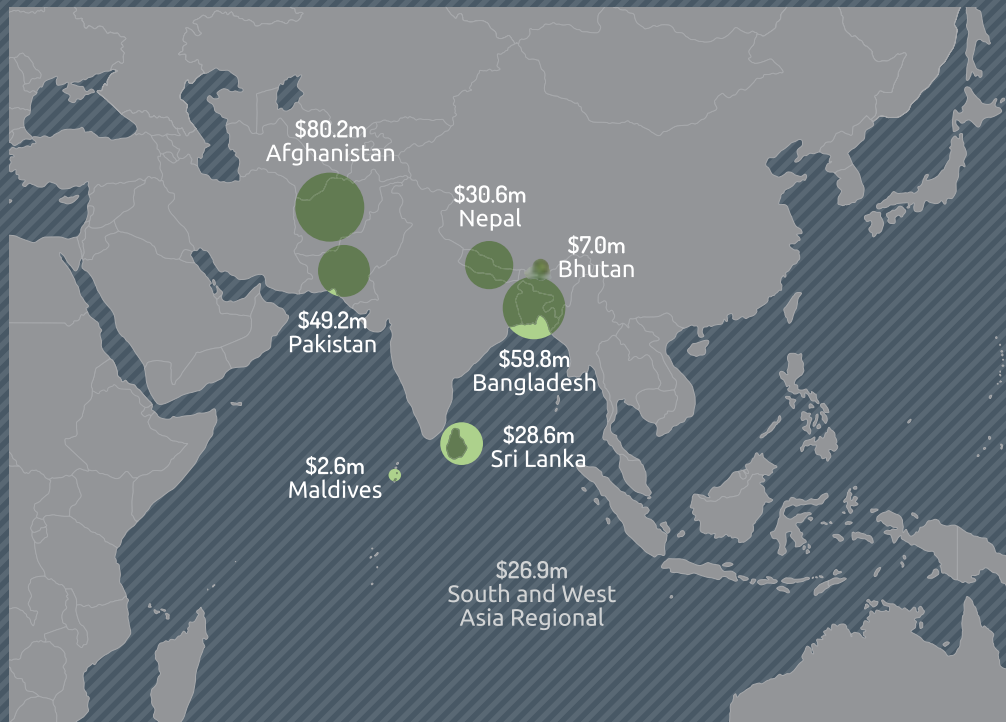
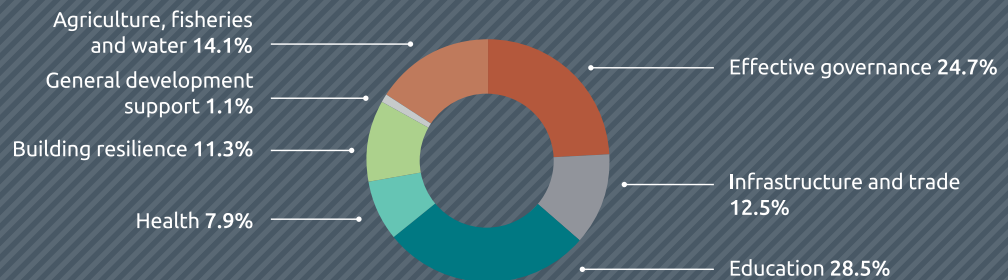


2018-19 TOTAL AUSTRALIAN ODA TO SOUTH AND WEST ASIA*

\$284.8 MILLION



Australian ODA by investment priority



Program highlights



**AFGHANISTAN
AND PAKISTAN
HUMANITARIAN
STRATEGY**

\$60m
2018 TO 2020



**AFGHANISTAN
RECONSTRUCTION
TRUST FUND**

\$26.5m
2018-19



**NEPAL
SUBNATIONAL GOVERNANCE
PROGRAM**

\$20m
2016-17 TO 2020-21

* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in South and West Asia.

SOUTH AND SOUTH WEST ASIA

Australian work in South and West Asia is critical to promote an open and inclusive Indo-Pacific region and ensure that Australians remain safe, secure and free in the face of threats such as terrorism.

We are pursuing open trade throughout South Asia through two programs facilitating trade and promoting investment in connectivity infrastructure—the South Asia Regional Trade Facilitation Program and Infrastructure for Growth Program.

Through our regional programming, we are providing expertise to help the countries of the Himalayas and Hindu Kush to manage their significant water resources in a cooperative way, and from a regional perspective. The Sustainable Development Investment Portfolio (SDIP) will promote food, energy and water security and investment in a region long beset by conflict and uncertainty over water access.

Australia's contribution to regional security continues to be significant. Safety and security is a foundation for Afghanistan achieving sustainable development, and Australia is playing an important role in this international effort.

Conflict and instability in the region has resulted in one of the world's most protracted humanitarian crises. Our humanitarian contributions in Afghanistan, Bangladesh and Pakistan are promoting security by meeting the basic needs of vulnerable and mobile populations. Through the Afghanistan-Pakistan Regional Humanitarian Strategy, we are entering into multi-year funding agreements with humanitarian aid deliverers across Afghanistan and Pakistan.

We are a significant humanitarian contributor to Bangladesh in managing the displaced Rohingya population and host communities. We are also actively supporting Bangladesh and other partners to address the regional implications of the crisis, including working through regional frameworks such as the Bali Process.

More broadly, Australia is addressing the risk of terrorism and extremism in Bangladesh, Pakistan and Sri Lanka. To the Government of Bangladesh, we are providing targeted assistance on countering the financing of terrorism. In the context of development assistance, we are, through the Australian Awards, targeting the use of social media to counter radicalisation. In Pakistan, we supported the role of women in Countering Violent Extremism through the Radio Campaign for Women's Empowerment. In Sri Lanka, Australia supports the Indo-Pacific Justice and Security Program, which is strengthening legal, policy and institutional responses to transnational crime and violent extremism.



416
awardees

ACROSS 7 COUNTRIES
IN SOUTH AND
SOUTH WEST ASIA

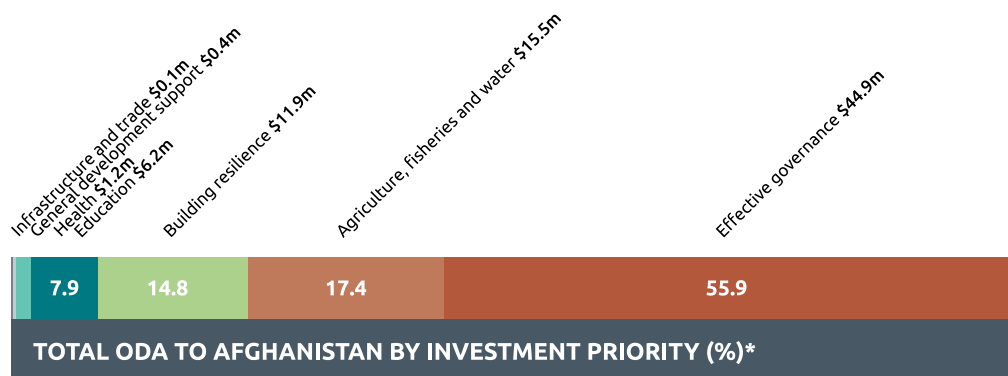


49%
females

2018
**AUSTRALIA AWARDS
SCHOLARSHIPS**

Afghanistan

	2018–19
Program	Budget Estimate \$m
Country	80.0
Regional	0.1
Global	0.1
Other Government Departments	0.0
Total ODA to Afghanistan	80.2



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

The security and stability of Afghanistan will continue to be vital to containing the threat of international terrorism. Australia's development assistance supports our national security and political objectives in Afghanistan, promoting global stability by helping to reduce the threat of international terrorism. Ongoing development assistance from the international community remains critical in supporting Afghanistan to become a more prosperous, secure and self-reliant nation.

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 more than three decades of war. More than one third of the population lives on less than US\$1.25 a day. Only 17 per cent of women and less than 50 per cent 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.

\$80 million annually to Afghanistan from 2017 to 2020

2016 Brussels Conference on Afghanistan

At the 2016 Brussels Conference on Afghanistan, Australia pledged to extend its \$80 million annual development program to Afghanistan from 2017 to 2020. In partnership with other donors and in accordance with best practice in fragile and conflict-affected states, Australia provides at least 50 per cent of Australian Aid on budget and 80 per cent to support Afghan National Priority Programs.

Australian Aid to Afghanistan continues to integrate gender-equality into its programs, recognising that Afghanistan has some of the greatest gender disparities in the world and is prosecuting the Women, Peace and Security Agenda supported by Australia in the UNSCR1325.

In 2018–19, Australia’s development cooperation will focus its support to Afghanistan in the following areas:

- » supporting the Afghan Government to improve economic growth and governance through investments in the World Bank-administered Afghanistan Reconstruction Trust Fund and through strategic policy advice to the National Unity Government
- » implementing our 2016 Warsaw Leaders’ Summit commitments to supporting Afghan civil policing, principally through the UNDP managed Law and Order Trust Fund for Afghanistan
- » 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
- » strengthening community resilience through the Australia Afghanistan Community Resilience Scheme, providing niche support to policy development on dryland farming and water resource management, and supporting life-saving humanitarian assistance to meet immediate needs of displaced citizens.

Humanitarian support continues to be a core part of Australia’s contribution to Afghanistan. From 2018 to 2020, this support will be guided by a multi-year regional strategy for Afghanistan and Pakistan. Australia’s humanitarian assistance will deliver lifesaving support to displaced people and their host communities in both countries, with a focus on gender-based violence and sexual and reproductive health.

Case study: Regional Humanitarian Strategy for Afghanistan and Pakistan

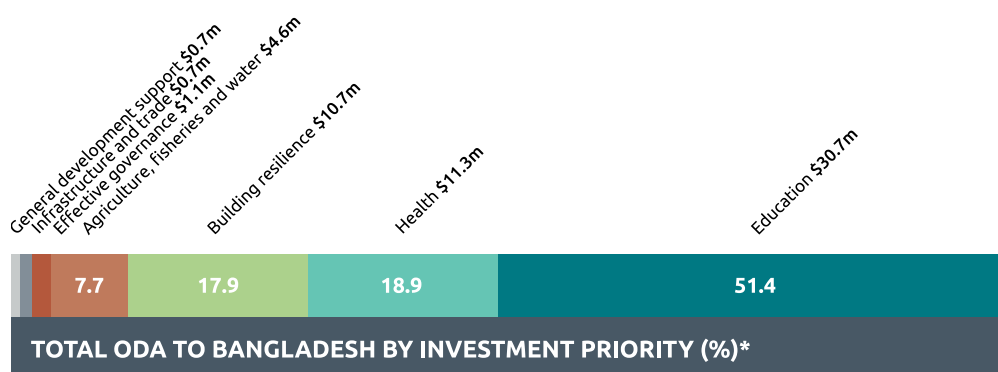
The Regional Humanitarian Strategy for Afghanistan and Pakistan (\$60 million, 2018 to 2020) is a new approach to humanitarian funding to support refugees and internally displaced peoples and host communities.

Protracted conflict and instability in the region has created one of the largest humanitarian crises, with more than 15 million people in need of assistance in 2018. The regional strategy enhances the strategic focus, effectiveness and efficiency of Australia’s humanitarian funding. We will strengthen the links between our humanitarian and development program priorities to focus on food security and community resilience, as well as protection and essential health care for vulnerable groups, including women and children. To address immediate needs, we will partner with the World Food Programme, UN Populations Fund (UNFPA) and UN Office for the Coordination of Humanitarian Affairs.



Bangladesh

	2018–19
Program	Budget Estimate \$m
Country	42.1
Regional	7.3
Global	7.6
Other Government Departments	2.8
Total ODA to Bangladesh*	59.8



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Bangladesh has maintained its impressive track record of economic growth and development in the last two decades. Real GDP growth averaged 6 per cent and above over the last decade and reached 7.2 per cent in 2016. Rapid economic growth enabled Bangladesh to become a lower middle-income country in 2014. The country has achieved significant success in halving poverty, with more than 20.5 million people rising out of poverty since 1991. In parallel, life expectancy, literacy rates and per capita food production have increased significantly, but approximately 47 million people still live below the national poverty line. Improving access to quality services for this vulnerable group is a priority. With more than 900 000 Rohingya now displaced in Bangladesh, a key priority for the Government of Bangladesh is responding to the basic humanitarian needs of the Rohingya and host communities in Cox's Bazar District.

Australia has a longstanding development partnership with Bangladesh and Australia's development assistance will support initiatives to enable Bangladesh to meet its development objectives, in particular with education and building economic resilience among the poorest and most marginalised communities. Australia's development assistance supports Bangladesh's goal to become an upper middle-income country by 2021.

In 2018–19, Australian development support to Bangladesh will focus on:

- » improving access to and quality of primary education by promoting innovation and encouraging private sector and non-government engagement in the sector
- » building community resilience through providing cash transfers, strengthening social protection systems, increasing livelihood support, providing training and health care, and targeting the extreme poor, women and other vulnerable communities

- » providing humanitarian assistance to displaced Rohingya people and host communities in Cox's Bazar District, particularly women and children, with Australian funding contributing to the provision of child protection services, nutrition for children and pregnant women and support for survivors of gender-based violence.

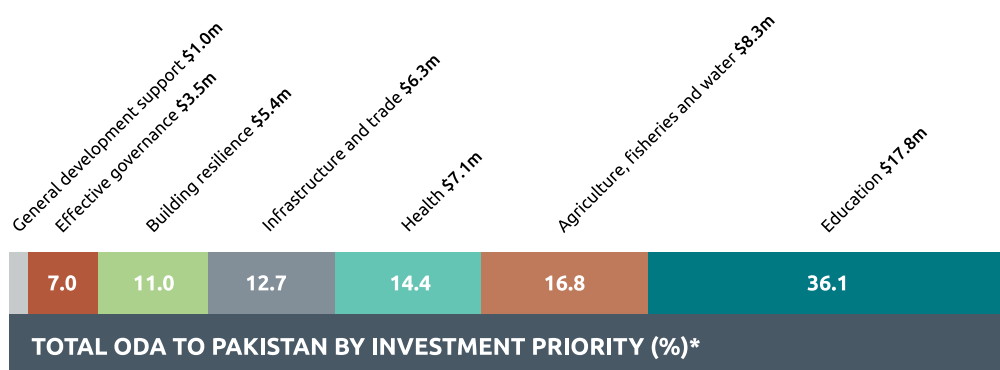
Australian Aid will be delivered through strategic partnership arrangements, including with the World Food Programme, BRAC (Bangladesh's largest NGO) and other humanitarian partners with a proven record for effective and efficient aid delivery.



The World Food Programme has been reaching more young children, and pregnant and breastfeeding women, with emergency nutrition assistance to battle alarming rates of malnutrition in Cox's Bazar.
Photo: Fiona McKergow, DFAT

Pakistan

	2018–19
Program	Budget Estimate \$m
Country	39.4
Regional	4.4
Global	2.9
Other Government Departments	2.6
Total ODA to Pakistan*	49.2



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Pakistan faces a complex range of challenges to achieving broad-based economic growth and poverty reduction.

To meet its economic potential, Pakistan will need to manage demands on energy, education, water, food and employment. Gender disparities in the labour market are stark, with only 24 per cent of women participating in paid work, compared to 82 per cent of men. Education outcomes favour men, with 24 per cent of girls completing secondary education compared to 46 per cent of boys. Malnutrition rates are at concerning levels, with 44 per cent of the population malnourished and an estimated 50 to 60 per cent of women and children suffering from micronutrient deficiencies.

Insecurity also continues to undermine development, particularly in the provinces bordering Afghanistan where economic and social indicators are poorest in the country. It is estimated that 90 per cent of Pakistani women experience violence in their lifetime. This is among the world's highest rates of violence against women and girls.

Across the aid program we seek to empower women and girls to harness opportunities offered by Pakistan's dynamic and vibrant private sector. An inclusive and sustainable agricultural sector and improved employment opportunities for women and men are critical to Pakistan's future development. Building the resilience of provincial governments and their communities to meet humanitarian and food security needs is also important.

In 2018–19, our development support to Pakistan will focus on:

- » delivering broad-based agriculture and livelihood benefits for men and women including, for example, through the Australia Balochistan Agri-business Program, Phase 2, which will deliver improved income opportunities to 30 000 farmers in six target districts in the remote and challenging border province of Balochistan
- » empowering women and girls through continued support for girls' education, nutrition and gender-based violence services, with a focus on the regions bordering Afghanistan
- » increasing emphasis across the program on climate and nutrition-sensitive programming, with stronger emphasis on water and food security.

Case study: Pakistan girls' education



Improving education of children in primary school. Photo: DFAT

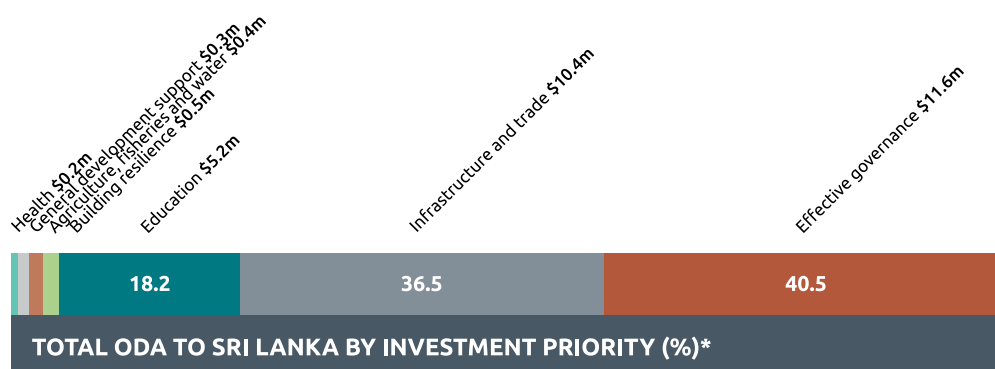
The Khyber Pakhtunkhwa Education Sector Program (KESP) is making great efforts to advance universal education. The program aims to increase the number of children (especially girls and marginalised groups) who enrol in and successfully complete quality primary and secondary education.

Australia, in partnership with the United Kingdom, has been supporting the Government of Khyber Pakhtunkhwa since 2012 to provide access to quality education to more than 4 million children. In Khyber Pakhtunkhwa, girls account for a higher number of out-of-school children compared with boys. Girls who are enrolled in school are also more likely to drop out earlier than their male counterparts at any given level of schooling. KESP has helped more girls to enrol in school and enabled them to stay longer.

KESP has focused considerable efforts to reduce this gender disparity by making schools more accessible to girls both physically (in terms of geographical distance) and economically (in terms of financial resources needed to enrol and stay in school). Since 2014–15, the program has stepped up efforts for the building of more community schools for girls in remote areas where public and private schools do not exist and are not viable. As of 2017, up to 70 per cent of all new public schools constructed in the province will be for girls. The Girls' Stipend Program has also expanded. More than 400 000 girls in grades 6 to 10 across the province will receive stipends each year to support them to continue to study in school.

Sri Lanka

	2018–19
Program	Budget Estimate \$m
Country	19.9
Regional	2.9
Global	5.8
Other Government Departments	0.0
Total ODA to Sri Lanka*	28.6



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

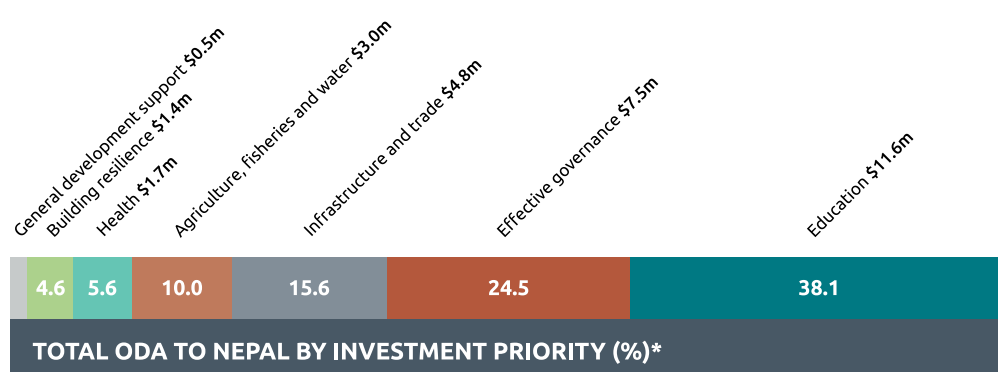
In 2018–19, Australia’s development assistance will take forward its economic partnership approach, with the aim of maximising the number of Sri Lankans who benefit from economic growth. The goal of the program is to assist Sri Lanka’s progress as an inclusive, secure, stable and prosperous partner in the Indian Ocean region. We will continue to support reconciliation efforts in Sri Lanka. Despite having among the highest per capita incomes in South Asia, inequality and pockets of extreme poverty remain. 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.

In 2018–19, Australian development support to Sri Lanka will focus on the:

- » Women in Work program, delivered through the International Finance Corporation, which is progressing from phase one, in which major Sri Lankan companies commit to improving their recruitment and retention of female employees, to its second and third phases, where female-headed businesses are assisted in gaining access to finance and the supply chains of large firms
- » Economic Opportunities for the Poor program, which expands access to local employment and skills and business development for marginalised populations in Sri Lanka’s North and East with the Skills for Inclusive Growth activity developing tourism-related skills and the Market Development Facility building partnerships with key small and medium-sized enterprises to grow markets and strengthen the engagement of the poor with those markets
- » Governance for Growth program, which supports Australia’s engagement with the World Bank, The Asia Foundation and other partners on activities that enhance the analytical, policy and organisational capacities of governments and public agencies at national and sub-national levels, and which support governments to be more responsive to the needs of all people and the private sector.

Nepal

	2018–19
Program	Budget Estimate \$m
Country	15.6
Regional	7.2
Global	7.3
Other Government Departments	0.4
Total ODA to Nepal*	30.6



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Nepal is undergoing a historic transition to a three-tier federal structure of government. New governance arrangements are widely expected to deliver a period of increased political stability and prosperity for Nepalese people. Nepal aspires to graduate from Least Developed Country status by 2022 and it has made progress in reducing income poverty and improving living standards.

Poverty in Nepal, however, remains complex and multidimensional, influenced by socio-cultural and geographical barriers including gender, ethnicity, caste, disability, rural isolation and natural disasters. While Nepal has experienced a broad-based recovery since the 2015 earthquake, challenges remain with a significant proportion of the population either at risk of falling back into poverty or struggling to consolidate their economic gains.

Australia's development assistance focuses on improved governance, job creation and education where our experience, expertise, and targeted resourcing can make a difference to the lives of the poorest, especially women and girls, marginalised communities and people with disabilities.

In 2018–19, Australian development support to Nepal will focus on:

- » supporting Nepal's transition to three tiers of federalised government through a partnership with The Asia Foundation and support for newly formed sub-national governments, in particular, improving service delivery and economic governance
- » expanding economic opportunities for the poor by promoting enterprise and job creation, particularly for women and historically marginalised groups for whom poverty is endemic
- » promoting human development, including through continued support for Australia Awards Scholarships which in 2018–19 will see 20 delegates complete short-term study on the decentralisation of government decision-making and the devolution of responsibility to provincial and local-level governments.

Bhutan

	2018–19
Program	Budget Estimate \$m
Country	2.1
Regional	3.9
Global	0.9
Other Government Departments	0.0
Total ODA to Bhutan*	7.0



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Bhutan has made considerable development progress in recent years and is expected to graduate to middle-income status by 2020, based on current progress on its development goals and steady democracy. However, Bhutan continues to face economic and development challenges, including a narrow industrial base, strong reliance on hydropower, environmental vulnerability, and increasing demands on health and education sectors. Poverty and gender inequalities persist, particularly in rural areas where people have limited access to markets and services such as health and education.

Australia is supporting Bhutan's human resource development through our Australia Awards program and through building capacity of Bhutanese institutions. Education is the central pillar of the development program.

In 2018–19, Australian development support to Bhutan will focus on:

- » building human capacity through the provision of Australia Awards Scholarships for tertiary education
- » supporting gender equality by providing leadership training and strengthening advocacy on ending violence against women
- » strengthening people-to-people links through Australian Volunteers, focused on supporting entrepreneurial growth and capacity development
- » securing investments through the regional program in trade, water, energy and connectivity as well as support through global programs for NGO activities.

Maldives

	2018–19
Program	Budget Estimate \$m
Country	1.8
Regional	0.7
Global	0.0
Other Government Departments	0.0
Total ODA to Maldives*	2.6

Infrastructure and trade \$0.01m

Education \$2.6m

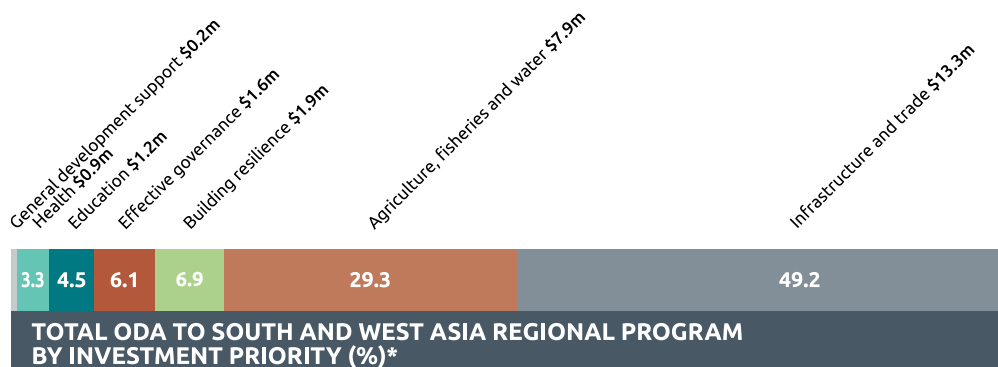
99.5
TOTAL ODA TO MALDIVES BY INVESTMENT PRIORITY (%)*

* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia has an interest in a stable and prosperous Maldives, underpinned by strong people-to-people links. Australia will continue to help build the human capacity of the Maldives people through Australia Awards Scholarships.

South and West Asia Regional

2018–19 Total ODA allocation: \$19.8 million



* Difference in values due to rounding and/or percentages below 2 per cent are not labelled.

Australia has an increasing trade and economic partnership with South and West Asia, but low levels of economic integration limit the potential for inclusive growth and poverty alleviation. The relatively poor quality of trade-related infrastructure (for example, ports, roads and storage facilities), as well as energy production and distribution networks, are key constraints to growth. Further, there is limited cooperation on shared regional resources, such as water.

Australia's regional development assistance in South and West Asia assists partner countries to address these region-wide barriers to sustainable economic growth, and our approach acknowledges that the scale of barriers and complexity of the development context requires programs to have a long-term focus.

In 2018–19, Australian development support to South and West Asia will focus on:

- » increasing water, food and energy security to facilitate inclusive economic growth and improve the livelihoods of the poor and vulnerable, including women and girls, through the SDIP
- » improving regional connectivity by creating a better trading environment, particularly for women under the South Asia Regional Trade Facilitation Program and increasing infrastructure connectivity under the Infrastructure for Growth program.

Australia will also strengthen and build the capability of regional institutions, including the Indian Ocean Rim Association, and promote greater cooperation on shared resources in the Indian Ocean region.

Case study: Sustainable Development Investment Portfolio



Boy drinks water from a water source in Nepal. Photo: Jim Holmes, DFAT

The South Asian Region faces significant food, water and energy security challenges. The SDIP works with seven Australian and South Asian delivery partners across the three major Himalayan River Basins (Brahmaputra, Ganges and Indus) and is in its second phase (\$42 million, over 2016 to 2020) of an intended 12-year engagement strategy.

Examples of the difference SDIP is making include:

- » contributing to the development of Nepal's first national water policy, which will guide Nepal's water management arrangements for the next decade and strengthen its capacity in water resource management (Goal 6)
- » supporting climate action through improved water and energy efficiency and emissions reductions including by enabling more than 200 textile industries in Bangladesh to reduce water usage by 2.8 million litres and power use by 470 000 MWh/year (Goal 13)
- » supporting households in Bangladesh, Bhutan, India, Nepal and Pakistan through the provision of electricity to further micro-business opportunities, giving 8 million people access to off-grid lighting systems (Goal 7)
- » improving food security by assisting 52 386 farmers (of which 15 300 are women) to adopt sustainable agricultural practices in the Eastern Gangetic Plains (Goal 2).

In 2018–19, SDIP will support further research, policy reform and capacity building to strengthen regional cooperation and generate new knowledge on the interdependencies between water, energy and food security.