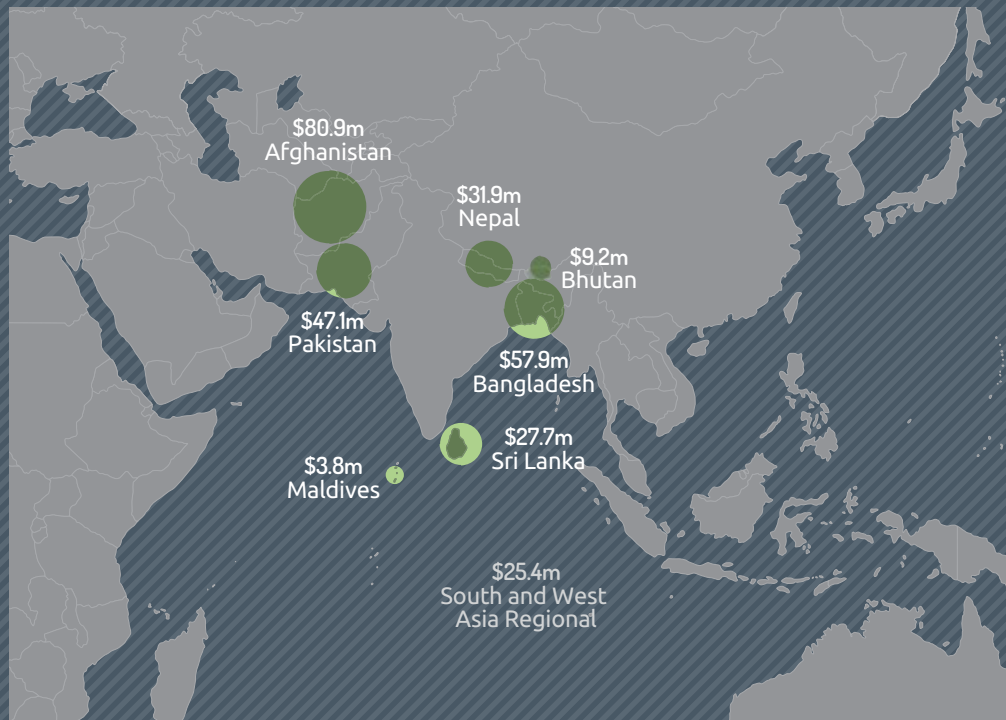


2017-18 TOTAL AUSTRALIAN ODA TO SOUTH AND WEST ASIA*

\$283.9 MILLION



Australian ODA by investment priority



Program Highlights



AFGHANISTAN:
RECONSTRUCTION
TRUST FUND

\$25.0m
(2017-18)



PAKISTAN:
MARKET DEVELOPMENT
PHASE II

\$3.0m
(2017-18)



SRI LANKA:
SKILLS FOR GROWTH

\$3.0m
(2017-18)

* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in South and West Asia. Including, flows from DFAT regional and global programs and expenditure by other government departments (OGDs).

SOUTH AND WEST ASIA

Afghanistan

2017–18 Bilateral Budget Estimate: \$80.0 million

	2017–18
Program	Budget Estimate \$m
Country	80.0
Regional	0.2
Global	0.7
Other Government Departments	0.0
Total ODA to Afghanistan	80.9



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Afghanistan remains one of the poorest countries in the world where conflict severely limits provision of services and gender inequality and violence against women is endemic. Afghanistan's 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. Only 17 per cent of women and fewer than half of men are literate. 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.

Ongoing development assistance from the international community remains critical in supporting Afghanistan to become a more prosperous, secure and self-reliant nation. Towards this objective, Australia and other donors have committed to strengthen aid effectiveness and align with government systems by providing at least 50 per cent of development assistance as 'on-budget' support and to align at least 80 per cent of assistance with Afghanistan's National Priority Programs.

Australia is committed to Afghanistan's long-term security and development. At the 2016 Brussels Conference on Afghanistan, Australia pledged to extend our \$80 million annual aid program to Afghanistan from 2017 to 2020, this includes US\$20 million per annum in ODA-eligible support for the Afghan police as pledged at the July 2016 North Atlantic Treaty Organization (NATO) Summit in Warsaw.

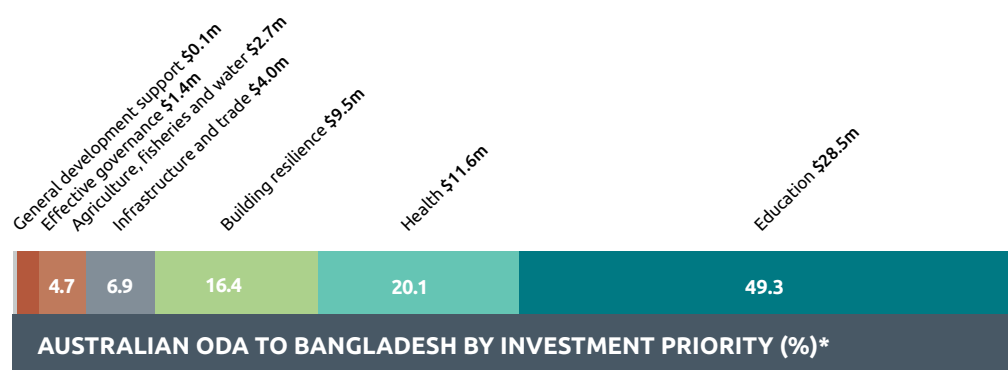
In 2017–18, Australian development support to Afghanistan will include:

- » supporting the Afghan Government to improve economic growth and governance through investments in the World Bank administered Afghanistan Reconstruction Trust Fund, the UN Development Programme (UNDP) — managed Law and Order Trust Fund for Afghanistan and by providing strategic policy advice to the National Unity Government through the Institute for State Effectiveness;
- » empowering women and girls by increasing girls' literacy rates and improving support services, access to justice and advocacy efforts to combat violence against women through the Empowerment through Education and Ending Violence Against Women programs; and
- » through our humanitarian program and the Australia Afghanistan Community Resilience Scheme, we are providing emergency assistance and strengthening the resilience of at-risk communities.

Bangladesh

2017–18 Bilateral Budget Estimate: \$42.1 million

	2017–18
Program	Budget Estimate \$m
Country	42.1
Regional	8.8
Global	5.5
Other Government Departments	1.5
Total ODA to Bangladesh*	57.9



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Bangladesh has maintained an impressive track record on economic growth and development. A growth rate averaging 6 per cent in recent years has helped lift more than 15 million Bangladeshis out of poverty since 1992. Yet, around 47 million people are still below the national poverty line and improving access to quality services for this vulnerable group is a priority.

Australia has a long-standing development partnership with Bangladesh and Australian aid will support initiatives to enable Bangladesh to meet its development objectives, in particular focusing on education and building economic resilience among the poorest and most marginalised communities. Australia's aid program will support Bangladesh's goal to become a middle-income country by 2021.

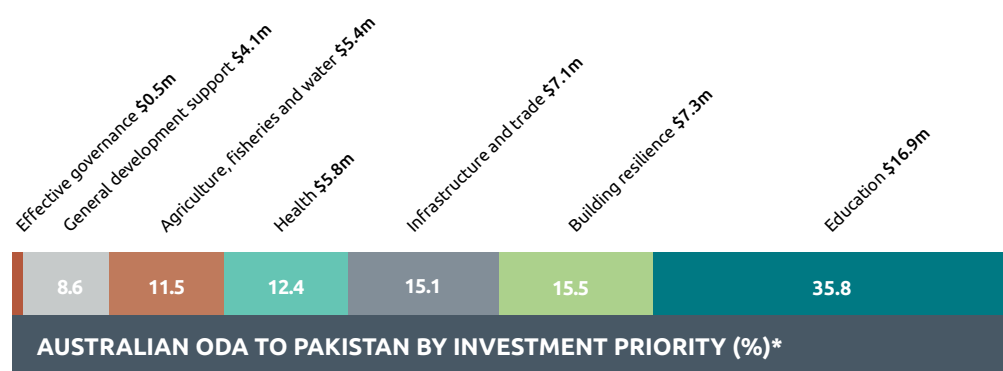
In 2017–18, Australian development support to Bangladesh will focus on:

- » improving access to and quality of primary education in over 100,000 primary schools by strengthening teacher training, curriculum development, promoting innovation and encouraging private sector and non-government engagement in the sector; and
- » building community resilience through cash transfers, livelihood support, training and health care provision, targeted at the extreme poor, women and other vulnerable communities, including Rohingya refugees. Australia will also work with Bangladesh and other partners, like BRAC — the largest NGO in Bangladesh — to help strengthen social protection systems and programs.

Pakistan

2017–18 Bilateral Budget Estimate: \$39.4 million

2017–18	
Program	Budget Estimate \$m
Country	39.4
Regional	5.8
Global	1.7
Other Government Departments	0.3
Total ODA to Pakistan*	47.1



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Pakistan's size, strategic location and as yet unrealised economic potential ensure that it remains a critical player in the region. Australia has a continuing interest in supporting Pakistan to build stability and sustainable and inclusive economic prosperity. Australia's engagement with Pakistan encompasses security cooperation, trade and people-to-people links.

Pakistan faces a number of constraints to broad based economic growth, including energy and infrastructure deficits, skills shortages, regional instability and other barriers to trade. A productive, inclusive agricultural sector and improved employment opportunities are central to Pakistan's development. Pakistan's population is expected to double by 2050, with a growing youth population a more inclusive pattern of economic growth will also be crucial. Increasing women's participation in the workforce from 25 per cent and addressing needs in education, health and nutrition are also fundamental. Insecurity continues to undermine development, particularly in the provinces bordering Afghanistan where economic and human development indicators are some of the poorest in the country.

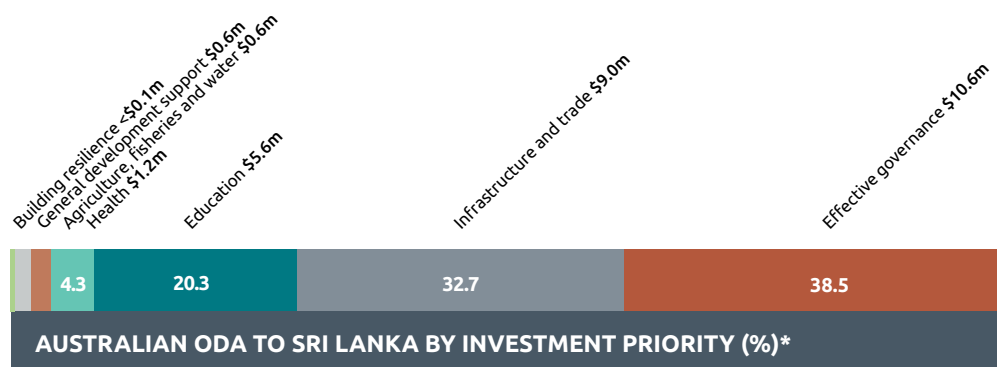
In 2017–18, Australian development support to Pakistan will focus on:

- » generating sustainable growth and employment by: supporting the implementation of a comprehensive medium-term regional trade strategy; enhancing agricultural productivity and strengthening agribusiness opportunities including targeted support for women entrepreneurs; and supporting sustainable water resource management;
- » investing in people through education and health with a focus on: strengthening education services for hard to reach children particularly girls in Khyber Pakhtunkhwa province; and improving nutrition services for women and their children in Balochistan and Khyber Pakhtunkhwa; and
- » supporting Pakistan's efforts to address gender-based violence by securing funding commitment from Provincial and District governments for essential services such as shelters and hotlines, establishing two mobile crisis units, working with communities to prevent gender-based violence and supporting a pilot project on community-police relations.

Sri Lanka

2017–18 Bilateral Budget Estimate: \$19.9 million

	2017–18
Program	Budget Estimate \$m
Country	19.9
Regional	3.7
Global	4.0
Other Government Departments	0.0
Total ODA to Sri Lanka	27.7



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia's aid program assists Sri Lanka's progress as a secure, stable and prosperous partner in the Indian Ocean region. Despite recent strong economic growth and reduction in the percentage of the population in poverty from 22.7 per cent in 2002 to 6.1 per cent in 2012–13, there remains significant inequality and pockets of extreme poverty. Equitable growth and improved economic competitiveness, particularly in 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. Australia will continue, in 2017–18, its gradual transition of the aid program toward an economic partnership approach, with the aim of maximising the number of Sri Lankans who benefit from economic growth.

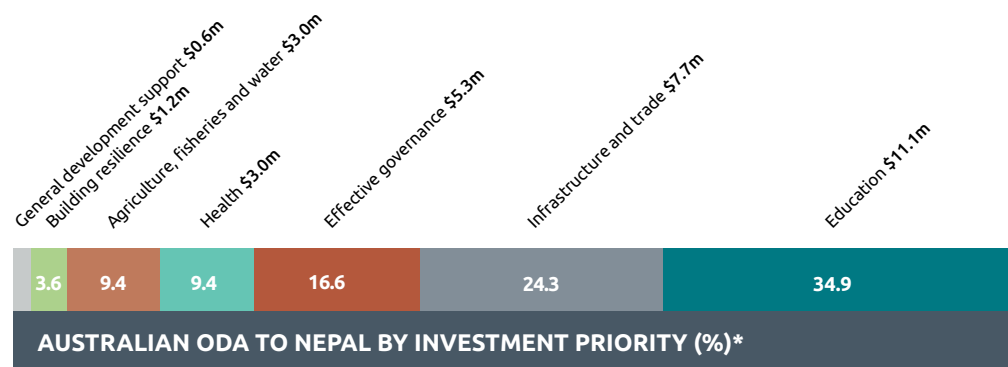
In 2017–18, Australian development support to Sri Lanka will focus on:

- » skills for growth, which expands access for marginalised populations to tourism-related skills development in regions such as Eastern Province and Markets for Development, which develops partnerships with key players, including small and medium-sized enterprises (SMEs), in the private sector to grow markets and strengthen the engagement of the poor with those markets, reflecting the strategic priority — expand economic opportunities for the poor;
- » the Governance Platform, which supports activities that enhance the analytical, policy and organisational capacities of governments and public agencies at national and sub-national levels, reflecting the strategic priority — support government to be more responsive to the needs of citizens and the private sector; and
- » the Women in Work program, delivered through the International Finance Corporation, increases women's labour force participation in growth areas of the economy and expands women's economic opportunities to earn an income and accumulate economic assets, reflecting a strategic priority — increase gender equality.

Nepal

2017–18 Bilateral Budget Estimate: \$15.6 million

	2017–18
Program	Budget Estimate \$m
Country	15.6
Regional	9.4
Global	6.0
Other Government Departments	1.0
Total ODA to Nepal*	31.9



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Nepal has made progress against development goals in recent years, yet it remains one of the poorest and least developed countries in the world. It is estimated that the 2015 earthquakes may have pushed an additional 2.5 to 3.5 per cent of the country's population into poverty, translating into 700,000 additional poor and demonstrating the vulnerability of Nepali households to shocks.

Australia's aid program focuses in areas where our experience and expertise can make a difference to the lives of the poorest, particularly women and girls, marginalised communities and people with disabilities. Following the earthquakes Australia provided \$28 million for recovery efforts, including school rebuilding and re-establishing livelihoods.

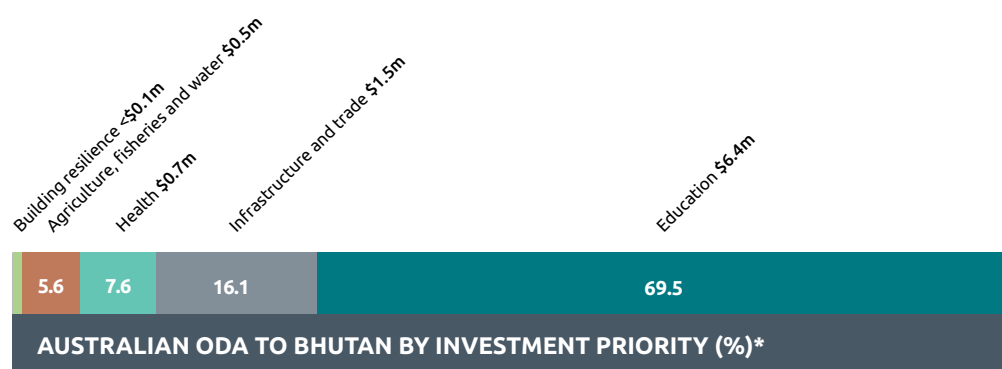
In 2017–18, Australian development support to Nepal will focus on:

- » contributing to poverty reduction and employment generation efforts through micro-entrepreneurship development, particularly targeting poor youth, women and individuals from socially excluded groups in selected districts in Nepal;
- » developing an enabling environment for the growth of strong and effective subnational governments that can respond to the needs of citizens, with an emphasis on the needs of historically marginalised groups, women and girls;
- » supporting the government to expand education access and equity, improve quality and relevance and strengthen the institutional capacity of the education system; and
- » strengthening people-to-people links through the Australian Volunteers for International Development (AVID) program which will support 18 volunteers, including in the health and disability, education, disaster prevention and preparedness and human rights sectors.

Bhutan

2017–18 Bilateral Budget Estimate: \$2.1 million

	2017–18
Program	Budget Estimate \$m
Country	2.1
Regional	5.7
Global	1.1
Other Government Departments	0.3
Total ODA to Bhutan	9.2



Bhutan has taken significant steps towards democratising its political system and opening its economy. The Government of Bhutan practices a development philosophy of Gross National Happiness. This unique approach to development favours policies that foster good governance, sustainable socioeconomic development, cultural preservation and environmental conservation rather than a strict focus on GDP growth to measure progress. 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.

Australia is committed to supporting Bhutan's human resource development through our scholarships program and through building capacity of Bhutanese institutions. Education is the central pillar of the bilateral aid program.

In 2017–18, Australian development support to Bhutan will focus on:

- » 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 AVID program, which will focus on supporting entrepreneurial growth and development in the private sector.

Maldives

2017–18 Bilateral Budget Estimate: \$1.8 million

	2017–18
Program	Budget Estimate \$m
Country	1.8
Regional	1.9
Global	0.0
Other Government Departments	0.0
Total ODA to Maldives*	3.8

Infrastructure and trade <\$0.1m

Education \$3.7m

99.2

AUSTRALIAN ODA TO MALDIVES BY INVESTMENT PRIORITY (%)*

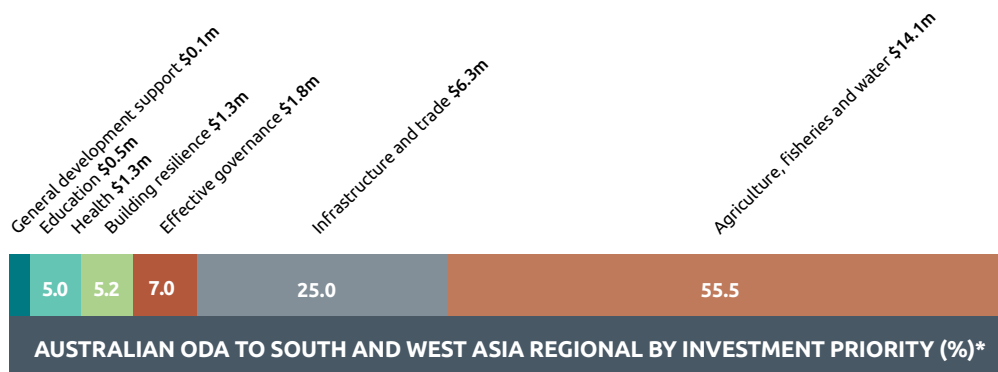
* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia has an interest in a stable and prosperous Maldives, underpinned by strong democratic institutions and a robust civil society. The Australia Awards program will remain the central pillar of Australia's aid program to the Maldives.

In 2017–18, Australian assistance to the Maldives will provide 30 Australia Awards.

South and West Asia Regional

2017–18 Bilateral Budget Estimate: \$19.8 million



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia has a growing trading and economic partnership with South Asia, but limited integration in the region limits the potential for growth. The relatively poor quality of trade-related infrastructure (e.g. ports, roads and storage facilities), as well as of energy production and distribution networks, are key constraints to growth. Further, there is limited cooperation on shared regional resources, such as water. Australia's South Asia Regional program will assist partner countries to address region-wide barriers to sustainable economic growth.

In 2017–18, Australian development support to the South and West Asia Regional Program will focus on:

- » the Sustainable Development Investment Portfolio — which supports increased water, food and energy security to facilitate economic growth to improve the livelihoods of the poor and vulnerable; and
- » the South Asia Regional Trade Facilitation Program and Infrastructure for Growth — which increases regional connectivity through trade facilitation and infrastructure connectivity.



Improving livelihoods with innovative cropping systems on the East India Plateau. Photo: Arnab Chakraborty