement commitments under the Paris Agreement.

The quality of the aid program is a high priority. The Australian Government's commitment to an aid program that delivers results, represents value-for-money and is transparent is reflected in the Government's performance framework *Making Performance Count: enhancing the accountability and effectiveness of Australian aid*. As outlined in the *Performance of Australian Aid 2014–15* report, seven of the ten strategic performance targets set by the Government across the entire aid program have been achieved and strong progress has been made on the three remaining targets. The targets will be updated, as appropriate, to ensure the aid program performs at the highest level. The *Performance of Australian Aid 2014–15* report also underlined the overall effectiveness of Australia's aid and the robustness of the program's internal quality control systems.



Figure 3: Strategic framework for the aid program



**Figure 4: Allocations to DFAT country, regional and global programs
(2015–16 Revised Budget Estimate and 2016–17 Budget Estimate)**

DFAT Country, Regional and Global Program allocations		
Program	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
Papua New Guinea ¹	477.3	477.3
Solomon Islands	92.7	92.7
Vanuatu	41.9	41.9
Fiji ²	35.0	51.0
Samoa	23.6	23.6
Nauru	21.2	21.2
Kiribati	20.2	20.2
Tonga	17.6	17.6
Tuvalu	6.6	6.6
Cook Islands	1.9	1.9
Niue and Tokelau	1.8	1.8
North Pacific	5.0	5.0
Pacific Regional	166.4	149.8
Pacific Total	911.3	910.6
Indonesia ³	311.6	296.0
Timor-Leste	68.0	68.0
Philippines	67.0	67.0
Cambodia	62.4	62.4
Vietnam	58.4	58.4
Myanmar	42.1	42.1
Laos	20.6	20.6
Mongolia	5.9	5.9
East Asia Regional	41.3	37.2
South-East and East Asia Total	677.2	657.5
Afghanistan	78.5	78.5
Bangladesh	42.1	42.1
Pakistan	39.4	39.4
Sri Lanka	19.9	19.9
Nepal	15.6	15.6
Bhutan	2.1	2.1
Maldives	1.8	1.8
South and West Asia Regional	19.8	17.8
South and West Asia Total	219.2	217.2

DFAT Country, Regional and Global Program allocations		
Program	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
Palestinian Territories	20.5	20.5
Middle East and North Africa ⁴	0.5	0.0
Sub-Saharan Africa	31.8	31.8
Africa and the Middle East Total	52.9	52.3
Gender Equality Fund	50.0	55.0
Regional Scholarships and Education	101.8	101.8
Health, Water and Sanitation	62.3	62.3
Infrastructure and Rural Development	38.4	40.1
Governance	10.8	10.5
Fisheries and Agriculture	8.6	9.3
Innovation Fund	20.0	50.0
Disability	12.9	12.9
Direct Aid Program	22.0	22.0
Other Cross Regional Programs	27.7	22.7
Cross Regional Programs Total	304.5	331.6
DFAT ODA—Country and Regional Programs	2,215.1	2,224.3
Disaster Risk Reduction and Protracted Crises	52.7	52.7
Australian Preparedness and Response	24.7	24.7
Emergency Fund	120.0	130.0
Global Humanitarian Partnerships	131.6	132.3
Humanitarian, Emergencies and Refugees Total	328.9	339.7
United Nations Development Fund (UNDP)	12.7	12.7
United Nations Children's Fund (UNICEF)	21.0	21.0
United Nations Population Fund (UNFPA)	9.2	9.2
United Nations Program on HIV and AIDS (UNAIDS)	4.5	4.5
World Health Organisation (WHO)	12.4	12.4
UN Women	7.8	7.8
Commonwealth Organisations	7.2	7.2
Contributions to Global Health Programs ⁵	136.6	56.1
Contributions to Global Education Partnerships ⁵	26.0	10.0
Contribution to Green Climate Fund ⁵	60.0	20.0
Other ODA eligible contributions ⁶	37.0	37.8
UN, Commonwealth and Other International Organisations Total	334.4	198.7

DFAT Country, Regional and Global Program allocations		
Program	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
Global NGO Programs	130.4	130.4
Australian Volunteers Program	39.6	39.6
Community Engagement and International Research	6.0	8.4
NGO, Volunteers and Community Programs Total	176.0	178.4
Cash Payments to Multilaterals	456.8	401.4
DFAT ODA—Global Programs	1,296.1	1,118.2
DFAT ODA—Departmental	251.3	242.9
Other Government Departments	329.1	300.0
Adjustments	-40.0	-57.5
Total Australian ODA	4,051.7	3,827.8

- 1 In 2015–16 and 2016–17, PNG's allocation includes funding for the Joint Understanding of \$49.4m per annum.
- 2 Subsequent to the 2015–16 Revised Estimate of \$35m, \$19m was provided for the Tropical Cyclone Winston response. In 2016–17, the allocation includes \$35m for the bilateral program and \$16m for Tropical Cyclone Winston.
- 3 The Indonesia Debt to Health Swap has been moved to 'Other ODA eligible contributions' given links to Global Health Funds, it remains reflected in total Australian ODA flows to Indonesia.
- 4 Egypt Debt Relief concluded in 2015–16.
- 5 Payments aligned with multi-year replenishment schedule; there has been no reduction to Australian commitments.
- 6 This includes funding for the Indonesia Debt to Health Swap and ODA eligible portions of contributions to the United Nations and other international organisations.

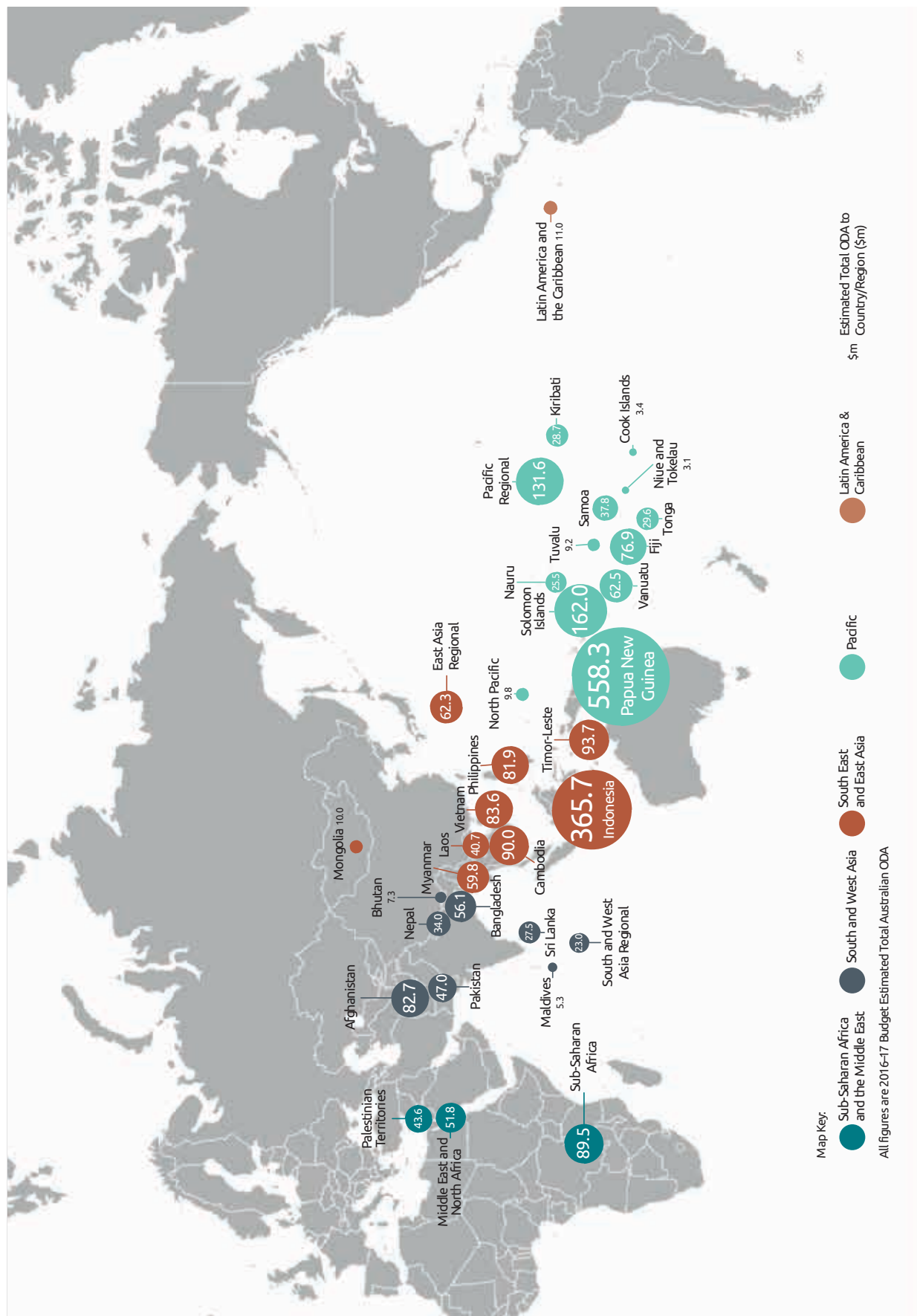
Figure 5: Total Australian ODA by partner country and region

Total Australian ODA by country and region*		
Program	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
Papua New Guinea	554.5	558.3
Solomon Islands	175.9	162.0
Vanuatu	60.5	62.5
Fiji	57.8	76.9
Samoa	36.8	37.8
Nauru	25.2	25.5
Kiribati	27.9	28.7
Tonga	30.2	29.6
Tuvalu	10.2	9.2
Cook Islands	4.0	3.4
Niue and Tokelau	4.1	3.1

Total Australian ODA by country and region*		
Program	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
North Pacific	12.0	9.8
Pacific Regional	120.0	131.6
Pacific Total	1,119.1	1,138.4
Indonesia	375.7	365.7
Timor-Leste	95.3	93.7
Philippines	83.0	81.9
Cambodia	89.0	90.0
Vietnam	89.6	83.6
Myanmar	62.8	59.8
Laos	37.9	40.7
Mongolia	10.3	10.0
East Asia Regional	66.0	62.3
South-East and East Asia Total	909.5	887.7
Afghanistan	84.6	82.7
Bangladesh	59.8	56.1
Pakistan	55.7	47.0
Sri Lanka	28.9	27.5
Nepal	31.4	34.0
Bhutan	11.2	7.3
Maldives	6.0	5.3
South and West Asia Regional	32.8	23.0
South and West Asia Total	310.4	282.8
Palestinian Territories	42.8	43.6
Middle East and North Africa	47.1	51.8
Sub-Saharan Africa	95.9	89.5
Africa and the Middle East Total	185.8	184.9
Latin America and the Caribbean Total	13.4	11.0
Core contributions to multilateral organisations and ODA not attributable to particular countries or regions	1,513.5	1,322.9
Total Australian ODA	4,051.7	3,827.8

* This column shows total Australian ODA from all agencies and programs attributable to partner countries and regions. This includes DFAT country program allocations, flows from DFAT regional and global programs, and expenditure by other government departments and agencies. Funding allocated to the Gender Equality Fund and humanitarian Emergency Fund at Budget is distributed to appropriate country and regional programs to reflect actual and planned expenditure.

Figure 6: Where we give aid— Australian ODA by partner country and region for 2016–17



AUSTRALIAN ODA
TO THE PACIFIC
IN 2016-17
(ESTIMATE)

\$1.1 BILLION

**Program
Highlights**
(Estimated
Expenditure)



PAPUA NEW GUINEA:
TRANSPORT SECTOR
SUPPORT

\$70.0m



PACIFIC WOMEN
SHAPING PACIFIC
DEVELOPMENT
PROGRAM

\$39.0m



FISHERIES
DEVELOPMENT
ASSISTANCE IN
THE PACIFIC

\$9.5m



KIRIBATI: WORKFORCE
SKILLS DEVELOPMENT

\$5.1m

PACIFIC

Papua New Guinea

- » **2016–17 Bilateral Budget Estimate: \$477.3 million**
- » **2016–17 Total Australian ODA Estimate: \$558.3million**

The bilateral relationship with Papua New Guinea (PNG) is one of Australia's most complex and wide-ranging, including close cooperation on economic, development, security, and people-to-people issues.

PNG has experienced robust economic growth for over a decade, driven by mining and agricultural exports. But that growth has not translated into inclusive development, and the country is now facing significant fiscal challenges from declining international commodity prices and increasing public debt levels. Lack of infrastructure, poor health and education services, crime, inequality between men and women, and a rapidly growing population are challenges to its future prosperity. Approximately 40 per cent of the population remains poor, and over 48 per cent of children under five are stunted.² Family and sexual violence is endemic. An estimated 15 per cent of the population has some form of disability.

The Joint Understanding will spend \$49.4 million in 2016–17



² Poverty headcount ratio at national poverty lines 2009 and prevalence of stunting 2011, World Development Indicators (WDI), World Bank

We are helping to ensure the benefits of robust economic growth flow to all Papua New Guineans

In 2016–17, Australian aid to PNG will focus on the following priorities and activities:

- » promoting effective governance, including strengthening public sector leadership, performance and accountability, sub-national service delivery, community engagement, electoral reform, combatting corruption, strengthening access to justice, and assisting the Government of PNG to build an effective public service through the Pacific Leadership and Governance Precinct;
- » enabling economic growth, through promoting private sector growth, support for infrastructure, developing the workforce, and investments that lower the costs of doing business, reducing risk and improve productivity; assisting the Government of PNG to deliver its road maintenance programs and improving aviation and maritime safety and security;
- » enhancing human development by assisting PNG to develop its own capacity to deliver services. Health investments will target maternal and child health and communicable disease control and support key areas of the health system, including workforce, infrastructure and financing. Australia will assist to redevelop the Lae ANGAU Memorial Hospital in collaboration with the Government of PNG; and
- » supporting more students to enrol in and complete school, further their education, and to enter the workforce with the skills they need. Australia will improve access and learning outcomes for girls and boys in primary schools by building and furnishing classrooms and teachers' houses, and providing training on good water, sanitation and hygiene practices.

Solomon Islands

- » **2016–17 Bilateral Budget Estimate: \$92.7 million**
- » **2016–17 Total Australian ODA Estimate: \$162.0 million**

Australia has a close, longstanding relationship with Solomon Islands. Australia is the country's largest donor, providing approximately three-quarters of Official Development Assistance received by Solomon Islands in 2015–16, across a broad range of sectors. Australian assistance, through our bilateral development cooperation programs and the Regional Assistance Mission to Solomon Islands has been instrumental in restoring law and order, and laying the foundations for economic stability.

Solomon Islands has made significant political and economic gains in the last decade. Nevertheless, development outcomes in Solomon Islands lag behind the rest of the Pacific region. The country is ranked 156 out of 188 countries on the 2015 UN Human Development Index and GDP per capita is among the lowest in the region at US\$2,000. Poor infrastructure, skills shortages, high utility costs and land tenure issues constrain private sector growth and investment. A weak public sector reduces incentives for international and domestic investors alike.

In 2016–17, Australian aid to Solomon Islands will focus on the following priorities and activities:

- » stability, including through support for: justice institutions, economic governance and improving public sector management and accountability, and building the capacity of the Royal Solomon Islands Police Force;
- » enabling economic growth, particularly through the new Solomon Islands Growth Program, a new phase of the transport sector program and a new program to expand technical and vocational skills training. We will also catalyse private sector investment, address constraints on business efficiency, strengthen the tourism sector through improved infrastructure and support projects that increase investment, trade and employment;

Hard-won stability in Solomon Islands has provided a strong platform for ongoing economic and human development

- » enhancing human development, through a new phase of the health program, with a focus on maternal and child health, reducing the disease burden, improving the delivery of essential medicines at the rural clinic level and better service coverage;
- » preventing violence against women; and
- » improving literacy and numeracy in primary schools and providing tertiary scholarships.

Vanuatu

» **2016–17 Bilateral Budget Estimate: \$41.9 million**

» **2016–17 Total Australian ODA Estimate: \$62.5 million**

Over the last decade, Vanuatu maintained strong economic growth compared with many other countries in the region. However, more than 12 per cent live below the poverty line and key development indicators such as literacy, numeracy, immunisation, and nutrition are stagnating and, in some cases, declining. Violence against women and children is the most common and widespread crime. Compounding these challenges, Tropical Cyclone Pam in March 2015 caused widespread and severe damage equivalent to 64 per cent of gross domestic product.

In 2016–17, Australian aid to Vanuatu will focus on the following priorities and activities:

- » building resilient infrastructure and an environment for economic opportunity, including supporting Vanuatu's reform agenda and economic management improvements, technical and vocational training and scholarships, expanding women's income-earning opportunities, increasing the number of bank accounts opened in rural areas, and revitalising key infrastructure and rural roads;
- » improving early education and essential health services, with a focus on workforce development and primary health care, improving literacy and numeracy in children, and increasing the number of midwives working in the health system;
- » improving community safety and resilience, including strengthening legal and justice institutions, with a focus on access to justice for women, children and youth, increasing the number of women survivors of violence provided counselling; and
- » supporting cyclone recovery and reconstruction, by continuing implementation of Australia's \$35 million Cyclone Pam long-term recovery assistance.

Tropical Cyclone Pam in March 2015 caused widespread and severe damage equivalent to 64 per cent of gross domestic product—our support for recovery efforts continues

Australia has committed \$35m to response and recovery efforts in Fiji since Cyclone Winston struck in February 2016

Fiji

- » **2016–17 Bilateral Budget Estimate: \$51.0 million**
- » **2016–17 Total Australian ODA Estimate: \$76.9 million**

Australia and Fiji have an enduring relationship, underpinned by strong people-to-people links and longstanding trade and investment ties. Australia is one of Fiji's largest trade and investment partners, with Australian investment in Fiji worth approximately \$2.3 billion in 2014. Australia provides around half of total ODA to Fiji.

Fiji has made progress against many of its development objectives despite economic challenges over the past decade. Development assistance in Fiji needs to focus on the disadvantaged and marginalised: the rural poor; women; and people living with disabilities. Literacy and numeracy skills are declining in school-age children and life expectancy has stagnated. Limited economic opportunities, particularly in rural Fiji, underpin poverty levels.

In 2016–17, Australian ODA will focus on the following priorities:

- » increased private sector development, including technical assistance and funding for programs that increase opportunities for employment and income generation, particularly in rural communities; and
- » improved human development, including access to quality health and education services, particularly for disadvantaged segments of the population, including the rural poor, women and people living with disabilities.

Tropical Cyclone Winston struck Fiji as a Category 5 cyclone on 20 February 2016, the strongest cyclone on record to make landfall in Fiji. Whole villages were destroyed and significant damage was sustained to property, crops and infrastructure, with up to 350,000 people affected. In 2015–16, the Australian Government provided \$19 million of assistance to help provide life-saving supplies including food, clean water and shelter to affected communities.

In 2016–17, Australia will deliver an additional \$16 million to make urgent repairs to schools, medical clinics and markets, including building accommodation facilities for women vendors, which will enable farmers and market vendors to return to work. The principle of 'building back better' will underpin our efforts—we will rebuild infrastructure and communities that are more resilient to natural disasters.

Samoa

- » **2016–17 Bilateral Budget Estimate: \$23.6 million**
- » **2016–17 Total Australian ODA Estimate: \$37.8 million**

Samoa has made good progress in a number of areas such as maternal and child health and universal access to primary education. Australia will continue to assist Samoa build on these strengths while also tackling constraints to economic growth and poverty reduction.

In 2016–17, Australian aid to Samoa will focus on the following priorities and activities:

- » enabling economic growth by improving the regulatory environment, building resilience to future economic shocks, and investing in priority economic infrastructure projects (such as roads, bridges and communication services);
- » improving health and education outcomes by supporting more Samoans to complete secondary, vocational and tertiary education, and working with the Samoan Government to lift the quality of education and health services; and
- » strengthening governance through improved policing, supporting public sector development, progressing the construction of a new Parliament House, supporting women's political participation and supporting civil society and the private sector to address Samoa's development challenges.

Samoa has made strong progress and Australia is helping to address barriers to further economic and human development

Nauru

» **2016–17 Bilateral Budget Estimate: \$21.2 million**

» **2016–17 Total Australian ODA Estimate: \$25.5 million**

Nauru's growth prospects are constrained by geographic isolation, limited natural resources and a low population of approximately 10,000 people. Nauru enjoys almost full employment and increased household incomes. However, ongoing challenges include high national debt levels, economic vulnerability to external influences, dilapidated national infrastructure, skills shortages and poor health and education outcomes.

Australian assistance supports the Nauru Government to deliver quality services to the community and benefit from economic and labour mobility opportunities.

In 2016–17, Australian aid to Nauru will focus on the following priorities and activities:

- » promoting more effective public sector management, including strengthening financial management capacity and economic governance;
- » investing in infrastructure, including improvements to Nauru hospital, education facilities, power generation and water supply;
- » handing over of the redeveloped Nauru Hospital; and
- » supporting human development, with a particular focus on improving health and education outcomes, including assisting Nauru to maintain 95 per cent of primary school enrolment rates and 95 per cent coverage for key vaccines.

Australia is helping Nauru to address the challenges of geographic isolation and a low population

Kiribati

» **2016–17 Bilateral Budget Estimate: \$20.2 million**

» **2016–17 Total Australian ODA Estimate: \$28.7 million**

Australia is the largest aid donor to Kiribati; Australia's aid comprises approximately 45 per cent of total aid to Kiribati.

Kiribati is one of the poorest countries in the region; gross national income is approximately US\$2,880 per person annually.³ Kiribati's significant development challenges include high levels of child mortality, limited access to fresh water, high population density in the capital Tarawa, vulnerability to storm surges and rising sea levels, and limited opportunities for economic growth.

In 2016–17, Australian aid to Kiribati will focus on the following priorities and activities:

- » implementing economic reforms to assist Kiribati maximise the benefits flowing from its own resources, including through the implementation of the Kiribati Government's Economic Reform Plan, improving the national annual budgeting and planning process; and
- » building a better educated and healthier population to improve economic prospects and resilience, including by providing girls and boys with access to a relevant and quality basic education, improving the quality of vocational education to enable I-Kiribati to gain internationally recognised qualifications in areas of skill demand, and reducing the incidence of diarrhoeal and other diseases through better sanitation and the management of potable water supplies.

Education and skills development will be essential to help Kiribati overcome development challenges

3 GNI per capita PPP 2013, WDI

Australia's support to Tonga is enabling improved health and economic opportunities for Tongans

Tonga

- » **2016–17 Bilateral Budget Estimate: \$17.6 million**
- » **2016–17 Total Australian ODA Estimate: \$29.6 million**

Tonga's development challenges include vulnerability to natural hazards, geographical isolation and a narrow resource, production and export base. Non-communicable diseases such as diabetes and cardiovascular disease are endemic in Tonga and will present an increasing economic drain over coming years. Gender inequality in Tonga undermines economic growth, human development and poverty reduction.

In 2016–17, Australian aid to Tonga will focus on the following priorities and activities:

- » governance, economic and private sector development, including reforms to strengthen revenue, reduce consumption tax exemptions, effectively manage government expenditure, manage debt, improve financial and procurement reporting, introduce and implement foreign investment legislation and promote private sector growth;
- » building a more effective, efficient and equitable health system, including reducing the health and economic burden of non-communicable diseases, support for mental health and disability services, and water and sanitation infrastructure investments; and
- » skills development in support of economic opportunities for Tongan workers, with a particular focus on opportunities for women and those with disability.

Australia will seek to address the cross-cutting issues of climate and disaster resilience and preparedness, gender equality and supporting the needs of people with disabilities across all investments.

Tuvalu

- » **2016–17 Bilateral Budget Estimate: \$6.6 million**
- » **2016–17 Total Australian ODA Estimate: \$9.2 million**

Australia is the largest bilateral donor to Tuvalu and is committed to strengthening its economic and environmental resilience.

Tuvalu's prospects for economic growth are constrained by its distance from markets, small and dispersed population and vulnerability to external economic and environmental shocks. Tuvalu also faces development challenges arising from limited education and work opportunities, modest natural resources and climate change.

In 2016–17, Australian aid to Tuvalu will focus on the following priorities and activities:

- » good governance, economic growth and stability, including technical assistance to the Government of Tuvalu to improve economic and financial management;
- » education and human resources, including additional primary school facilities to ease major overcrowding issues and create an environment more conducive to student learning in the main primary school in Tuvalu, improving the quality of education and learning outcomes, and tertiary awards for Tuvaluans to study in Australia and in the region; and
- » environment and climate change, including strengthening disaster risk management, maintaining desalination plants that supplement Tuvalu's fresh water supplies, increasing Tuvalu's fresh water supplies and water storage capacity, and supporting long-term recovery efforts following the destruction caused by Tropical Cyclone Pam in March 2015.

Cook Islands

» **2016–17 Bilateral Budget Estimate: \$1.9 million**

» **2016–17 Total Australian ODA Estimate: \$3.4 million**

The Cook Islands' development is challenged by its narrow economic base, de-population, limited natural resources, fragile environment, shortage of skilled labour and relatively remote location. The economy, underpinned by tourism and marine resources, remains vulnerable to natural disasters. People living on the outer islands have limited access to basic services such as health, education, transport and potable water.

In 2016–17, Australian support to the Cook Islands will focus on the following priorities:

- » water and sanitation: improving economic infrastructure and water management by upgrading residential and commercial septic systems to protect water quality; and
- » gender: reducing violence against women and promoting women's economic empowerment.

Niue and Tokelau

» **2016–17 Bilateral Budget Estimate: \$1.8 million**

» **2016–17 Total Australian ODA Estimate: \$3.1 million**

Niue

Niue's main development challenge is its isolation, small population and vulnerability to the effects of extreme weather events, such as cyclones. Niue has limited resources and a shortage of skilled professionals due to high levels of migration.

Through a delegated cooperation arrangement with New Zealand, Australian assistance will focus on waste management to help Niue sustainably manage growth in tourism.

Australian support to Niue is aligned with the development priorities identified in the *Joint Commitment for Development between New Zealand and Niue*.

Australian support to Niue is aligned with the development priorities identified in the *Joint Commitment for Development between New Zealand and Niue*

Tokelau

Tokelau's small population and isolation are a challenge for economic growth and development.

Through a delegated cooperation arrangement with New Zealand, Australia will contribute to improving early childhood education in Tokelau.

In previous years, the majority of Australia's aid had been directed to the Tokelau International Trust Fund. This Fund was established in 2000 to provide Tokelau with an independent source of revenue and to support long-term economic stability and financial security.

Through a delegated cooperation arrangement with New Zealand, Australia will contribute to improving early childhood education in Tokelau

North Pacific

- » **2016–17 Bilateral Budget Estimate: \$5.0 million**
- » **2016–17 Total Australian ODA Estimate: \$9.8 million**

Australia's aid program in the North Pacific is focused on Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands.

The aid program is focused on targeted areas in each country. Australia provides technical assistance and works with NGOs and multilateral development partners to achieve agreed development outcomes. To help build national human resource capacity, Australia also provides Australia Awards Scholarships.

Australia's assistance to Palau is focused on removing explosive remnants of war, supporting proposed digital communication sector reform, and supporting gender equality and the empowerment of women and girls.

Assistance to the Federated States of Micronesia is focused on improving the quality of education, and supporting gender equality and the empowerment of women and girls.

Assistance to the Republic of the Marshall Islands is focused on increasing access to clean water and sanitation, providing support to the education sector, and fostering gender equality and the empowerment of women and girls.

Pacific Regional

- » **2016–17 Bilateral Budget Estimate: \$149.8 million**
- » **2016–17 Total Australian ODA Estimate: \$131.6 million**

The Pacific Regional Program complements Australia's Pacific bilateral programs in support of a stable, secure and prosperous Pacific.

Many of the Pacific's challenges cannot be addressed solely on a country-by-country basis. The Regional Program addresses a range of regional development and economic growth challenges. Geographic isolation and small and dispersed populations can make the provision of even basic goods and services logistically difficult and expensive. Natural disasters and economic shocks hinder economic development. The private sector is typically small with large informal economies. Violence, a lack of women in leadership roles and constrained financial opportunities limit women's economic, political and social participation.

The Pacific Regional Program has four mutually reinforcing objectives:

- » economic growth;
- » effective regional institutions;
- » healthy and resilient communities; and
- » empowering women and girls.

In 2016–17, the Pacific Regional Program will support a range of initiatives that are building a better business-enabling environment and encouraging increased private sector activity. Our investments will aim to increase global and regional trade, increase finance for business activity, deepen labour markets and create better quality employment opportunities including from sustainable fisheries.

Many of the Pacific's challenges cannot be addressed solely on a country-by-country basis

In 2016–17, the Pacific Regional Program will support a range of initiatives that are building a better business-enabling environment and encouraging increased private sector activity



Australia will continue to support Pacific regional organisations—led by the Pacific Islands Forum—to contribute to regional growth, stability and development. Key partners include the Pacific Islands Forum Secretariat, the Secretariat of the Pacific Community, the University of the South Pacific, the Forum Fisheries Agency and the Secretariat of the Pacific Regional Environment Programme.

Australia's support for health in the Pacific will contribute to the security, stability and prosperity of the region—ensuring that women, men and children can lead healthy, productive lives. Australia will continue to support the Pacific Islands Forum Secretariat and the Pacific Disability Forum in their work with Pacific governments and disabled people's organisations to implement disability-inclusive policies and create opportunities for people with disabilities.

Pacific Island Countries face a wide variety of natural hazards including cyclones, droughts, earthquakes, floods, storm surges, tsunamis and volcanoes. In 2016–17, Australia will provide funding and technical support across the region to help promote climate resilience and disaster preparedness, response and risk reduction.

Women's empowerment is a cross-cutting component of the Pacific Regional Program. All our investments will support women to participate fully, freely and safely in political, economic and social life.

A flagship investment is the Pacific Women Shaping Pacific Development program, a 10-year initiative that commenced in 2012. It works across 14 Pacific Island Countries, providing practical support in partnership with governments, regional and UN organisations, and civil society groups to achieve gender equality. In 2016–17, \$13.5 million will be provided from the Gender Equality Fund for activities under the Pacific Women Shaping Pacific Development initiative.

In 2016–17, Australia will provide funding and technical support across the region to help promote climate resilience and disaster preparedness, response and risk reduction

AUSTRALIAN ODA
TO SOUTH-EAST
AND EAST ASIA
IN 2016-17
(ESTIMATE)

\$887.7 MILLION

**Program
Highlights**
(Estimated
Expenditure)



INDONESIA:
INNOVATION FOR
INDONESIA'S
SCHOOL CHILDREN

\$13.5m



LAOS: BASIC EDUCATION
QUALITY AND ACCESS

\$10.2m



TIMOR-LESTE:
TOMAK—TO'OS BA
MORIS DIAK (FARMING
FOR PROSPERITY)

\$5.5m



HEALTH
PROGRAMS IN
CAMBODIA

\$11.0m

SOUTH-EAST AND EAST ASIA

Indonesia

- » **2016–17 Bilateral Budget Estimate: \$296.0 million**
- » **2016–17 Total Australian ODA Estimate: \$365.7 million**

Indonesia is one of Australia's most important bilateral relationships. Australia and Indonesia have an extensive framework of cooperation spanning political, economic, security, development, education and people-to-people ties. Its location, geography and demography give Indonesia an important geopolitical and strategic role in the region. Sustainable and inclusive economic growth in Indonesia benefits Australia and contributes to regional growth and stability.

Indonesia has experienced relatively strong economic growth in recent years, reaching middle income status and achieving substantial development progress. However, growth is slowing and inequality is rising. So it will be more difficult for Indonesia to meet its goal of graduating from middle income status by 2025. And the poor will find it harder to escape poverty.

Australia and Indonesia have an extensive framework of cooperation spanning political, economic, security, development, education and people-to-people ties



Australia will support Indonesia's efforts to leverage its own resources to generate growth and distribute those benefits to a larger number of its people

Australia will support Indonesia's efforts to leverage its own resources to generate growth and distribute those benefits to a larger number of its people. Australian assistance will provide policy and technical advice that will improve the quality of Indonesia's investments in infrastructure, economic governance, human development and social policy.

In 2016–17, Australian aid to Indonesia will focus on the following priorities and activities:

- » effective economic institutions and infrastructure. Australian assistance will boost inclusive growth and productive jobs through supporting strengthened public policy and regulatory settings, thus improving financial sector stability, revenue mobilisation, government spending and tax collection. Australian support for the Indonesia Infrastructure Initiative will also address barriers to infrastructure investment which constrain growth;
- » human development for a productive society. Australian investments to improve human capital, through improved access to education and other services, will create conditions for higher growth. Other support will include improving access to water and sanitation for people living in rural and urban areas, promoting inclusive growth by increasing incomes for smallholder farmers, and improving learning outcomes for Indonesian students through support for the professional development of teachers and trialling innovative teaching practices; and
- » an inclusive society through effective governance. Australia's investments will improve social safety nets, support justice and security and improve support for marginalised groups, including poor women and people with a disability and improve conditions for women's overseas labour migration.

Timor-Leste

» **2016–17 Bilateral Budget Estimate: \$68.0 million**

» **2016–17 Total Australian ODA Estimate: \$93.7 million**

Australia has an enduring interest in a stable, peaceful and prosperous Timor-Leste

Australia and Timor-Leste are close neighbours, with a shared history and strong people-to-people links. Since Timor-Leste's independence in 2002, Australia has been its largest development partner. Australia has an enduring interest in a stable, peaceful and prosperous Timor-Leste.

In 2016–17, Australian aid to Timor-Leste will focus on the following priorities and activities:

- » improving livelihoods and supporting the Timor-Leste Government's efforts to diversify the economy, including by increasing agricultural productivity, helping rural households pursue economic opportunities in agriculture, and improving food security and nutrition;
- » improving access to markets, health centres and schools by supporting Timor-Leste's efforts to improve its rural roads network;
- » supporting the Market Development Facility which aims to reduce poverty by creating sustainable private sector employment and income earning opportunities;
- » enhancing human development to build a more productive workforce, including improving basic literacy and numeracy and access to vocational training for young Timorese, improving access to clean water and sanitation, and empowering communities to develop small-scale village infrastructure projects;

- » preventing violence against women; and
- » strengthening governance and institutions, including helping Timor-Leste government institutions enhance public financial management.

Australia will support people with disabilities to overcome barriers to accessing services, adopt integrated approaches to improving nutrition, and focus on better outcomes for women and girls.

Philippines

- » **2016–17 Bilateral Budget Estimate: \$67.0 million**
- » **2016–17 Total Australian ODA Estimate: \$81.9 million**

Australia and the Philippines have a long history of bilateral cooperation and work closely in a broad range of areas, including defence, counter-terrorism, law enforcement and development. Our shared interests and values are supported by strong people-to-people links.

The Philippines has experienced significant growth over the past four decades. But this growth has been limited to a few sectors of the economy, and more than 25 per cent of the population still live below the poverty line.⁴ Poor infrastructure planning processes, low bureaucratic capacity, unequal access to education and a lack of jobs amongst lower-income earners continue to constrain growth.

In 2016–17, Australian aid to the Philippines will focus on the following priorities and activities:

- » improve the environment for doing business, promote economic integration and increase trade, improve Government capacity to promote, develop and implement Public Private Partnership projects;
- » invest in education to lay the groundwork for a better educated workforce and promote higher participation in the formal labour market, including by improving access and quality of education in Mindanao to support stability, peace and prosperity in the region;
- » improve the quality of governance and foster a culture of accountability and transparency, by working with government reformers, civil society, and the private sector, promote improved infrastructure planning and delivery, improved education standards, and better teaching and learning outcomes;
- » improve the conditions for peace and stability in Muslim Mindanao, including through a more credible and widely supported peace agreement, heightened institutional capacity to implement the agreement and stronger local mechanisms for averting the escalation of violence; and
- » contribute to women's economic empowerment and increase women's participation in peace building.

Australia and the Philippines have a long history of bilateral cooperation and work closely in a broad range of areas, including defence, counter-terrorism, law enforcement and development. Our shared interests and values are supported by strong people-to-people links

⁴ Poverty headcount ratio at national poverty lines 2010, WDI

Australia's aid is working to ensure Cambodia's development is inclusive and that all Cambodians can benefit

Cambodia

» **2016–17 Bilateral Budget Estimate: \$62.4 million**

» **2016–17 Total Australian ODA Estimate: \$90.0 million**

Cambodia's economy is expected to grow by around seven per cent in 2016–17, making it one of the strongest performers in South-East Asia on this measure. Poverty has fallen dramatically—from 53 per cent of the population in 2004 to less than 20 per cent in 2012.⁵ But Cambodia continues to face major development challenges and remains one of the world's least developed countries.

Cambodia's rapid growth and high rates of urbanisation have seen many Cambodians move from low-skilled farming jobs to manufacturing. Australia's aid is working to ensure Cambodia's development is inclusive and that all Cambodians can benefit. Further investment is needed to increase agricultural productivity, deliver better health and education services, and improve access to infrastructure such as electricity and piped water, particularly for people in rural areas. Continuing reforms are needed to tackle corruption, improve public administration and address persistent gender inequalities.

In 2016–17, Australian aid to Cambodia will focus on the following priorities and activities:

- » improving access to essential infrastructure, including electricity and water, by providing more than 100,000 households and businesses with piped, treated water and more than 190,000 households with electricity through our Investing in Infrastructure initiative;
- » increasing agricultural productivity and farmer incomes, including access to an additional 10.3 square kilometres of land through the removal of landmines and other explosive remnants of war;
- » improving health and education outcomes, including by increasing the percentage of poor people who access health care covered by the Health Equity Fund to 95 per cent, and provide 56 scholarships (including 28 women) to Cambodians for study at an Australian university;
- » increasing the number of women accessing gender-based violence response services by 800; and
- » supporting inclusive participation and improved governance.

Vietnam

» **2016–17 Bilateral Budget Estimate: \$58.4 million**

» **2016–17 Total Australian ODA Estimate: \$83.6 million**

Australia and Vietnam's partnership extends across political, security, economic and people-to-people activities. Vietnam is one of Australia's fastest growing trade partners, and is central to regional security in South-East Asia. The country's further development as a strong trade and investment partner is vital to Australia's national interest and the region's stability and prosperity.

Vietnam experienced rapid economic growth from the 1980s and is now a lower middle-income country. It is likely to soon reach upper middle-income status, and will then no longer be able to access concessional loans from the World Bank. However, growth has recently slowed and there are systemic constraints to continued growth. Businesses lack a skilled workforce and private sector growth is constrained by poor infrastructure and an unpredictable policy environment.

⁵ Poverty headcount ratio at national poverty lines 2012, WDI

Vietnam has made remarkable progress in reducing poverty. People living in extreme poverty (less than \$2 a day) dropped from over 50 per cent in the early 1990s to three per cent today.⁶ But half of Vietnam's poor are from ethnic minority groups, though they constitute just 15 per cent of the population, and progress on ethnic minority poverty reduction has slowed.

In 2016–17, Australian aid to Vietnam will focus on the following priorities and activities:

- » enabling and engaging the private sector for development, including working with Vietnam to build better infrastructure with a focus on the Mekong Delta, continuing work on the Cao Lanh Bridge (construction 90 per cent completed), and providing technical and financial support, through the newly launched Climate Innovation Centre, to support 18 small enterprises develop their prototype ideas into marketable, climate smart technology;
- » assisting the development and employment of a highly-skilled workforce, and improving the quality of human resources in Vietnam, equipping future leaders to personally drive change and influence development outcomes in Vietnam; providing 100 Australia Awards Scholarships in 2016 and 80 in 2017 while also introducing more flexible and short-term training to meet the changing needs of Vietnam's human resource development; and
- » promoting women's economic empowerment, including women from ethnic minorities.

Myanmar

» **2016–17 Bilateral Budget Estimate: \$42.1 million**

» **2016–17 Total Australian ODA Estimate: \$59.8 million**

Myanmar is undergoing an unprecedented, complex and challenging set of reforms: a transition to democracy; economic liberalisation; and nationwide peace process to end decades of conflict with the country's ethnic armed groups.

Myanmar faces significant development challenges. The World Bank estimates that 37.5 per cent of Myanmar's population is living in poverty. There are high levels of child malnourishment and over 600,000 internally displaced people.⁷ Armed conflict continues in parts of the country. Government capacity is low and, although improving, Myanmar remains a difficult place to do business. Australia's aid program remains a cornerstone of the bilateral relationship.

Australia's aid program in 2016–17 is focused on supporting and entrenching Myanmar's reforms through:

- » enhancing human development by improving access to quality education including support to schools, teacher training, scholarships, school grants and stipends to promote access to quality education;
- » promoting peace and stability through support for the peace process, elections and humanitarian assistance, including to displaced people and refugees in Rakhine State and along the Thai-Myanmar border; and
- » promoting inclusive economic growth and government management, including regulatory reform in support of foreign direct investment and funding to strengthen public financial management and improve fiscal transparency.

Myanmar is undergoing an unprecedented, complex and challenging set of reforms: a transition to democracy; economic liberalisation; and nationwide peace process to end decades of conflict with the country's ethnic armed groups

⁶ Poverty headcount ratio at national poverty lines 2012, WDI

⁷ Internally displaced persons 2012, WDI

The resources sector, led by mining and hydropower, will remain an important engine of growth and trade. How well the sector is managed, and how its revenues are utilised, will significantly affect the quality of future growth and distribution of wealth in Laos

Laos

» **2016–17 Bilateral Budget Estimate: \$20.6 million**

» **2016–17 Total Australian ODA Estimate: \$40.7 million**

Laos has made significant economic progress since the 1980s. But it is still classified as a Least Developed Country, with an average annual income of US\$1,660 per capita in 2014.⁸ And the benefits of economic growth have not been shared equally; a number of social development indicators remain very poor. Educational opportunities diverge markedly, depending on geography, gender and ethnicity. The resources sector, led by mining and hydropower, will remain an important engine of growth and trade. How well the sector is managed, and how its revenues are utilised, will significantly affect the quality of future growth and distribution of wealth in Laos.

In 2016–17, Australian aid to Laos will focus on the following priorities and activities:

- » ensuring more disadvantaged girls and boys complete a quality basic education. We will deliver the first phase of Australia's new Basic Education Quality and Access in Laos (BEQUAL) program, running from 2015 to 2019, in 66 of the most educationally disadvantaged districts. This program will increase student participation, improve learning environments, and improve the availability of quality teaching;
- » improving Laos' human resources through the provision of Australian and local scholarships, technical assistance to central ministries on human resource management, and opportunities presented by the volunteer program; and
- » building a stronger trade regime and more competitive private sector. This includes supporting trade process reforms to make it easier for businesses (and particularly women entrepreneurs) to trade and invest in Laos and issuing grants to Lao-based businesses to help them formulate and implement sales growth plans.

Mongolia

» **2016–17 Bilateral Budget Estimate: \$5.9 million**

» **2016–17 Total Australian ODA estimate: \$10.0 million**

Australia's aid program promotes well-governed, efficient public and private sectors that enable Mongolia to achieve maximum benefit from economic growth. Australia's aid investments build on our comparative advantages in technical and tertiary education and resources governance, and are aligned with the development objectives identified by the Government of Mongolia.

The development of Mongolia's mining sector creates new demands for skilled staff in the public and private sectors. Attracting and retaining skilled workers is a top priority for businesses, and Australia is assisting Mongolia's education system to meet the needs of a competitive economy.

In 2016–17, Australian aid to Mongolia will focus on the following priorities and activities:

- » ensuring Mongolia's government and private sector personnel have the skills and qualifications to sustain economic growth, with an estimated five Australia Awards scholarships to be granted to Mongolian students; and
- » ensuring Mongolians are benefitting from well-managed mining, which is central to the country's goal to reduce poverty.

8 GNI per capita (Atlas method) 2014, WDI

Australia's aid program promotes well-governed, efficient public and private sectors that enable Mongolia to achieve maximum benefit from economic growth

East Asia Regional

- » **2016–17 Bilateral Budget Estimate: \$37.2 million**
- » **2016–17 Total Australian ODA Estimate: \$62.3 million**

Due to our geographic proximity and multifaceted engagement with countries of the region, Australia has a clear national interest in a prosperous, peaceful and secure South-East Asia in which countries cooperate to resolve common problems. Our regional engagement is deep, and covers cooperation in development, economic integration, security, culture, trade, and education.

Australia's East Asia regional aid program assists countries to implement a coordinated response to cross-border challenges that cannot be addressed through bilateral investments alone.

In 2016–17, the objectives of the program will be:

- » enabling regional economic cooperation and inclusive growth to help countries of the region maximize the benefits of the ASEAN-Australia New Zealand Free Trade Agreement and the ASEAN Economic Community, support private sector development and better use of the region's water resources for greater economic opportunities; and
- » strengthening regional responses to human trafficking and the exploitation of migrant workers in support of Australia's International Strategy to Combat Human Trafficking and Slavery.

Australia has a clear national interest in a prosperous, peaceful and secure South-East Asia in which countries cooperate to resolve common problems



AUSTRALIAN ODA
TO SOUTH
AND WEST ASIA
IN 2016-17
(ESTIMATE)

\$282.8 MILLION

**Program
Highlights**
(Estimated
Expenditure)



**AFGHANISTAN:
RECONSTRUCTION
TRUST FUND**

\$25.0m



**BANGLADESH:
STRATEGIC PARTNERSHIP
WITH BRAC**

\$21.5m



**SRI LANKA:
ECONOMIC
OPPORTUNITIES
PROGRAM**

\$12.0m



**REGIONAL SOUTH ASIA
TRADE FACILITATION
AND INFRASTRUCTURE
PROGRAM**

\$7.5m



**PAKISTAN:
PAKISTAN TRADE
AND INVESTMENT
POLICY PROGRAM**

\$5.0m

SOUTH AND WEST ASIA

Afghanistan

» **2016–17 Bilateral Budget Estimate: \$78.5 million**

» **2016–17 Total Australian ODA Estimate: \$82.7 million**

Australia is committed to international efforts to help Afghanistan stabilise and develop, and to ensure international terrorist groups are denied safe haven there. Australia has provided more than \$1.1 billion in ODA to the country since 2001. Australia and other donors have committed to help strengthen government systems by providing at least 50 per cent of development assistance as 'on-budget' support, and aligning at least 80 per cent of assistance with Afghanistan's National Priority Programs.

Afghanistan faces significant ongoing development challenges. Its human, physical, social and institutional infrastructure has been devastated by over three decades of war. More than a third of the population lives on less than US\$1.25 a day.⁹ Only 17 per cent of women and fewer than half of men are literate,¹⁰ while violence against women is endemic. Approximately 75 per cent of Afghanistan's population live in rural areas, where low crop productivity and cyclical drought and flooding are persistent threats to livelihoods and food security.¹¹

Australia is committed to international efforts to help Afghanistan stabilise and develop, and to ensure international terrorist groups are denied safe haven there. Australia has provided more than \$1.1 billion in ODA to the country since 2001



9 Poverty headcount ratio at national poverty lines 2011, WDI

10 Adult literacy rate, population 15+ years, male and female 2011, WDI

11 Rural population 2014, WDI

In 2016–17, Australian aid to Afghanistan will focus on the following priorities and activities:

- » supporting the Afghan Government to maintain economic growth and institute more effective and accountable governance, through substantial investments in the World Bank-administered Afghanistan Reconstruction Trust Fund and the United Nations Development Programme-managed Law and Order Trust Fund for Afghanistan to help develop a professional Afghan police force;
- » empowering women and girls by prioritising women's participation in economic activity, increasing girls' literacy rates, and improving support services, access to justice and advocacy efforts to combat violence against women. Australia will provide funding through three bilateral programs: the Ending Violence against Women Program; Empowerment through Education Program; and the Australia Afghanistan Community Resilience Scheme; and
- » building resilience and supporting at-risk populations to survive natural and man-made shocks, through our bilateral programs, funding to the Australian Centre for International Agricultural Research, and humanitarian assistance.

Bangladesh

» **2016–17 Bilateral Budget Estimate: \$42.1 million**

» **2016–17 Total Australian ODA estimate: \$56.1 million**

Australia's bilateral relationship with Bangladesh continues to grow. Two-way trade exceeded \$1.7 billion in 2015 on the back of sustained growth in the Bangladesh economy, and aided by the Australian Government's decision in 2003 to grant Least Developed Countries quota-free and duty-free access to the Australian market. Australia is increasingly a preferred education destination for Bangladeshi students.

Poverty has steadily declined over the last 20 years in Bangladesh, but 47 million people still live in poverty. 28 million of these people are classified as extremely poor, meaning they are unable to satisfy their minimum food needs.¹² Elimination of extreme poverty is one of the biggest challenges facing Bangladesh. The poor often lack adequate foundational education, skills or assets to participate in and gain from growth in the economy.

In 2016–17, Australian aid to Bangladesh will focus on the following priorities and activities:

- » supporting improvements in access to education opportunities; education data collection, analysis and usage; learning assessment methods and approaches to improve learning; financial management and accountability; opportunities to promote innovation and encourage private sector and non-government engagement in the sector; and
- » building resilience through assistance to extremely poor people, predominantly women, to find pathways out of poverty. Our livelihoods programs provide people with cash transfers, productive assets, training and access to free health services to increase income earning capacity amongst the poor. Australia will also work with Bangladesh and other partners, like BRAC—the largest non-government organisation in Bangladesh—to help strengthen social protection systems and programs.

For both objectives, Australia prioritises gender equality by focussing on empowering women and girls.

¹² World Bank, June 2013

Pakistan

» **2016–17 Bilateral Budget Estimate: \$39.4 million**

» **2016–17 Total Australian ODA Estimate: \$47.0 million**

Australia has important strategic interests in Pakistan given its size, economic potential and strategic position in South Asia. Pakistan is at the heart of a regional market with a large population, diverse resources, and potential for increased trade and investment.

Pakistan faces serious challenges to realising its economic potential. Growth is constrained by energy and infrastructure deficits, skills shortages, regional instability and other barriers to trade. Pakistan also faces a water crisis due to population pressure and climate change.

Pakistan's dynamic demographic profile contrasts with serious workforce, education and health constraints. Approximately half of Pakistan's adult population is illiterate.¹³ High malnutrition rates, low access to clean water and sanitation, and poor maternal and child health also constrain Pakistan's potential. Insecurity continues to undermine Pakistan's stability and development, and frequent and devastating natural disasters further impede development opportunities and economic growth.

In 2016–17, Australian aid to Pakistan will focus on the following priorities and activities:

- » generating sustainable growth and employment by assisting Pakistan to: strengthen trade through increased regional connectivity; drawing on our world-class expertise to help enhance agricultural and economic productivity; harnessing private sector linkages and expanding revenue streams; improving food security and nutrition levels; and building water resource management capability
- » investing in people through health and education by promoting skills development to improve livelihoods; access to employment and markets; fostering women's economic empowerment; and supporting provincial governments to deliver better nutrition, health, and education; and
- » supporting Pakistan's efforts to address gender-based violence and promote women's empowerment.

All of our aid investments emphasise support for women's empowerment, stability and good governance in Pakistan. Australia also remains committed to providing humanitarian assistance to the most vulnerable affected by crises.

These objectives align with and support Pakistan's development policy, *Vision 2025*, which focuses on sustainable economic growth as a key driver for poverty reduction.

Australia has important strategic interests in Pakistan given its size, economic potential and strategic position in South Asia

¹³ Adult literacy rate, population 15+ years, both sexes 2012, WDI

Australia's aid program in Sri Lanka reflects our longstanding commitment to supporting reconciliation

Sri Lanka

- » **2016–17 Bilateral Budget Estimate: \$19.9 million**
- » **2016–17 Total Australian ODA Estimate: \$27.5 million**

Australia's relationship with Sri Lanka covers a broad range of issues, including: economic and development cooperation; joint efforts against people smuggling; strong education linkages; and engagement on issues of human rights and reconciliation.

Sri Lanka has experienced strong economic growth for over a decade and reduced its rate of extreme poverty from 29 per cent of the population in 1995 to seven per cent in 2012.¹⁴ However, poverty and economic marginalisation remain in some rural areas, particularly in districts directly affected by the civil conflict that ended in 2009. The growth and competitiveness of the Sri Lankan economy, particularly micro, small and medium sized enterprises, is constrained by a lack of access to finance and markets, skills gaps and lack of coordinated and inclusive policy reform.

In 2016–17, Australian aid to Sri Lanka will focus on the following priorities and activities, all of which contribute to its our longstanding commitment to supporting reconciliation in Sri Lanka:

- » expand economic opportunities for the poor, by working with government and business in Sri Lanka to generate export-led private sector growth, with a particular focus on sectors and value chains that offer high potential to benefit the poor, especially women;
- » support government to be more responsive to the needs of citizens and the private sector and expand its investment in local government reform. Australia will test innovative reform tools to raise revenue, develop service delivery benchmarks, improve the targeting of services and make it easier for small businesses to get registration and influence policy; and
- » increase gender equality. Australia will focus on women's empowerment across all of our programs. Australia will also invest more in changing attitudes and creating better quality economic opportunities for women.

Nepal

- » **2016–17 Bilateral Budget Estimate: \$15.6 million**
- » **2016–17 Total Australian ODA Estimate: \$34.0 million**

Nepal has made progress reducing poverty over the past twenty years, but it remains amongst the poorest countries in the world. Approximately one in four people earn less than US\$1.25 per day. The World Bank estimates that the earthquakes in 2015 may have pushed an additional 2.5 to 3.5 per cent of the country's population into poverty, demonstrating the vulnerability of Nepali households to shocks. Nepal continues to struggle with disparities and inequalities between regions and social groups with discriminatory practices based on gender, caste and ethnicity that trap people in poverty. Nepal's economy has limited employment opportunities and a large unskilled workforce. Employment within Nepal is largely informal and overwhelmingly male dominated.

The World Bank estimates that the earthquakes in 2015 may have pushed an additional 2.5 to 3.5 per cent of the country's population into poverty

¹⁴ Poverty headcount ratio at national poverty lines 2012, WDI

Australia's aid program to Nepal in 2016–17 focuses on early recovery from the 2015 earthquakes and supports the following objectives and activities:

- » promoting human development through improved access to, and quality of, basic education. The School Sector Reform Program will end, having provided free and higher quality education for 6 million boys and girls. A successor program, the School Sector Development Program, will be designed in 2016. Australia will implement a targeted package of support following the earthquakes to help vulnerable children transition back into school and to 'build back better' school infrastructure; and
- » expanding economic opportunities for the poor by promoting enterprise and job-creation. Australia will continue to support micro-enterprise development, which assists the poor to establish their own businesses. In the most earthquake-affected districts of Nepal, up to 90 per cent of livelihoods, markets and enterprises were destroyed or damaged. Australia will provide targeted support to affected entrepreneurs, to get individuals back on their feet, revive businesses and restore local markets.



Bhutan

- » **2016–17 Bilateral Budget Estimate: \$2.1 million**
- » **2016–17 Total Australian ODA Estimate: \$7.3 million**

In the past decade, Bhutan has reformed its political system and taken measured steps to open its economy. Poverty persists though, particularly in rural areas where people have limited access to markets and services such as health and education. Youth unemployment is also relatively high, particularly in urban areas. Gender inequality remains a pressing constraint.

In 2016–17, Australia's aid program to Bhutan will support the following objectives:

- » building human capacity through the provision of scholarships for tertiary education;
- » building institutional capacity through linkages with Australian institutions (public sector and civil society);
- » supporting gender equality by strengthening advocacy on ending violence against women; and
- » strengthening people-to-people links through the Australian Volunteers for International Development program and the New Colombo Plan.

Maldives

- » **2016–17 Bilateral Budget Estimate: \$1.8 million**
- » **2016–17 Total Australian ODA Estimate: \$5.3 million**

Maldives graduated to middle-income country status in 2011. However, substantial social inequities exist, job opportunities are limited and the political environment remains fragile.

Australian assistance is predominantly focused on strengthening people to people links.

The objectives of the Australian aid program with the Maldives are to:

- » improve human resource development;
- » foster people-to-people links; and
- » improve governance.

In 2016–17, Australia Awards scholarships will remain the central pillar of the bilateral aid program.

South and West Asia Regional

- » **2016–17 Bilateral Budget Estimate: \$17.8 million**
- » **2016–17 ODA Budget Estimate: \$23.0 million**

Australia has a clear national interest in regional prosperity and stability in South and West Asia. Trade and economic partnerships are growing. Improved integration across South Asia will promote economic growth, stability and poverty reduction, as well as increase Australia's access to South Asian markets and demand for our goods and services.

South Asia has the highest concentration of poor people in the world; more than 500 million people in the region are living in extreme poverty. South Asia is among the least integrated regions in the world, restricting growth potential and poverty reduction efforts. The poor quality of trade-related infrastructure is a key growth constraint.

Improved integration across South and West Asia will promote economic growth, stability and poverty reduction



In 2016–17, the South and West Asia Regional program will support the following two inter-related priorities and activities:

- » improve water, food and energy security to facilitate economic growth and improve the livelihoods of the poor and vulnerable, including through the Sustainable Development Investment Portfolio, which seeks to improve regional cooperation in the management of water, food and energy resources in the Himalayan river basins; and
- » improve regional connectivity through: the World Bank-implemented Infrastructure for Growth program, which addresses regional connectivity and integration; and the South Asia Regional Trade Facilitation Program, which seeks to enhance cross border trade and economic connectivity through gender-sensitive trade facilitation, infrastructure and livelihood initiatives.

Gender equality will be a focus in all Australia's investments under the regional program.

AUSTRALIAN ODA
TO AFRICA
AND THE MIDDLE
EAST IN 2016-17
(ESTIMATE)

\$184.9 MILLION

**Program
Highlights**
(Estimated
Expenditure)



SYRIA
RESILIENCE FUND

\$220m
OVER THREE YEARS



AUSTRALIA AWARDS
IN AFRICA

\$28m



PALESTINIAN
TERRITORIES: FARMERS
CONNECTING TO
MARKET (AMENCA 3)

\$9m



AFRICA AND THE MIDDLE EAST

Syria humanitarian response

The Syria conflict is the biggest humanitarian, peace and security crisis facing the world today. Intensified fighting and a deteriorating humanitarian situation continue to cause massive people flows within Syria and into the region.

Australia will provide \$220 million over the next three years to address humanitarian needs in Syria and neighbouring countries hosting large numbers of refugees. This funding will provide urgent humanitarian aid as well as longer-term resilience assistance (education and livelihoods).

The United Nations estimates 13.5 million people in Syria need humanitarian assistance, including 6.5 million who are internally displaced and 4.5 million living in hard-to-reach areas.

A further 4.6 million people have fled the violence in Syria to neighbouring countries, including Lebanon, Jordan, Turkey, Iraq and Egypt.

Australia's funding is delivered through United Nations agencies, international humanitarian organisations and Australian non-government organisations to reach people in need. By working with these partners, Australian funding has been able to provide shelter, protection, food, water and sanitation, education, health and medical services in response to the crisis.

The Syria conflict is the biggest humanitarian, peace and security crisis facing the world today

Australia will provide \$220 million over the next three years to address humanitarian needs in Syria and neighbouring countries hosting large numbers of refugees

Palestinian Territories

» **2016–17 Bilateral Budget Estimate: \$20.5 million**

» **2016–17 Total Australian ODA Estimate: \$43.6 million**

The Palestinian Territories (consisting of the West Bank and Gaza Strip) is one of the poorest regions in the Middle East. Australian aid is a tangible demonstration of our longstanding support for the Middle East peace process.

Australia has a long history of supporting Palestinians. In 2016–17, Australia's support to the Palestinian Territories will improve public financial management, encourage a more competitive agricultural economy, and facilitate access to quality basic services for Palestinian refugees in the Palestinian Territories and across the region.

Our investments will include support to:

- » the Palestinian Authority through the World Bank to improve the Authority's public financial management capacity;
- » the United Nations Relief and Works Agency for Palestine Refugees, to provide education and health services and livelihood opportunities to more than five million Palestinian refugees;
- » the third phase of the Australian Middle East NGO Cooperation Agreement to strengthen the private agricultural sector to create jobs and empower people;

In 2016–17, Australia's support to the Palestinian Territories will improve public financial management, encourage a more competitive agricultural economy, and facilitate access to quality basic services for Palestinian refugees in the Palestinian Territories and across the region

- » scholarships to build capacity in sectors such as agriculture and public financial management;
- » UNICEF's water and sanitation activities in disadvantaged schools across the Palestinian Territories; and
- » the Access Coordination Unit to facilitate the delivery of humanitarian aid across the Palestinian Territories and the entry of reconstruction materials into Gaza.

Sub-Saharan Africa

- » **2016–17 Bilateral Budget Estimate: \$31.8 million**
- » **2016–17 Total Australian ODA Estimate: \$89.5 million**

Many African economies are growing, presenting increasing opportunities for trade and investment-led development gains

Sub-Saharan Africa is an incredibly diverse region with multiple development challenges across 49 countries. African nations are near the bottom of almost every development and governance indicator; the region is experiencing multiple humanitarian crises and conflicts.

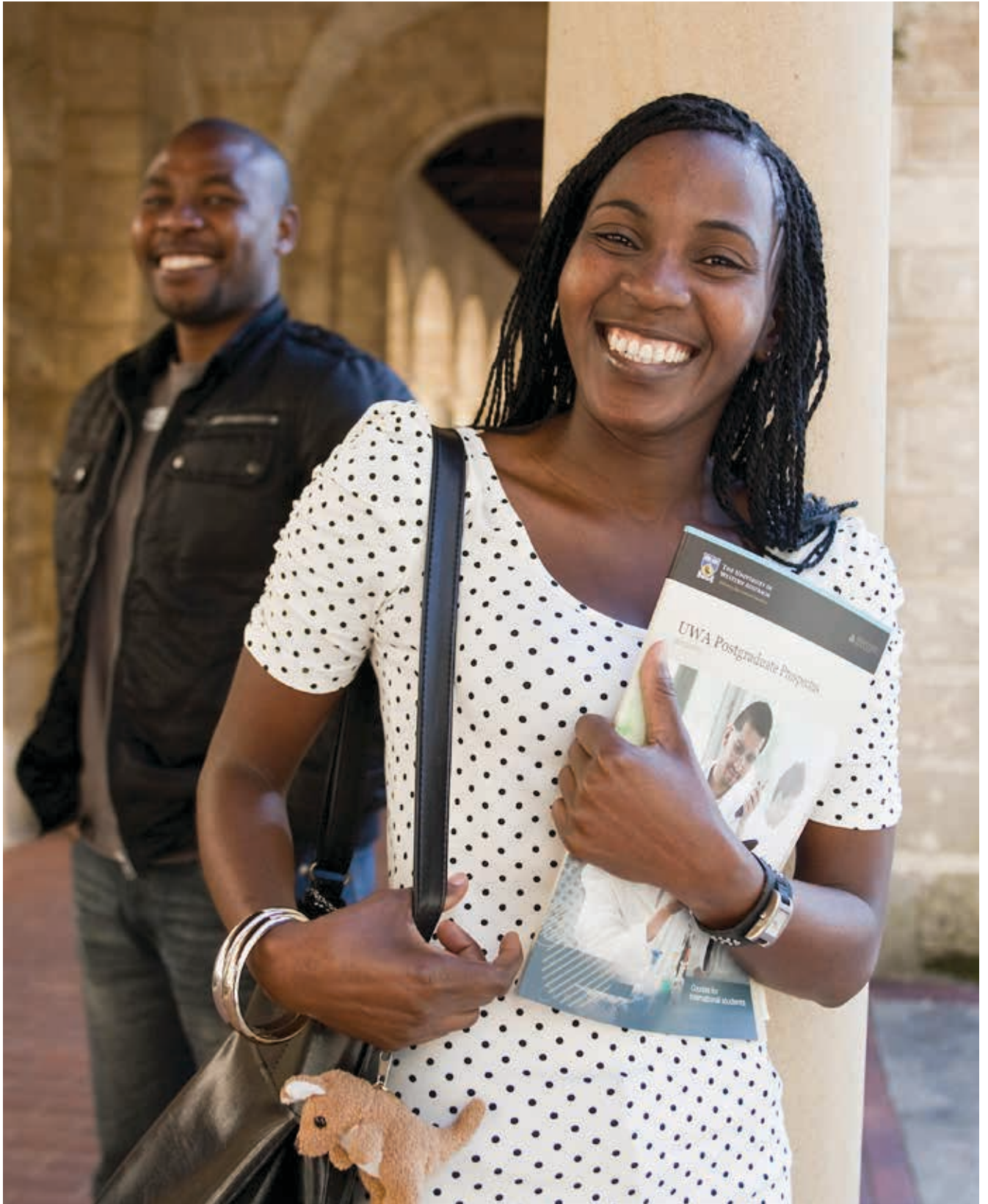
Australia has a clear national interest in the security, stability and prosperity of Sub-Saharan Africa. Many African economies are growing, presenting increasing opportunities for trade and investment-led development gains. African countries are important partners in addressing global issues such as economic growth, trade liberalisation, agricultural productivity and food security, trans-national crime and counter-terrorism.

Australia's aid to Sub-Saharan Africa will make a difference by focusing on sectors where Australian experience adds value—extractives, agricultural productivity and public policy.

Australia delivers assistance through a range of partners, including NGOs, tertiary institutions, multilateral organisations, global funds and sectoral centres of excellence.

In 2016–17, Australian aid will support:

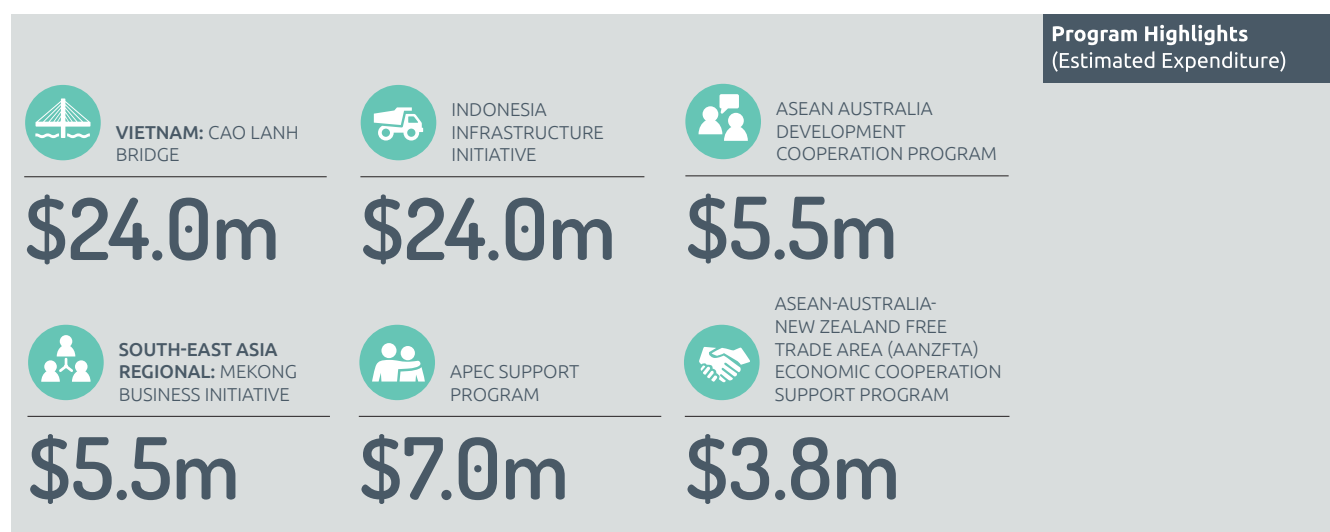
- » around 300 Australia Awards per year as well as professional development opportunities to over 5,500 alumni across the continent;
- » enhanced agricultural productivity and food security, through better research, innovative technology, and improved access to key services;
- » the provision of lifesaving humanitarian assistance for conflict and crisis situations, including protection, food security, nutrition and water and sanitation, with a current focus on South Sudan, Somalia and Ethiopia; and
- » women's economic participation and voice in decision-making, particularly in the extractives, agricultural and public policy sectors.



INVESTMENT PRIORITIES AND CROSS-REGIONAL PROGRAMS

Infrastructure, trade facilitation and competitiveness

2016–17 Budget Estimate: \$555.1 million



Infrastructure

One of the largest constraints to development in the region is inadequate infrastructure. The Asia-Pacific region is estimated to need more than US\$8 trillion worth of infrastructure by 2020.¹⁵

Australia is committed to tackling infrastructure bottlenecks to help create the right conditions for sustainable economic growth and to enhance trade and investment opportunities across the region.

Australia's aid program will prioritise infrastructure investments that:

- » mobilise the private sector to finance and deliver infrastructure to meet the needs of the region;
- » improve access to infrastructure services to facilitate private sector and human development and promote women's participation and empowerment; and
- » promote infrastructure to enhance trade and connectivity throughout the region.

The Asia-Pacific region is estimated to need more than US\$8 trillion worth of infrastructure by 2020

¹⁵ BN Bhattacharyay, ADB, 'Estimating Demand for Infrastructure in Energy, Transport, Telecommunications, Water and Sanitation in Asia and the Pacific: 2010–2020', 2010.

Capacity to trade is crucial for boosting economic growth, development, building livelihoods, and reducing poverty

Trade facilitation and competitiveness

Capacity to trade is crucial for boosting economic growth, development, building livelihoods, and reducing poverty. But there are large variations across our region in terms of the ability of developing countries to conduct business across borders. The Peterson Institute estimates that the implementation of the World Trade Organization's Agreement on Trade Facilitation could increase global GDP by US\$1 trillion per annum and create 21 million jobs, 18 million of which would be in developing countries.

Australia is on track to meet its target to invest 20 percent of the total aid budget in aid for trade projects by 2020. Australia's aid for trade investments are expected to increase to \$748.0 million in 2016–17, or 19.5 per cent of total ODA.

Australia's priorities in supporting developing countries to trade focus on trade and investment policy, trade facilitation, global value chains, infrastructure, private sector development, economic empowerment of women, agriculture and services.

In 2016–17, Australia's trade facilitation investments will:

- » support APEC developing economies with technical assistance and capacity building to encourage unilateral reform, promote open and transparent markets and deepen regional economic integration;
- » support the International Labour Organization's Better Work Programme, in partnership with the private sector, to help improve labour standards and reduce gender discrimination in apparel and footwear factories in developing countries;
- » contribute to the Enhanced Integrated Framework of the World Trade Organization, to help least developed countries implement major trade-enabling reforms;
- » support the Global Alliance for Trade Facilitation, in partnership with the private sector, to help developing countries move goods across borders more efficiently under the World Trade Organization's Agreement on Trade Facilitation; and
- » partner with the World Bank Group on the Support Program on Investment Policy and Related Areas, to assist developing countries to attract, retain and extend investments.

Other trade facilitation initiatives are being pursued through regional and bilateral programs in the areas of infrastructure, agriculture and trade policy negotiations.

Case study: Better work for women in export industries

Women's access to fairly paid work is a crucial element of economic and human development. The McKinsey Global Institute estimates that if women participated in the economy equally to men, it would add up to US\$28 trillion, or 26 per cent, to annual global Gross Domestic Product by 2025, compared with the business-as-usual scenario.

In 2016, Australia will support the International Labour Organization's Better Work Programme. This Programme seeks to improve working conditions and reduce gender discrimination in garment factories in developing countries. It trains managers and workers on international and non-discriminatory labour standards, and encourages businesses to improve women's participation in the workforce.

The Better Work Programme is improving vulnerable women's working conditions, offering employment stability, healthcare and childcare and paid leave. And factory managers are incentivised to continue with the Programme as they are seeing improvements in productivity.¹⁶

Importantly, the Better Work Programme partners with the private sector. Over 65 garment brands have signed up to the Programme, including Coles Australia and Target Australia.

Case study: Business Partnerships Platform

Engaging the private sector is at the cornerstone of Australia's modernised aid program, supporting economic growth, incomes and jobs. In 2016–17, the Business Partnership Platform will contribute to accelerating Australia's collaboration with business in addressing development challenges in our region.

The mechanism of the Business Partnerships Platform is simple—the Australian Government will match funding from business for projects that support commercial objectives, whilst also advancing Australia's aid investment priorities.

Up to \$9 million in funding from DFAT is available for an initial two rounds of the Business Partnerships Platform. Project proposals are currently being finalised for the first round in 2015–16.

The strong response to the first round reflected the growing interest in the business community in working with DFAT and underscores the benefits of partnering with the private sector to achieve positive development outcomes. Invitations to submit proposals to the second round of the Business Partnerships Platform will open in mid-2016.

16 Tufts University, 'Better Work Impact Assessment Report Launch: An Overview' (Evaluation Report, ILO, 2016).

Agriculture, fisheries and water

2016–17 Budget Estimate: \$314.1 million

Program Highlights (Estimated Expenditure)



AUSTRALIA INDONESIA
PARTNERSHIP
RURAL ECONOMIC
DEVELOPMENT
PROGRAM

\$25.7m



CAMBODIA
AGRICULTURAL VALUE
CHAIN PROGRAM
PHASE 2

\$14.0m



AUSTRALIA
AFGHANISTAN
COMMUNITY
RESILIENCE SCHEME

\$8.2m

Australia will continue to work to enhance global food security, improve nutrition and promote sustainable and resilient agricultural practices

The agriculture and fisheries sectors are key sources of jobs, income and exports and will continue to play an important role in economic growth and poverty reduction across the Indo-Pacific region.

Meeting future food demand in a sustainable way will require major advances in productivity, market systems, resources management and governance. And it will require innovative partnerships, policies and practices that bring together public and private sector interests and responsibilities.

In 2016–17, Australia will continue to work to enhance global food security, improve nutrition and promote sustainable and resilient agricultural practices. The aid program will focus on addressing the impediments that prevent producers from linking effectively to domestic and international markets.

In the fisheries sector, Australia will focus on ensuring the sustainability of fishing stocks, extracting greater long-term income streams and improving market access. We will also continue to support the scientific monitoring and assessments needed to ensure the future sustainability of valuable offshore fish stocks.

Australia will:

- » work with partner governments and international organisations to support private sector-led agricultural development in low income countries, including in the Indo-Pacific region;
- » help maintain the diversity of food crops through contributions to the Global Crop Diversity Trust;
- » invest in agricultural and fisheries research, particularly through the Australian Centre for International Agricultural Research, to increase productivity, reduce post-harvest losses and make supply chains more efficient;
- » support small-scale farmers, fishers and entrepreneurs to meet their livelihood and food security needs;
- » assist partner countries to manage water resources better, particularly in Myanmar, India and the Mekong region;
- » continue to provide technical assistance to improve river basin management and water security in the face of potential climate change impacts;
- » support Pacific and Indian Ocean Rim countries to increase revenues from the fisheries sector and maximise the potential of the blue economy; and
- » advocate for more open agricultural trading systems, through international and regional organisations.

Governance

2016–17 Budget Estimate: \$806.8 million



Ineffective governance can take many forms and lies at the heart of many development challenges. 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.

In 2016–17, Australia will provide support to:

- » anti-corruption initiatives in the Indo-Pacific, developed through collaboration between governments, civil society, businesses and United Nations agencies. These initiatives will include wealth reporting systems, freedom of information laws, whistle-blower protections and anti-money laundering cooperation;
- » assist partner countries to improve economic policy and policy execution so that it is more efficient, transparent and consistent with local needs and international obligations;
- » tax policy and administration in our partner countries;
- » implement Australia's commitment to the Addis Tax Initiative (2015) to double assistance for technical cooperation in the area of taxation and domestic revenue mobilisation by 2020;
- » develop the capacity of entrepreneurs and reform coalitions to drive policy reform and advocate for greater political accountability, including through partnerships with The Asia Foundation and the Developmental Leadership Program; and
- » assist Myanmar to achieve a lasting settlement of ethnic armed conflict, including through a new Joint Peace Fund that will support the peace process outlined in the Nationwide Ceasefire Agreement signed in October 2015.

Australia prioritises investments in governance because, where governance is poor, development outcomes are also poor

Health

2016–17 Budget Estimate: \$473.3 million

Australia's multiyear commitments to global health funds



GLOBAL FUND TO FIGHT
AIDS, TUBERCULOSIS
AND MALARIA

\$200m

(2014–2016)



GAVI, THE VACCINE
ALLIANCE

\$250m

(2016–2020)



INTERNATIONAL
FINANCE FACILITY FOR
IMMUNISATION

\$250m

(2010–2030)

Australia works at country, regional and global levels to respond to partner country and regional health needs

Australia's investments in health in 2016–17 will be guided by the *Health for Development Strategy 2015–2020*. The strategy focuses on building country-level systems and services, and strengthening regional capacity to respond to emerging health threats. The strategy prioritises investments in the following five areas:

- » core public health systems and capacities in key partner countries, including service delivery, the health workforce, health information systems, medicines, financing and governance;
- » combatting health threats that cross national borders, such as preventable infectious diseases and drug resistant strains of malaria and tuberculosis;
- » a more effective global health response, through contributing to and influencing the work of global health initiatives and organisations;
- » improved nutrition and access to clean water, sanitation and hygiene; and
- » innovations in health that respond to the complex health challenges in our region.

In making health investments, Australia works at country, regional and global levels to respond to partner country and regional health needs.

In 2016–17, Australia will provide support to:

- » strengthen health systems, with Australia's largest bilateral country health investments being in Papua New Guinea, Solomon Islands, Cambodia, and Timor-Leste;
- » regional preparedness and capacity to respond to emerging health threats and emergencies with health consequences, such as the Zika virus;
- » global public-private partnerships, multilateral agencies and international non-government organisations to extend the reach of our aid program to more countries and people and to promote health investment in our region
 - for example, through contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, and Gavi, the Vaccine Alliance;
- » research and innovation to develop more effective ways to improve health and prosperity in the region, including through the Data for Health partnership with Bloomberg Philanthropies; and
- » increase water and sanitation coverage in the Indo-Pacific region through targeted investments and capacity building for improved service delivery.



Education

2016–17 Budget Estimate: \$692.7 million

Program Highlights (Estimated Expenditure)



UNIVERSITY OF
THE SOUTH PACIFIC
PARTNERSHIP

\$14.0m



PHILIPPINES BASIC
EDUCATION ASSISTANCE
AND SECTOR
TRANSFORMATION

\$10.0m

Educating women and girls is particularly transformative; every additional year of schooling makes a difference to marriage age, fertility rates and improved health outcomes for women and their children

Quality education improves individuals' earning potential and their ability to invest wisely in their futures and those of their families. Educating women and girls is particularly transformative; every additional year of schooling makes a difference to marriage age, fertility rates and improved health outcomes for women and their children. Without the right education and skills in the population, countries in the region cannot maximise their productivity and growth potential and will miss out on critical economic development opportunities.

Australia and its neighbours benefit from aid program investments in education that support human resource development, economic growth and stability across the region. Too many children in the Indo-Pacific region are still missing out on the opportunity to attend school, to develop functional literacy and numeracy skills, and to continue their education to secondary level and beyond. Too many young people and adults in Australia's region are not getting the opportunity to use and develop their skills for employment and job creation. Girls, people with a disability and those who face geographic, ethnic or socio-economic constraints are particularly disadvantaged.

The *Strategy for Australia's Aid Investments in Education 2015–2020* sets out how Australia will work with partner countries to help them deliver comprehensive and high-quality education services. Australian aid in education:

- » invests in early childhood care and development, which has been shown to deliver high returns, particularly for the poorest and most marginalised children;
- » invests in quality at all levels of the education system, because it is what students know and can do that matters for poverty reduction and economic growth;
- » prioritises equity, with a particular focus on gender and disability inclusiveness, because fairer education systems are also the most effective; and
- » aligns education and skills with labour market needs, through investing in relevant and high-quality secondary and post-secondary education.

In 2016–17, Australia's education investments in the Indo-Pacific will:

- » support new approaches and research, including with the private sector and civil society, to improve the access, reach and quality of education;
- » invest in technical education, skills development and training aligned with labour market needs, for productivity improvements in the region;
- » target teacher training, curriculum reform and improved learning assessment, including in Indonesia, Laos, Timor-Leste, Philippines, Papua New Guinea and Pacific Islands Countries;
- » assist children, including from ethnic minority groups in Laos, Myanmar and Philippines to access education and training;

- » enable girls living in poverty and children with a disability to attend school, including in Indonesia, Bangladesh, Laos, Pakistan, the Philippines and across the Pacific;
- » contribute to the Global Partnership for Education to improve access to education worldwide, including for children in conflict-affected countries;
- » invest in a partnership with the United Kingdom Government supporting locally driven and owned research, to improve education systems and learning outcomes; and
- » strengthen the management of education policies and systems in our region, which will improve education outcomes and ensure the sustainability of our investments.

Case study: Australia Awards

In 2016–17, Australia will provide approximately 3,000 new Australia Awards scholarships, supporting individuals from developing countries to improve their qualifications and career potential.

Australia Awards are prestigious international scholarships and fellowships funded by the Australian Government. They offer the next generation of global leaders an opportunity to undertake study, research and professional development in Australia.

Australia Awards scholarships and fellowships contribute to the achievement of development objectives across a range of sectors and are a feature of nearly all of Australia's bilateral aid programs. Australia Awards aim to:

- » build people-to-people linkages at the individual, institutional and country levels; and
- » develop capacity and leadership skills so that individuals can contribute to development in their home country.

The Australia Awards extend our public diplomacy efforts by prioritising engagement with alumni and fellowships hosted by Australian institutions, in areas such as science, sport, economic management, arts and cultural heritage.

Building resilience: humanitarian assistance, disaster risk reduction and social protection

2016–17 Budget Estimate: \$554.1 million

Humanitarian crises reverse hard-won development gains, increase poverty and can result in instability that can last for decades. Since 2005, more than 700,000 people have been killed in disasters and the number of people in need of humanitarian assistance has doubled. More than 60 million people are currently displaced by conflict and persecution. The Indo-Pacific region is highly vulnerable to disasters, and their impact is becoming more extreme as a result of climate change, urbanisation and population growth.

Australia's humanitarian program saves lives, alleviates suffering and enhances human dignity. Our programs reduce the vulnerability of communities to disasters, build their resilience, and support early recovery. We prioritise the protection of the most vulnerable, including women, children and people with a disability. We work closely with partner governments in our region to support their capacity to plan for and manage disasters, as demonstrated by our response to Tropical Cyclone Winston in Fiji this year. Helping countries recover after disasters have hit is also a critical part of our work.

More than 60 million people are currently displaced by conflict and persecution. The Indo-Pacific region is highly vulnerable to disasters

Australia works with a wide range of trusted humanitarian partners to deliver life-saving assistance

As global humanitarian crises become more complex, Australia is identifying new ways to respond: increasing the engagement of the private sector; supporting more effective and accountable humanitarian delivery; and advocating for reforms to the international humanitarian system. Initiatives like the Pacific Humanitarian Challenge enable us to rethink humanitarian responses in the Indo-Pacific region.

Australia works with a wide range of trusted humanitarian partners to deliver life-saving assistance. Australian NGOs and Australian Government mechanisms like the Australian Civilian Corps are at the forefront of our rapid regional disaster response.

Our partnerships with United Nations humanitarian and disaster risk reduction agencies and the International Committee of the Red Cross provide predictable, multi-year funding. Australia will expand the use of multi-year agreements, including to support the regional humanitarian response to the Syria crisis. And we will work to strengthen the linkages between humanitarian and development interventions in protracted crises.

Estimated Breakdown of Australian Humanitarian Program Funding

	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
Disaster Risk Reduction and Protracted Crises	52.7	52.7
Australian Preparedness and Response	24.7	24.7
Emergency Fund	120.0	130.0
International Committee of the Red Cross (ICRC)	25.3	27.5
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	8.8	8.8
World Food Programme (WFP)	47.5	40.0
United Nations Central Emergency Response Fund (UNCERF)	10.7	11.0
United Nations High Commissioner for Refugees (UNHCR)	20.0	25.0
United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	19.3	20.0

Social protection

Social protection improves an individual's ability to cope and not resort to survival measures which would entrench poverty.

Australia's approach typically involves leveraging partner governments' own funding to improve social protection for the poor and vulnerable, contributing to human development and economic growth outcomes.

The *Strategy for Australia's Aid Investments in Social Protection* launched in 2015 sets out three objectives:

- » improve social protection coverage in the Indo-Pacific;
- » improve the quality of social protection systems; and
- » enhance our partner governments' ability to make choices on appropriate programs and systems for their context.

Cash transfers, which are part of social protection programs, can have especially high impact following disasters. For example, the Government of Fiji—with private sector support—made additional cash transfers to the poor and vulnerable within four weeks of Tropical Cyclone Winston in March 2016. Australia, with the World Bank, is conducting an assessment of the impact of these post-disaster cash transfers. This is the first assessment of its kind in our region, which will provide valuable insights on how to make social protection systems better able to respond to disasters and shocks.

In 2016–17, we will work in economic partnership with a number of governments in the region, including Indonesia, Bangladesh, the Philippines, Laos and Timor-Leste, to improve the effectiveness, efficiency and reach of their social protection systems.

Case study: innovationXchange—Pacific Humanitarian Challenge

Pacific countries are amongst the most vulnerable countries in the world to natural disasters. The problem is uniquely challenging because of the Pacific's small population and large geographic footprint, and it is enduring. Disasters like Cyclones Pam and Winston in 2015 and 2016—devastating for Vanuatu and Fiji—will be repeated in the years to come. So Australia needs to work with its Pacific neighbours to find creative solutions.

In 2016, innovationXchange's Pacific Humanitarian Challenge will do just this—be bold, engage with risk, and come up with new ideas to better respond to natural disasters in the Pacific.

This is the first 'global challenge' that Australia is running to source new solutions to difficult development problems. The Challenge will help local and international humanitarian responders address three critical problems:

- » better understand and communicate the needs of communities following natural disasters;
- » get relief supplies to people who need them, faster and more efficiently; and
- » improve the financial resilience of communities to withstand disasters, and to recover from them.

The Pacific Humanitarian Challenge invited ideas from a global audience including universities, NGOs, technologists and the business community. Ten finalists travelled to Canberra in late March 2016 for a two-day 'design sprint' to refine their proposals, which covered a range of ideas from drones to mobile-phone delivered insurance products. The design sprint was run with an expert advisory council, comprised of representatives from the NGO community, the Australian Defence Force, multilateral development organisations, private sector investors and a senior manager from the Solomon Islands National Disaster Management Office.

Winning projects will be showcased at the World Humanitarian Summit in Istanbul on 23–24 May 2016 and implemented over 2016–17, contributing to a more resilient Pacific.

Gender

2016–17 Gender Equality Fund: \$55 million

Program Highlights (Estimated Expenditure)



ADDRESSING GENDER
EQUALITY AND GENDER
BASED VIOLENCE IN
PAPUA NEW GUINEA

\$12.0m



ADDRESSING GENDER
EQUALITY IN THE
SOLOMON ISLANDS

\$3.0m



SARHAD RURAL
SUPPORT PROGRAM
PAKISTAN – WOMEN'S
ECONOMIC
EMPOWERMENT

\$1.8m

In 2016–17 the Gender Equality Fund will support, amongst others: women entrepreneurs in disaster-affected areas of Pakistan; a campaign empowering Indonesian women to combat corruption; gender equality and climate change work in the Pacific; and improving pregnancy and birth outcomes in Timor-Leste

Nations are less likely to prosper without gender equality and the empowerment of women and girls. Better educated women have fewer, healthier and better educated children. Providing female farmers with equal access to resources could reduce hunger for an extra 150 million people. In conflict situations, women are often instrumental in brokering ceasefires and can help to deliver more lasting peace. Yet gender inequality persists in our region, undermining economic growth, human development and poverty reduction.

It is for this reason that Australia's *Gender Equality and Women's Empowerment Strategy* applies across foreign policy, economic diplomacy and development efforts. Gender equality and women's empowerment is one of six priority areas for Australia's aid investment. The Strategy sets an ambitious target requiring that at least eighty per cent of all Australia's aid investments perform effectively in promoting gender equality.

The Strategy has three key priorities:

- » enhance women's voice in decision-making, leadership and peace-building;
- » promote women's economic empowerment; and
- » end violence against women and girls.

In 2015–16, Australia established the Gender Equality Fund to strengthen work on gender equality and women's empowerment in the aid program. The Fund maintains some flagship investments that promote gender equality in the Pacific and South-East Asia. It also supports innovative, new investments both within country programs and outside DFAT, including through partnerships with the private sector and civil society. It will play an important role reshaping Australia's development program to drive stronger gender equality performance and results.

Some of the proposals supported in 2015–16 by the Fund include:

- » \$3 million for the economic empowerment of ethnic minority women in northern Vietnam;
- » \$1 million to the South Asia Regional Trade Facilitation Program to enhance the program's gender equality outcomes; and
- » \$2 million to support the elimination of violence against women in Afghanistan.

In 2016–17 the Gender Equality Fund will be increased to \$55 million and will support, amongst others: women entrepreneurs in disaster-affected areas of Pakistan; a campaign empowering Indonesian women to combat corruption; gender equality and climate change work in the Pacific; and improving pregnancy and birth outcomes in Timor-Leste. It will continue to support Pacific Women Shaping Pacific Development, a 10 year (2012–2022), \$320 million program focused on enabling women and men across 14 Pacific nations to improve the political, social and economic opportunities for women.

Other gender focussed programs include: the new Investing in Women Initiative—a \$46 million program—that will support partnerships with government and private sector in South-East Asia to expand women’s economic participation; the Empowering Indonesian Women for Poverty Reduction program (MAMPU); and programs to eliminate violence against women in Afghanistan, Pakistan, Cambodia, Timor-Leste, Papua New Guinea and across the Pacific.

Disability inclusive development

The Australian Government is committed to playing a leadership role in disability-inclusive development to enable people with disabilities in developing countries to find pathways out of poverty and realise their full potential. This commitment is articulated in *Development for All 2015–2020*, Australia’s strategy for strengthening disability-inclusive development in the aid program.

People with disabilities constitute the world’s largest and most disadvantaged minority group, at 15 per cent of the global population. They are disproportionately represented among the poorest people. To be effective in reducing poverty, development must actively include and benefit people with disabilities.

In 2016–17, Australia will implement a range of programs to advance the quality of life of people with disabilities. These initiatives will be delivered through bilateral and regional programs, as well as global strategic partnerships with the UN Partnership to Promote the Rights of Persons with Disabilities, the United Nations Children’s Fund and the World Health Organization.

Australia will continue to invest in strengthening disability data collection and analysis globally, through partnerships with UN Statistical Division and the Washington Group on Disability Statistics.

Australia will also continue to support disabled people’s organisations in developing countries to advocate for their rights in accordance with the UN Convention on the Rights of Persons with Disabilities. Partnerships will include those with the Disability Rights Advocacy Fund, International Disability Alliance and the Pacific Disability Forum.

In 2016 DFAT’s Office of Development Effectiveness will commence a comprehensive evaluation of Australia’s disability assistance in order to harvest lessons learnt and maintain and enhance Australia’s reputation as a leader in the field.

People with disabilities constitute the world’s largest and most disadvantaged minority group

Australia will implement a range of programs to advance the quality of life of people with disabilities



GLOBAL PROGRAMS

Global funds and multilateral organisations

Australia is committed to working in partnership with global funds and multilateral organisations to reduce poverty and promote sustainable development, prepare for and respond to humanitarian emergencies, and ensure that aid meets the development needs of countries in the Indo-Pacific region. Australia rigorously assesses the performance of its multilateral partners to guide our engagement with them, and ensure value for money from the funding we provide.

In 2016–17, Australia will continue to work with multilateral partners to deliver aid to those most in need, including in developing countries where we do not have a bilateral presence. These partners include:

- » Multilateral development banks such as the World Bank Group and Asian Development Bank.
 - Australia is the 11th largest donor to the World Bank Group’s International Development Association, which targets poverty reduction in the world’s poorest nations. The World Bank Group provided US\$9 billion in funds to the East Asia Pacific region in 2014–2015.
 - Australia is also a major donor to the Asian Development Bank’s Asian Development Fund. Our support is helping to leverage over US\$3 billion for the Asia Pacific region’s poorest and most vulnerable countries over the next four years.
- » United Nations development and humanitarian organisations including UNICEF, the UN Development Programme, UN Women, the UN Population Fund, the World Health Organization, UNAIDS and the World Food Programme.
- » The International Committee of the Red Cross.
- » Multi-stakeholder health and education funds which bring together donors, developing countries, civil society, philanthropic foundations and the private sector. These include:
 - the Global Fund to Fight AIDS, Tuberculosis and Malaria, which, since its inception has contributed to saving 17 million lives globally;
 - Gavi, the Global Vaccine Alliance, a successful public/private partnership that helps reduce childhood deaths through ensuring poor countries can procure critical vaccines at globally low prices; and
 - The Global Partnership for Education, which has supported almost 17 million children enter primary and lower secondary school since 2011 (8.1 million of whom are girls).
- » Climate change and environment focused organisations including:
 - the Green Climate Fund, which supports global efforts to combat climate change by assisting developing countries to limit or reduce their greenhouse gas emissions. With Australia serving as the co-chair of the Green Climate Fund in 2016, the Fund is working to deliver US\$2.5 billion in project approvals this year;

- the Global Green Growth Institute, which partners with developing countries to address climate change in the Indo-Pacific by assisting them to embed economic growth pathways that use natural resources sustainably, are less carbon intensive, and more resilient to climate change; and
 - the Global Environment Facility and the Montreal Protocol which, respectively, help to improve agricultural productivity, sustainable fisheries and water management of poor communities dependent on the natural environment; and support developing countries phase-out ozone-depleting substances from industry practices.
- » The Commonwealth Secretariat, through which Australia supports programs focused on education, the rule of law, youth and civil society engagement, public sector development and economic development.

Case study: 2030 Agenda for Sustainable Development

The 2030 Agenda for Sustainable Development (2030 Agenda)—comprising both the Sustainable Development Goals (SDGs) and the Addis Ababa Action Agenda on Financing for Development—was agreed in 2015. It builds on the Millennium Development Goals and the Monterrey Consensus, and sets the globally agreed roadmap for development for the next fifteen years.

Australia's aid program is well aligned with the 2030 Agenda and is supporting global progress towards the SDGs including through investments in: gender equality and women's empowerment (goal 5); food security, agriculture and fisheries (goals 2 and 14); health and education (goals 3 and 4); infrastructure, trade and international competitiveness (goals 7, 8 and 11); and effective governance, institutions and functioning economies (goals 8 and 16).

Australia has made early commitments to further contribute to the 2030 Agenda, particularly goal 17 and the Addis Ababa Action Agenda, by:

- » increasing aid-for-trade to 20 per cent of the aid budget by 2020;
- » helping our partners increase their domestic resource mobilisation (revenues), including through the Addis Tax Initiative;
- » strengthening business and investment environments, supporting growth in markets, and maximising the development impact of businesses (building on investments of around \$1.4 billion in 2015–16); and
- » ensuring at least 80 per cent of our investments, in all sectors, effectively address gender as part of their implementation.

Australia is already delivering on the 2030 Agenda but we can and will do more. Australia will further embed the Agenda in the aid program and capitalise on the opportunities it offers.

Non-government organisations and volunteers

2016–17 Budget Estimate: \$178.4 million

Australian, international and local non-government organisations (NGOs) have been key partners in the aid program for more than 40 years, working jointly to support sustainable economic growth and reduce poverty.

Australia works with NGOs because they have strong connections to local communities; access to remote, fragile and conflict affected areas; and deep development expertise. Sharing ideas, expertise and finance maximises the impact of our development activities. The new policy framework, *DFAT and NGOs: Effective Development Partners*, will guide Australia in strengthening joint aid efforts with the NGO sector.

Australia's trusted NGO partners deliver results. Over fifty Australian NGOs have been accredited through the Australian NGO Cooperation Program, after meeting comprehensive due diligence requirements. This program offers NGOs flexibility to trial new approaches and maximise their comparative advantage, delivers quality results and extends the reach of the Australian aid program. In 2016–17, more than 50 accredited Australian NGOs will deliver around 500 projects in over 50 countries.

Australia is committed to working closely with the Australian NGO community. The strategic partnership between DFAT and the Australian Council for International Development further leverages NGO expertise to achieve Australia's development objectives.

The Australian Volunteers for International Development program provides opportunities for skilled Australians to undertake assignments that foster people-to-people linkages and build capacity in host organisations. Volunteers work in sectors such as health, education, rural development, governance and law and justice. Volunteers are active in the Australia's public diplomacy efforts by raising awareness of the Government's aid program overseas and in Australia, and contributing to Australia's positive reputation in the region.

In 2016–17 the Australian Volunteers for International Development program has been allocated a budget of \$39.6 million, and will:

- » support approximately 1,000 volunteers in 23 countries;
- » place 95 per cent of volunteers in the Indo-Pacific region; and
- » expand the recently launched Returned Australian Volunteer Network.

The program is funded and delivered by DFAT and is currently partnered with Australian Volunteers International and Scope Global.

Australian, international and local non-government organisations have been key partners in the aid program for more than 40 years, working jointly to support sustainable economic growth and reduce poverty

Case study: Volunteers—the final ingredient for the Yangon Bakehouse

The Yangon Bakehouse is a social enterprise which creates training and employment opportunities for underprivileged women in Myanmar.

Trainees are supported for ten months to learn culinary, English and computer skills, as well as about general and reproductive health. After their training, participants are helped to find employment.

Two volunteers from the Australian Volunteers for International Development program have provided culinary and English language training at the Yangon Bakehouse. An experienced executive chef has helped improve the culinary standards and implement new menu items and a retail range. The English teacher has improved English language skills for trainees, and developed a new curriculum that will be used in the apprenticeship program and in other cafes and restaurants across Myanmar.

Yangon Bakehouse has now trained 57 women and is planning to expand to the Inle region in Shan State next year.

With the help of Australian volunteers, the Yangon Bakehouse is supporting more women in Myanmar to improve their chances of finding better-paid, meaningful employment.



Australian volunteer Dean Parrish with apprentices from the Yangon Bakehouse. (l - r) Phyu Phyu Naing, Cho Cho Lwin, Aye Pa Pa Myo, Nan Nge Bee, Chit Hay Man, Cherry Oo, Naw Say Gay Htoo, Dean Parrish, Wai Mar Lwin, Nan Sander Win Win, Naw Sar April Phaw, Aye Aye Myint.
Credit: Angus Johnstone

Climate Change

Australia will spend approximately \$200 million on climate change in 2016–17, with investments across country, regional and global programs. Australia has committed \$1 billion over five years to address climate change challenges.

The impacts of global warming are already being felt and many of Australia's neighbours in the Indo-Pacific are highly vulnerable to the impacts of climate change. A substantial proportion of our climate change funding will flow to these countries, to help them build climate resilience, reduce emissions, and support implementation of commitments under the Paris Agreement, including on adaptation and mitigation.

Australia's funding will build on existing investments that support effective, evidence-based adaptation planning and strengthen risk governance across key sectors, including finance, infrastructure, planning, education, water and food security. Australia's support will also build the capacity of Pacific Countries and Least Developed Countries in our region to access climate change financing to attract investment.

Some examples of the work Australia is supporting in the region include helping the Pacific better understand climate impacts through investment in science and adaptation planning and support to national weather and climate services in 14 Pacific countries (\$33 million until June 2017). Our funding will improve forecasting and reporting on climate, tides and the ocean and deliver practical information on drought conditions, water storages, and malaria and other health risks.

Australia is also supporting the increased participation of Pacific women in climate-related decision-making processes (\$0.6 million in 2015–2017). Australia will also contribute to the Climate Risk Early Warning System, a global initiative to help protect lives and livelihoods in Small Island and Least Developed Countries (\$5 million over four years from 2016 to 2020).

Our support for multilateral efforts addressing climate change includes:

- » the Green Climate Fund, which supports global efforts to combat climate change by assisting developing countries to limit or reduce their greenhouse gas emissions. With Australia serving as the co-chair of the Green Climate Fund in 2016, the Fund is working to deliver US\$2.5 billion in project approvals this year;
- » the Global Green Growth Institute, which partners with developing countries to address climate change in the Indo-Pacific by assisting them to embed economic growth pathways that use natural resources sustainably, are less carbon intensive, and more resilient to climate change; and
- » the Global Environment Facility and the Montreal Protocol which, respectively, help to improve agricultural productivity, sustainable fisheries and water management of poor communities dependent on the natural environment; and support developing countries phase-out ozone-depleting substances from industry practices.

OTHER GOVERNMENT DEPARTMENTS

Australia applies a whole-of-government approach to aid delivery. The individual skills, strengths and expertise of Other Government Departments (OGDs)—including Commonwealth, State and Territory government departments and agencies—are utilised in delivering Australia's aid program.

Funding for OGDs changes annually, depending on the activities programmed by each department and the activity's eligibility to be classified as ODA, based on OECD Development Assistance Committee criteria.

Figure 7: ODA delivered by Other Government Departments

Department/Agency	2015–16 Revised Budget Estimate (\$m)	2016–17 Budget Estimate (\$m)
Australian Centre for International Agricultural Research	91.3	103.4
Agriculture	3.8	3.3
Attorney Generals	5.0	6.3
Immigration and Border Protection	7.5	3.3
Australian Federal Police	120.0	110.5
Communications	0.9	1.1
Education	27.7	12.6
Employment	7.5	8.5
Environment	0.5	0.8
Finance	0.5	0.0
Health	7.2	10.5
Infrastructure	0.6	0.0
Reserve Bank of Australia	-	0.1
Treasury	56.2	39.7
States and Territories	0.4	0.1
Total	329.1	300.0

Some aspects of peace and security are now classified as ODA-eligible. This is not currently reflected in the above table but will be updated at a later date.

Australian Centre for International Agricultural Research (ACIAR)

ACIAR works in Australia's national interest by contributing to economic growth and poverty reduction in the Indo-Pacific region. ACIAR will continue to improve the productivity, sustainability and profitability of agricultural systems, through international agricultural research and training partnerships and the empowerment of women and girls.

ACIAR will directly contribute to the Government's aid policy by working to enhance and promote agricultural competitiveness and sustainability, increased market access, and value-chain efficiencies and effectiveness. Farm-level productivity and the competitiveness of both traditional and emerging value chains to achieve access on domestic and international markets will continue to be a primary focus of the Centre's activities.

ACIAR's strategic approach will be to respond to major challenges in our region and where Australia has comparative advantage. In 2016–17, ACIAR will concentrate its efforts in developing countries of Asia and the Pacific. ACIAR will also engage in high-payoff partnerships in other regions in support of Australia's foreign policy objectives. ACIAR will work through bilateral (at least 70 per cent) and multilateral (up to 30 per cent) modalities. In line with the refocusing of the Australian aid program, ACIAR it will increase funding to East Asia and the Pacific region, particularly Papua New Guinea .

At a global level, ACIAR will engage closely with a range of international multilateral institutions and associations, including CGIAR, the Asia Pacific Association of Agricultural Research Institutions (APAARI), ASEAN, CABI (an intergovernmental, not-for-profit organisation), the UN Food and Agricultural Organization (FAO), the Pacific Community (PC) and The World Vegetable Center (AVRDC) to extend our effectiveness and to reduce some of the challenges our environment presents.

ACIAR will continue to manage research partnerships in four areas of endeavour: crops; livestock and fisheries; natural resources and forestry; socioeconomics and policy. There will be a multidisciplinary approach between these research clusters.

ACIAR will continue to develop the evidence base for good policy formulation and will actively work to make existing information available. ACIAR's Annual Operational Plan provides further details of the Centre's regional and country strategies, priorities and programs for the 2016–17 financial year.

Australian Federal Police (AFP)

In 2016–17, the AFP will continue to undertake activities in our region that help build the capability of local police, and promote and monitor peace, stability and security. These conditions are fundamental to socio-economic development and growth. Activities include:

- » continuation of the Pacific Police Development Program. This program builds on bilateral, trilateral and regional cooperation to support law enforcement, rule of law programs and combat trans-national crime. It focuses on Nauru, Samoa, Tonga, Vanuatu and Papua New Guinea. Under a regional component of the Program, the AFP also provides support to Kiribati, Niue, Tuvalu, the Republic of Marshall Islands, Palau, Cook Islands, the Federated States of Micronesia and other Pacific Island countries;

- » the provision of AFP advisory personnel to Papua New Guinea under both the *Joint Understanding between Australia and Papua New Guinea on Further Bilateral Cooperation on Health, Education and Law and Order*, and existing Pacific Police Development Program commitments. AFP officers will work closely with the Royal Papua New Guinea Constabulary to develop core community policing capabilities and organisational governance and specialist policing skills. Key specialist skills to be developed include major events planning, management, investigations, prosecutions, and countering family and sexual violence;
- » continuation of the Regional Assistance Mission to Solomon Islands (RAMSI) that works in partnership with the Royal Solomon Islands Police Force to develop it into a modern, effective and independent police service. The program will focus on continued police development and preventing family violence. RAMSI will continue to assist the Royal Solomon Islands Police Force to implement a limited rearmament program which will provide it with an armed security capability in the lead-up to RAMSI's conclusion on 30 June 2017; and
- » continuation of the Timor-Leste Police Development Program to support the Policia Nacional de Timor-Leste. The program assists the Government of Timor-Leste in building an effective and accountable police service that strengthens the rule of law.

Department of the Treasury

In 2016–17, the Treasury portfolio will continue to manage the payments of previously agreed capital increases to the International Bank for Reconstruction and Development and to the Asian Development Bank and contributions to their infrastructure facilities. These payments will fund activities aimed at delivering tangible development benefits in ODA eligible countries and supporting infrastructure that will encourage economic growth.

Department of Immigration and Border Protection (DIBP)

In 2016–17, the Department of Immigration and Border Protection will continue to work with partner governments in South-East Asia, South Asia, the Middle East and the Pacific to build capacity to manage migration flows effectively and combat people smuggling. This includes providing funding to: deliver capacity building projects in the region to enhance migration and border management; deliver training, mentoring and assistance to countries to mitigate irregular movements, enabling countries to manage risks ahead of the border; deliver immigration intelligence training; and support the sustainable return of Illegal Maritime Arrivals through the Reintegration Assistance Program.

Other OGD contributions

The Attorney-General's Department international legal assistance work in the Indo-Pacific region will help combat transnational crime, including people smuggling, trafficking, money laundering and corruption.

The Department of Communications and the Arts will provide Official Development Agency to the International Telecommunication Union (ITU), the United Nations specialised agency responsible for international cooperation in the use of telecommunications and the radiofrequency spectrum.

The Department of Infrastructure will provide ODA for the Australia-Indonesia Maritime and Aviation Transport Security Program which supports professional attachments for Indonesian Ministry of Transport officials to strengthen their transport security skills and expertise.

The Department of Agriculture and Water Resources will provide Australia's annual core contributions to the United Nations Food and Agriculture Organization (FAO), 51 per cent of which is ODA eligible.

The Department of Employment will provide funding to the International Labour Organization (which is partially ODA eligible), and will continue to deliver the Seasonal Worker Program, which contributes to the economic development of participating countries by providing access to work opportunities in the Australian agriculture and accommodation industries, as well as a trial in tourism in Northern Australia.

Through the Endeavour Scholarships and Fellowships, the Department of Education provides opportunities to foreign nationals, including from developing countries, to undertake study, research or professional development in Australia.

APPENDICES

**Figure 8: Allocations to DFAT country, regional and global programs
(2015–16 Estimated Outcome)**

DFAT Country, Regional and Global Program allocations	
Program	2015–16 Estimated Outcome (\$m)
Papua New Guinea	471.0
Solomon Islands	93.2
Vanuatu	43.1
Fiji	50.3
Samoa	23.6
Nauru	21.2
Kiribati	20.2
Tonga	17.6
Tuvalu	6.6
Cook Islands	1.9
Niue and Tokelau	1.8
North Pacific	5.2
Pacific Regional	176.9
Pacific Total	932.6
Indonesia ¹	313.9
Timor-Leste	70.0
Philippines	68.4
Cambodia	62.4
Vietnam	61.4
Myanmar	53.8
Laos	24.2
Mongolia	6.4
East Asia Regional	39.7
South-East and East Asia Total	700.2

DFAT Country, Regional and Global Program allocations	
Program	2015–16 Estimated Outcome (\$m)
Afghanistan	83.0
Bangladesh	42.1
Pakistan	48.8
Sri Lanka	20.1
Nepal	16.6
Bhutan	3.8
Maldives	3.3
South and West Asia Regional	20.3
South and West Asia Total	237.9
Palestinian Territories	20.5
Middle East and North Africa	93.5
Sub-Saharan Africa	31.8
Africa and the Middle East Total	145.8
Gender Equality Fund²	18.9
Regional Scholarships and Education	101.8
Health, Water and Sanitation	66.6
Infrastructure and Rural Development	40.0
Governance	14.4
Fisheries and Agriculture	7.6
Innovation Fund	19.9
Disability	12.9
Direct Aid Program	22.0
Other Cross Regional Programs	31.7
Cross Regional Programs Total	316.8
DFAT ODA—Country and Regional Programs	2,352.2
Disaster Risk Reduction and Protracted Crises	66.7
Australian Preparedness and Response	25.2
Global Humanitarian Partnerships	131.6
Humanitarian, Emergencies and Refugees Total	223.5

DFAT Country, Regional and Global Program allocations	
Program	2015–16 Estimated Outcome (\$m)
United Nations Development Fund (UNDP)	12.7
United Nations Children's Fund (UNICEF)	21.0
United Nations Population Fund (UNFPA)	9.2
United Nations Program on HIV and AIDS (UNAIDS)	4.5
World Health Organisation (WHO)	12.4
UN Women	7.8
Commonwealth Organisations	7.2
Contributions to Global Health Programs ³	181.1
Contributions to Global Education Partnerships ³	26.0
Contribution to Green Climate Fund ³	60.0
Other ODA eligible contributions ⁴	47.8
UN, Commonwealth and Other International Organisations Total	389.7
Global NGO Programs	130.4
Australian Volunteers Program	40.8
Community Engagement and International Research	5.9
NGO, Volunteer and Community Programs Total	177.0
Cash Payments to Multilaterals	379.3
DFAT ODA—Global Programs	1,169.6
DFAT ODA—Departmental	240.8
Other Government Departments	329.1
Adjustments	-40.0
Total Australian ODA	4,051.7

- 1 The Indonesia Debt to Health Swap has been moved to 'Other ODA eligible contributions' given links to Global Health Funds, it remains reflected in flows to Indonesia.
- 2 These figures refer to a number of gender-related activities across the program. Funding allocated to the Gender Equality Fund and humanitarian Emergency Fund is distributed to appropriate country and regional programs to reflect actual and planned expenditure.
- 3 Payments aligned with multi-year replenishment schedules; there has been no reduction to Australian commitments.
- 4 This includes funding for the Indonesia Debt to Health Swap and other ODA eligible portions of contributions to the United Nations and other international organisations.

**Figure 9: Total Australian ODA by partner country and region
(2015–16 Estimated Outcome)**

Total Australian ODA by country and region*	
Program	2015–16 Estimated Outcome (\$m)
Papua New Guinea	549.7
Solomon Islands	172.2
Vanuatu	61.0
Fiji	78.7
Samoa	37.0
Nauru	25.2
Kiribati	28.4
Tonga	28.8
Tuvalu	9.1
Cook Islands	3.5
Niue and Tokelau	3.1
North Pacific	10.0
Pacific Regional	124.7
Pacific Total	1,131.5
Indonesia	379.1
Timor-Leste	99.1
Philippines	84.8
Cambodia	90.1
Vietnam	86.0
Myanmar	75.4
Laos	44.8
Mongolia	10.5
East Asia Regional	68.2
South-East and East Asia Total	938.0
Afghanistan	87.1
Bangladesh	57.5
Pakistan	55.8
Sri Lanka	26.9
Nepal	33.7
Bhutan	8.7
Maldives	6.7
South and West Asia Regional	26.2
South and West Asia Total	302.6

Total Australian ODA by country and region*	
Program	2015–16 Estimated Outcome (\$m)
Palestinian Territories	42.9
Middle East and North Africa	95.9
Sub-Saharan Africa	117.2
Africa and the Middle East Total	256.0
Latin America and the Caribbean Total	12.5
Core contributions to multilateral organisations and ODA not attributable to particular countries or regions	1,411.1
Total Australian ODA	4,051.7

* This column shows total Australian ODA from all agencies and programs attributable to partner countries and regions. This includes DFAT country program allocations, flows from DFAT regional and global programs, and expenditure by other government departments and agencies. Funding allocated to the Gender Equality Fund and humanitarian Emergency Fund at Budget is distributed to appropriate country and regional programs to reflect actual and planned expenditure.

Countries in the Indo-Pacific Region

Pacific		
Cook Islands	Nauru	Solomon Islands
Federated States of Micronesia	Niue and Tokelau	Tonga
Fiji	Palau	Tuvalu
Kiribati	Papua New Guinea	Vanuatu
Marshall Islands	Samoa	
South-East and East Asia		
Cambodia	Mongolia	Timor-Leste
Indonesia	Myanmar	Vietnam
Laos	Philippines	
South and West Asia		
Afghanistan	Maldives	Sri Lanka
Bangladesh	Nepal	
Bhutan	Pakistan	
African East Coast		
Somalia	Mozambique	Seychelles
Kenya	South Africa	Comoros
Tanzania	Madagascar	Mauritius

