



Australian Government  
Department of Foreign Affairs and Trade



# AUSTRALIAN AID BUDGET SUMMARY 2017-18



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Cover photograph: *Umiyatun is breastfeeding her child in Ngawi, East Java, Indonesia.*

The Australia-Indonesia Partnership for Gender Equality and Women's Empowerment (MAMPU) program (formerly the Empowering Indonesian Women for Poverty Reduction program) is currently supporting more than 210 women's forums (Balai Sakinah Aisyiyah) as a crucial way to raise awareness among poor women on the importance of maternal and reproductive health.

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# MINISTERS' FOREWORD



In 2017–18, Australia will provide \$3.9 billion in Official Development Assistance (ODA).

The Australian Aid Program reduces poverty, promotes sustainable economic growth, and advances Australia's national interest. We are committed to improving the lives of the most vulnerable in the Indo-Pacific region where we will invest over 90 per cent of our bilateral and regional aid.

The aid program's priorities remain constant — outlined in the Government's aid policy: *Australian aid: promoting prosperity, reducing poverty, enhancing stability* — with a focus on private sector engagement, innovation, empowering women and girls, strong humanitarian responses and building capacity and stability.

Responding to record levels of global displacement and humanitarian need, Australia has increased its humanitarian assistance to \$399.7 million in 2017–18. Our core multi-year funding to multilateral agencies allows flexible, efficient, and rapid responses to emerging crises. In addition, a new three-year \$100 million commitment (including \$30 million in 2017–18) will support the humanitarian needs of the people of Iraq and stabilise those areas newly liberated from ISIS. It builds on our multi-year regional humanitarian response to the Syria crisis announced last year and provides funding certainty to partners to ensure efficient, effective and timely delivery of assistance. Our support will target the most vulnerable, with particular emphasis on women, girls, and the disabled, who are disproportionately affected by these crises.

Peace and security are paramount to development. In 2017–18, Australia will commit \$141 million to the Solomon Islands to promote peace, justice, and inclusion, following the conclusion of the Regional Assistance Mission to Solomon Islands (RAMSI) in June 2017. We will extend our \$80 million annual aid program to Afghanistan from 2017 to 2020, as pledged at the 2016 Brussels Conference on Afghanistan.

The Government has placed gender equality and empowering women and girls at the heart of the aid program — in 2017–18 the Government will provide \$55 million to the Gender Equality Fund, including \$5.4 million for the Pacific Women Shaping Pacific Development initiative.

Australia will spend \$300 million on climate change and resilience activities in Pacific Island countries, including \$75 million for disaster preparedness over the next four years (2016–2020) — an additional \$80 million on previous levels.

Innovation is essential to a modern and responsive aid program, and the InnovationXchange is delivering results. In 2016–17, we improved our humanitarian response through the Pacific Humanitarian and Humanitarian Supplies Challenges and will support transformation of the aquaculture industry through the Blue Economy Challenge. In 2017–18, we will continue to partner with the private sector to further enhance and modernise the aid program, committing \$50 million to the InnovationXchange.

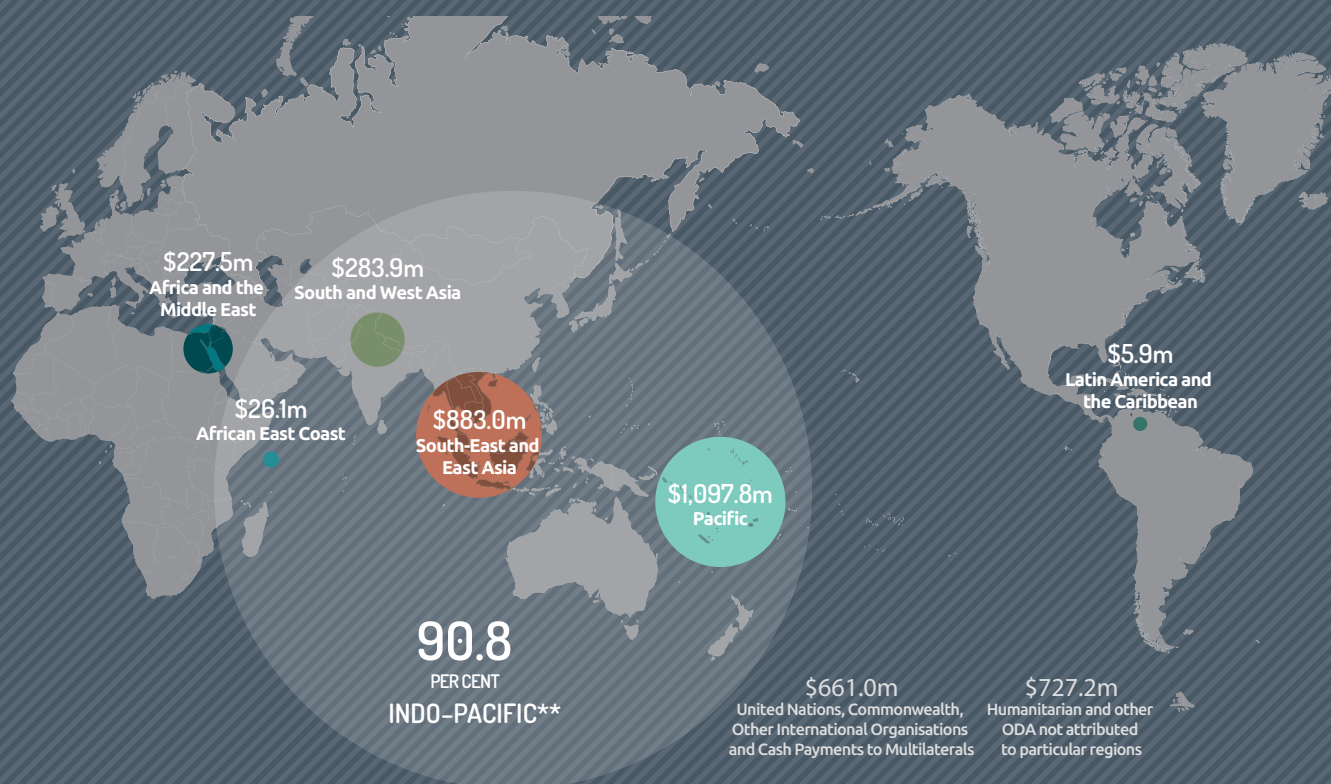
This year will be pivotal in encouraging new thinking on our foreign policy and how Australia can continue its leadership role in the effectiveness of development assistance. The aid program seeks to enrich lives through poverty reduction and higher living standards, while complementing our diplomatic and security measures to promote regional stability — safeguarding Australia's security and prosperity.

**The Hon Julie Bishop MP**  
Minister for Foreign Affairs

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

## 2017-18 TOTAL AUSTRALIAN OFFICIAL DEVELOPMENT ASSISTANCE BY REGION\*

# \$3.9 BILLION



### Australian ODA by investment priority



### With Australia's Support:



**IRAQ:**  
HUMANITARIAN  
AND STABILISATION  
ASSISTANCE

**\$100.0m**  
(2017-18 TO 2019-20)



HUMANITARIAN AND  
PROTRACTED CRISES

**\$399.7m**  
(2017-18)



**AFGHANISTAN:**  
OFFICIAL DEVELOPMENT  
ASSISTANCE

**\$80.0m**  
(PER ANNUM UNTIL 2020)

\* Total Australian ODA, from all agencies and programs, attributable to regions. Including, flows from DFAT regional and global programs and expenditure by other government departments (OGDs).

\*\* The percentage calculation of Indo-Pacific excludes: United Nations, Commonwealth and Other International Organisations; Cash Payments to Multilaterals; Humanitarian and other ODA not attributed to particular regions.

# INTRODUCTION

## In 2017–18, Australia will invest \$3.9 billion in Official Development Assistance (ODA).

The Australian aid program promotes our foreign policy — guided by *Australian aid: promoting prosperity, reducing poverty, enhancing stability*. It is in Australia's interest that our closest neighbours prosper and their people are healthy, safe and educated.

The aid program focuses on six investment priorities: infrastructure and trade; agriculture fisheries and water; effective governance; education and health; building resilience; and gender (see Strategic Framework for the Aid Program). We will continue to make a strong contribution to the globally agreed roadmap for development, the *2030 Agenda for Sustainable Development* (*2030 Agenda*) which includes the Sustainable Development Goals (SDGs or global goals) and the Addis Ababa Action Agenda (AAAA) on Financing for Development.

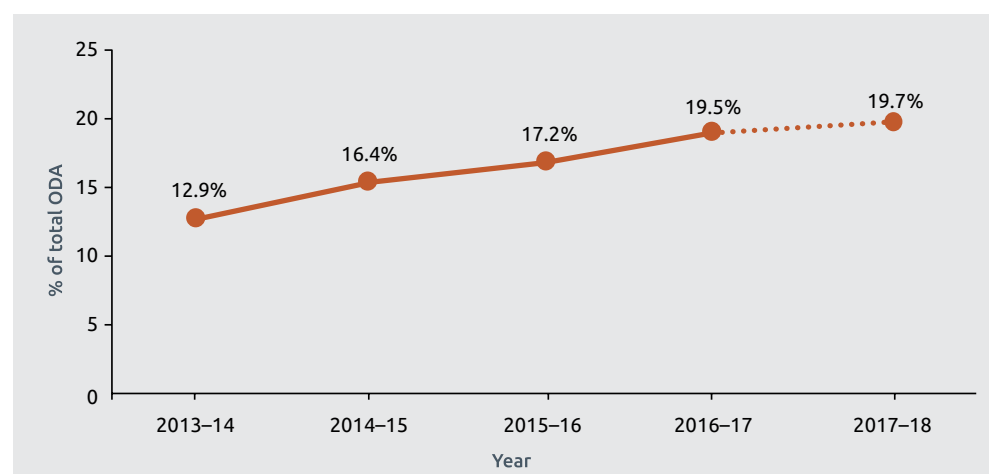
The Australian Government is committed to gender equality and the empowerment of women and girls, particularly in the Indo-Pacific region. Australia's Ambassador for Women and Girls is integral to our international advocacy on gender issues. In 2017–18, Australia will provide \$5.4 million over five years to support a mentoring program to connect female leaders in Australia with emerging women leaders in the Pacific region, as part of the multi-year Pacific Women Shaping Pacific Development initiative.

The *Ministerial statement on engaging the private sector in aid and development* commits us to collaborate with the private sector to create sustainable solutions to development challenges in our region. A key example of this approach is the Business Partnerships Platform, which creates new business opportunities that directly address specific development objectives to deliver a more effective aid program. We are working in new ways with Australian and global business-led networks to enhance our impact and capacity to engage with businesses at scale.

We are also reinvigorating Australia's relationships with multilateral organisations. We will work with: the World Bank to support programs, research and analytical products focused on private sector growth in the Indo-Pacific region; the Asian Development Bank (ADB) to assist our Indo-Pacific neighbours to achieve sustainable economic growth; and the Asian Infrastructure Investment Bank (AIIB) to improve trade and investment opportunities across our region.

The Australian Government is on track to meet its aid-for-trade target of 20 per cent of the total aid budget by 2020. In 2017–18, we will invest 19.7 per cent in aid-for-trade investments, up 0.2 per cent from 2016–17.

**Figure 1: Aid-for-trade trajectory**



We implement our aid program in a complex and changing world. So we will use fresh thinking to tackle the toughest development challenges. InnovationXchange will: trial new approaches; collaborate with new partners; and broker new connections so innovation becomes intrinsic to the delivery of the aid program for many years to come.

### Case Study: Innovating the Blue Economy



Improving seaweed harvest through Open Water Marine Permaculture Arrays.  
Photo: Dr Brian Von Herzen, Climate Foundation

Our oceans provide jobs and food, support economic growth and bring joy and value to the lives of people globally. However, oceans are under threat from rising population numbers, resource degradation and climate change. These threats are particularly pressing for people in developing countries, who depend on fish and fish products to provide daily protein needs and on activities like aquaculture to provide basic income.

The InnovationXchange worked with global oceans experts such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and World Wildlife Fund for Nature (WWF) to assess these threats and identify where new thinking was required. We identified sustainable fish feed, aquaculture products, and farm design as ready for innovation and issued a global call for innovative solutions. From 220 applications spanning 41 countries we selected 10 winning innovations to share \$3 million to test, refine or scale their solution.

The winning innovations included EnerGaia's portable, modular container system for growing spirulina — a more sustainable alternative to existing expensive, large-scale production. EnerGaia's system offers a new method of producing spirulina, a nutritious high protein algae increasingly used in food production chains, as well as offering an alternative income stream to poor households in developing countries to set up the systems on small plots of land.

Another winning innovation, Odyssey Sensors was supported to help develop and pilot their low-cost solar powered sensor used to test salt levels in shrimp ponds. Being more affordable, the device offers small-scale farmers an accessible technology to test water conditions more accurately. This enables them to more regularly adjust water quality, maximise their shrimp production and avert mass stock die-off.

Seed funding and targeted business support will help the winning innovations be piloted and readied for scale if successful. Addressing these aquaculture challenges will also improve food security and reduce environmental degradation while generating employment and income for positive social impact.





Governance affects virtually all aspects of a country's prosperity — an effective public sector and functioning, predictable institutions provide the foundations for economic growth, private sector investment, and trade. Ineffective governance lies at the heart of most development challenges in our partner countries. It takes many forms, including barriers to justice and pervasive corruption and is often a key driver of conflict and state fragility.

Stability in our region is paramount to our security. From 2017–18, Australia will provide \$141 million over four years to support on-going security and stability in the Solomon Islands, following the conclusion of RAMSI on 30 June 2017.

The post-RAMSI support package will build on the foundation for long-term stability, put in place by RAMSI since 2003. It will support justice and governance (DFAT) as well as improve the capacity of Solomon Islands police (delivered by AFP).

Australia will continue to respond generously in times of need. Our humanitarian program saves lives, alleviates suffering and enhances human dignity — prioritising our region and the protection of the most vulnerable, including women, children and people with a disability.

We play a leadership role supporting nations in our region to prepare for, respond to and recover from disasters. We do this by working with partner governments, multilateral agencies and civil society to strengthen community resilience so the impacts of these disasters are mitigated and recovery happens as quickly as possible. This year we will launch a new five year \$50 million partnership with Australian NGOs which will enhance our ability to strengthen local preparedness and resilience in the Pacific.

In 2017–18, Australia will expand the use of multi-year funding to help build resilience of host communities and refugees and displaced persons enduring protracted conflicts and crises — \$100 million will be provided over three years to support the humanitarian response to the Iraq crisis. This funding complements the \$220 million provided from 2016–17 for a regional humanitarian response to the Syria crisis.



Relief supplies provided by Australian and UNICEF Pacific reaching communities in Tailevu, following Tropical Cyclone Winston.

Photo: DFAT

The 2030 Agenda for Sustainable Development (2030 Agenda) — a global agreement Australia helped to shape along with 192 other United Nations (UN) member states — was adopted in September 2015 (See Appendix 1: The 2030 Agenda for Sustainable Development).

Australia's aid program is well aligned with the 2030 Agenda and is supporting progress towards the SDGs. In particular, the six investment priorities of Australia's aid program directly align with the goals:

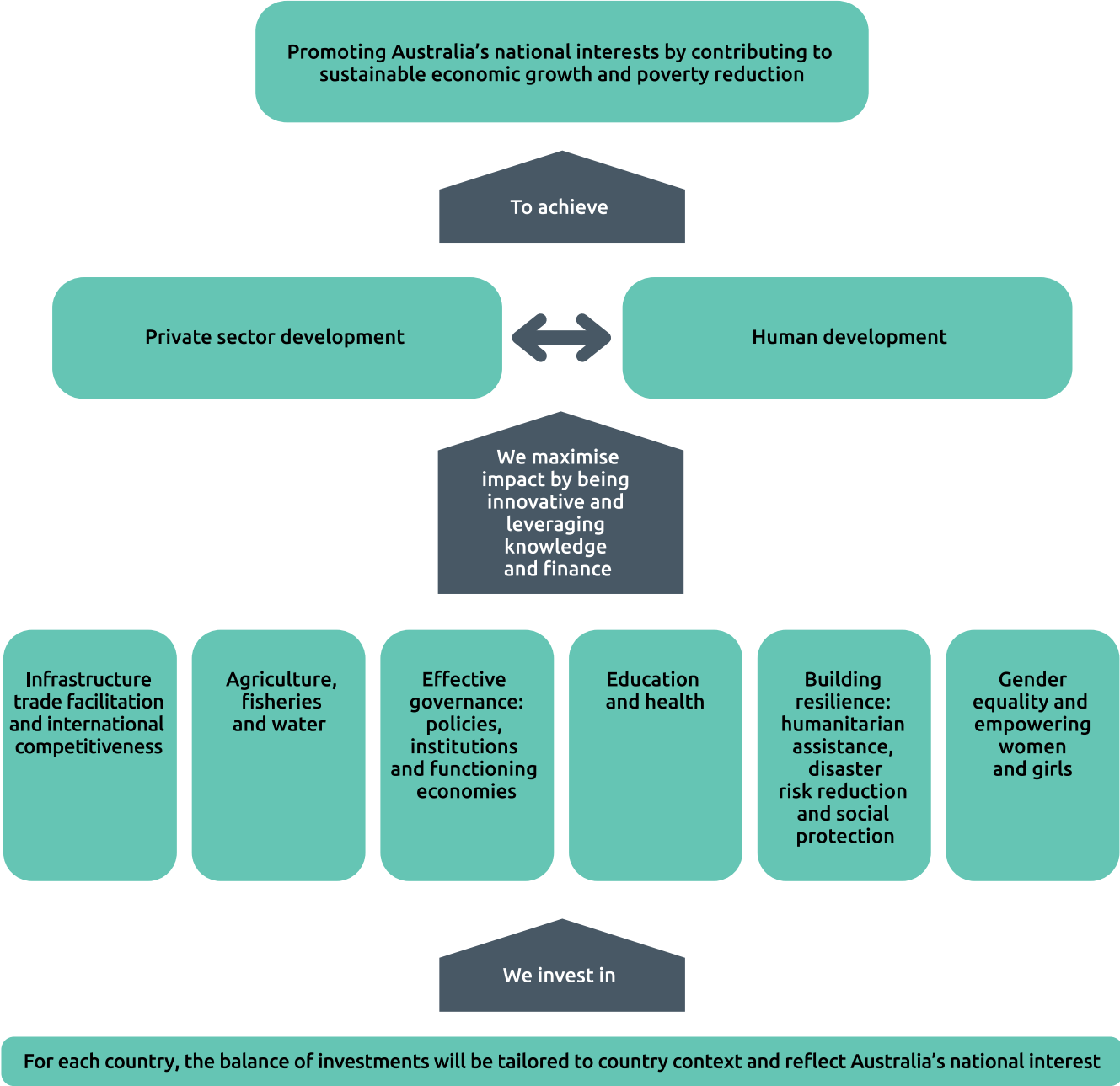
- » Infrastructure, trade facilitation and international competitiveness (global goals 2, 7, 8, 9, 11 and 17);
- » Agriculture, fisheries and water (global goals 1, 2, 6, 12, 13, 14 and 15);
- » Effective governance: policies and institutions and functioning economies (global goals 8, 10, 16 and 17);
- » Education and health (global goals 3, 4, 5 and 6);
- » Building resilience: humanitarian assistance, disaster risk reduction and social protection (global goals 1, 11 and 13); and
- » Gender equality and empowering women and girls (global goals 1, 3, 4, 5, 8 and 16).

The Australian Government is helping developing countries make progress towards the 2030 Agenda. We have invested more than 20 per cent of the aid program to strengthen governance in our region (global goal 16) and are committed to ensuring at least 80 per cent of aid investments, in all sectors, effectively address gender as part of their implementation (global goal 5).

The AAAA on Financing for Development is a critical part of the 2030 Agenda. Australian Government initiatives advancing the AAAA include increasing our aid-for-trade to 20 per cent of the aid budget by 2020 (global goal 8) and helping developing country partners increase their domestic resource mobilisation (revenues), including through the Addis Tax Initiative.

The Australian Government aid program delivers results, represents value-for-money and is transparent — it is guided by its performance framework *Making performance count: enhancing the accountability and effectiveness of Australian aid*. We actively scrutinise the aid program, presenting results annually in Performance of Australian Aid. In addition, Australia publishes detailed statistics on where we have focussed our aid in *Australian Engagement with Developing Countries*.

# Strategic framework for the aid program





Oxfam Inclusion Project has brought together 50 people from communities, civil societies and governments joining us from Laos, Cambodia, Vietnam and Myanmar for a learning event on community water management in the Mekong region.  
Photo: TIEP Sheia, Oxfam

## Australian ODA by country, regional and global programs

**Table 1: Allocations by country, regional and global programs**  
(2016–17 and 2017–18 Budget Estimate)

Program	2016–17 Budget Estimate \$m	2017–18 Budget Estimate \$m
Papua New Guinea <sup>1</sup>	477.3	472.9
Solomon Islands	92.7	92.7
Vanuatu	41.9	41.9
Fiji <sup>2</sup>	51.0	40.4
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	149.8	166.4
<b>Pacific Total</b>	<b>910.6</b>	<b>912.3</b>
Indonesia	296.0	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
ASEAN and Mekong	29.6	32.6
South-East and East Asia Regional	7.6	8.6
<b>South-East and East Asia Total</b>	<b>657.5</b>	<b>661.5</b>
Afghanistan	78.5	80.0
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	17.8	19.8
<b>South and West Asia Total</b>	<b>217.2</b>	<b>220.7</b>



Program	2016–17 Budget Estimate \$m	2017–18 Budget Estimate \$m
Palestinian Territories	20.5	20.5
Sub-Saharan Africa	31.8	31.8
<b>Africa and the Middle East Total</b>	<b>52.3</b>	<b>52.3</b>
<b>Gender Equality Fund</b>	<b>55.0</b>	<b>55.0</b>
Regional Scholarships and Education	101.8	101.8
Health, Water and Sanitation	62.3	62.3
Infrastructure and Rural Development	40.1	44.5
Governance	10.5	13.8
Fisheries and Agriculture	9.3	9.3
Innovation Fund	50.0	50.0
Disability	12.9	12.9
Direct Aid Program (DAP)	22.0	22.0
Other Cross Regional Programs	22.7	24.9
<b>Cross Regional Total</b>	<b>331.6</b>	<b>341.4</b>
<b>DFAT ODA – Country and Regional Programs</b>	<b>2,224.3</b>	<b>2,242.7</b>
Disaster Risk Reduction, Preparedness and Response	39.0	39.0
Protracted Crises and Strengthening Humanitarian Action	38.4	78.4
Emergency Fund	130.0	150.0
Global Humanitarian Partnerships	132.3	132.3
<b>Humanitarian, Emergencies and Refugees Total</b>	<b>339.7</b>	<b>399.7</b>
United Nations Development Programme (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 Programme on HIV and AIDS (UNAIDS)	4.5	4.5
World Health Organization (WHO)	12.4	12.4
UN Women	7.8	7.8
Commonwealth Organisations	7.2	7.2
Contribution to Global Health Program <sup>3</sup>	56.1	134.5
Contribution to Global Education Partnerships <sup>3</sup>	10.0	15.0
Contribution to Green Climate Fund <sup>3</sup>	20.0	20.0
Other ODA eligible contributions <sup>4</sup>	37.8	32.9
<b>UN, Commonwealth and Other International Organisations Total</b>	<b>218.7</b>	<b>277.2</b>

Program	2016–17 Budget Estimate \$m	2017–18 Budget Estimate \$m
Global NGO Programs	130.4	132.4
Australian Volunteers Program	39.6	42.6
Community Engagement and International Research	8.4	8.4
<b>NGO, Volunteer and Community Programs Total</b>	<b>178.4</b>	<b>183.4</b>
Cash payments to Multilaterals	401.4	390.6
<b>DFAT ODA — Global Programs</b>	<b>1,118.2</b>	<b>1,251.5</b>
<b>DFAT ODA — Departmental</b>	<b>242.9</b>	<b>248.9</b>
<b>Other Government Departments</b>	<b>300.0</b>	<b>236.8</b>
Adjustments	-57.5	-67.5
<b>Total Australian ODA</b>	<b>3,827.8</b>	<b>3,912.4</b>

- 1 PNG's allocation includes funding for the Joint Understanding of \$49.4m in 2016–17, and \$45.0m in 2017–18. The bilateral allocation is \$427.9m in both years.
- 2 Fiji's allocation in 2016–17 includes an additional \$16.0m for Tropical Cyclone Winston. \$5.4m of this funding was carried forward to 2017–18. Fiji's bilateral allocation is \$35.0m in both years.
- 3 Payments aligned with multi-year replenishment schedule. There has been no reduction to Australian commitments.
- 4 Includes ODA eligible portions of contributions to the United Nations and other international organisations.

## Australian ODA by country and region of benefit

**Table 2: Total Australian ODA by country and region of benefit**  
(2016–17 and 2017–18 Budget Estimate)

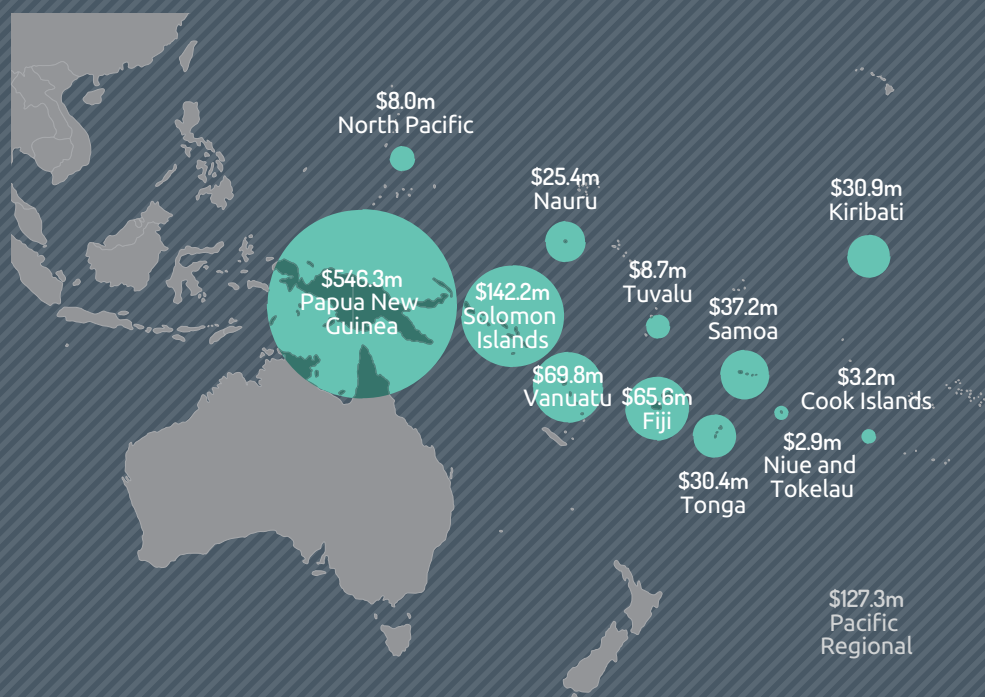
Country and Region*	2016–17 Budget Estimate \$m	2017–18 Budget Estimate \$m
Papua New Guinea	558.3	546.3
Solomon Islands	162.0	142.2
Vanuatu	62.5	69.8
Fiji	76.9	65.6
Samoa	37.8	37.2
Tonga	29.6	30.4
Kiribati	28.7	30.9
Nauru	25.5	25.4
Tuvalu	9.2	8.7
Cook Islands	3.4	3.2
Niue and Tokelau	3.1	2.9
North Pacific	9.8	8.0
Pacific Regional	131.6	127.3
<b>Pacific Total</b>	<b>1,138.4</b>	<b>1,097.8</b>
Indonesia	365.7	356.9
Timor-Leste	93.7	96.1
Cambodia	90.0	87.4
Vietnam	83.6	84.2
Philippines	81.9	85.0
Myanmar	59.8	66.4
Laos	40.7	42.3
Mongolia	10.0	10.9
South-East and East Asia Regional	62.3	53.8
<b>South-East and East Asia Total</b>	<b>887.7</b>	<b>883.0</b>
Afghanistan	82.7	80.9
Bangladesh	56.1	57.9
Pakistan	47.0	47.1
Nepal	34.0	31.9
Sri Lanka	27.5	27.7
Bhutan	7.3	9.2
Maldives	5.3	3.8
South and West Asia Regional	23.0	25.4
<b>South and West Asia Total</b>	<b>282.8</b>	<b>283.9</b>

Country and Region*	2016–17 Budget Estimate \$m	2017–18 Budget Estimate \$m
Palestinian Territories	43.6	43.8
Middle East and North Africa	51.8	101.6
Sub-Saharan Africa	89.5	108.2
<b>Africa and the Middle East Total</b>	<b>184.9</b>	<b>253.6</b>
<b>Latin America and the Caribbean Total</b>	<b>11.0</b>	<b>5.9</b>
<b>Core contributions to multilateral organisations and other ODA not attributable to particular countries or regions</b>	<b>1,322.9</b>	<b>1,388.1</b>
<b>Total Australian ODA</b>	<b>3,827.8</b>	<b>3,912.4</b>

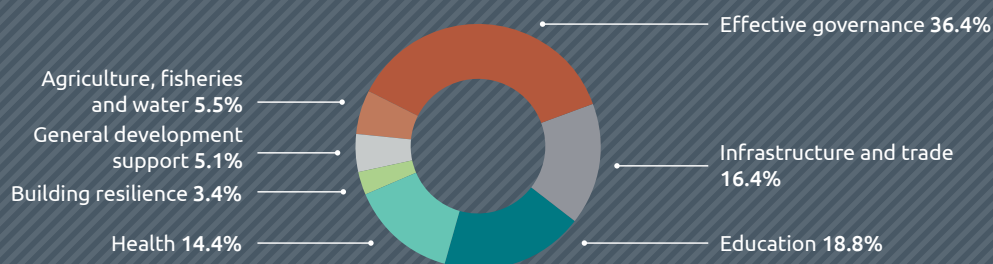
\* This table shows total Australian ODA from all agencies and programs attributable to partner countries and regions. This includes DFAT country program allocations, flows from DFAT regional and global programs, and expenditure by other government departments and agencies. Funding allocated to the Gender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

## 2017-18 TOTAL AUSTRALIAN ODA TO THE PACIFIC\*

# \$1.1 BILLION



### Australian ODA by investment priority



### Program Highlights



**PACIFIC REGIONAL:**  
CLIMATE CHANGE AND  
RESILIENCE

## \$300.0m

(2016-17 TO 2019-20)



**SOLOMON ISLANDS:**  
TRANSITION POST REGIONAL  
ASSISTANCE MISSION TO THE  
SOLOMON ISLANDS

## \$141.0m

(2017-18 TO 2020-21)



**PACIFIC REGIONAL:**  
PACIFIC WOMEN SHAPING  
PACIFIC DEVELOPMENT  
— PACIFIC WOMEN  
MENTORING PROGRAM

## \$5.4m

(2016-17 TO 2020-21)

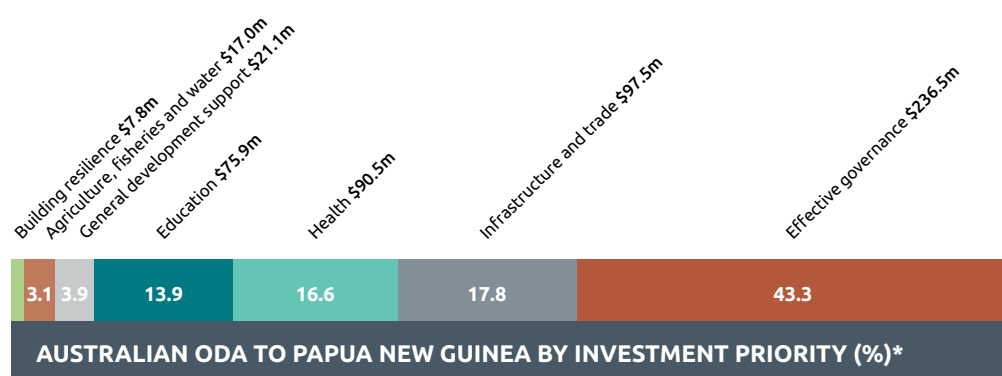
\* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in the Pacific. Including, flows from DFAT regional and global programs and expenditure by other government.



## Papua New Guinea

### 2017–18 Bilateral Budget Estimate: \$472.9 million

	2017–18
Program	Budget Estimate \$m
Country	472.9
Regional	22.6
Global	12.1
Other Government Departments	38.7
<b>Total ODA to Papua New Guinea</b>	<b>546.3</b>



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

Australia values its long-standing ties with Papua New Guinea (PNG) — we have a shared history and geography, and common economic interests and legal frameworks. As our nearest neighbour and close regional partner, a stable and prosperous PNG is in Australia's interest.

Australia has consistently been PNG's largest aid donor; however, our relationship is evolving, reflecting a more mature, focused and innovative response to PNG. Australian aid delivers assistance to support sustainable economic growth and equitable development in PNG in accordance with the priorities jointly agreed in the *Papua New Guinea-Australia Aid Partnership Arrangement 2016–2017*.

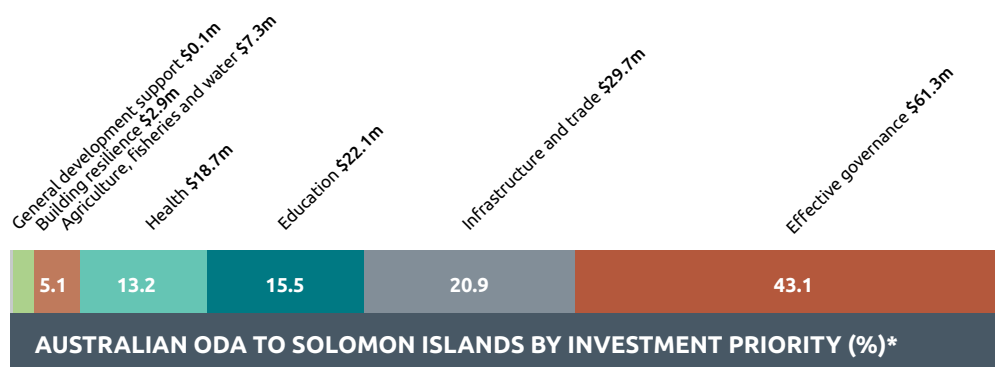
In 2017–18, Australian development support for PNG will focus on:

- » promoting effective governance, with a focus on strengthening accountability, sub-national service delivery, community engagement, electoral reform, combatting corruption, improving access to justice and assisting the Government of PNG to build an effective public service through the Pacific Leadership and Governance Precinct;
- » targeted aid-for-trade support to build PNG's capacity to deal with cross-border trade issues such as quarantine and customs, to help PNG access international markets and support for PNG's preparation for hosting Asia-Pacific Economic Cooperation (APEC) in 2018;
- » enabling economic growth by assisting PNG to improve transport infrastructure including maintaining around 700 km of roads, the business enabling environment, agriculture and rural development, innovation and business partnerships and financial inclusion; and
- » 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 health security. We will help to build a stronger health system by focusing on health financing and human resources. We will also support more PNG students enrolling in and completing school, further education and skills development.

## Solomon Islands

### 2017–18 Bilateral Budget Estimate: \$92.7 million

	2017–18
Program	Budget Estimate \$m
Country	92.7
Regional	16.5
Global	9.3
Other Government Departments	23.7
<b>Total ODA to Solomon Islands*</b>	<b>142.2</b>



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

Australia is a major economic, development and security partner to the Solomon Islands and is in a unique position to help the country realise its potential. We are the country's largest donor and draw upon our experience and partnerships across a broad range of sectors to promote and support change.

Following the conclusion of RAMSI on 30 June 2017, Australia will continue to maintain a substantial investment in the Solomon Islands, including support for police development to be delivered by the AFP.

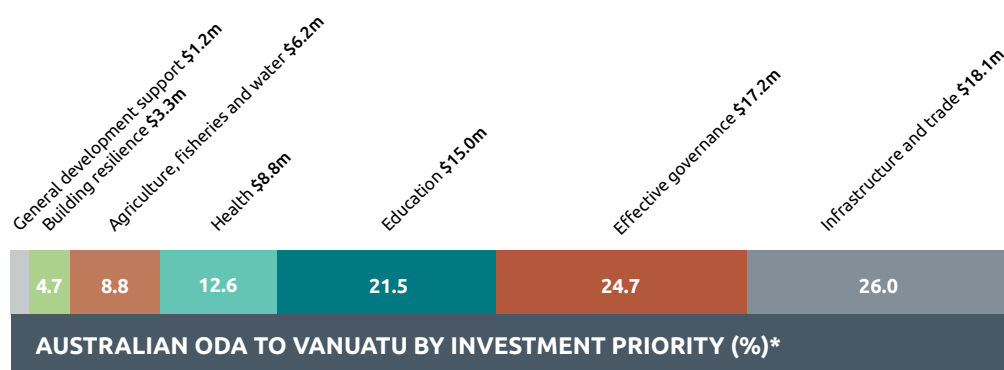
In 2017–18, Australian development support for the Solomon Islands will focus on:

- » supporting stability in the Solomon Islands through new programs in justice, governance and police development. These programs will focus on maintaining and strengthening key institutions to improve macroeconomic stability, provide better access to services and contribute to safer communities in the Solomon Islands;
- » enabling economic growth through the Solomon Islands Growth Program, which will support an increase in private sector investment in a more inclusive economy. It will aim to catalyse private sector investment and increase opportunities for inclusive growth by targeting industries with the highest potential (tourism and agriculture, for example). Particular focus will be given to promoting women's participation and reducing costs to business; and
- » enhancing human development through support for a healthy and educated population. The primary focus will be to support the Solomon Islands Government delivery of quality primary health care and basic education across the country; and to improve systems for skills training.

## Vanuatu

### 2017–18 Bilateral Budget Estimate: \$41.9 million

	2017–18
Program	Budget Estimate \$m
Country	41.9
Regional	19.3
Global	6.9
Other Government Departments	1.6
<b>Total ODA to Vanuatu*</b>	<b>69.8</b>



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

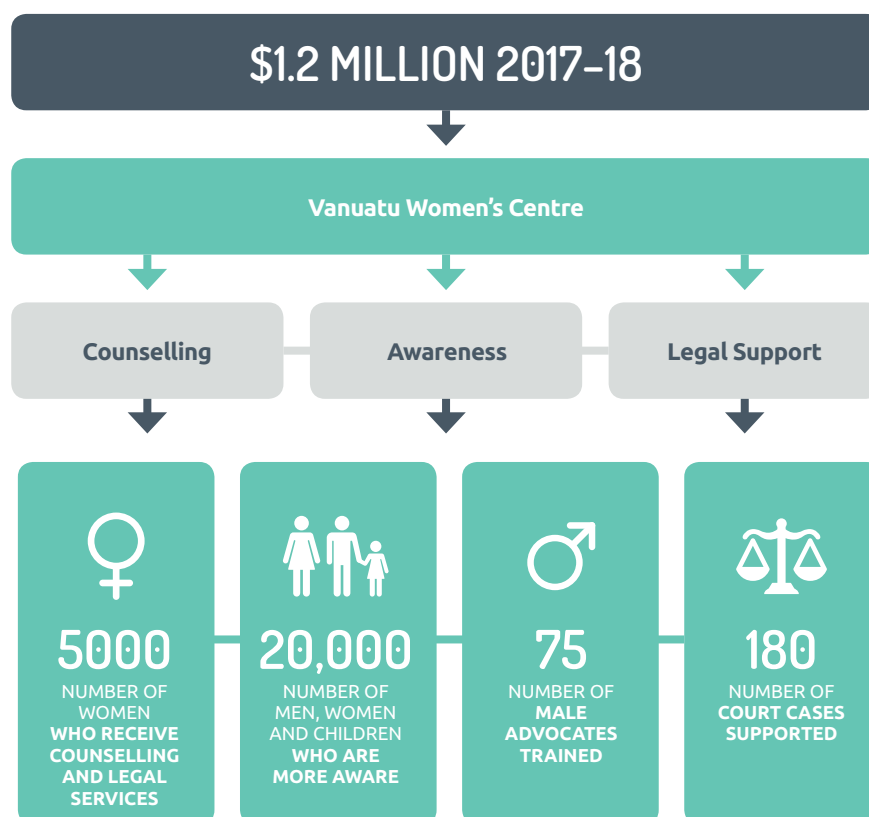
Australia has a direct interest in a prosperous and stable Vanuatu. Australia is an important economic partner for Vanuatu, providing the country with the majority of its tourists, foreign direct investment and aid. Over the last decade, Vanuatu maintained strong economic growth compared with other countries in the region. Economic and social stability have helped attract investment and tourists.

In 2017–18, Australian development support for Vanuatu will focus on:

- » building economic opportunity through the Skills for Economic Growth program, which facilitates targeted, demand-driven skills training across four provinces in Vanuatu, particularly in tourism and sectors such as agribusiness, construction and handicrafts;
- » improving early education through the Vanuatu Education Support Program, which works closely with the Vanuatu Ministry of Education and Training to train teachers and roll out new curriculum for years one to three, to ensure children can read, write and understand basic mathematics by eight to nine years of age;

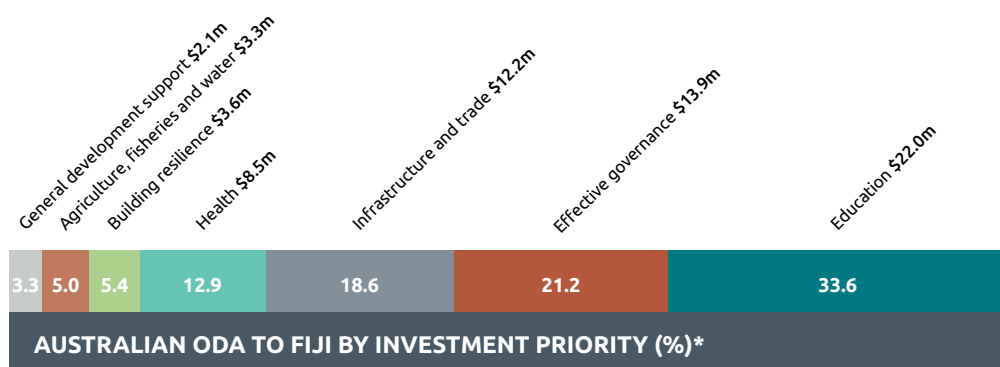
- » improving essential health services by strengthening the health sector, including supporting government-led activities such as the Malaria Action Plan and Village Health Worker Program, as well as providing locum doctors and support for clinical staff in hospitals;
- » improving community safety and resilience through support for women's political leadership, particularly to increase women's representation and capacity at the provincial government level; and to increase women's political participation. Australia will continue to support the Vanuatu Women's Centre — the only service provider for women and children survivors of violence — to provide crucial counselling and legal services and work with communities and male advocates to prevent violence against women and children (see Figure 2: Australian Aid support for Vanuatu Women's Centre); and
- » supporting long-term recovery and reconstruction from Cyclone Pam, including support for economic recovery through a tourism marketing campaign and construction of tourism bungalows on Tanna Island; and the repair of critical public infrastructure including rebuilding health centres and dispensaries, primary school classrooms and key government buildings responsible for delivering essential public services.

**Figure 2: Australian Aid support for Vanuatu Women's Centre**



## 2017–18 Bilateral Budget Estimate: \$40.4 million

	2017–18
Program	Budget Estimate \$m
Country	40.4
Regional	17.4
Global	5.2
Other Government Departments	2.6
<b>Total ODA to Fiji</b>	<b>65.6</b>



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

Australia and Fiji share a long and enduring friendship, underpinned by strong people-to-people links and significant trade and investment ties. Australia's national interest is in a stable and prosperous Fiji that is an active member of the Pacific community.

Australia's aid program will work in partnership with the Government of Fiji in support of Fiji's development. We share the Government of Fiji's interest in enhancing private sector growth and stimulating the economy in order to generate jobs and incomes for the poor. Australian aid will complement other donors and play a major role in leveraging the public or private sector to deliver meaningful results.

In February 2016, Fiji suffered widespread damage from Tropical Cyclone Winston, for which Australia's total humanitarian assistance package of \$35 million has helped to repair or replace more than 30,000 houses, almost 500 schools and 88 health clinics and medical facilities.

In 2017–18, Australian development support for Fiji will focus on:

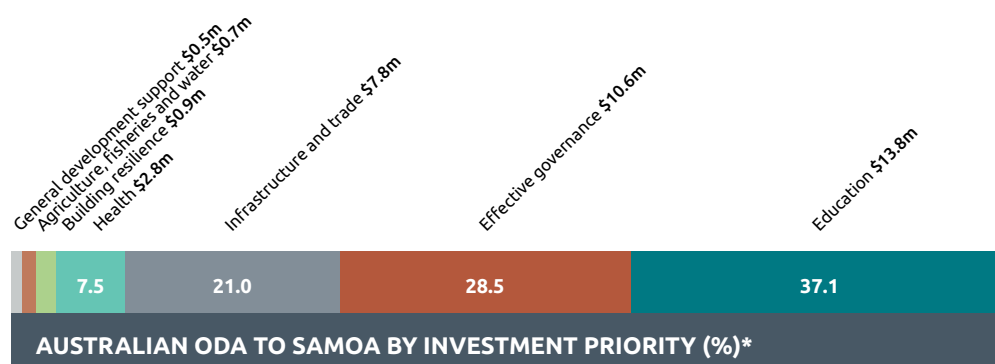
- » increasing private sector development through the review and revision of Fiji's foreign investment policies by the Fiji Government, as well as the establishment of a special economic zone to attract businesses to Fiji;
- » improving human development through new programs to improve the quality of basic education and health services in Fiji; and
- » providing the final phase of support for Fiji's recovery and reconstruction following Tropical Cyclone Winston (\$5.4m in 2017–18), including rebuilding 18 schools, the Waimaro Health Centre and the Rakiraki Municipal Market in Ra Province; and
- » supporting the Parliament of Fiji's efforts to enhance the capacity of Members of Parliament and Parliamentary Committees. Australia will support preparations for Fiji's 2018 Election through a partnership between the Fiji Elections Office and the Australian Electoral Commission.



## Samoa

### 2017–18 Bilateral Budget Estimate: \$23.6 million

2017–18	
Program	Budget Estimate \$m
Country	23.6
Regional	8.8
Global	1.9
Other Government Departments	2.9
<b>Total ODA to Samoa</b>	<b>37.2</b>



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

Samoa and Australia have an enduring and cooperative relationship that extends across political, security, economic and people-to-people links. Australia is Samoa's largest bilateral aid donor. Samoa has made good progress in improving maternal and child health and universal access to primary education; although, its continued development is limited by a narrow resource base and geographic isolation.

Australian aid is aligned with Samoa's national strategic development priorities.

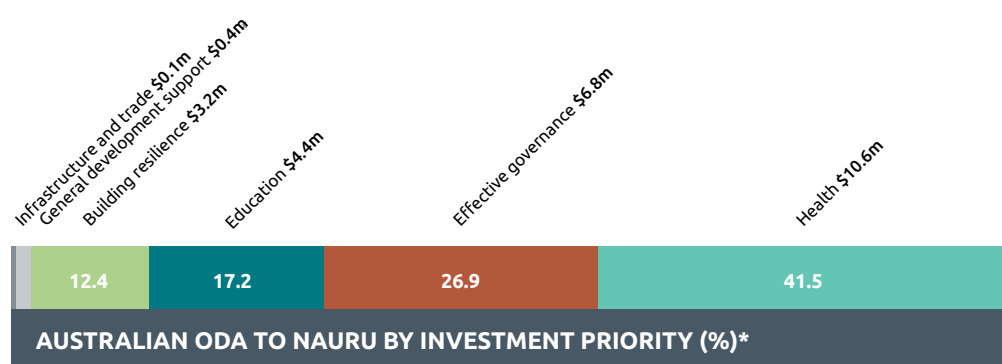
In 2017–18, Australian development support for Samoa will focus on:

- » enabling economic growth by supporting Samoa to pursue reforms which stimulate growth including improving the performance of state-owned enterprises, increasing revenue, building resilience to future economic shocks, improving the efficiency and effectiveness of government services;
- » investing in climate resilient roads and bridges;
- » progressing health and education outcomes by supporting all levels of the education sector with a focus on improving the quality of teaching and standards to improve numeracy and literacy outcomes;
- » providing support to Samoa's health care system; and
- » strengthening governance through the above measures and delivering programs that benefit people with disability and promote gender equality, particularly women's economic empowerment.

## Nauru

### 2017–18 Bilateral Budget Estimate: \$21.2 million

	2017–18
Program	Budget Estimate \$m
Country	21.2
Regional	2.6
Global	0.0
Other Government Departments	1.6
<b>Total ODA to Nauru</b>	<b>25.4</b>



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

Australia is Nauru's largest trade, investment and development assistance partner. Australian development assistance supports the Government of Nauru to deliver services to the community and enables Nauruans to benefit from economic and labour mobility opportunities. The objectives of Australia's development cooperation with Nauru are supporting stable and fiscally responsible government; promoting human development and essential infrastructure services.

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

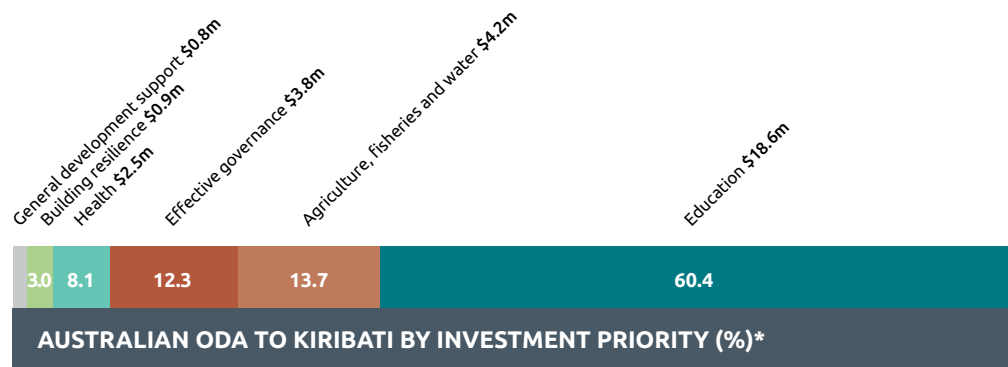
- » provision of skilled personnel to fill key management roles in the Nauru public service — strengthening public sector management, public financial management capacity and economic governance;
- » supporting the redevelopment of the Nauru hospital;
- » working with the Ministries of Education and Health to further support human development, with a focus on improved service delivery and investing in critical infrastructure; and
- » provision of Australia Award Scholarships.

As part of its broader cooperation with the Pacific, Australia is also working towards expanding participation in labour mobility opportunities and facilitating deeper trade integration. Support will be provided for capacity building and networking to expand Nauru's participation in the Seasonal Worker Program and Pacific Microstates-Northern Australia Worker Pilot Program.

## Kiribati

### 2017–18 Bilateral Budget Estimate: \$20.2 million

	2017–18
Program	Budget Estimate \$m
Country	20.2
Regional	8.8
Global	1.4
Other Government Departments	0.5
<b>Total ODA to Kiribati</b>	<b>30.9</b>



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

Australia is committed to supporting Kiribati to improve its economic prospects, and strengthen its economic and environmental resilience. Australia is the largest bilateral aid donor for Kiribati. Australian aid provides trade links, labour mobility opportunities, a substantial development assistance program, support for maritime surveillance and broader security cooperation.

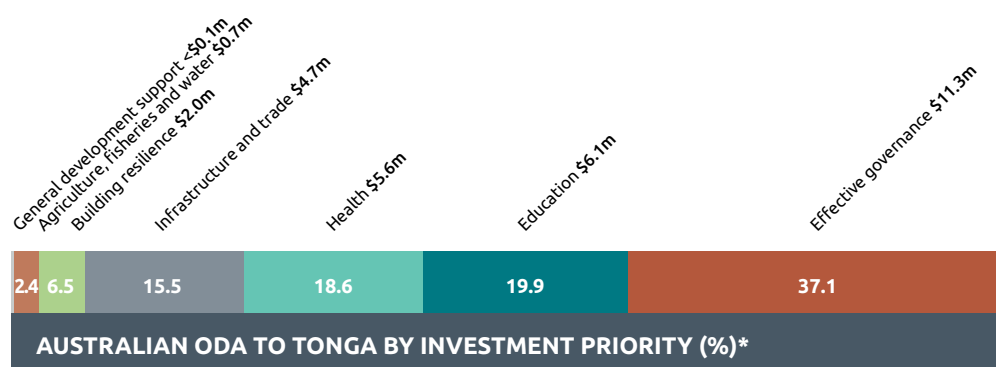
In 2017–18, Australian development support for Kiribati will focus on:

- » assisting the Government of Kiribati to implement its Economic Reform Plan to maximise the benefits flowing from its natural resources, including developing plans for the management of telecommunication assets and shipping services, continuing reforms to strengthen the management of the national trust fund and reforms to improve fisheries management; and
- » continuing our support to basic education and technical and vocational education and training to improve the knowledge, skills and opportunities of young people. This will enable them to contribute to a productive and resilient community and to pursue employment in the region and Australia.

## Tonga

### 2017–18 Bilateral Budget Estimate: \$17.6 million

	2017–18
Program	Budget Estimate \$m
Country	17.6
Regional	8.1
Global	1.6
Other Government Departments	3.0
<b>Total ODA to Tonga</b>	<b>30.4</b>



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

Australia is Tonga's largest bilateral aid donor and will continue to focus on economic reform, private sector development, health and skills development.

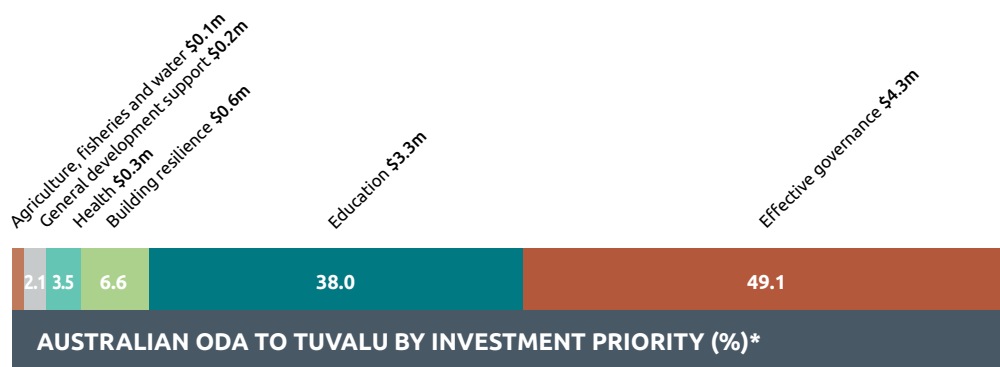
In 2017–18, Australian development support for Tonga will focus on:

- » assisting the Government of Tonga to achieve its economic reform, which includes reforms to strengthen revenue, effectively manage government expenditure and debt and promote private sector growth;
- » strengthening Tonga's health system and reducing the health and economic burden of non-communicable diseases, including through education for pregnant women, the introduction of universal screening for gestational diabetes and related clinical care and support for mental health and disability services; and
- » provision of scholarships, quality tertiary education and skills development aligned with labour market needs, to provide economic opportunities for Tongan workers, with a particular focus on opportunities for women and those with disability.

## Tuvalu

### 2017–18 Bilateral Budget Estimate: \$6.6 million

	2017–18
Program	Budget Estimate \$m
Country	6.6
Regional	1.9
Global	0.2
Other Government Departments	0.1
<b>Total ODA to Tuvalu*</b>	<b>8.7</b>



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

Australia is the third largest aid donor to Tuvalu. Australia is supporting Tuvalu to build its resilience to external shocks, including climate change, through investment in economic support, basic education and technical assistance. Climate change adaptation and mitigation is an ongoing priority for Tuvalu.

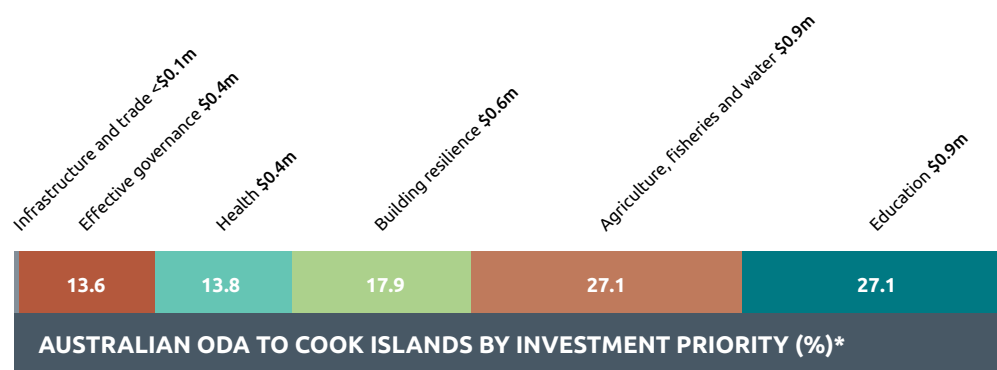
In 2017–18, Australian development support to Tuvalu will focus on:

- » supporting governance and economic growth through key economic and private sector development reforms, including the provision of skilled personnel in areas of budget management, taxation, auditing and public service reform and planning for education and health; and
- » supporting education through the new Basic Education Support Program for Tuvalu, which will expand access to quality education and build on the Universal Achieving Education for All in Tuvalu Program, completed in June 2016.

## Cook Islands

### 2017–18 Bilateral Budget Estimate: \$1.9 million

	2017–18
Program	Budget Estimate \$m
Country	1.9
Regional	1.1
Global	0.1
Other Government Departments	0.0
<b>Total ODA to Cook Islands*</b>	<b>3.2</b>



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

Australia provides its assistance to the Cook Islands through the New Zealand Government, under a delegated cooperation arrangement. Australia will continue to support increasing access to clean water and sanitation facilities, and support for education, gender and disability-inclusive development.

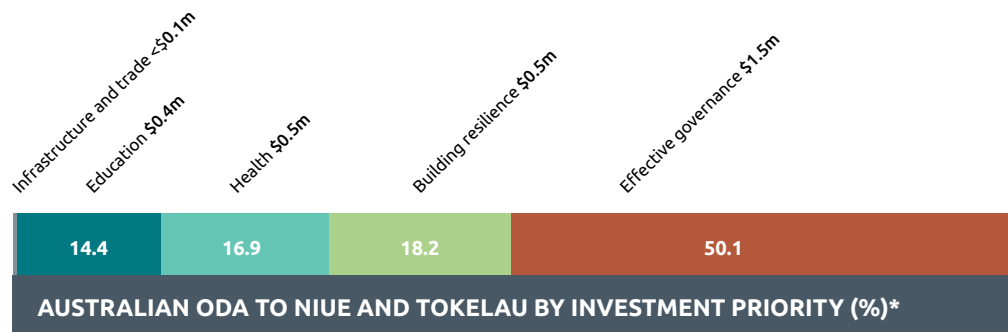
In 2017–18, Australian development support to the Cook Islands will focus on:

- » upgrading waste management and sanitation facilities;
- » direct budget support to the education sector; and
- » advisory support and training to empower and promote the rights of women and girls.

## Niue and Tokelau

### 2017–18 Bilateral Budget Estimate: \$1.8 million

	2017–18
Program	Budget Estimate \$m
Country	1.8
Regional	1.1
Global	0.0
Other Government Departments	0.0
<b>Total ODA to Niue and Tokelau</b>	<b>2.9</b>



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

### Niue

Geographic isolation, limited natural resources and a small population hamper economic development in Niue. Australia provides its assistance to Niue through the New Zealand Government, under a delegated cooperation arrangement.

In 2017–18, supporting Niue’s strategic development priorities, Australian aid to Niue will contribute towards design and construction of a waste management facility and consider a vocational education scholarship program.

### Tokelau

Tokelau has the smallest economy in the world. Australia provides its assistance to Tokelau through the New Zealand Government, under a delegated cooperation arrangement.

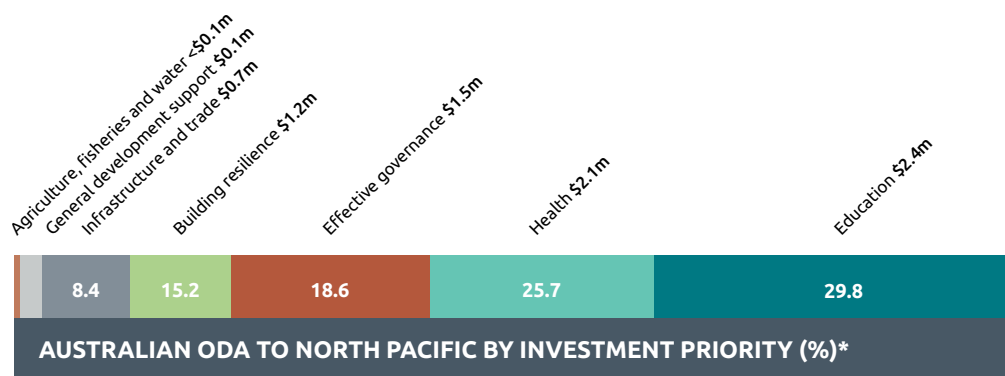
In 2017–18, Australian aid to Tokelau will continue support for education, which reflects Tokelau’s strategic development priorities.



## North Pacific

### 2017–18 Bilateral Budget Estimate: \$5.0 million

	2017–18
Program	Budget Estimate \$m
Country	5.0
Regional	2.6
Global	0.5
Other Government Departments	0.0
<b>Total ODA to North Pacific*</b>	<b>8.0</b>



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

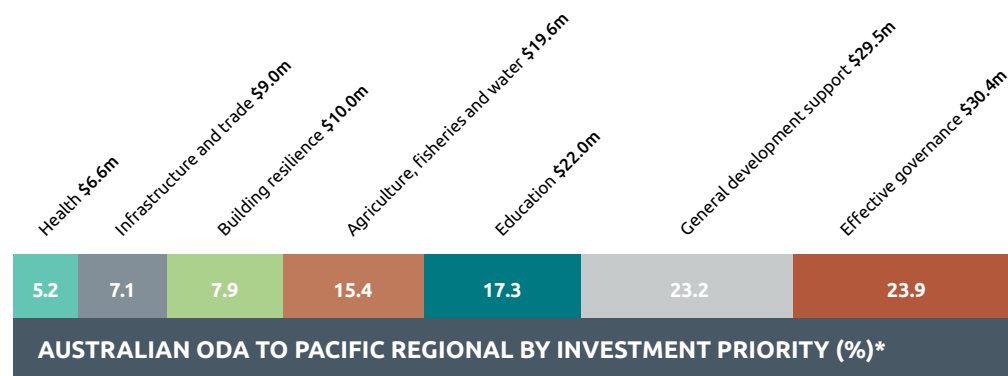
In the North Pacific, Australia provides development assistance to the Federated States of Micronesia, the Republic of Palau and the Republic of the Marshall Islands. Australia works with governments, multilateral development partners and non-government organisations (NGOs) to achieve agreed development outcomes. Australia also provides Australia Awards Scholarships to build national human resource capacity.

In 2017–18, Australian development support to the North Pacific islands will focus on:

- » the Republic of Palau, where we will support digital sector reform as part of a wider project to lay a new submarine cable that will provide stable and faster internet access. Australian aid will also help improve economic and social opportunities for women and girls;
- » the Federated States of Micronesia, where we will support efforts to improve the quality of basic education and support gender equality and the empowerment of women and girls; and
- » the Republic of the Marshall Islands, where we will focus on increasing access to clean water and sanitation and help improve economic and social opportunities for women and girls.

## Pacific Regional

### 2017–18 Bilateral Budget Estimate: \$166.4 million



\* Difference in values due to rounding.

The Pacific Regional Program complements our Pacific bilateral programs in support of a stable, secure and prosperous Pacific. This includes taking regional action on issues that are more effectively addressed at the regional level, such as shared resources (for example, in fisheries and regional organisations) and in cross boarder issues (such as climate change and health security).

In 2017–18, Australian development support through the Pacific Regional Program will focus on:

- » supporting economic growth through labour mobility programs that will provide work experience, skills and remittances; regional fisheries management support to detect and prevent illegal fishing; the Australia Pacific Technical College which delivers internationally recognised Australian technical and vocational qualifications for Pacific Islanders; and building a better business-enabling environment and encourage private sector development;
- » supporting regional institutions — led by the Pacific Islands Forum — to contribute to regional growth, stability and development. Key partnerships include the Pacific Islands Forum Secretariat, the Pacific Community, the University of the South Pacific, the Forum Fisheries Agency and the Secretariat of the Pacific Regional Environment Programme;
- » supporting healthy communities by strengthening regional health services and training that cannot be provided at a country level and promote effective regional cooperation on health;
- » supporting resilient communities by delivering the Australian Government's commitment at the 2016 Pacific Islands Forum to a package of climate change and resilience support to the Pacific of \$300 million over four years; and
- » supporting Pacific Women Shaping Pacific Development the flagship regional program supporting gender equality and women's empowerment in the Pacific.

In 2017–18 the program will deepen its focus on preventing violence against women as well as continue funding services for survivors of violence; identify new activities to work with adolescent girls and boys; increase support for women's economic empowerment activities and continue efforts to support women's leadership and decision making at all levels.

## Case Study: Labour Mobility

The Australian Government funded Labour Mobility Assistance Program (LMAP) assists Pacific Island Countries (PICs) to increase the supply of seasonal workers participating in Australia's Seasonal Worker Program (SWP)<sup>1</sup>. It strengthens linkages with Australian employers, prepares workers for working under Australian conditions and aims to maximise development impacts. The SWP offers employers in the agriculture sector and employers in selected locations in the accommodation and tourism sectors access to reliable, returning workforce when there is not enough local Australian labour to meet seasonal demand.

Seasonal workers benefit from the opportunity to earn Australian wages and gain valuable on-the-job learning opportunities. Many seasonal workers use the money earned in Australia to pay for their children's education, start a small business or build a house. For the workers and their families, this is a life changing opportunity.

### Labour Mobility at work in Kiribati

Employment opportunities in Kiribati are limited due to a lack of industrial base, underdeveloped private sector and a very small domestic market. It is therefore heavily reliant on worker remittances to contribute to economic development.

In 2016–17, Kiribati sent 20 workers to Australia as part of/under the SWP. The LMAP assisted the Government of Kiribati to design new tailored recruitment, worker screening/training and marketing processes.

LMAP's efforts focussed on:

- » training Kiribati labour ministry staff in current human resource management skills to ensure their ability to identify and select quality workers;
- » developing and implementing new worker profile templates that make succinct worker information available to Australian employers who are approved to hire workers under the SWP; and
- » designing, producing and rolling out new pre-departure briefing materials — now being delivered by Kiribati Technical College.

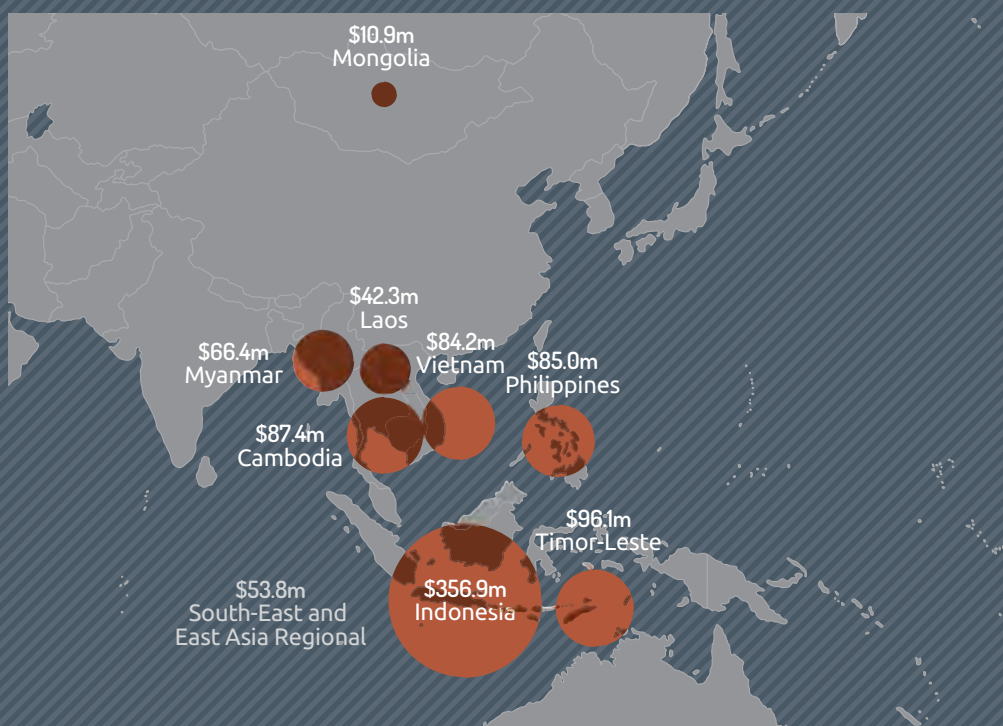
LMAP's development marketing strategies have increased demand for I-Kiribati workers in Australia. In November 2016, LMAP supported a Government of Kiribati staff visit to SWP stakeholders in Tasmania that included employers and industry groups. Subsequently, LMAP trained I-Kiribati staff in communications strategies using multi-media techniques leading to production of 15 video worker profiles and broader footage for future marketing strategies that will be forwarded to these Tasmanian stakeholders and more broadly.

The improvements realised by LMAP's work to date suggest Kiribati is on track to at least triple the number of workers it sends under the SWP in 2017. This will have a substantial impact on the well-being of communities in Kiribati.

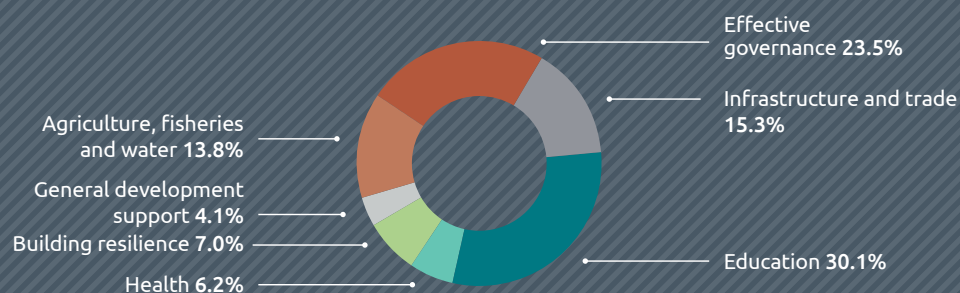
<sup>1</sup> Ten countries participate in the SWP: Fiji; Kiribati; Nauru; PNG; Samoa; Solomon Islands; Tonga; Tuvalu; Vanuatu; and Timor-Leste.

## 2017-18 TOTAL AUSTRALIAN ODA TO SOUTH-EAST AND EAST ASIA\*

# \$883.0 MILLION



### Australian ODA by investment priority



### Program Highlights



**MYANMAR:**  
ADDRESSING BARRIERS  
PREVENTING CHILDREN  
GETTING AN EDUCATION

## \$71.5m

(2017-18 TO 2020-21)



**INDONESIA:**  
PARTNERSHIP FOR GENDER  
EQUALITY AND WOMEN'S  
EMPOWERMENT

## \$14.6m

(2017-18)



**TIMOR-LESTE:**  
PARTNERSHIP FOR  
HUMAN DEVELOPMENT

## \$120.0m

(2017-18 TO 2020-21)

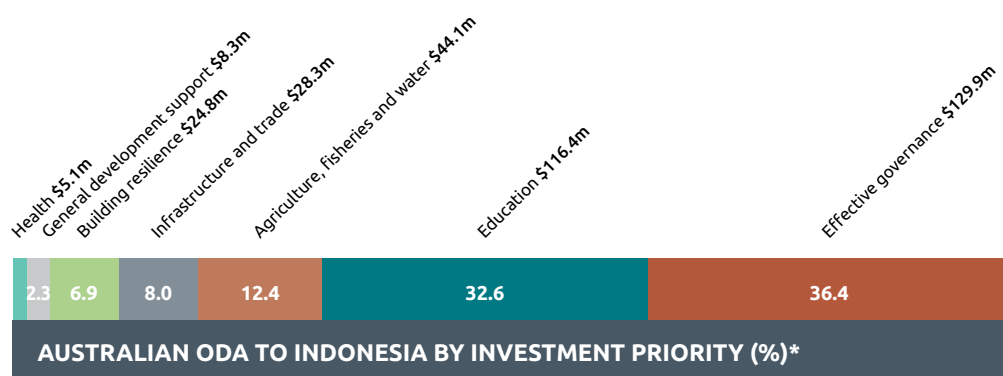
\* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in South-East and East Asia. Including, flows from DFAT regional and global programs and expenditure by other government departments (OGDs).

# SOUTH-EAST AND EAST ASIA

## Indonesia

### 2017–18 Bilateral Budget Estimate: \$296.0 million

	2017–18
Program	Budget Estimate \$m
Country	296.0
Regional	39.9
Global	13.7
Other Government Departments	7.3
<b>Total ODA to Indonesia</b>	<b>356.9</b>



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

As one of Australia's most important bilateral relationships, Australia and Indonesia have an extensive framework of cooperation spanning economic, security, trade, development, maritime and people-to-people ties.

Indonesia has experienced relatively strong economic growth in recent years and is achieving substantial development progress. Indonesia is a lower middle-income country; however, it will be more difficult for Indonesia to meet its goal of sustainable growth and to transition fully to upper-middle income status as its growth is uneven and inequality is increasing.

As part of our economic partnership, Australia supports Indonesia's efforts to leverage its own resources to generate greater economic growth and distribute benefits to a greater number of Indonesians. Australia has long and deep experience working with Indonesia to provide policy and technical advice to address priority development challenges.

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

- » helping build effective economic institutions and infrastructure by boosting inclusive growth and promoting mutual benefits of international trade and investment. This includes promoting private sector growth and lowering the costs of doing business in Indonesia, particularly for infrastructure projects. We are also increasing smallholder farmers' incomes by strengthening markets and innovations to increase productivity;

» enhancing human development for a productive and healthy society that seizes the potential of Indonesia's large and growing working-age population. Our work focuses on equipping Indonesian school teachers with the skills they need to prepare the next generation to enter the workforce. In addition, we are strengthening Indonesia's preparedness to tackle emerging health outbreaks; and

» promoting an inclusive society through effective governance to ensure the poor and marginalised benefit from Indonesia's economic growth. This includes better targeting its poverty reduction programs and protecting the poorest Indonesians from economic shocks. Our work also focuses on increasing women and marginalised groups' participation in household, community and government decision-making.



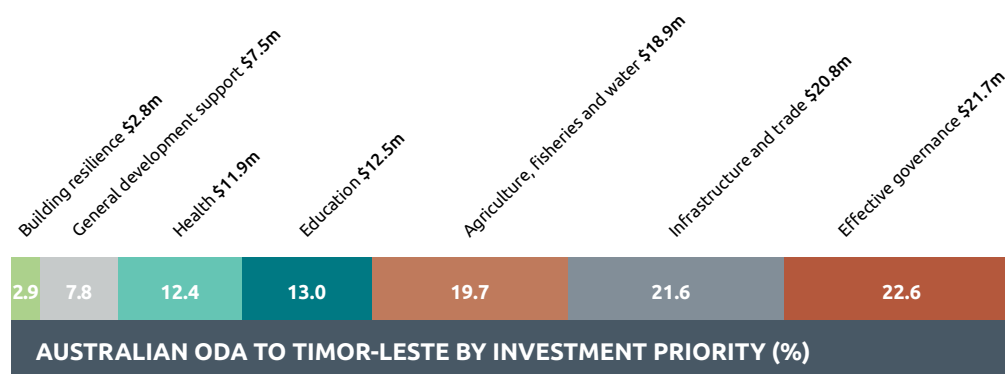
A beneficiary of the *Water and Sanitation Hibah Phase 2* program is happy to have access to clean water in his home for the first time in Wonosobo, Central Java, Indonesia.

Photo: DFAT

## Timor-Leste

### 2017–18 Bilateral Budget Estimate: \$68.0 million

	2017–18
Program	Budget Estimate \$m
Country	68.0
Regional	8.8
Global	10.9
Other Government Departments	8.4
<b>Total ODA to Timor-Leste</b>	<b>96.1</b>



Australia shares a long history of cooperation with Timor-Leste, having been its largest bilateral development partner since 2002. Despite wide-ranging development gains, Timor-Leste still faces numerous human development and economic challenges. Two thirds of its population is living on less than US\$2 per day and Timor-Leste remains one of the poorest countries in the region. Revenues are narrowly based on oil and gas and there is a real need for Timor-Leste to diversify its economy to support more sustainable growth and provide sustainable livelihoods for its growing population of young people.

In 2017–18, Australian development support to Timor-Leste will focus on:

- » the Partnership for Human Development (up to \$120 million, 2016–2021) which delivers Australia's development assistance in health, education, water, sanitation, nutrition, gender equality, disability and social protection under one consolidated, multi-sector approach to support enhanced human development outcomes;
- » the Governance for Development Program (up to \$42 million, 2014–2021) which will continue to provide advisory services to Timor-Leste Government institutions to strengthen governance and financial institutions to improve service delivery and policymaking;
- » the Roads for Development Program Support Program (\$26 million, 2017–2020) which supports the Timor-Leste Government rehabilitate and maintain the country's rural roads. Better roads will make it easier for people to access health centres, schools and markets and help farmers earn sustainable incomes;

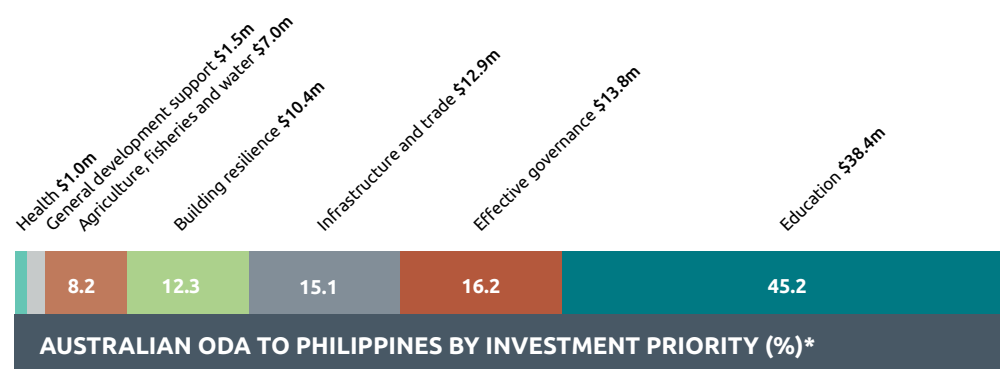


- » the Farming for Prosperity Program (up to \$25 million, 2016–2021) which will build the capacity of rural households to engage in profitable agricultural markets and establish a foundation of food security and good nutrition. This will help address Timor-Leste's high rates of malnutrition and support improved livelihoods;
- » the Workforce Development Program (up to \$13 million, 2014 to 2019) which supports scholarship opportunities for tertiary study in Australia, access to vocational training to help young Timorese find employment and supports Timor-Leste to increase its participation in Australia's SWP; and
- » the newly established Monitoring and Evaluation Framework (M&E House; up to \$7 million, 2017–2019) will strengthen how Australia measures and reports the impact of its investments in Timor-Leste.

## Philippines

### 2017–18 Bilateral Budget Estimate: \$67.0 million

	2017–18
Program	Budget Estimate \$m
Country	67.0
Regional	6.2
Global	5.5
Other Government Departments	6.3
<b>Total ODA to Philippines</b>	<b>85.0</b>



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

Australia and the Philippines have longstanding bilateral relationship and share common interests in regional security and in growing our economic partnership. The Philippines has experienced robust economic growth in recent years, reaching 6.8 per cent in 2016 — the fastest growing economy in Association of Southeast Asian Nations (ASEAN). However, this growth has been quite uneven and limited to a few sectors of the economy. Growth has disproportionately benefited the elite and urban educated population and the poverty rate remains above 20 per cent.

Australia will provide targeted advice and technical assistance through the aid program — with the aim to have a catalytic effect both on reform efforts and capacity development of the Philippine Government.

A more prosperous, inclusive and open economy will not only benefit Filipinos, but also allow both nations to pursue a mature economic partnership.

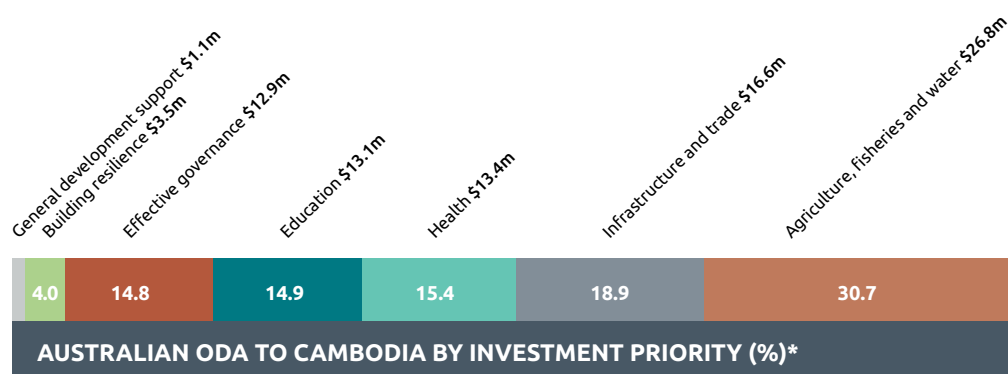
In 2017–18, Australian development support to the Philippines will focus on:

- » beginning implementation of the Trade and Inclusive Economic Growth Facility (\$80 million, 2017–2025). The Facility will work to help the Philippines achieve sustained inclusive economic growth by: reducing barriers to selected trade and investment flows; reducing the cost of doing business; empowering women and poor and vulnerable communities through improved participation in the economy; and strengthening government institutions so they can better design and implement policy and deliver services. Australia will also continue engagement in infrastructure through the Strengthening Philippines' Public Private Partnerships program;
- » continuing to work with the Philippine Government to build capacity to implement reforms with targeted support through the Coalitions for Change Program. The program provides transformational assistance that works to improve policy development and implementation by facilitating coalitions of civil society, private sector, academia and the government. In 2017–18 the program will engage in a number of new reform areas that will support the Philippine Government's 10-point Socio-Economic Reform Agenda; and
- » implementing the Education Pathways to Peace in Conflict-Affected Areas of Mindanao Program (\$90 million, 2017–2026). Known as 'PATHWAYS', this program aims to contribute to resilience, stability, peace and prosperity in Mindanao by improving the quality of the education system. It will focus on the most disadvantaged populations to address inequality in education and work with a broad range of stakeholders participation in the peace process to provide adaptable, responsive, inclusive and conflict-sensitive interventions for attainment of quality basic education by children in the Autonomous Region of Muslim Mindanao.

## Cambodia

### 2017–18 Bilateral Budget Estimate: \$62.4 million

	2017–18
Program	Budget Estimate \$m
Country	62.4
Regional	6.9
Global	14.7
Other Government Departments	3.5
<b>Total ODA to Cambodia*</b>	<b>87.4</b>



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

Over the past two decades, Cambodia has had one of the fastest growing economies in the world. While many people have escaped poverty, this has often been by a small margin. Around 8.1 million people remain near-poor — extremely vulnerable to slipping back into poverty due to incidents such as illnesses or natural disasters. Further investment is needed to improve infrastructure, increase agricultural productivity and deliver better quality health and education services.

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

- » a competitive small grants program — Investing in Infrastructure (2016–2021) — to small and medium-sized (SME) infrastructure enterprises to accelerate their connection of households and businesses to reliable electricity and piped, treated water;
- » working with the private sector to improve markets that provide goods, services and information to farmers, through the Cambodian Agriculture Value Chain Program Phase 2 (2016–2021);
- » establishment of performance-based funding direct to all public health facilities and reimbursement of essential health care costs for over three million extremely poor Cambodians, through Health Equity and Quality Improvement Project (2016–2021); and
- » up to 50 Australia Award Scholarships to the best and brightest Cambodian students to study in Australia, with a focus on providing equal opportunity for women and people with a disability.

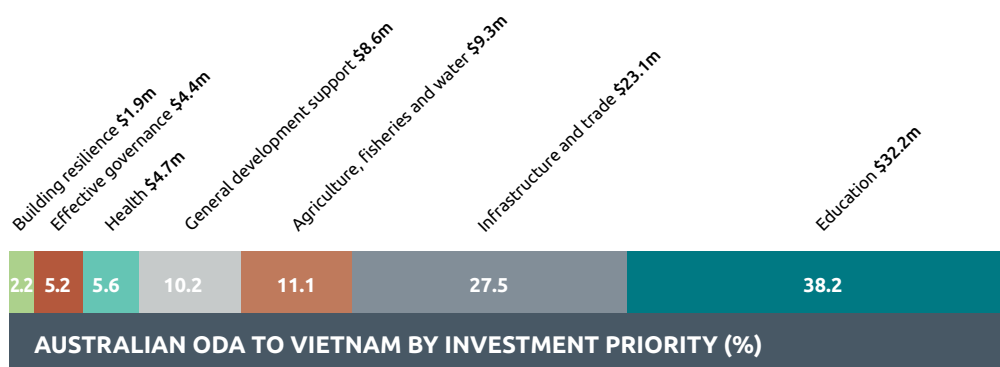


Chilli farmer in Cambodia supported through the Cambodia Agriculture Value Chain Program Phase II.  
Photo: DFAT

## Vietnam

### 2017–18 Bilateral Budget Estimate: \$58.4 million

	2017–18
Program	Budget Estimate \$m
Country	58.4
Regional	10.8
Global	9.3
Other Government Departments	5.7
<b>Total ODA to Vietnam</b>	<b>84.2</b>



Vietnam is one of Australia's fastest growing trade partners and is central to regional security in South-East Asia. Strengthening our partnership with Vietnam and ensuring it remains a strong trade and investment partner is vital to our national interest and our region's prosperity. In recent years, growth in Vietnam has slowed — constrained by poor infrastructure, a lack of skilled employees and an uncertain policy environment. Inequality, particularly for women and ethnic minorities, remains significant and nine million people continue to live below the national poverty line.

Australia's partnership with Vietnam is promoting inclusive growth and reducing poverty by encouraging a dynamic private sector, up-skilling the workforce and empowering women in the economy. Australia will continue to share lessons from our own reform experiences and find innovative ways to maximise the reach of Vietnam's public resources and leverage private investment to address these critical challenges.

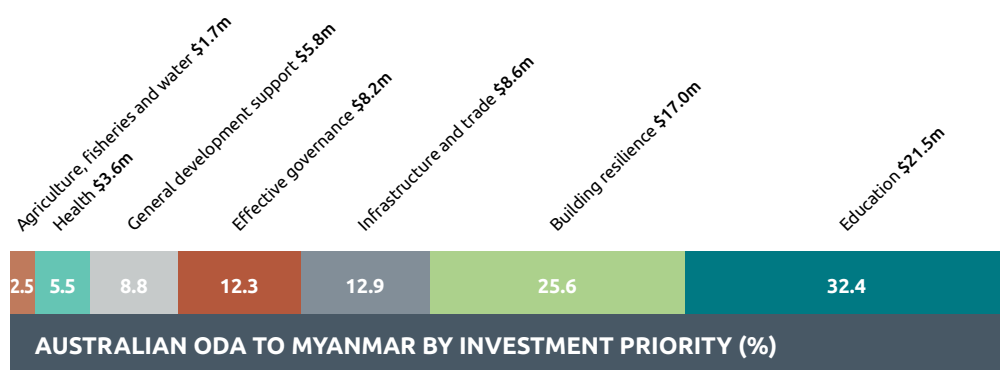
In 2017–18, Australian development support to Vietnam will focus on:

- » completion and opening of the Cao Lanh Bridge across the Mekong River which will service 170,000 road users a day, linking people and markets in the Mekong Delta to the rest of South-East Asia and beyond;
- » promoting industry linkages with Technical and Vocational Educational Training providers and improving the quality and relevance of training programs delivered by north western universities; and
- » building capacity for 1,412 farmers (of which 874 are women) in farming techniques, household economic management and negotiation and marketing skills so they can better benefit from banana, pig and cinnamon production and commercialisation.

## Myanmar

### 2017–18 Bilateral Budget Estimate: \$42.1 million

	2017–18
Program	Budget Estimate \$m
Country	42.1
Regional	7.9
Global	15.9
Other Government Departments	0.5
<b>Total ODA to Myanmar</b>	<b>66.4</b>



The Myanmar Government is taking forward a complex and challenging set of economic and political reforms and is pursuing a nationwide peace process as a policy priority. It is in Australia's national interest for Myanmar to continue its democratic transition to move towards prosperity.

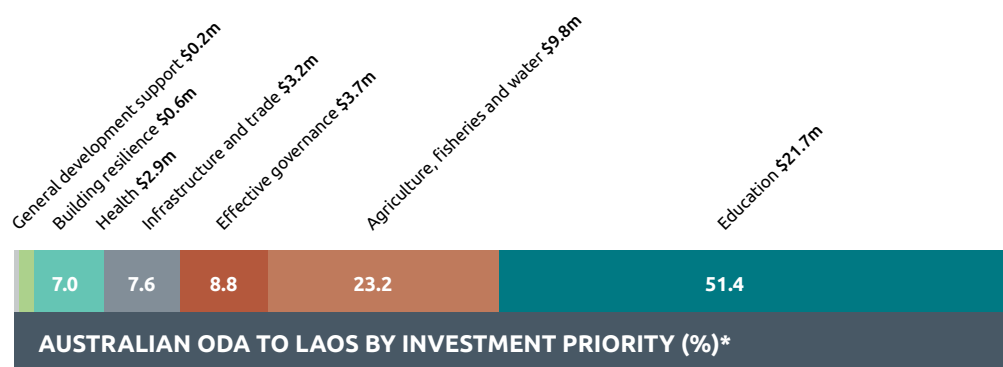
In 2017–18, Australian development support to Myanmar will focus on:

- » improving access to quality education, including through the Myanmar Education Quality Improvement Program, assisting Myanmar's Ministry of Education to better monitor education reforms and improve management across the sector;
- » promoting peace and stability through support for the peace process and democratic institutions 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 investment and fiscal transparency.

## Laos

### 2017–18 Bilateral Budget Estimate: \$20.6 million

	2017–18
Program	Budget Estimate \$m
Country	20.6
Regional	6.9
Global	8.4
Other Government Departments	6.4
<b>Total ODA to Laos</b>	<b>42.3</b>



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

Despite significant economic progress since the 1980s, two-thirds of the population in Laos still live on less than US\$2 a day. Challenges include access to quality social services (including health and education), lack of qualified human resources, a constrained private sector and business environment and increasing fiscal constraints. There are opportunities for Laos to sustainably manage its considerable natural resources for hydropower development and mining, continue the momentum to tackle corruption and take advantage of its demographic dividend (around 60 per cent of the population is under the age of 25). Laos aspires to graduate from Least Developed Country status by 2020 and Australia's aid program will support Laos to progress this goal.

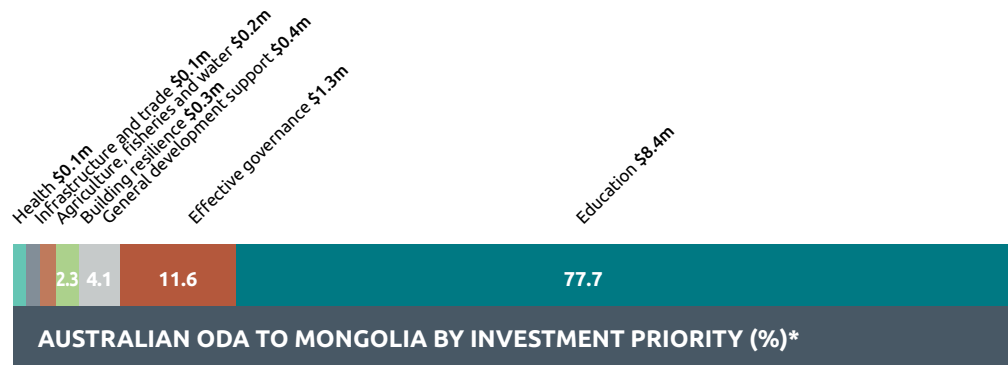
In 2017–18, Australian development support to Laos will focus on:

- » improving access to and quality of, primary education in Laos through the Basic Education Quality Access in Laos program. Activities include revising the national primary curriculum, ensuring every student in Laos has a relevant, quality textbook, training 360 teachers from remote areas and rehabilitating more than 100 classrooms; and
- » improving Laos' human resources through the provision of 30 Australian scholarships and 70 local scholarships; provide support to central ministries to improve public service efficiency; and building a stronger trade regime and more competitive private sector. Activities will include: streamlining the regulatory environment for businesses to operate in Laos; reducing the number of non-tariff measures; and expanding access to finance through the development of village funds and digital financial services.

## Mongolia

### 2017–18 Bilateral Budget Estimate: \$5.9 million

	2017–18
Program	Budget Estimate \$m
Country	5.9
Regional	3.6
Global	1.3
Other Government Departments	0.1
<b>Total ODA to Mongolia</b>	<b>10.9</b>



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

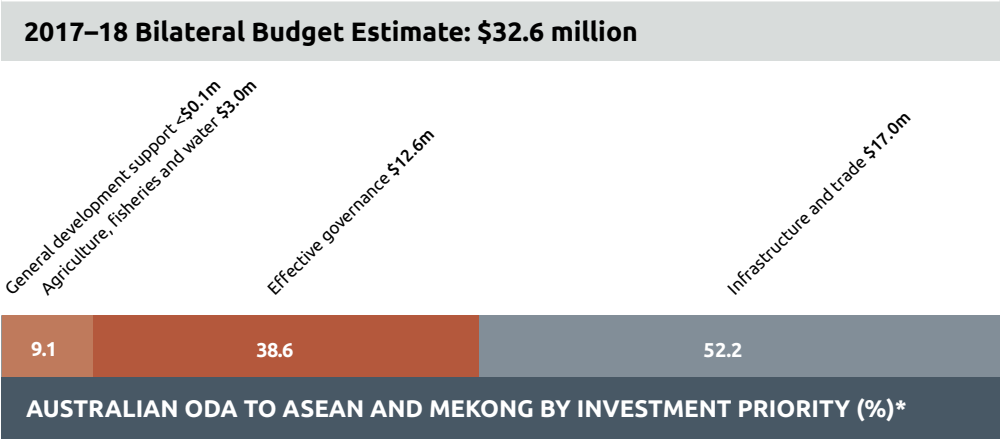
Mongolia has experienced rapid economic growth in recent years due to the growth of the mining sector. However, fluctuating commodity prices have affected the budget deficit and Mongolia is now facing low economic growth until mining production increases and commodity prices improve. In this context, Australia's aid program promotes well-governed, efficient public and private sectors that support Mongolian communities to benefit from resource-driven growth. The aid program supports areas where Australia has a comparative advantage and is aligned with the development objectives identified by the Mongolian Government.

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

- » ensuring Mongolia Government, civil society and private sector personnel have the skills and qualifications to deliver better services, with an estimated five Australia Awards to be granted to Mongolian students; and
- » ensuring Mongolians are benefitting from a well-governed mining industry, through support for a national geological survey body.



# ASEAN and Mekong



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

Australia has a clear national interest in a prosperous, peaceful and secure South-East Asia. With its regional focus, the ASEAN and Mekong Program assists countries with significant challenges that cannot be addressed through bilateral investments alone. This includes reducing barriers to trade; realising the vision of an integrated ASEAN Economic Community; combatting human trafficking and promoting safe labour migration, including through the Australia-Asia Program to Combat Trafficking in Persons; and better water resource management through the Greater Mekong Water Resource Program.

In 2017–18, Australia’s ASEAN and Mekong Program will, amongst other programs, support:

- » initiatives to improve safe and legal migration in the region through the *Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN* (“TRIANGLE in ASEAN”); and
- » initiatives to catalyse private sector development, with a particular focus on women and young entrepreneurs, through the Mekong Business Initiative.

### Case Study: Combatting human trafficking and irregular migration in ASEAN

The Australia-Asia Program to Combat Trafficking in Persons (AAPTIP) supports effective investigations, prosecutions and cooperation between ASEAN members' criminal justice agencies to reduce incentives and opportunities for human trafficking.

In 2015, over 1,000 men from Myanmar, Cambodia and Laos were trafficked into servitude and found stranded on islands in Maluku Province in Indonesia. Australia, through AAPTIP, actioned requests by law enforcement officers from Indonesia, Myanmar and Thailand to connect to their counterparts. This helped to facilitate transnational cooperation, contributing to the conviction of traffickers, and provided a valuable model of cooperation to investigate and prosecute similar cases, and provide support for repatriated victims, in the future.

In 2017–18, Australia will provide approximately \$11.5 million to support further cross-border cooperation on trafficking cases as well as training to build the capacity of criminal justice practitioners. This will support implementation of the ASEAN Convention against Trafficking in Persons, Especially Women and Children, which entered into force on 8 March 2017.

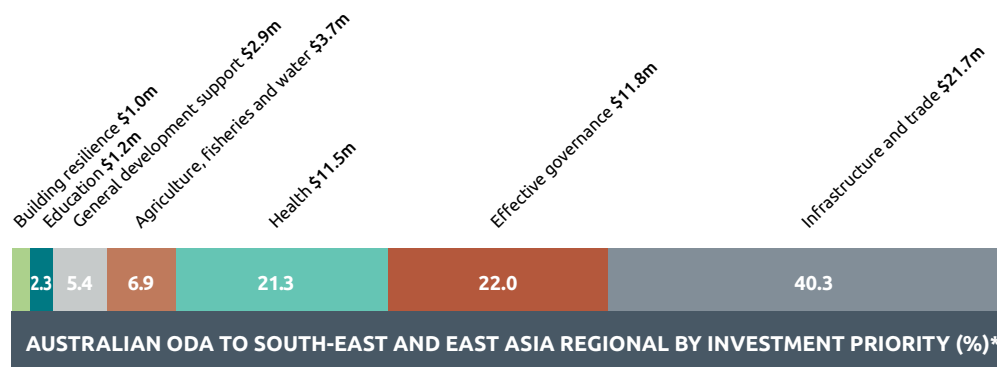
Through the Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN ("TRIANGLE in ASEAN") we aim to maximize the contribution of labour migration to equitable, inclusive and stable growth in ASEAN. Since 2010, TRIANGLE has supported 26 migrant resource centres assisted over 75,000 migrant workers. Currently in Phase II, TRIANGLE in ASEAN supports the International Labour Organization to provide demand drive specialist technical advice to ASEAN Member States, social partners and the ASEAN Secretariat to improve labour migration policies. It also provides services and information to migrant workers to enable them to exercise their rights.



Australia supports fair and decent work in ASEAN through its TRIANGLE in ASEAN program, delivered in partnership with the International Labour Organization.  
Photo: P. Visitoran, UN Women

## South-East and East Asia Regional

### 2017–18 Bilateral Budget Estimate: \$8.6 million



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

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, health security, governance, security, culture, trade and education.

Australia's South-East and East Asia Regional program works with 21 member economies of the APEC. This accounts for over half of global Gross Domestic Product and home to over 2.7 billion people. APEC partners account for over two-thirds of Australia's total trade in goods and services. Australia's prosperity depends on open trade and investment.

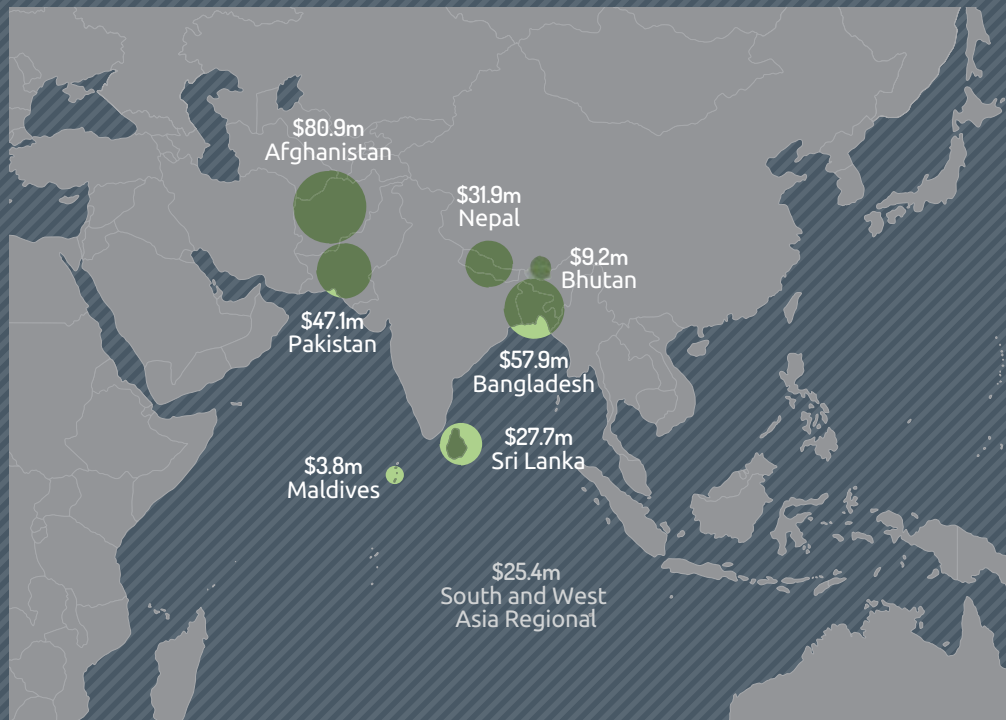
In 2016, APEC Leaders endorsed the Lima Declaration, which called for capacity building work to prepare APEC economies for an eventual Free Trade Area in the Asia Pacific. Leaders also agreed to the APEC Services Competitiveness Roadmap, which sets out agreed unilateral and regional action to promote liberalisation of services markets.

In 2017–18, Australian development support in the South-East and East Asia Regional Program will focus on:

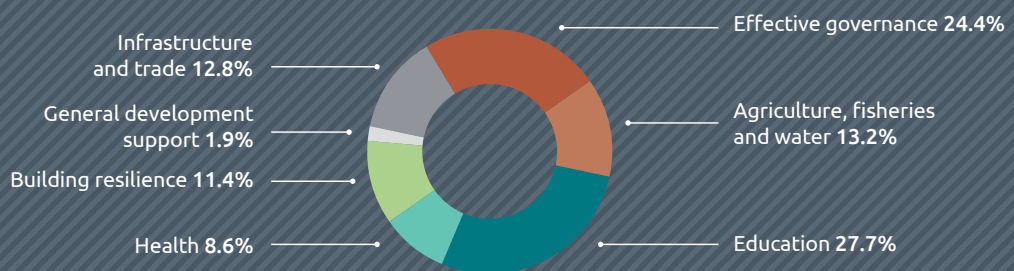
- » advancing practical work towards an eventual Free Trade Area of the Asia Pacific, including through capacity building work to promote liberalisation in the following areas: tariffs, non-tariff measures, services, investment and rules of origin;
- » driving the services sector liberalisation by supporting the implementation of APEC's Services Competitiveness Roadmap, including through capacity building activities to assist developing economies implement the roadmap;
- » supporting regional economic growth and productivity by assisting and encouraging developing economies in APEC to implement structural reforms;
- » advancing initiatives that promote and support women's participation in trade and the global economy; and
- » strengthening regional responses to trafficking and the exploitation of migrant workers as detailed in the Government's *Amplifying Our Impact: Australia's International Strategy to Combat Human Trafficking and Slavery*.

## 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
<b>Total ODA to Afghanistan</b>	<b>80.9</b>



\* 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.

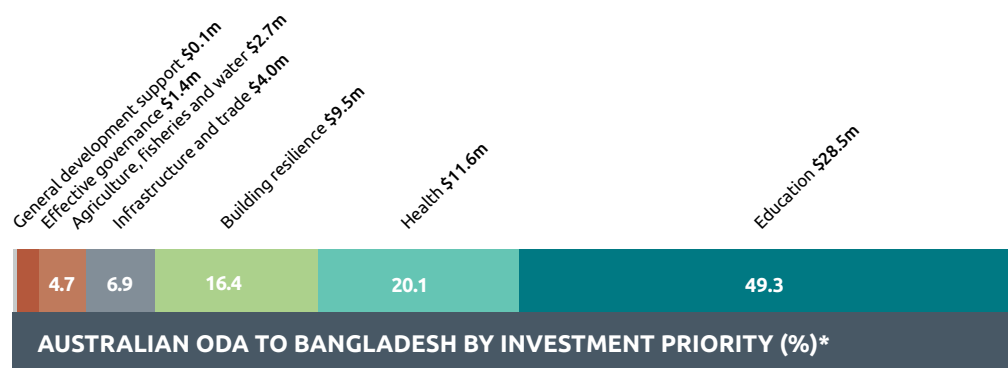
In 2017–18, Australian development support to Afghanistan will include:

- » 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
<b>Total ODA to Bangladesh*</b>	<b>57.9</b>



\* 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.

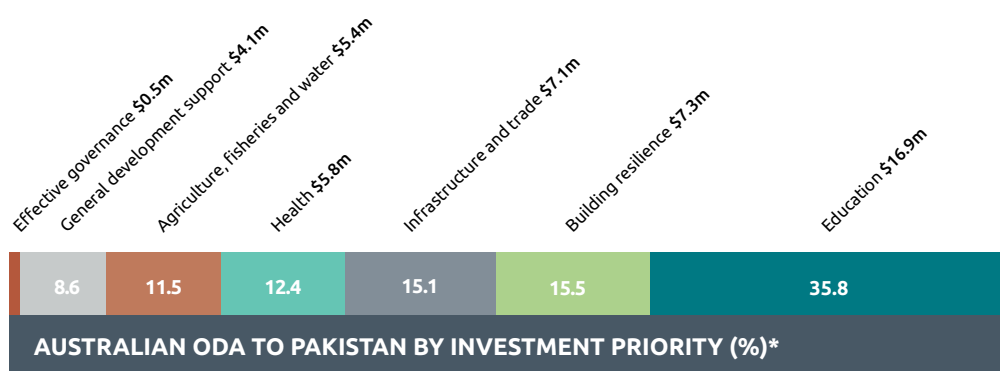
In 2017–18, Australian development support to Bangladesh will focus on:

- » 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
<b>Total ODA to Pakistan*</b>	<b>47.1</b>



\* 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.

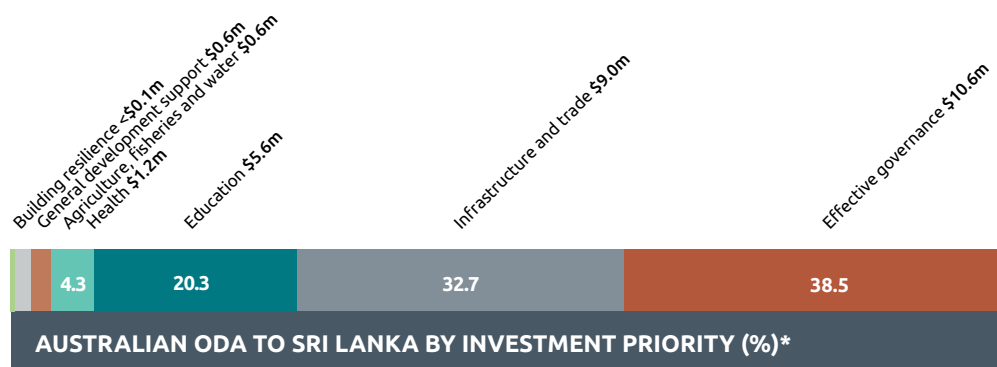
In 2017–18, Australian development support to Pakistan will focus on:

- » 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
<b>Total ODA to Sri Lanka</b>	<b>27.7</b>



\* 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.

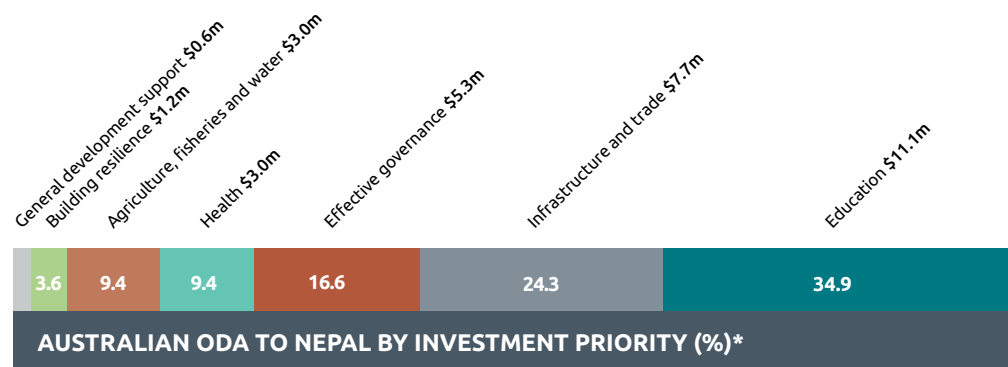
In 2017–18, Australian development support to Sri Lanka will focus on:

- » 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
<b>Total ODA to Nepal*</b>	<b>31.9</b>



\* 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.

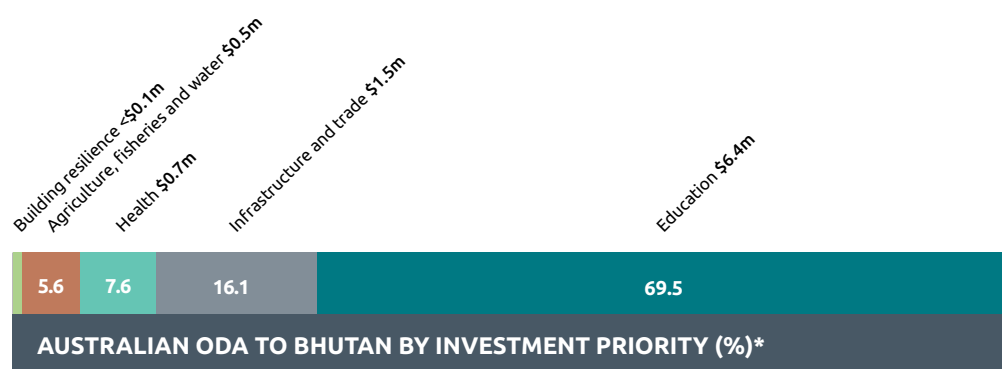
In 2017–18, Australian development support to Nepal will focus on:

- » 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
<b>Total ODA to Bhutan</b>	<b>9.2</b>



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

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
<b>Total ODA to Maldives*</b>	<b>3.8</b>

Infrastructure and trade <\$0.1m

Education \$3.7m

99.2

### AUSTRALIAN ODA TO MALDIVES BY INVESTMENT PRIORITY (%)\*

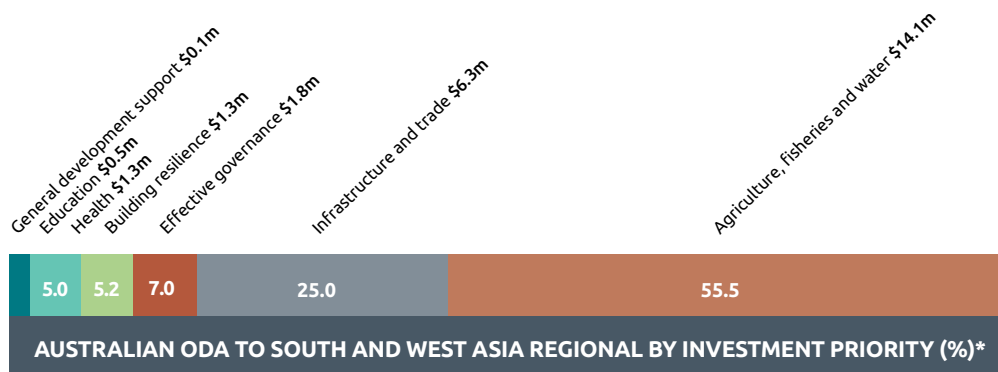
\* Difference in values due to rounding and/or percentages below two per cent are not labelled.

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:

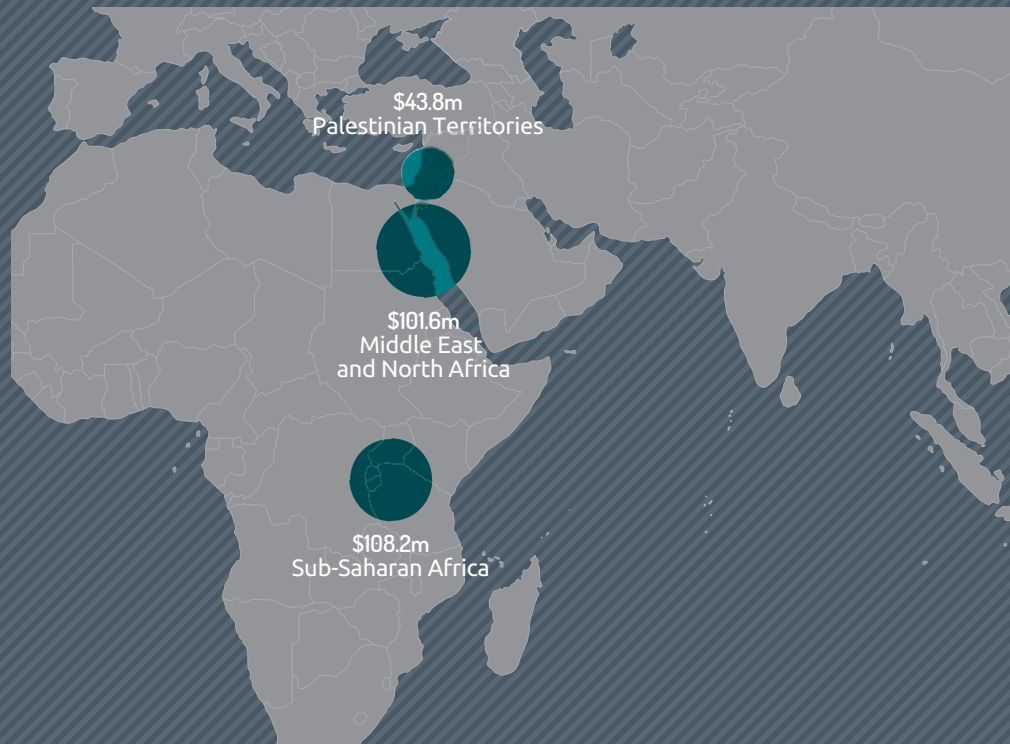
- » the Sustainable Development Investment Portfolio — which supports increased water, food and energy security to facilitate economic growth to improve the livelihoods of the poor and vulnerable; and
- » the South Asia Regional Trade Facilitation Program and Infrastructure for Growth — which increases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



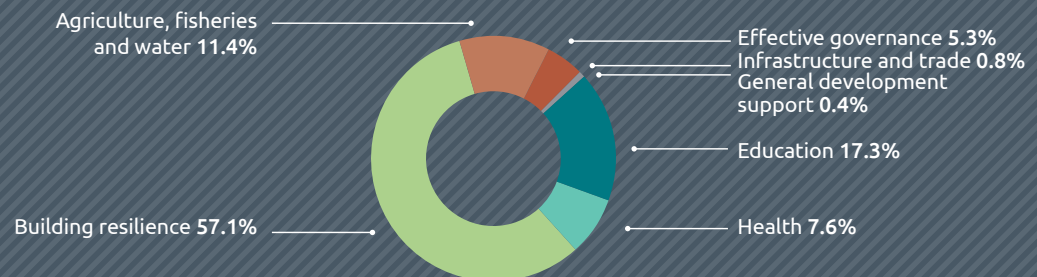
Improving livelihoods with innovative cropping systems on the East India Plateau. Photo: Arnab Chakraborty

## 2017-18 TOTAL AUSTRALIAN ODA TO AFRICA AND THE MIDDLE EAST\*

# \$253.6 MILLION



### Australian ODA by investment priority



### Program Highlights



**PALESTINIAN TERRITORIES:**  
HUMANITARIAN ASSISTANCE

**\$80.0m**  
(2016-17 TO 2019-20)



**PALESTINIAN TERRITORIES:**  
FARMERS CONNECTING TO MARKETS

**\$6.7m**  
(2017-18)



**SUB-SAHARAN AFRICA:**  
AUSTRALIA AWARDS

**450**  
(2017-18)

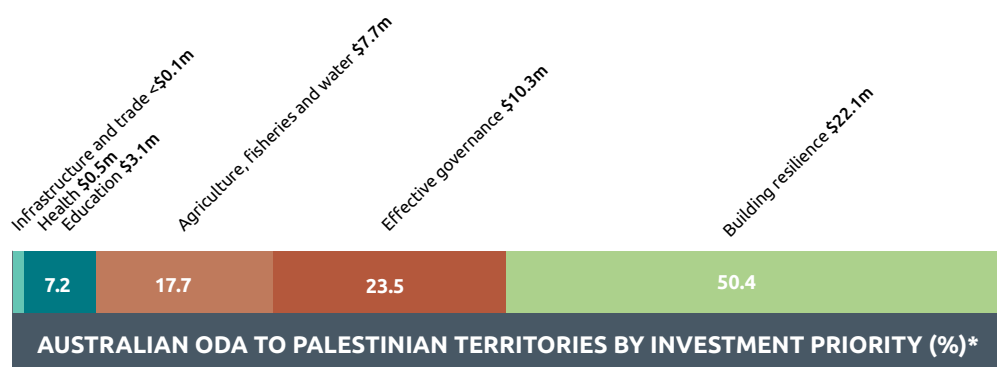
\* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in Africa and the Middle East. Including, flows from DFAT regional and global programs and expenditure by other government departments (OGDs).

# AFRICA AND THE MIDDLE EAST

## Palestinian Territories

### 2017–18 Bilateral Budget Estimate: \$20.5 million

	2017–18
Program	Budget Estimate \$m
Country	20.5
Regional	2.7
Global	20.6
Other Government Departments	0.0
<b>Total ODA to Palestinian Territories</b>	<b>43.8</b>



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

The Palestinian Territories — consisting of the West Bank and Gaza Strip — is one of the poorest regions in the Middle East. It faces formidable constraints to economic development including the physical separation of territory, a lack of control over territorial borders and key natural resources such as land and water, poor governance in Gaza, restrictions on movement of goods and people and the ever-present threat of conflict.

Australia has a long history of supporting Palestinians. Our aid is a tangible demonstration of our longstanding support for the Middle East peace process. Australian aid is helping to strengthen the economic and social foundations of a future Palestinian state, which can provide jobs and essential services for its people.

In 2017–18, Australian development support to the Palestinian Territories will focus on:

- » the UN Relief and Works Agency for Palestine Refugees (UNRWA) to provide essential education and health services and livelihood opportunities to more than five million Palestinian refugees. Australia's second multi-year funding commitment (\$80 million; 2016–2020) will support UNRWA's continued delivery of humanitarian services and development assistance;
- » the Australia Middle East NGO Cooperation Agreement Phase Three to improve the competitiveness of the agriculture sector to create jobs and increase the incomes of Palestinian farmers, including women and young people. Our work in the sector contributes to achieving food security and promoting sustainable agriculture;
- » the Palestinian Authority's reform program including improved public financial management through a World Bank Multi-Donor Trust Fund;

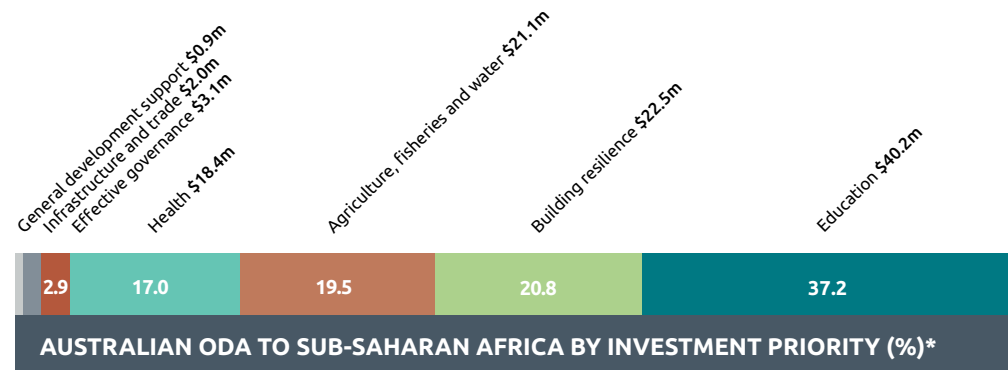


- » 10 Australia Awards Scholarships to support the next generation of Palestinian leaders and build public sector policy and management capacity within the Palestinian Authority and in the agriculture and private sectors in the Palestinian Territories; and
- » the UN Access Coordination Unit to facilitate coordinated access for humanitarian staff and supplies across the Palestinian Territories and the UN Materials Monitoring Unit to monitor entry and use of reconstruction materials into Gaza.

## Sub-Saharan Africa

### 2017–18 Bilateral Budget Estimate: \$31.8 million

2017–18	
Program	Budget Estimate \$m
Country	31.8
Regional	17.2
Global	43.7
Other Government Departments	15.6
<b>Total ODA to Sub-Saharan Africa*</b>	<b>108.2</b>



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

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. The strongly growing population of the Sub-Saharan Africa region presents increasing opportunities for trade and investment-led development gains. African countries are active members of global political and trade organisations and 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 makes a difference by focusing on sectors where Australian expertise adds value — extractives, agricultural productivity and public policy. The social and academic networks scholars develop with Australians and Australian institutions contribute to considerable goodwill towards Australia, as well as helping facilitate our economic diplomacy.

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

In 2017–18, Australian development support to Sub-Saharan Africa will focus on:

- » around 450 Australia Awards as well as professional development opportunities to many of the almost 6,000 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 the Horn of Africa, particularly South Sudan and Somalia; and
- » women's economic participation and voice in decision-making in their communities and region, particularly in the extractives, agricultural and public policy sectors.



# INVESTMENT PRIORITIES AND CROSS-REGIONAL PROGRAMS

## Infrastructure, trade facilitation and competitiveness

**2017–18 Budget Estimate: \$543.9 million**



**PHILIPPINES:**  
TRADE AND INCLUSIVE  
ECONOMIC GROWTH  
FACILITY

**\$80.0m**

(2017–18 TO 2024–25)



**VANUATU:**  
PORT VILA URBAN  
DEVELOPMENT  
PROJECT

**\$7.5m**

(2017–18)



**SRI LANKA:**  
ECONOMIC  
OPPORTUNITIES  
PROGRAM

**\$12.5m**

(2017–18)

**Program Highlights**  
(2017–18 Budget Estimate)

	2017–18
Program	Budget Estimate \$m
Pacific	179.9
South-East and East Asia	135.3
South and West Asia	36.4
Africa and the Middle East	2.1
Global*	190.3
<b>Total ODA to Infrastructure, trade facilitation and competitiveness**</b>	<b>543.9</b>

\* Includes core contributions to multilateral organisations and ODA not attributable to particular countries or regions.

\*\* Difference due to rounding.

### Infrastructure

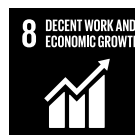
Inadequate infrastructure is one of the largest constraints to development in the Indo-Pacific region. The ADB has stated developing countries in the Asia Pacific 'will need to invest US\$ 1.7 trillion per year until 2030 to maintain its growth momentum, tackle poverty and respond to climate change'<sup>2</sup>.

As outlined in the Government's *Strategy for Investments in Economic Infrastructure*, 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.

In 2017–18, Australian development support to investments in Infrastructure will focus on:

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

Contributes to:  
**SUSTAINABLE  
DEVELOPMENT  
GOALS**



<sup>2</sup> ADB, Meeting Asia's Infrastructure Needs, 2017

## Trade facilitation and competitiveness

Trade facilitation and competitiveness is a pillar of Australia's strategic framework for the aid program. They are also a key element of the SDGs.

Australia's work in this area is guided by the Government's *Strategy for Australia's Aid for Trade Investments*, which provides a framework to ensure that aid for trade investments are well-planned and effective, meet the needs of developing country partners and are aligned with Australia's interests.

Australia is on track to meet its target to invest 20 per cent of the total aid budget in aid-for-trade projects by 2020. Australia's aid for trade investments are expected to increase to \$771.1 million in 2017–18, or 19.7 per cent of total ODA.

Australia's aid for trade priorities focus on trade facilitation, trade and investment policy, global value chains, infrastructure, private sector development, economic empowerment of women agriculture, and services.

In 2017–18, Australian development support to the multilateral aid-for-trade program will focus on:

- » trade facilitation: through partnerships with the World Bank and Global Alliance, which will help developing countries to export their goods more efficiently;
- » trade finance: in partnership with the ADB, which will help to increase access to trade finance in developing countries by improving prudential and governance practices of their banks. Australia's work will extend to include more banks in Asia and for the first time banks in Pacific countries;
- » innovation: in partnership with the World Intellectual Property Organization, which will help developing countries in our region strengthen their intellectual property systems to enable domestic innovation, inward investment and technology transfer; and
- » sustainable supply chains: in partnership with the International Labour Organization, which will improve labour standards and reduce gender discrimination in apparel and footwear factories in developing countries in our region.

### Case Study: Implementing the Agreement on Trade Facilitation

The World Trade Organization (WTO) Agreement on Trade Facilitation (ATF) was endorsed in February 2017. It is the first new agreement among WTO members in more than 20 years. The OECD has estimated that full implementation of the ATF could reduce trade costs globally between 12.5 per cent and 17.5 per cent. Full implementation of the ATF by developing countries will boost economic growth and create millions of jobs.

In ratifying the ATF, countries commit to a series of reforms to reduce red-tape at borders — from measures on the release and clearance of goods, through to enhanced cooperation between border agencies. Cooperation between government and the private sector can play an important role in implementing reforms. The private sector can support governments by identifying local challenges and opportunities to enhance logistical and commercial links to global value chains. It can also deliver technical expertise and resources to support targeted reform efforts.

In 2017–18, Australia will assist developing countries to implement the ATF through the Global Alliance on Trade Facilitation, which is a partnership between the private sector (the World Economic Forum, International Chamber of Commerce and Centre for International Private Enterprise) and key donor governments.

The Global Alliance partners have established a public-private platform to leverage business expertise, leadership and resources to support trade facilitation reforms.

In 2017–18, Australian development support for work on trade facilitation will focus on:

- » building understanding of the benefits of trade facilitation within both the public and private sectors;
- » establishing sustainable multi-stakeholder dialogues on trade facilitation;
- » mobilising public-private partnerships to drive change, engaging local businesses and associations;
- » technical and financial assistance in support of capacity building; and
- » benchmarking and evaluation based on established business metrics.

This work will complement Australia's trade facilitation investments that are continuing in 2017–18, including a partnership with the World Bank's Trade Facilitation Support Program, which is assisting developing countries to undertake at-the-border reforms, such as improving their customs procedures.

## Agriculture, fisheries and water

**2017–18 Budget Estimate: \$339.5 million**

### Program Highlights (2017–18 Budget Estimate)



**AUSTRALIA  
INDONESIA  
PARTNERSHIP:  
RURAL ECONOMIC  
DEVELOPMENT  
PROGRAM**

**\$23.1m**

(2017–18)



**CAMBODIA:  
AGRICULTURAL  
VALUE CHAIN  
PROGRAM PHASE II**

**\$18.5m**

(2017–18)



**PACIFIC REGIONAL:  
COMMUNITY  
BASED FISHERIES  
MANAGEMENT**

**\$1.5m**

(2017–18)

Contributes to:

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



	2017–18
Program	Budget Estimate \$m
Pacific	60.0
South-East and East Asia	121.5
South and West Asia	37.4
Africa and the Middle East	29.0
Global*	91.6
<b>Total ODA to Agriculture, fisheries and water</b>	<b>339.5</b>

\* Includes core contributions to multilateral organisations and ODA not attributable to particular countries or regions.

Agriculture is a key driver of pro-poor growth in support of the 2030 Agenda. The agriculture and fisheries sectors are an important source of jobs, income and exports. They play an important role in economic growth and poverty reduction and are key to the achievement of the SDGs, most especially global goal 2: Zero Hunger.

Meeting future food demand in a sustainable way will require major advances in productivity, market systems, natural resource management and governance. Australia will, in line with 2030 Agenda continue to promote agricultural, fisheries and water development through innovative partnerships with the private sector, civil society and partner governments.

In 2017–18, Australia's aid investments in agriculture will contribute to enhancing global food security, promote sustainable and resilient agricultural practices and support improved agricultural productivity. The aid program will address the impediments that prevent producers from linking effectively to domestic and international markets. Market based approaches will increase employment and incomes in the Indo-Pacific, contributing to regional stability and prosperity.

Australia will draw on its experience in managing water resources to assist developing countries to address water scarcity through Australia's participation in the High Level Panel on Water established in early 2016 by the UN, the World Bank and through the *Australian Water Partnership*.

Australia will also focus on ensuring the sustainability of fish stocks, maximising economic returns to PICs from their tuna fisheries and improving livelihoods and food security. Australia will do this by supporting the work of regional fisheries management agencies, national governments and coastal communities that rely on healthy coastal ecosystems. Australia will also continue to support the scientific monitoring and assessments needed to ensure the future sustainability of valuable offshore fish stocks.

In 2017–18, Australian development support to the agriculture, fisheries and water sector will focus on:

- » supporting small scale farmers, fishers and entrepreneurs to meet their livelihood and food security needs;
- » working with partner governments and international organisations to support private-sector led agricultural development in low income countries, especially in the Indo-Pacific region;
- » helping conserve the genetic diversity of food crops in gene and seed banks;
- » drawing upon our considerable expertise in agriculture, fisheries and water management by investing in agricultural and fisheries research. Through the Australian Centre for International Agricultural Research (ACIAR), Australia will improve nutrition and health outcomes, promote sustainable and resilient agricultural systems and increase agricultural productivity;
- » advocating for more open agricultural trading systems, through international and regional organisations;
- » promoting demand for ethically and sustainably produced goods in Australia and in our region, thereby driving faster and more pro-poor private sector-led growth in the Indo-Pacific;
- » leading international efforts on three priority issues identified by the High Level Panel on Water: increased water use efficiency through improved water management promoting innovative technologies and practices and establishing international standards for collection and sharing of water data using the expertise of the Bureau of Meteorology, CSIRO and Geoscience Australia;
- » involving women and girls especially in the provision of safe water, sanitation and hygiene services to the poorest communities;
- » supporting Indo-Pacific countries to increase revenues from the fisheries sector and maximise the potential of the blue economy;
- » strengthening regional efforts in the Pacific to combat illegal, unreported and unregulated fishing; and
- » supporting coastal communities in PICs to manage coastal ecosystems and develop alternative livelihoods where fish stocks are under pressure.



### Case Study: A better agricultural sector in Pakistan

The majority of the poor in Pakistan live in rural areas and rely on agriculture for their livelihoods. While demand for agricultural products is growing, the poor are often unable to respond to the opportunities it presents for them. The Market Development Facility (MDF) is working in partnership with the private sector to facilitate commercially sustainable, inclusive business models that link poor farmers with these opportunities.

For example, MDF is helping livestock farmers to supply the growing demand for milk by improving their access to silage, a nutritious storable livestock food that increases milk production. Silage was previously out of reach for smallholder farmers because it was sold in volumes that they were unable to afford and store and because they lacked information about its benefits. MDF has worked in collaboration with silage seed producer Dupont Pioneer to introduce small bale silage-making facilities. These are operated on a commercial basis by rural entrepreneurs who also provide information and advice to their smallholder customers. Other businesses have observed this model and are now servicing the smallholder silage market.

A change is now occurring in the way the dairy sector operates in Pakistan. Businesses are seeing opportunities in servicing smallholder farmers with quality inputs (seed, fodder and vaccines). MDF is exploring new opportunities to further facilitate this pro-poor change including a partnership with finance providers to introduce products designed specifically for female livestock farmers.



Improving the livelihood of farmers in Pakistan through innovative sustainable farming techniques.  
Photo: Mudabbir Majid

### Case Study: Improving the livelihoods of Kenyan cotton farmers

In 2017–18, the Business Partnerships Platform continues to build Australia's collaboration with business and civil society in addressing development challenges.

For example, the Kwale County sustainable cotton partnership is improving the livelihoods of 1,500 cotton farmers in Kenya by helping local communities to participate in the local economy through the production and sale of their cotton, establishing community-owned businesses and creating employment opportunities. The Business Partnership Platform brings together: Base Resources, an Australian-listed, Australian Securities Exchange global resource company in Africa; the Cotton On Group, one of Australia's fastest growing fashion retailers globally; and, Business for Development who coordinate the local activities through their expertise in developing pro-poor value chains. These Australian companies are committed to improving economic development as a key driver of poverty reduction in Kwale County.

New farms are being set up and farmers are being trained and mentored in the production of commercial quality cotton. The cotton is then purchased by the Cotton On Group and exported into its global supply chain improving the sustainability and traceability of their supply chain.



Kenyan cotton farmers being mentored in commercial cotton production, 2017.  
Photo: DFAT

## Effective governance

**2017–18 Budget Estimate: \$823.7 million**

### Program Highlights (2017–18 Budget Estimate)



**PACIFIC LEADERSHIP  
AND GOVERNANCE  
PRECINCT**

**\$33.0m**

(2017–18)



**SOLOMON ISLANDS:  
GOVERNANCE  
PROGRAM**

**\$7.5m**

(2017–18)



**ASIA-PACIFIC:  
REGIONAL  
ANTI-CORRUPTION  
PROJECT**

**\$2.5m**

(2017–18)

Contributes to:

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



	2017–18
Program	Budget Estimate \$m
Pacific	399.6
South-East and East Asia	207.8
South and West Asia	69.3
Africa and the Middle East	13.5
Global*	133.6
<b>Total ODA to Effective governance**</b>	<b>823.7</b>

\* Includes core contributions to multilateral organisations and ODA not attributable to particular countries or regions.

\*\* Difference due to rounding.

Australia supports effective governance in partner countries in Asia and the Pacific. Australia's support is focused on creating the conditions for growth through a rules-based and stable investment environment, supporting development through better public policy and financial management and helping to promote more accountable and transparent government in our region. We recognise that peace, development, stability and economic growth will not occur in the absence of strong, effective and inclusive institutions in our partner countries. We also recognise improving governance and addressing fragility and conflict are inherently political problems, requiring a holistic (foreign policy, development and security) response. Australia's efforts will continue to address the drivers of conflict, fragility and poor governance and not just their symptoms.

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

- » improving public financial management, regulatory reform, economic governance and a better investment environment in partner countries, including through the Solomon Islands Governance Program, the Australia-Indonesia Partnership for Economic Governance and the Governance for Development program in Timor-Leste;
- » increasing transparency in government by supporting the implementation of freedom of information laws, including through the UN-Pacific Regional Anti-Corruption Program's work in Vanuatu;
- » supporting countries in our region implement their obligations to combat corruption, fraud and misuse of power under the UN Convention Against Corruption;
- » strengthening international efforts to deny safe havens for corrupt funds, and facilitate the return of stolen state assets;
- » providing logistics, policy and technical advice for elections in partner countries, including the 2017 elections in PNG;
- » influential policy and research in Asian partner countries, including through the Knowledge Sector Initiative in Indonesia;
- » research and analysis that helps guide Australia's approach to engagement with emerging donors and middle-income country partners in Asia through The Asia Foundation;
- » strengthening reform coalitions in Asia and the Pacific to achieve gender equality outcomes, going beyond more traditional technocratic approaches to influence underlying power dynamics, supported by research from the Developmental Leadership Program;
- » enhancing global efforts to implement global goal 16 on peace, justice and strong institutions, including a particular focus on measuring peace in the Pacific;
- » conflict resolution and violence reduction through peace support programs in Myanmar, the Philippines and the Autonomous Region of Bougainville in PNG; and
- » influencing the international agenda on governance, conflict and fragility through the OECD's International Network on Conflict and Fragility and Governance Network, including through stronger coherence between development, humanitarian, peace and state building actors at country level.

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 2017–18, Australia will enhance its capacity to support improved governance in extractive economies in developing countries including:

- » playing a lead role in global initiatives such as the Extractive Industries Transparency Initiative and the Extractives Global Programmatic Support Multi-Donor Trust Fund managed by the World Bank to promote the open and accountable management of natural resources;
- » promoting and strengthening norms and standards in the extractives sector consistent with transparency, good governance and sustainability through Australia's Chairing of the Kimberley Process Certification Scheme for trading rough (unpolished) diamonds, targeting the illegal trafficking in 'conflict diamonds' and the Voluntary Principles on Security and Human Rights in the extractives sector; and
- » drawing on Australia's domestic experience and global reputation for good extractives governance to develop new approaches to help resource rich developing countries transform their oil, mining and gas resources into long term economic and social development gains.

## Health

**2017–18 Budget Estimate: \$495.7 million**

### Program Highlights (2017–18 Budget Estimate)



GLOBAL FUND  
TO FIGHT AIDS,  
TUBERCULOSIS  
AND MALARIA

**\$220.0m**

(2016–17 TO 2018–19)



WORLD BANK  
MULTI-DONOR TRUST  
FUND FOR ASIA AND  
THE PACIFIC

**\$52.0m**

(2014–15 TO 2018–19)



**WATER FOR WOMEN:**  
ENHANCING THE LIVES  
OF WOMEN AND GIRLS  
AND PEOPLE WITH  
DISABILITIES

**\$100.0m**

(2017–18 TO 2023–24)

Contributes to:

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

**3** GOOD HEALTH  
AND WELL-BEING



**6** CLEAN WATER  
AND SANITATION



	2017–18
Program	Budget Estimate \$m
Pacific	157.9
South-East and East Asia	54.4
South and West Asia	24.4
Africa and the Middle East	19.4
Global*	239.6
<b>Total ODA to Health</b>	<b>495.7</b>

\* Includes core contributions to multilateral organisations and ODA not attributable to particular countries or regions.

Strengthened, resilient health systems are a foundation for country and regional health security and prosperity. Investment in health contributes to economic growth in our region. Healthier adults are more able to participate in the economy and children free of disease are better able to learn at school and gain the skills needed to break out of poverty. Poor health, health systems and emerging diseases pose threats to the ongoing stability of Australia and our region, including economic shocks arising from the suspension of trade and movement of people in the face of diseases that cross borders.

The *Health for Development Strategy 2015–2020* guides Australia's policy engagement and investment decisions with a focus on strengthening country-level systems and services tailored to people's health needs and regional preparedness and capacity to respond to emerging health threats. The Strategy prioritises investments in the following 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;
- » access to clean water, sanitation and hygiene and good nutrition as pre-conditions for good health; and
- » innovations in health that respond to the complex health challenges of our region, including through the introduction of the first-ever child-friendly paediatric formulated treatment for tuberculosis (TB) by the TB Alliance under the Product Development Partnerships.

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

In 2017–18, Australian development support to the health sector will focus on:

- » strengthening health systems, with Australia's largest bilateral country health investments being PNG, the Solomon Islands, Cambodia and Timor-Leste;
- » improving the quality and accessibility of clinical care in PICs by supporting the delivery of essential hospital care;
- » assisting countries in South-East Asia and the Pacific to strengthen their public health systems and to sustainably finance and manage disease and immunisation programs;
- » implementing a new Regional Health Security commitment announced in June 2016 that will support partnerships and research with academia, medical institutions and the private sector to address priority health security challenges and improve health outcomes in our region;
- » supporting malaria elimination in the Asia-Pacific region by fostering regional partnerships and supporting the Asia Pacific Leaders' Malaria Alliance Secretariat;
- » investing in health and medical research which leads to new and improved therapies to combat major global disease challenges as well as those in our Asia-Pacific region;
- » supporting global public-private partnerships, multilateral agencies and international NGOs 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 (WHO) and the UN Population Fund; and
- » improving access to safe and affordable water and improved sanitation and hygiene practices and improved nutrition through the Water for Women Initiative.



### Case Study: Water for Women

Programs that improve access to water, sanitation and hygiene (WASH) enhance the lives of women and girls. Putting women at the centre of WASH programs leads to greater dignity, personal safety and better health outcomes. Women can go through menstruation, pregnancy and childbirth without shame or humiliation and there is less exposure to harassment, sexual abuse and other forms of violence. When personal hygiene is easier to maintain women gain greater confidence and self-esteem.

Recognising this, in September 2016, at the High Level Panel on Water, Prime Minister Turnbull announced Water for Women, a \$100 million, five-year initiative. Water for Women follows on from the current Civil Society WASH Fund and will commence in the first half of 2018. It will work with NGOs on innovative ways to improve water, sanitation and hygiene services, focusing on women, girls and people with disabilities in the poorest communities.

A key principle of Water for Women is that it will ensure that women and girls have equal opportunity, representation, work and involvement in WASH programs and benefit equally from their outcomes. This makes sense for many reasons, not least of which is that full participation of women significantly improves the sustainability of WASH services for everyone and has many added benefits including contributing to economic growth, better health and better nutrition.

The challenge is large: globally in 2015, 663 million people still lacked access to clean drinking water and 2.4 billion people lacked access to improved sanitation facilities (2015 Update and MDG Assessment — Progress on Sanitation and Drinking Water, UNICEF & WHO). Water for Women will work across Asia and the Pacific and will contribute to Australia's continued global leadership in the promotion of gender equality.

# Education

**2017–18 Budget Estimate: \$675.3 million**

**Program Highlights**  
(2017–18 Budget Estimate)



**PACIFIC REGIONAL:  
AUSTRALIA PACIFIC  
TECHNICAL COLLEGE**

**\$32.1m**

(2017–18)



**LAOS: BASIC  
EDUCATION, QUALITY  
AND ACCESS**

**\$10.7m**

(2017–18)



**EDUCATION  
CANNOT WAIT**

**\$10.0m**

(2017–18 TO 2019–20)

	2017–18
Program	Budget Estimate \$m
Pacific	206.9
South-East and East Asia	265.5
South and West Asia	78.7
Africa and the Middle East	43.9
Global*	80.3
<b>Total ODA to Education</b>	<b>675.3</b>

Contributes to:

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



\* Includes core contributions to multilateral organisations and ODA not attributable to particular countries or regions.

A quality education is transformational — it empowers people to improve their own future and is one of the best investments to drive economic growth and to achieve stronger communities and societies. Educating women and girls is particularly transformative; it leads to reduced rates of maternal mortality, better educated and healthier children and increased household incomes. With the right education and skills in the population, countries in the region can boost their productivity and economic growth potential.

Unfortunately, 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. Many young people and adults in Australia's region are also 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 socioeconomic constraints are particularly disadvantaged.

Australia and its neighbours benefit from aid program investments in education that support human resource development, economic growth and stability across the region. The *Strategy for Australia's Aid Investments in Education 2015–2020* establishes how Australia will work with partner countries to help them deliver comprehensive and high-quality education services.



In 2017–18, Australian development support to the education sector will focus on:

- » enabling those most marginalised in society, including girls, ethnic minorities and children with a disability, to receive a quality education in Indonesia, Myanmar, Bangladesh, Laos, Pakistan, the Philippines and across the Pacific;
- » championing multiyear studies, including in Timor-Leste, to ensure programs improve teacher quality and student learning;
- » increasing knowledge and evidence on what works best in education to strengthen the performance of education systems;
- » improving the measurement of learning outcomes to support work on monitoring global goal 4; and
- » targeting education in emergencies by partnering with Mexico, Indonesia, Republic of Korea and Turkey on the MIKTA Education Challenge to increase access to education in emergencies, particularly for girls.

### Case Study: Australia Awards

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.

The 2017 Australia Awards include 1,980 Fellowships and short course programs for professionals from developing countries, 1,240 scholarships for Australian tertiary institutions and a further 280 scholarships for universities in the Pacific islands.

The *Australia Awards Global Strategy: Investing in the next generation of global leaders for development 2016–18*, launched in November 2016, details the Australian Government's strategic framework and priorities for the Australia Awards. The Strategy outlines five investment principles:

- » alignment with Australia's development, economic and public diplomacy priorities;
- » equity of access;
- » merit-based selection;
- » value for money and evidence-based decision making; and
- » promote the Australia Awards.

Australia Awards build capacity of our partner countries to address development challenges and provide opportunities for strengthening strategic partnerships, through Awards that:

- » utilise Australian education and training expertise;
- » target critical skills gaps to address constraints to sustainable economic growth and poverty reduction; and
- » target activities that strengthen existing partnerships and develop new connections at the individual, country, regional and multilateral levels.

Australia Awards are a whole of Australian Government initiative bringing together scholarships, fellowships and short courses administered by DFAT; the Department of Education; and ACIAR.

## Building resilience

**2017–18 Budget Estimate: \$618.3 million**



EMERGENCY FUND

**\$150.0m**

(2017–18)



IRAQ: HUMANITARIAN  
AND STABILISATION  
ASSISTANCE

**\$100.0m**

(2017–18 TO 2019–20)



PARTNERSHIPS WITH  
AUSTRALIAN NGOS AND  
THE AUSTRALIAN RED  
CROSS TO PREPARE  
FOR AND RESPOND  
TO DISASTERS IN OUR  
REGION

**\$14.5m**

(2017–18)

**Program Highlights**  
(2017–18 Budget Estimate)

	2017–18
Program	Budget Estimate \$m
Pacific	37.5
South-East and East Asia	62.2
South and West Asia	32.4
Africa and the Middle East	144.8
Global*	341.4
<b>Total ODA to Building resilience</b>	<b>618.3</b>

\* Includes core contributions to multilateral organisations and ODA not attributable to particular countries or regions.

Contributes to:  
**SUSTAINABLE  
DEVELOPMENT  
GOALS**



### Humanitarian and disaster risk reduction

Humanitarian crises reverse hard-won development gains, increase poverty and can result in instability that can last for decades. Since 2005, more than 720,000 people have been killed in disasters and the number of people in need of humanitarian assistance has more than doubled. An unprecedented number of people — more than 65 million — are currently displaced by conflict and persecution. In 2017, the World Bank estimated global natural hazards cost over \$670 billion in annual consumption loss, with our region being the most exposed to these disasters. Climate change, urbanisation and population growth are significant drivers of increased risk exposure in our region.

Australia's humanitarian program saves lives, alleviates suffering and enhances human dignity. 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 last year. Australia will continue to respond generously in times of need. And we will also use our official development assistance to build resilience against future shocks. Helping countries recover after disasters is an important area for improvement in our work; recovery is an opportunity to build back better and reduce vulnerability to future disasters.

Australia works with a wide range of trusted humanitarian partners to deliver life-saving assistance and to build resilience. Our partnerships with UN humanitarian and disaster risk reduction agencies and the International Committee of the Red Cross provide predictable, multi-year funding which allows these partners to respond to the most urgent humanitarian needs globally.

Under the new Australian Humanitarian Partnership (AHP), we will work with trusted Australian NGOs, led by CARE, Caritas, Oxfam, Plan International, Save the Children and World Vision to deliver humanitarian assistance. Through the AHP and our existing partnership with the Australian Red Cross, Australia will also increase its focus on prevention and preparedness, working with PICs and local communities to strengthen response capabilities, build resilience and accelerate post crisis recovery and reconstruction.

As humanitarian crises become more frequent and 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 that ensure it is fit for purpose to meet both current and emerging needs. The Government is taking steps to implement the commitments it made at the 2016 World Humanitarian Summit, by providing more support for local responders on the ground. We are also increasing our use of cash programming and implementing initiatives like the Humanitarian Supplies Challenge to find better ways of delivering humanitarian assistance in the Indo-Pacific region.

At the forefront of our humanitarian effort is the deployment of Australian civilian experts overseas. Through the Australian Civilian Corps and our partnership with RedR Australia the Government provides surge support to humanitarian agencies and partner governments as they prepare for, respond to and recover from crises and instability. This includes pre-deploying specialists into the Pacific ahead of the cyclone season, providing electoral expertise across the region and supporting the delivery of humanitarian assistance in the Middle East.

**Table 3: Estimated breakdown of Australian Humanitarian Program funding**

	2016–17 Budget Estimate \$m	2017–18 Budget Estimate \$m
Disaster risk reduction, preparedness and response	39.0	39.0
Protracted crises and strengthening humanitarian action	38.4	78.4
Emergency Fund	130.0	150.0
International Committee of the Red Cross (ICRC)	27.5	27.5
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	8.8	8.8
World Food Programme (WFP)	40.0	40.0
United Nations Central Emergency Response Fund (UNCERF)	11.0	11.0
United Nations High Commissioner for Refugees (UNHCR)	25.0	25.0
United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	20.0	20.0
<b>Total</b>	<b>339.7</b>	<b>399.7</b>

## Syria

Now in its seventh year, the Syria conflict remains one of the biggest humanitarian, peace and security crises facing the world today. The UN estimates that 13.5 million people in Syria need humanitarian assistance, including 6.3 million who are internally displaced. Humanitarian access remains a pressing issue and an estimated 4.9 million people reside in hard-to-reach areas. The crisis has also displaced over 4.9 million Syrian refugees to countries in the surrounding region, including Turkey, Lebanon, Jordan, Iraq and Egypt. Almost 90 per cent of refugees reside in host communities outside formal refugee camps.

In May 2016, the Australian Government announced a three-year \$220 million package of assistance to address the humanitarian and longer-term needs arising from the crisis. Entering its second year, this package has continued Australia's humanitarian assistance inside Syria and to refugees residing in Jordan and Lebanon, including with the provision of food, shelter, medical assistance, protection and access to clean water. The package is supporting the governments of Jordan and Lebanon to continue hosting large numbers of Syrian refugees through programs to strengthen education systems and improve livelihoods for refugees and vulnerable host populations. Australia will provide \$70 million under the package in 2017–18 through trusted UN agencies, international humanitarian organisations and Australian NGOs to reach people in need.

### Case Study: Syria

In 2016, the Australian Government funded the deployment of an Australian civilian specialist to work with the UN Office for the Coordination of Humanitarian Affairs in Jordan. As the civil-military coordinator, the specialist liaised with the Jordan Armed Forces and UN agencies to negotiate access to displaced Syrians residing along Jordan's northeast border in an area (known as the berm).

Over 50,000 people at the berm were cut off from humanitarian assistance in June 2016 when the border was sealed following an attack by Daesh on a Jordanian guard post. Following negotiations with Jordanian authorities, aid flows to the stranded population recommenced in late 2016.

Since access was restored, an aid distribution point has been established and the UN and its partners are providing life-saving assistance, including food, water, shelter and emergency medical treatment.



Australian civilian specialist providing assistance to UN Office for the Coordination of Humanitarian Affairs in Jordan. Photo: DFAT

## Iraq

The humanitarian situation in Iraq remains grave with 10 million people in need of humanitarian assistance. An estimated three million Iraqis have been displaced by the conflict since 2014. While people are able to return to many liberated cities and towns, significant work is necessary to restore basic services in these areas and protection of civilians affected by the conflict remains the key humanitarian challenge.

Australia has provided \$70 million in humanitarian assistance to Iraq since 2014. Australia's assistance has been delivered through UN agencies and international humanitarian organisations. Working through these partners, Australia has been able to provide food, shelter, medical assistance, protection and access to clean water to people affected by the crisis.

## Social protection

Social protection aims to enhance an individual's resilience and improve their livelihood opportunities. Australia's approach involves leveraging partner governments' own funding to improve social protection for the poor and vulnerable, contributing to human development, reduced vulnerability and economic growth outcomes. The Strategy for Australia's aid investments in social protection aims to improve the coverage of social protection in the Indo-Pacific, improve the quality of social protection systems and enhance our partner governments' ability to make their own informed choices.

In 2017–18, the Australian Government will continue to work with stakeholders in the Pacific on shock responsive social protection programs to assist the poor and vulnerable. Australia is researching how social protection systems can be used for disaster response to decrease the level of hardship experienced by vulnerable populations during crises and how social protection can assist in speeding up the recovery process. Australia is also building knowledge and experience on how social protection programs can link with sustainable employment and is bringing together developing countries from across the globe to discuss this priority issue and learn from each other.

Australia will continue working with partners in the region to improve the efficiency of their social protection systems. For example, Australia is assisting the Government of Indonesia to improve its Unified Database of Beneficiaries, which is the basis of data for most major social assistance programs. This improvement alone has contributed to trillions of Rupiah in savings to the national budget through improved targeting of transfer programs and also reductions in fuel and electricity subsidies. Further, through the MAKHOTA program, Australia will assist the Indonesian Vice President's National Team for Accelerating Poverty Reduction to actively monitor and evaluate the implementation of the new Non-Cash Food Assistance program which will impact millions of poor Indonesian households, replacing the long running less efficient Rice for the Poor program.

### Case Study: Supporting reproductive health of women and girls during crises

During humanitarian crises, women and girls face added health and safety risks. Over 500 women and girls die each day in humanitarian and fragile settings from complications related to pregnancy and childbirth. In addition, humanitarian emergencies often exacerbate levels of gender-based violence and diminish means of protection. An estimated seven out of every 10 women are exposed to sexual and gender-based violence in crises. The need for sexual and reproductive health services in crises is high, yet often overlooked.

Since 2007, Australian Governments have partnered with the International Planned Parenthood Federation to deliver the Sexual and Reproductive Health Program in Crisis and Post Crisis Situations (SPRINT). SPRINT has provided over 890,000 people with sexual and reproductive health services in crisis-affected places — preventing avoidable maternal deaths, reducing unplanned pregnancies, preventing illness and deaths of newborns and reducing rates of Human Immunodeficiency Virus (HIV) and other diseases.

In 2017–18, the Government's third phase of support (\$9.5 million, 2017–2019) brings Australia's total contribution to the SPRINT to more than \$26 million.

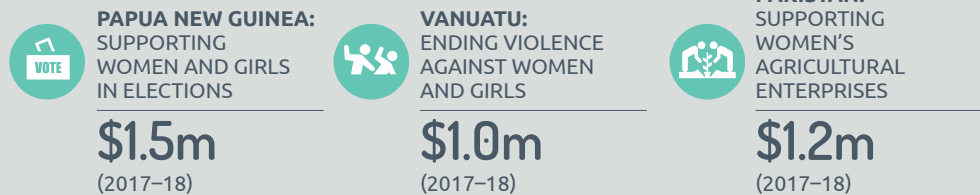
This phase will address the needs of women and girls in crisis through the provision of basic health and protection services and supplies. SPRINT will provide safe birthing environments, family planning services, HIV prevention and treatment, protection against sexual violence and assistance to survivors of rape and violence in crisis-affected places.

SPRINT is a key part of the Government's support to sexual and reproductive health and rights, which are critical to empowering women, improving gender equality and reducing maternal and child mortality. These services help women and girls to stay healthy, remain in education and contribute to the speedy recovery of communities following disasters.

# Gender equality fund and empowering women and girls

**2017–18 Gender Equality Fund: \$55.0 million**

## Program Highlights (2017–18 Budget Estimate)



Contributes to:

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



Gender equality and the empowerment of women and girls are critical in achieving development, prosperity, peace and security. Better educated women have fewer, healthier and better educated children. Providing female farmers with equal access to resources could reduce hunger for an extra 100–150 million people. In conflict situations, women are often instrumental in brokering ceasefires and can help to deliver longer lasting peace. Yet gender inequality persists around the world, undermining economic growth, human development, poverty reduction and even security and stability.

It is for this reason that Australia's Gender Equality and Women's Empowerment Strategy applies across our foreign policy, economic diplomacy and development efforts. Gender equality and women's empowerment are one of six priority areas for Australia's development program. The Strategy sets an ambitious target requiring that at least 80 per cent of all Australia's aid investments, no matter what their primary objectives, must perform effectively in promoting gender equality.

The Strategy has three key priorities:

- » enhancing women's voice in decision-making, leadership and peace-building;
- » promoting women's economic empowerment; and
- » ending violence against women and girls.

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

In 2017–18, Australian development support from the Gender Equality Fund will focus on:

- » improving women's influence over benefits of the extractive industry in PNG;
- » strengthening women's leadership in Laos;
- » reducing child marriage in Indonesia; and
- » supporting female victims of acid attacks in Bangladesh.

The Fund will continue to support Pacific Women Shaping Pacific Development (\$320 million over 10 years, 2012–2022) focused on enabling women and men across 14 PICs to improve the political, social and economic opportunities for women.

The Fund is also supporting a new flagship initiative, Investing in Women (\$46 million over four years) to promote economic growth, business development and gender equality in South-East Asia by strengthening employment practices for women and increasing investment in women-led small and medium sized enterprises (SMEs).

## 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, making up an estimated 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 2017–18, Australia will continue to Co-Chair the Global Action on Disability (GLAD) Network alongside the International Disability Alliance. The GLAD network brings together bilateral governments, multilateral agencies, foundations and private sector organisations, in collaboration with disabled people's organisations and partner governments. GLAD advances the rights of people with disabilities and ensure their full participation in international development and humanitarian action. We will continue to advance work in the three thematic focus areas: disability-inclusive education, humanitarian action and social protection.

In 2017–18, Australian development support for disability-inclusive development will focus on:

- » supporting disabled people's organisations in developing countries to advocate for rights through small grants from the Disability Rights Advocacy Fund;
- » building global capacity to collect and analyse disability data through our disability data partnerships with the UN, including: UN Statistical Division; UN International Children's Emergency Fund (UNICEF); and the UN Washington Group on Disability Statistics, which will continue to deliver training and develop guidelines and resources for national statistics offices and other partners;
- » bringing together national stakeholders, particularly governments and disabled people's organisations, to effectively implement legislation, policies and programs on disability rights, through the UN Partnership to Promote the Rights of Persons with Disabilities;
- » strengthening community-based rehabilitation guidelines and services and the provision of related technical assistance in our region through the World Health Organization (WHO);
- » advancing the rights of children with disability in East Asia and the Pacific, with a focus on access to quality education and humanitarian support, through a partnership with UNICEF; and
- » working in partnership with the Pacific Disability Forum (PDF), an umbrella organisation of Pacific disabled people's organisations (DPOs), to support their members to advocate for and advance their rights.



### Case Study: Disability-Inclusive Development Fund

Seven Australian aid investments in a range of sectors are receiving additional funding and technical assistance to enhance their approach to disability inclusion. The Disability-Inclusive Development Fund, launched in March 2016, aims to provide catalytic support to strengthen inclusion of people with disabilities in aid investments and generate and share evidence and lessons.

#### The Fund's multi-year commitments include:



**\$4.0m**

to support inclusive education approaches to promote education opportunities for all of PNG's children



**\$3.3m**

to build disability-inclusive health services in Tonga, including increasing access to mainstream health services, piloting community-based rehabilitation and increasing mental health support



**\$3.0m**

to include people with disabilities across the breadth of our human development work in Timor-Leste so that they can access and benefit from a range of vital services — including education, health and sanitation — alongside others in the community



**\$1.1m**

to strengthen the national disability-inclusive skills sector in Vanuatu to promote economic opportunities for all



**\$0.5m**

to build English skills for representatives of disabled people's organisations in Laos to assist them to more effectively advocate for their rights

## Sport for development

The Sport for Development program makes a positive contribution to community development and public diplomacy outcomes in the Asia-Pacific region through effective sports partnerships

In 2017–18, the Sport for Development program will focus on:

- » Pacific Sports Partnerships (PSP) program (\$4 million in 2017–18) which: encourages health-promoting behaviours including physical activity and good nutrition; supports inclusion of and advocacy for people living with disability; and provides participation and leadership opportunities for women and girls; and
- » Asia Sports Partnerships small grants fund (\$2 million in 2017–18) which: aims to replicate the success of the PSP program across Asia; and has an additional goal of encouraging positive social outcomes including peacebuilding.

### Case Study: Volleyball program a game changer for women and girls in Fiji



Women and girls are under-represented in sports in Fiji.  
Supplied: Fiji Volleyball Federation

The Volley4Change program, delivered through the PSP in Fiji and Vanuatu, harnesses the popularity of volleyball across Pacific communities to make a positive impact on people's health and to challenge attitudes toward women and girls.

The Fiji Volleyball Association delivers community-based programs that are built on a foundation of research into barriers and motivation to participation in sport. By providing safe and inclusive spaces in which people of all abilities can gather and play sport, the program has contributed to more Fijians being physically active, more often. This is important given that physical inactivity is a contributing cause of non-communicable diseases, which account for up to 80 per cent of preventable deaths in the Pacific.

While participation in physical activity is a positive outcome in itself, Australian sport for development programs use the platform of mass participation to deliver targeted wellbeing and nutrition programs and to foster dialogue around women's equality and gender-based violence.

The Fiji Volleyball won two prestigious international awards in 2015–16 for good governance and gender equality research, recognising its approach to engaging male champions of change in the Fijian community to advocate against gender inequality.



## Global funds and multilateral organisations

Multilateral organisations achieve significant development results and are important partners for the Australian aid program. Their reach, leverage, specialisation and other strengths play a critical role in helping Australia to meet its international development objectives. Around one-third of the aid budget is channelled through multilateral organisations.

In 2017–18, Australia will continue to work 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, including developing countries where we do not have a bilateral presence. These partners include:

- » multi-stakeholder health and education funds that bring together donors, developing countries, civil society, philanthropic foundations and the private sector, including:
  - the Global Fund to Fight AIDS, Tuberculosis and Malaria, which, since its inception has contributed to saving over 20 million lives globally;
  - Gavi, the Global Vaccine Alliance, a successful public-private partnership that helps reduce childhood deaths by ensuring poor countries can procure critical vaccines at globally low prices and supporting strengthening of immunisation systems; and
  - The Global Partnership for Education, which has supported 22 million children to 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. In 2017, Australia is serving as the Co-Chair of the Green Climate Fund for a second term alongside Saudi Arabia. The Fund is working to build on its US\$1.5 billion project portfolio, with a key focus on disbursements this year;
  - the Global Green Growth Institute (GGGI), which partners with developing countries to embed economic growth pathways that use natural resources sustainably, are less carbon intensive and more resilient to climate change. In 2017, the GGGI is continuing to help countries develop and implement green growth policies, including implementing their climate commitments and sharing lessons learnt; 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.

## 2017–18 Global Fund Partners:



GLOBAL FUND TO  
FIGHT AIDS, TB AND  
MALARIA

**\$220.0m**

(2016–17 TO 2018–19)



Gavi—GLOBAL  
VACCINE ALLIANCE

**\$250.0m**

(2016–17 TO 2019–20)



GLOBAL PARTNERSHIP  
FOR EDUCATION

**\$140.0m**

(2015–16 TO 2017–18)



GREEN CLIMATE FUND

**\$200.0m**

(2014–15 TO 2017–18)



GLOBAL GREEN  
GROWTH INSTITUTE

**US\$15.0m**

(2017–18 TO 2018–19)



GLOBAL  
ENVIRONMENT  
FACILITY

**\$93.0m**

(2014–15 TO 2017–18)



MONTREAL  
PROTOCOL

**\$1.3m**

(2017–18)



- » multilateral development banks such as the World Bank Group and ADB:
  - over the next three years, Australia's support to the World Bank Group's International Development Association (IDA) will significantly increase assistance for the 20 Indo-Pacific countries eligible for IDA financing, including to promote private sector development, boost women's economic empowerment, strengthen effective governance, support fragile states and tackle climate change. For example, Pacific countries will receive an almost fourfold increase in minimum annual allocations to around US\$18 million per year, with Pacific regional allocations increasing to around US\$900 million per year. The World Bank Group provided US\$11.4 billion in funds to the East Asia Pacific region in 2015–16;
  - Over the next four years, Australia's support to the ADB's Asian Development Fund will leverage about US\$3.8 billion for the Asia-Pacific region's poorest and most vulnerable countries to strengthen governance, mainstream gender in operations, promote food security, support private sector development and respond to climate change and natural disasters. Australia is currently the second largest donor to the Asian Development Fund;
  - Australia will continue to support the Public Private Infrastructure Advisory Facility (\$2 million, 2017–18), a global facility led by the World Bank, promoting government reforms to increase private sector financing and delivery of infrastructure in developing countries; and
  - The World Bank-Australia Safeguards Partnership (WASP) helps ensure that infrastructure supported by major donors in the Indo-Pacific region does not harm either the environment or the lives of people living in communities impacted directly by these projects.
- » The Private Infrastructure Development Group (PIDG) uses donor funds to leverage private financing into priority infrastructure projects in developing countries and emerging economies. As the current chair of the PIDG, Australia will continue to help expand its footprint in Asia.

## Climate change

Australia will spend over \$200 million on climate change in 2017–18, with significant investments across country, regional and global programs. At the 21st Conference of the Parties (COP21), Australia committed \$1 billion over five years (2016–2021) 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, including \$300 million to Pacific countries over four years (2016–2020) 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 and that strengthen governance across key sectors, including finance, infrastructure, planning, education, water and food security. Australia's support will also build the capacity of PICs and Least Developed Countries in our region to access climate change financing to attract investment.

Australia's support is assisting the Pacific to better understand climate impacts through investment in science and adaptation planning and support to national weather and climate services in 14 PICs (\$39.8 million, until June 2018). 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, 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, 2016–2020).

In 2017–18, Australian development support for multilateral efforts addressing climate change will focus on:

- » commitment to the Green Climate Fund (\$200 million, 2015 to 2018); and
- » a proportion of core contributions to multilateral agencies (including ADB, World Bank, the GGGI and UN agencies) will provide climate change assistance to developing countries (it is estimated \$95 million was proportioned in 2016–17).

### Case Study: Green Climate Fund

Established in 2010, the Green Climate Fund is the world's largest multilateral fund for supporting developing countries to address climate change. It is a unique global initiative, investing in low-emission and climate-resilient development.

As part of our commitment to support action to combat climate change, Australia is providing \$200 million to the Green Climate Fund over four years (2014–15 to 2017–18). In 2017, we will co-chair the Fund for a third time.

Since November 2015, the Green Climate Fund has committed US\$2.2 billion for 43 projects and programs. The Fund's portfolio includes US\$251 million for six projects in the Pacific, where countries are especially vulnerable to the impacts of climate change.

Additional funding will also be provided to seven PICs (Cook Islands, Federated States of Micronesia, Kiribati, Niue, Palau, Samoa, Tonga and Vanuatu) to help build their capacity to access the Fund's resources.

In 2016, under Australia's leadership, the Fund made important progress on its core business, approving US\$1.3 billion in funding for 27 projects and programmes. This included US\$725 million for proposals from the private sector.

Australian leadership of the Green Climate Fund in 2017 aims to support:

- » increasing the flow of funding to projects and programs, including to vulnerable populations and small island developing states;
- » increasing staffing at the Fund headquarters in Songdo, Republic of South Korea;
- » simplifying approval process for access to funding;
- » better defining how the Fund works with other climate finance institutions, and reducing duplication of effort; and
- » adoption of a policy on climate change and gender.

### Case Study: Climate Change — UNDP Small Grants Programme

As well as acting on climate change domestically, the Australian Government is working with other countries to share direct, practical and innovative approaches to tackling climate change.

Australia will provide \$12 million over nine years to support the UNDP to implement small-scale community-based climate change adaptation activities through the Global Environment Facility Small Grants Programme.

The investment is implementing projects across 42 countries in communities that are highly exposed to climate risks, supporting inhabitants who are highly dependent on nature-based resources for economic activities and subsistence. The investment addresses key development challenges in these communities, covering a range of sectors, including agriculture and food security, coastal zone management, land degradation and water resource management; in line with partner country plans and objectives.

In 2016, the investment completed over 1,000 grant projects working with communities and civil society. The results across these grants are far-reaching and included providing low carbon solutions to 323 projects, assisting 15 developing countries in the implementation of national plans and policies on chemicals and waste and bringing 900,000 hectares of land under improved management practices. Across the investment, communities are exploring how gender, age, disability and environmental stressors impact climate change and disaster vulnerabilities and access to resources. The program is producing a strong evidence base for best practice in community-based adaptation support. By adding a climate lens to agriculture, education, infrastructure and water projects, communities are increasing resilience and decreasing vulnerability to climate impacts.

## Cyber co-operation program

In 2017–18, the Australian Government will invest \$1 million to assist partner governments in the Indo-Pacific region to develop the institutional capacity required to address cyber security threats and to combat cybercrime, including through public-private partnerships. This forms part of a four year Cyber Security Strategy (\$4 million, 2016–17 to 2020–21) to address cyber security challenges in our region.

The security and openness of the internet is an enabler of economic growth and development for the countries of the Indo-Pacific, including Australia. Building the level of cyber security awareness and capability across the Indo-Pacific will raise the capacity of countries as well as reducing risks to Australian interests.

Innovative approaches to building cyber capacity will continue to be a key desirable for the projects funded, as will projects that promote the participation and economic empowerment of women and girls. In 2017–18, Australia will build on successful public-private sector partnerships established in 2016–17 — the program's inaugural year — and seek new proposals from businesses, think tanks, universities and the private sector.



In 2017–18, Australian development support for the cyber co-operation program will focus on:

- » a coordinated whole-of-government approach to cyber capacity building in our region;
- » private sector expertise and innovation are an established part of our cyber capacity building efforts in our region; and
- » enhanced cooperation with likeminded partners, including the United States of America, Japan, New Zealand and Singapore, on cyber capacity building as a force multiplier of our efforts in the region.

## Non-government organisations and volunteers

### 2017–18 Budget Estimate: \$183.4 million

Australian, international and local 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 as 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 policy framework, *DFAT and NGOs: Effective Development Partners*, provides guidance on how to strengthen aid efforts with the NGO sector.

Australia's trusted NGO partners deliver results. More than 50 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 2017–18, we expect to work with more than 50 accredited Australian NGOs, who will deliver around 500 projects in over 50 countries. These projects will support families to have better access to clean water and better sanitation, build confidence and incomes for women and men and enable communities to be more resilient to natural disasters.

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 AVID 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 contribute to 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.

The volunteers 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 contribute to 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 2017–18, the volunteers program has been allocated a budget of \$42.6 million and will:

- » support approximately 950 volunteers in 26 countries;
- » place 97 per cent of volunteers in the Indo-Pacific region; and
- » expand the recently Returned Australian Volunteer Network.

The AVID program is funded by DFAT and delivered by AVI and Scope Global.

The current Australian Volunteers for International Development (AVID) program will end 31 December 2017. The Australian Volunteers program will commence on 1 January 2018.

### Case Study: AVID program — Supporting tourism development in PNG

Central to PNG's economic growth is development of its tourism sector, contributing around \$110 million per year (or 0.7 per cent of GDP), with increases forecasted. A recent World Bank report, *Pacific Possible*, identifies tourism as vital to the transformation and sustainable growth of PNG's economy.

AVID delivery partner AVI has been strengthening the capacity of the tourism sector in PNG by collaborating with provincial government agencies, guesthouses, tour operators and the Port Moresby Nature Park. At the request of local providers, AVI has been working with small to medium village and small town-based enterprises to develop quality services and products to capture existing and burgeoning markets.

AVI's early interventions saw Australian volunteers placed with provincial tourism boards, however, due to the challenging local environment, these yielded low results. Greater success has resulted from working directly with the Port Moresby Nature Park. With support from Australian volunteers and Zoos Victoria, the Port Moresby Nature Park has grown to become a key tourist attraction. Now linked to all major guesthouses and with new educational initiatives, business and the retail income of the Port Moresby Nature Park has increased.



Australian volunteer working with staff of the Port Moresby Nature Park to improve the tourism sector in PNG. Photo: Harjono Djoyobisono, AVI



# 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.

**Table 4: ODA delivered by Other Government Departments**

Department/Agency	2017–18 Budget Estimate \$m
Australian Centre for International Agricultural Research	106.2
Agriculture	6.5
Attorney General's	1.6
Immigration and Border Protection	0.9
Australian Federal Police	74.2
Communications	1.0
Employment	9.0
Environment	0.8
Finance	0.6
Health	10.5
Reserve Bank of Australia	0.1
Treasury	24.4
States and Territories	1.1
<b>Total ODA delivered by Other Government Departments*</b>	<b>236.8</b>

\* Difference due to rounding.

## Australian Centre for International Agricultural Research

ACIAR is the Australian Government's specialist agricultural research-for-development agency, within the aid program. ACIAR does not undertake research, but identifies opportunities and brokers partnerships to undertake international agricultural research and capacity building. Projects produce specific research outputs; translated into development outcomes including: improved food security; better nutrition; improved health; and increased prosperity.

ACIAR's partnerships and their achievements support Australia's national interests in many different ways. Agricultural research for development has proven to be a highly effective route to enhancing prosperity and reduced poverty in partner developing countries, thus contributes directly to regional peace and security. Economic prosperity in partner developing countries also has significant benefits for Australia: stronger economies in the region offer new trade, investment and business opportunities for Australia.

In 2017–18, ACIAR will concentrate its efforts in developing countries of Asia and the Pacific, particularly PNG. ACIAR will engage in high-payoff partnerships in other regions in support of Australia's foreign policy objectives.

To extend our effectiveness and to reduce some of the challenges our environment presents, ACIAR will engage closely with a range of international multilateral institutions and associations, including:

- » Consultative Group for International Agricultural Research;
- » Asia Pacific Association of Agricultural Research Institutions;
- » Association of Southeast Asian Nations;
- » Centre for Agriculture and Biosciences International;
- » UN Food and Agricultural Organization (FAO);
- » The Pacific Community; and
- » The World Vegetable Center.

ACIAR will continue to manage research partnerships in four areas of endeavour: crops; livestock and fisheries; natural resources and forestry; socio-economics 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 in 2017–18.

## Australian Federal Police

The AFP International Police Assistance Program contributes to national security and socio-economic development by providing policing support for enhanced rule of law in developing, fragile and conflict affected states within the Indo-Pacific region.

In 2017–18, 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 include capacity building specifically addressing leadership and management, policy, governance, gender equity, investigations, information and communications technology and command, control and coordination (designed to enhance the capacity of regional police partners).

Current missions include:

- » Nauru Police Force Police Capacity Program;
- » Pacific Police Development Program — Regional;
- » Papua New Guinea — Australia Policing Partnership;
- » Solomon Islands Police Development Program;
- » Samoa Australia Police Partnership;
- » Timor-Leste Police Development Program;
- » Tonga Police Development Program; and
- » Vanuatu Australia Police Project.

## The Department of Treasury

In 2017–18, the Department of Treasury will continue to manage the payment of the previously agreed capital increase to the Asian Development Bank (ADB), which will fund activities aimed at delivering tangible development benefits in ODA eligible countries and supporting infrastructure that will encourage economic growth.

## Department of Health

The Department of Health's annual contribution to the World Health Organization (WHO) supports WHO's capacity building efforts on regional and global health issues, particularly in developing countries. As the United Nations' directing and coordinating authority for health, the WHO is the leader in setting global health norms and standards and in responding to global, regional and, as required, country level public health emergencies.

## Department of Employment

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 10 participating countries by providing access to low and unskilled work opportunities where employers cannot source sufficient local labour in the Australian agriculture and accommodation industries, as well as a tourism trial in Northern Australia.

## Other contributions

The **Attorney-General's Department's** international legal assistance work in the Indo-Pacific region will help strengthen legal frameworks to combat transnational crime, improve domestic crime and policing laws in the Pacific and develop and improve capacity and technical expertise in partner law and justice agencies.


















The **Department of Communications and the Arts** will provide development assistance to the International Telecommunication Union (ITU), the UN specialised agency responsible for international cooperation in the use of telecommunications and the radio frequency spectrum. This will support its development activities in relation to telecommunication policy and regulation, human capacity building, cyber security, spectrum management applications, digital inclusion and emergency communications.

The **Department of Agriculture and Water Resources** provides Australia's annual core contributions to the UN Food and Agriculture Organisation (FAO). Australia's contribution enables the FAO to undertake a range of activities relevant to Australia and the Asia-Pacific, such as development of technical standards for plant and animal health and food safety, which underpins agricultural trade and biosecurity. Australia's contribution also supports projects in the Pacific to address food security, nutrition, agriculture and rural development priorities. This includes assisting PICs to improve: evidence-based policy and strategic planning, value/supply chain efficiency and market access, environmental management and resilience and food and nutrition security.

The **Department of Immigration and Border Protection** will continue to work with partner governments in the Pacific, South-East Asia, South Asia and the Middle East to build capacity to manage migration flows effectively and combat people smuggling. In 2017–18, this includes development initiatives 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.

# APPENDIX 1: THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The 2030 Agenda consists of 17 SDGs (also known as the global goals) and the AAAA on Financing for Development. The 2030 Agenda established the globally agreed framework for development 2015 to 2030. The 2030 Agenda applies to all countries, is non-binding and represents a modern, comprehensive and ambitious approach to development. The global goals build on and extend the Millennium Development Goals (MDGs) which shaped considerable progress in development from 2000 to 2015.

<b>1 NO POVERTY</b> 	End poverty in all its forms everywhere	<b>10 REDUCED INEQUALITIES</b> 	Reduce inequality within and among countries
<b>2 ZERO HUNGER</b> 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	Make cities and human settlements inclusive, safe, resilient and sustainable
<b>3 GOOD HEALTH AND WELL-BEING</b> 	Ensure healthy lives and promote well-being at all ages	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	Ensure sustainable consumption and production patterns
<b>4 QUALITY EDUCATION</b> 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<b>13 CLIMATE ACTION</b> 	Take urgent action to combat climate change and its impacts
<b>5 GENDER EQUALITY</b> 	Achieve gender equality and empower all women and girls	<b>14 LIFE BELOW WATER</b> 	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
<b>6 CLEAN WATER AND SANITATION</b> 	Ensure availability and sustainability management of water and sanitation for all	<b>15 LIFE ON LAND</b> 	Protect, restore and promote sustainable use of terrestrial ecosystems
<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	Ensure access to affordable, reliable sustainable and modern energy for all	<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b> 	Promote peaceful and inclusive societies for sustainable development and provide access to justice for all
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	Promote sustained, inclusive and sustainable economic growth, full and productive employment	<b>17 PARTNERSHIPS FOR THE GOALS</b> 	Strengthen the means of implementation and revitalise the global partnership for sustainable development
<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		



## APPENDIX 2: SUPPLEMENTARY TABLES

**Table 5: Allocations by country, regional and global programs**  
(2016–17 Estimated Outcome)

Program	2016–17 Estimated Outcome \$m
Papua New Guinea <sup>1</sup>	478.7
Solomon Islands	93.2
Vanuatu	42.4
Fiji <sup>2</sup>	48.1
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	5.0
Pacific Regional	165.4
<b>Pacific Total</b>	<b>925.8</b>
Indonesia	295.6
Timor-Leste	68.8
Philippines	67.3
Cambodia	62.3
Vietnam	58.5
Myanmar	42.4
Laos	22.0
Mongolia	6.0
ASEAN and Mekong	30.2
South-East and East Asia Regional	7.6
<b>South-East and East Asia Total</b>	<b>660.8</b>
Afghanistan	82.0
Bangladesh	42.4
Pakistan	44.1
Sri Lanka	20.4
Nepal	15.6
Bhutan	2.1
Maldives	2.2
South and West Asia Regional	17.8
<b>South and West Asia Total</b>	<b>226.6</b>

Program	2016–17
	Estimated Outcome \$m
Palestinian Territories	20.5
Middle East and North Africa	81.0
Sub-Saharan Africa	33.5
<b>Africa and the Middle East Total</b>	<b>135.0</b>
<b>Gender Equality Fund</b>	<b>20.0</b>
Regional Scholarships and Education	99.6
Health, Water and Sanitation	62.8
Infrastructure and Rural Development	39.0
Governance	14.9
Fisheries and Agriculture	8.6
Innovation Fund	41.2
Disability	13.1
Direct Aid Program (DAP)	22.0
Other Cross Regional Programs	28.2
<b>Cross Regional Programs Total</b>	<b>329.4</b>
<b>DFAT ODA — Country and Regional Programs Total</b>	<b>2,297.7</b>
Disaster Risk Reduction, Preparedness and Response	44.5
Protracted Crises and Strengthening Humanitarian Action	73.5
Global Humanitarian Partnerships	132.3
<b>Humanitarian, Emergencies and Refugees Total</b>	<b>250.3</b>
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
Contribution to Global Health Program <sup>3</sup>	63.1
Contribution to Global Education Partnerships <sup>3</sup>	10.0
Contribution to Green Climate Fund <sup>3</sup>	20.0
Other ODA eligible contributions <sup>4</sup>	37.0
<b>UN, Commonwealth and Other International Organisations Total</b>	<b>204.9</b>
Global NGO Programs	140.4
Australian Volunteers Program	41.5
Community Engagement and International Research	8.3
<b>NGO, Volunteer and Community Programs Total</b>	<b>190.2</b>

Program	2016–17
	Estimated Outcome \$m
Cash Payments to Multilaterals	399.3
<b>DFAT ODA — Global Programs Total</b>	<b>1,044.7</b>
<b>DFAT ODA — Departmental</b>	<b>242.9</b>
<b>Other Government Departments</b>	<b>300.0</b>
Adjustments	-57.5
<b>Total Australian ODA</b>	<b>3,827.8</b>

- 1 PNG's allocation includes funding for the Joint Understanding of \$49.4m in 2016–17. The bilateral allocation is \$427.9m.
- 2 Fiji's allocation in 2016–17 includes additional funding for Tropical Cyclone Winston.
- 3 Payments aligned with multi-year replenishment schedule. There has been no reduction to Australian commitments.
- 4 Includes ODA eligible portions of contributions to the United Nations and other international organisations.

**Table 6: Total Australian ODA by country and region of benefit**  
(2016–17 Estimated Outcome)

Country and Region*	2016–17 Estimated Outcome \$m
Papua New Guinea	547.1
Solomon Islands	164.1
Vanuatu	69.8
Fiji	74.6
Samoa	35.8
Tonga	28.9
Kiribati	30.2
Nauru	24.5
Tuvalu	8.7
Cook Islands	3.1
Niue and Tokelau	3.0
North Pacific	7.3
Pacific Regional	129.3
<b>Pacific Total</b>	<b>1,126.4</b>
Indonesia	357.0
Timor-Leste	93.4
Cambodia	89.1
Vietnam	86.6
Philippines	82.9
Myanmar	78.0
Laos	44.2
Mongolia	10.5
South-East and East Asia Regional	51.3
<b>South-East and East Asia Total</b>	<b>892.9</b>
Afghanistan	84.5
Bangladesh	57.6
Pakistan	50.7
Nepal	31.6
Sri Lanka	29.0
Bhutan	7.6
Maldives	4.4
South and West Asia Regional	26.6
<b>South and West Asia Total</b>	<b>292.0</b>

Country and Region*	2016–17
	Estimated Outcome \$m
Middle East and North Africa	83.9
Palestinian Territories	43.0
Sub-Saharan Africa	136.6
<b>Africa and the Middle East Total</b>	<b>263.5</b>
<b>Latin America and the Caribbean Total</b>	<b>11.4</b>
<b>Core contributions to multilateral organisations and other ODA not attributable to particular countries or regions</b>	<b>1,241.6</b>
<b>Total Australian ODA</b>	<b>3,827.8</b>

\* This table 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.

## APPENDIX 3: GLOSSARY OF TERMS

<b>Actual official development assistance expenditure</b>	The total expenditure on ODA for a particular financial year. Note: For statistical information on actual ODA <i>see Australian Engagement with Developing Countries / Part 2: Official Sector Statistical Summary</i> .
<b>Administered appropriation</b>	Revenues, expenses, assets and liabilities that the executive government controls, but which an agency or authority manages on the government's behalf.
<b>Budget allocation</b>	The amount of funding the Australian Government has apportioned to a Department or agency, provided at the time of the Australian Budget — Portfolio Budget Statements.
<b>Appropriation</b>	An amount of public monies the Parliament authorises for spending (that is, funds to be withdrawn from the Consolidated Revenue Fund). Not only does an appropriation authorise the Australian Government to withdraw monies, but it also restricts the expenditure to the particular purpose specified.
<b>Australian aid</b>	Used interchangeably with Australian ODA, it is total ODA delivered through whole-of-government.
<b>Australian aid policy</b>	<p>The Australian Government's defined the key aspects of the aid program in <i>Australian aid: promoting prosperity, reducing poverty, enhancing stability and its accompanying performance framework: Making Performance Count: enhancing the accountability and effectiveness of Australian aid</i>.</p> <p>The purpose of the aid program is: <i>To promote Australia's national interests by contributing to sustainable economic growth and poverty reduction</i>. To achieve this purpose, the aid program focuses on driving private sector development and strengthening human development within the Indo-Pacific region through investments in six priority areas:</p> <ul style="list-style-type: none"> <li>» infrastructure, trade facilitation and international competitiveness;</li> <li>» agriculture, fisheries and water;</li> <li>» effective governance: policies, institutions and functioning economies;</li> <li>» education and health;</li> <li>» building resilience: humanitarian assistance, disaster risk reduction and social protection; and</li> <li>» gender equality and empowering women and girls.</li> </ul>

## Australian ODA expenditure lifecycle

The 2017–18 Budget Estimates of ODA will come to be actual expenditure on release of the publication *Australian Engagement with Developing Countries*. An indicative timeline of events is below:

Budget Estimate	Revised Estimate	Estimated Outcome	Actual Expenditure
Portfolio Budget Statements 2017–18	Mid-Year Economic and Fiscal Outlook (MYEFO) 2017–18	Portfolio Budget Statements 2018–19	Following the end of 2017–18 financial year

## Budget estimate

An estimate, of revenue or expenditure, provided at the time of the Australian Budget.

## DFAT official development assistance

ODA delivered by the DFAT. Consisting of approximately 91 per cent of Australian Aid, DFAT manages its funding through country, regional and global programs.

### Country Program

Country programs (also referred to as bilateral programs) are an integrated package of mutually agreed activities — developed planned and implemented jointly with a partner government.

### Regional Program

A package of activities benefiting multiple countries within a region. For example:

- » Pacific Regional;
- » ASEAN and Mekong;
- » South-East and East Asia Regional; and
- » South and West Asia Regional.

### Global Programs

The programs delivering development benefits across the developing world, including contributions to:

- » international organisations, emergency and humanitarian and refugee programs;
- » contributions to NGOs and volunteer programs;
- » development education and public information; and
- » development research.

## Estimated outcome

The predicted outcome for the current financial year; published one year after the Budget Estimate.

Flow	ODA attributed to a country or region of benefit.																																																						
Human development index <sup>3</sup>	The Human Development Index (HDI) is a composite statistic of life expectancy, education and per capita income indicators, which is used to rank countries into four tiers of human development. A country scores higher HDI when the lifespan is higher, the education level is higher and the GDP per capita is higher. Founded by a Pakistani economist, Mahbub ul Haq and later adopted by the UNDP, the HDI was developed to emphasise that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone.																																																						
Indo-Pacific region	<p>Australia’s nearest neighbours within the Indian and Pacific oceans, eligible to receive ODA:</p> <table><tr><th colspan="3">Pacific</th></tr><tr><td>Cook Islands</td><td>Federated States of Micronesia</td><td>Fiji</td></tr><tr><td>Kiribati</td><td>Marshall Islands</td><td>Nauru</td></tr><tr><td>Niue</td><td>Palau</td><td>Papua New Guinea</td></tr><tr><td>Samoa</td><td>Solomon Islands</td><td>Tokelau</td></tr><tr><td>Tonga</td><td>Tuvalu</td><td>Vanuatu</td></tr></table> <table><tr><th colspan="3">South-East and East Asia</th></tr><tr><td>Cambodia</td><td>Indonesia</td><td>Laos</td></tr><tr><td>Mongolia</td><td>Myanmar</td><td>Philippines</td></tr><tr><td>Timor-Leste</td><td>Vietnam</td><td></td></tr></table> <table><tr><th colspan="3">South and West Asia</th></tr><tr><td>Afghanistan</td><td>Bangladesh</td><td>Bhutan</td></tr><tr><td>Nepal</td><td>Maldives</td><td>Pakistan</td></tr><tr><td>Sri Lanka</td><td></td><td></td></tr></table> <table><tr><th colspan="3">African East Coast</th></tr><tr><td>Comoros</td><td>Kenya</td><td>Madagascar</td></tr><tr><td>Mauritius</td><td>Mozambique</td><td>Seychelles</td></tr><tr><td>Somalia</td><td>South Africa</td><td>Tanzania</td></tr></table>	Pacific			Cook Islands	Federated States of Micronesia	Fiji	Kiribati	Marshall Islands	Nauru	Niue	Palau	Papua New Guinea	Samoa	Solomon Islands	Tokelau	Tonga	Tuvalu	Vanuatu	South-East and East Asia			Cambodia	Indonesia	Laos	Mongolia	Myanmar	Philippines	Timor-Leste	Vietnam		South and West Asia			Afghanistan	Bangladesh	Bhutan	Nepal	Maldives	Pakistan	Sri Lanka			African East Coast			Comoros	Kenya	Madagascar	Mauritius	Mozambique	Seychelles	Somalia	South Africa	Tanzania
Pacific																																																							
Cook Islands	Federated States of Micronesia	Fiji																																																					
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Mauritius	Mozambique	Seychelles																																																					
Somalia	South Africa	Tanzania																																																					
Indo-Pacific percentage calculation	<p>The Indo-Pacific country and region flows divided by the Total Australian ODA attributable to countries and regions.</p> <p>Noting, the percentage calculation for the Indo-Pacific excludes: United Nations, Commonwealth and Other International Organisations; Cash Payments to Multilaterals; Humanitarian; and other ODA not attributed to particular regions.</p>																																																						

3 UNDP, Human Development Index Report, 2016 [<http://hdr.undp.org/en/content/human-development-index-hdi>]



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**Investment priority**

The aid program investment priorities are:

**Infrastructure, trade facilitation and international competitiveness**

Investments in infrastructure, trade facilitation and international competitiveness are aimed directly at supporting the private sector to expand. Better infrastructure reduces the cost of doing business, while trade facilitation ensures that businesses can take advantage of international opportunities.

**Agriculture, fisheries and water**

Agriculture and fisheries are key growth sectors and critical to strengthening global food security and improving nutrition. These sectors provide important pathways out of poverty. Increased agricultural productivity plus improved water resource management increases incomes and frees up labour to move into other sectors. For island economies, fisheries also represent a major source of domestic revenue.

**Effective governance: policies, institutions and functioning economies**

Investments in effective governance support the stronger operation of the public sector. An effective public sector, led by committed political leaders, invests the country's own resources into pro-growth and poverty reducing activities. It also provides a regulatory environment that supports stronger private sector growth.

**Education and health**

The aid program will include investments in better quality education, enabling young people to get the skills they need to contribute to the economy. Investments in health — particularly health systems — will ensure women, men and children can access better health and live healthy and productive lives.

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

Building resilience: humanitarian assistance, disaster risk reduction and social protection Includes providing humanitarian assistance in response to emergencies. We know that preventing crises is a good investment, so the aid program will also work to reduce disaster risks and promote preparedness. The aid program will strengthen social protection to provide safety nets in the face of shocks and enable the poor to build skills and increase their participation in the economy.

### Gender equality and empowering women and girls

Investments promoting gender equality and empowerment of women and girls, in particular:

- » enhancing women's voice in decision-making, leadership and peace-building;
- » promoting women's economic empowerment; and
- » ending violence against women and girls.

See Gender equality and women's empowerment strategy.

### General Development Support

Administrative costs that are not attributable to another investment priority. Including multisector aid, debt relief and research where sector cannot be identified.

<b>Non-government organisation (NGO)</b>	Legally constituted organisations, NGOs operate independently from any government. Their primary purpose is to pursue activities to relieve suffering, promote the interest of the poor, protect the environment, provide basic social services or undertake community development.
<b>Official development assistance (ODA)</b>	<p>As defined by the OECD Development Assistance Committee's (DAC), ODA is:</p> <p>"Flows to countries and territories on the, Development Assistance Committee's (DAC) <i>List of ODA Recipients</i> and to multilateral institutions which are:</p> <ol style="list-style-type: none"><li>i. provided by official agencies, including state and local governments, or by their executive agencies; and</li><li>ii. each transaction of which:<ol style="list-style-type: none"><li>a. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and</li><li>b. is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent)."<sup>4</sup></li></ol></li></ol> <p>To ensure consistency in the application of ODA eligibility, the DAC has further delineated the boundaries of ODA in many areas; for instance in: military aid, peacekeeping, social and cultural programs, assistance to refugees, civil police work, nuclear energy and research.</p>

4 OECD, 'Is it ODA?', November 2008

<b>Other official flows (OOF)</b>	<p>Official sector transactions to aid-eligible countries or organisations that do not meet the ODA criteria, for example:</p> <ul style="list-style-type: none"> <li>a. grants to aid recipients for representational or essentially commercial purposes;</li> <li>b. official bilateral transactions intended to promote development but having a grant element of less than 25 per cent;</li> <li>c. official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose;</li> <li>d. the net acquisition by governments and central monetary institutions of securities issued by multilateral development banks at market terms;</li> <li>e. subsidies (grants) to the private sector to soften its credits to aid recipients;</li> <li>f. funds in support of private investment; and</li> <li>g. peacekeeping operations not considered ODA.</li> </ul>
<b>Partner country</b>	Countries that Australia collaborates with in the delivery of aid assistance to achieve mutually agreed objectives. Australia collaborates with the partner country to develop a country program for each major country partner.
<b>Revised budget estimate</b>	An estimate of expenditure on ODA provided at the time of MYEFO — incorporating the effects of decisions made after the Budget, it is a revision to the Budget Estimate.
<b>Sustainable development goals (SDG)</b>	The SDGs are a UN initiative — officially known as Transforming our world: the 2030 Agenda for Sustainable Development, the SDGs comprise of 17 “Global Goals” with 169 targets.

## Further information

The following publications and data products are available at the DFAT website:

- » The *Budget Papers and Portfolio Budget Statements* and accompanying *Budget Highlights*
- » Statistical summary of actual aid expenditure in *Australian Engagement with Developing Countries*
  - *Part 1: Bilateral Relationships at a Glance*
  - *Part 2: Official Sector Statistical Summary*
- » Trade and economic snapshot of selected countries and regions in *Fact Sheets*
- » Assessment of the performance and results of the aid program in *Performance of Australian Aid*

## APPENDIX 4: ABBREVIATIONS AND SYMBOLS

Abbreviations	
<b>AAAA</b>	Addis Ababa Action Agenda
<b>AAPTIP</b>	Australia-Asia Program to Combat Trafficking in Persons
<b>ACIAR</b>	Australian Centre for International Agricultural Research
<b>ADB</b>	Asian Development Bank
<b>AFP</b>	Australian Federal Police
<b>AHP</b>	Australian Humanitarian Partnership
<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>APEC</b>	Asia-Pacific Economic Cooperation
<b>ATF</b>	Agreement on Trade Facilitation
<b>ASEAN</b>	Association of Southeast Asia Nations
<b>AVID</b>	Australian Volunteers for International Development
<b>COP 21</b>	The 2015 United Nations Climate Change Conference
<b>CSIRO</b>	Commonwealth Scientific and Industrial Research Organisation
<b>DAC</b>	Development Assistance Committee
<b>DFAT</b>	Department of Foreign Affairs and Trade
<b>DIBP</b>	Department of Immigration and Border Protection
<b>DPO</b>	Disabled People's Organisations
<b>FAO</b>	Food and Agricultural Organization of the United Nations
<b>GEF</b>	Global Environment Facility
<b>GDP</b>	Gross Domestic Product
<b>GGGI</b>	Global Green Growth Institute
<b>GLAD</b>	Global Action on Disability Network
<b>HDI</b>	Human Development Index
<b>HIV</b>	Human Immunodeficiency Virus
<b>ICRC</b>	International Committee of the Red Cross
<b>ICT</b>	Information and Communications Technology
<b>IDA</b>	International Development Association
<b>ILO</b>	International Labour Organization
<b>ITU</b>	International Telecommunication Union
<b>LMAP</b>	Labour Mobility Assistance Program
<b>MDF</b>	Market Development Facility
<b>MDGs</b>	Millennium Development Goals
<b>MIKTA</b>	Mexico, Indonesia, Republic of Korea, Turkey and Australia
<b>MYEFO</b>	Mid-Year Economic and Fiscal Outlook
<b>NATO</b>	North Atlantic Treaty Organization
<b>NGO</b>	Non-Government Organisation
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OGD</b>	Other Government Departments
<b>OOF</b>	Other Official Flow
<b>PATHWAYS</b>	Education Pathways for Peace in Mindanao

<b>PDF</b>	Pacific Disability Forum
<b>PIC</b>	Pacific Island Countries
<b>PNG</b>	Papua New Guinea
<b>PSP</b>	Pacific Sports Partnerships
<b>RAMSI</b>	Regional Assistance Mission to Solomon Islands
<b>RSIPF</b>	Royal Solomon Islands Police Force
<b>SDG</b>	Sustainable Development Goal
<b>SME</b>	Small and Medium Sized Enterprise
<b>SPC</b>	The Pacific Community
<b>SPRINT</b>	Sexual and Reproductive Health Program in Crisis and Post Crisis Situations
<b>SWP</b>	Seasonal Worker Program
<b>TB</b>	Tuberculosis
<b>TRIANGLE in ASEAN</b>	Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN
<b>UN</b>	United Nations
<b>UNCERF</b>	United Nations Central Emergency Response Fund
<b>UNDP</b>	United Nations Development Program
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UNOCHA</b>	United Nations Office for the Coordination of Humanitarian Affairs
<b>UNRWA</b>	United Nations Relief and Works Agency for Palestine Refugees
<b>WASH</b>	Water, Sanitation and Hygiene
<b>WASP</b>	World Bank-Australia Safeguards Partnership
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Trade Organization
<b>WWF</b>	World Wildlife Fund for Nature
<b>Symbols</b>	
<b>\$m</b>	Millions (dollars)
<b>\$'000</b>	Thousands (dollars)
<b>US\$</b>	United States of America dollar
<b>0.0</b>	nil or rounded to zero (including null cells)

