



Australian Government
Department of Foreign Affairs and Trade



AUSTRALIAN AID BUDGET SUMMARY 2018-19



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Cover: At nine months pregnant, Hanida was one of 680 000 Rohingya who fled to Cox's Bazar. Through Save the Children, Australian Aid helped her and her family access healthcare and food. Photo: Save the Children Fund

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MINISTERS' FOREWORD



In 2018–19, Australia will provide \$4.2 billion in Official Development Assistance (ODA).

Australian aid supports the objectives of the Government's *Foreign Policy White Paper* (the White Paper) launched in November 2017. Focused on the Indo-Pacific, our assistance serves our national interests by contributing to sustainable economic development and poverty reduction. We support better state

capability to improve governance and promote private sector-led growth and gender equality. We assist countries to guard against the spread of infectious diseases, to build resilience to natural disasters and to fight threats such as extremism. Our development assistance increases the influence that Australia brings to bear on pressing regional and global problems, including support to the international rules-based order.

In 2018–19, we are stepping up our support for a more secure and prosperous Pacific. We will increase our development assistance to the Pacific to \$1.3 billion—our highest ever contribution to the region. We will enhance economic opportunities for Pacific workers with expanded labour mobility programs, providing a pathway towards greater financial security for their families. We will establish a new Australia Pacific Security College to provide leadership training in security and law enforcement. We will commence the pilot phase of the Australia-Pacific BRIDGE School Partnerships Program, strengthening relationships with the Pacific.

Our aid will be transformative, providing the basis for economic growth. We have met our aid for trade target of 20 per cent of the total aid budget two years early. We will construct an undersea telecommunications cable in partnership with Papua New Guinea (PNG) and Solomon Islands, creating a secure communication asset to enhance their global economic opportunities. Our aid will be innovative. With the innovationXchange, we will continue to harness new ideas, skills, and resources to achieve the greatest impact. Our aid will join communities. We will commence a new community grants scheme—Australian Aid: Friendship Grants—valued at \$10 million over three years, to enable new partners within the diverse Australian development community to expand and enhance their existing overseas aid activities.

As announced in the White Paper, Australia's humanitarian assistance funding will increase to \$410 million in 2018–19 and as part of our commitment to increase to \$500 million per annum. Our humanitarian funding next financial year will include \$87.2 million for protracted emergencies, in response to record levels of humanitarian need and significant global displacement. Our new deployment capability—Australia Assists—will bolster our ability to respond to crises, with funding of \$82.2 over seven years.

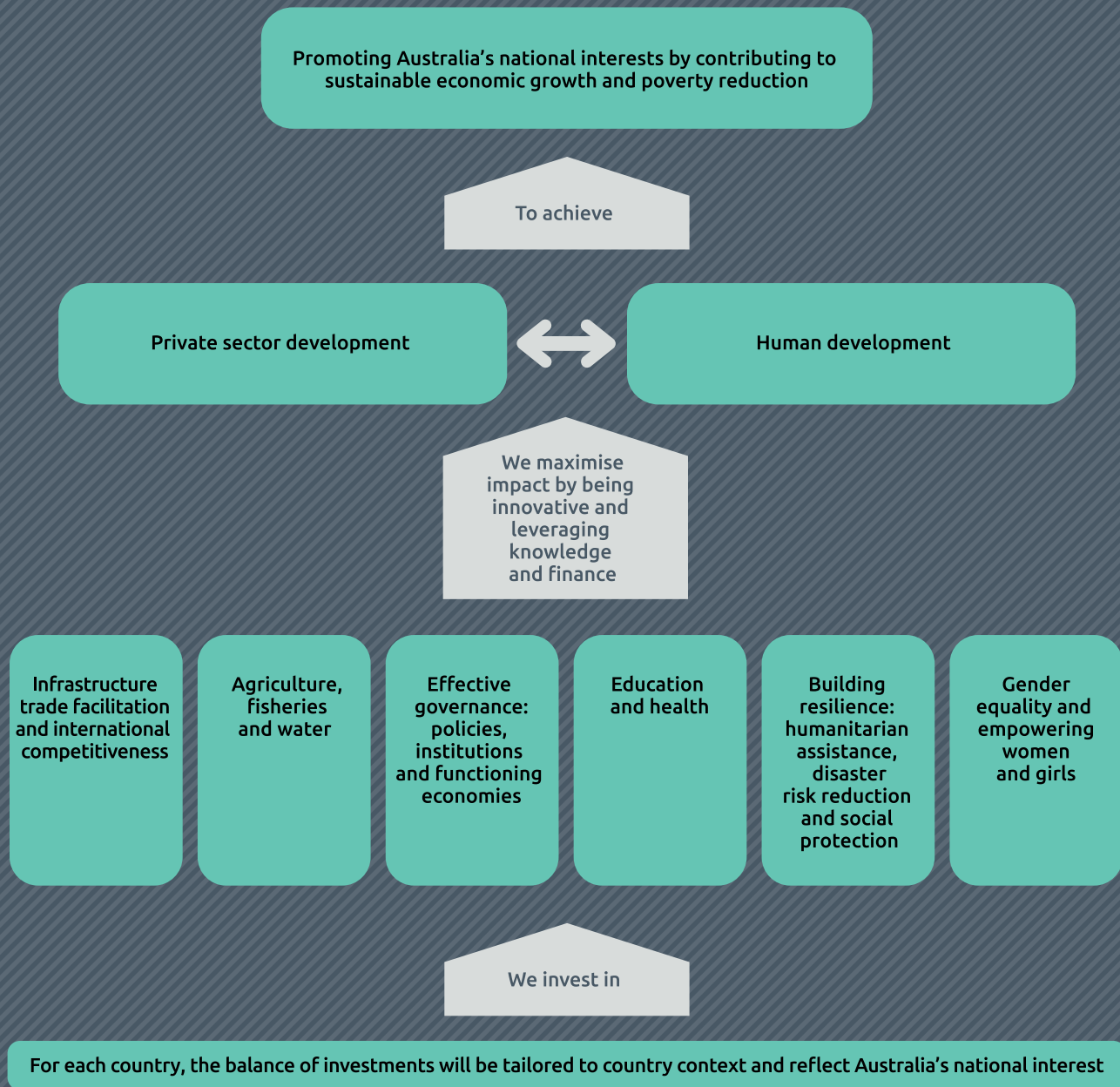
Gender inclusiveness is a priority for the Australian aid program, recognising that societies who protect human rights and promote gender equality are much more likely to be vibrant, productive and stable communities. The Women's Leadership Initiative, \$5.7 million over five years, supports the mentoring of young and aspirational women from the Pacific to become community and regional leaders. We will support the access of women entrepreneurs to finance through a new World Bank global initiative, providing financial assistance of \$6.5 million in 2018–19.

As we look to the future, we will build on our long history of collaboration with our closest neighbours to address current and future challenges, improve livelihoods and boost economic resilience.

The Hon Julie Bishop MP
Minister for Foreign Affairs

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

Figure 1: Strategic framework for the aid program



OVERVIEW OF AUSTRALIAN AID

What is Australian aid?

Australian aid is a whole-of-Australia commitment to reducing poverty and lifting the living standards of developing countries, predominately in the Indo-Pacific region. Australian aid is a partnership between all levels of government and between the Australian government, business and civil society. Australia's aid program is delivered in accordance with the Australian Government's policy—*Australian aid: promoting prosperity, reducing poverty, enhancing stability*. It is part of Australia's broader foreign policy, as articulated in the White Paper—the blueprint for our international engagement for the next decade. These framing documents define our development program's focus as the building of a stable and prosperous Indo-Pacific region.

Four tests guide our investment choices across the development program, translating our strategic framework into implementation practice:

- » Is this in our national interest?
- » Will this promote inclusive growth and reduce poverty?
- » Does Australia's contribution add value and leverage?
- » Will this deliver results and value for money?

Why have an Australian aid program?

Australia's development assistance contributes to sustainable economic growth and poverty reduction, especially in the Indo-Pacific. This both supports the strong and direct national interest we have in stability and prosperity in our region and reflects our values as a nation.

Geographically, Australia sits in a region that is home to countries with significantly different economic growth prospects. While some of our partners in Asia are experiencing dynamic economic growth and a growing middle class, many still have significant pockets of poverty, rising levels of inequality and domestic unrest. Other partners, including in the Pacific, have fewer prospects for sustainable high economic growth and desire to enhance their economic integration and economic resilience. Eleven of our top 15 bilateral development partners are fragile and/or conflict affected. Our region is home to 40 per cent of natural disasters and 84 per cent of people affected by natural disasters worldwide.¹

In addition, the balance of economic and political power is shifting, and economies are becoming more connected. The increasing mobility of goods, capital, people and information, as well as a growing interdependence of production and delivery systems, means that shocks increasingly transcend borders. Global and regional health, climatic and conflict shocks will continue to challenge global institutions, governments and communities to respond in a coordinated, flexible, adaptive and timely way.

Our development program is one of the ways Australia can respond to these pressures. In this context, the development program is more important for Australia than it has ever been. While our development program cannot guarantee a stable region, it provides significant ballast against instability in many of the region's weaker states by advancing economic reforms, improving governance and countering violent extremism. Investment in our region supports partner governments to build healthy, educated and skilled populations, supported by the necessary infrastructure and governance frameworks to foster prosperity.

¹ United Nations Office for the Coordination of Humanitarian Affairs, *2016 Year in Review*.

Our investment through the Australian Aid program in improving the levels of disaster risk reduction in our partners is a sensible precaution for Australia with evidence suggesting that \$1 invested in risk reduction can save up to \$15 in the aftermath of a disaster.

As a globally engaged and resource-rich nation with a relatively small population, trade is an important contributor to our prosperity. When countries in our region experience sustainable growth, Australia also prospers. Through the Australian Aid program, we work closely with partner governments, being flexible and responsive to provide quality aid to support stability and growth and become a trusted partner. Australian Aid helps individuals, families and communities in their local economies.

More broadly, the development program enables us to demonstrate our credentials as a responsible global citizen and meet global commitments. This, in turn, enhances our standing and influence in global and regional debates.

Our aid program is well-targeted

The Indo-Pacific region is critical for Australia's future economic prosperity and security. Our region still hosts almost half of the world's poorest people (in developing Asia there are still 330 million people living on less than US\$1.90 a day). While poverty levels in the region declined by more than 20 per cent between 2002 and 2013, those living on incomes between US\$1.90 and US\$10 a day—who are still vulnerable to falling back into poverty—comprise a significant percentage of the populations of many of our neighbours. This limits the capacity of governments to build a healthy and educated workforce that can move into middle class.²

Activities funded through our development program that bring financial resources and expertise to regional and global problems are a win-win. The development program provides an opportunity to promote Australia's expertise and develop deep links with countries in our region.

In the Pacific, real average income per capita has increased by less than 10 per cent since 1990 compared with about 150 per cent in Asia's emerging market economies. Pacific island country economies are heavily impacted by natural disasters.

Given the immutable issues of small size, dispersed populations and fragile economies, the approach of the Australian Aid program in the Pacific is to expand opportunities for our neighbours through greater integration. Our Pacific development program is working to enable economic cooperation, including through labour mobility, tackling security challenges, and strengthening people-to-people links.

In Asia, there is still an important role for Australian Aid to support the transition of emerging market economies in the region. The more people move from poverty—through the vulnerable stage and firmly into middle class—the greater the opportunity for Australia as an engaged trading partner.

Our development program recognises this reality. In Asia, we have moved to an economic partnership approach. This focuses on human capital investment and policy reform, including budget management and tax system design and improving trade and investment.

² Asian Development Bank, Key Indicators for Asia and the Pacific 2017, September 2017.

How does Australia's aid program work?

Bilateral engagement

The greater part of Australia's development program is delivered bilaterally, with Australia partnering with governments in the region.

Australia works to build strong and enduring relationships with countries in our region. We share the same goals, working together to support development by promoting prosperity, reducing poverty and enhancing stability. We collaborate on program design and implementation, and we share lessons when evaluating our endeavours. Together, we seek to support the poor, including the marginalised such as people with disabilities, ethnic minorities, indigenous people, and women and girls, to take up the opportunities provided by a dynamic growing economy.

Global engagement

Multilateral organisations form an important component of the international rules-based order. They set norms and standards and promote global cooperation on development issues. Australia provides funds to multilateral organisations and global programs to extend our reach, our leverage, and the impact of our funds. This support also promotes collective responses to challenges that cannot be solved by countries acting by themselves.

Sectoral focus

Australia has programs that focus on sectoral issues. In some areas, such as in health, education, infrastructure and water, it makes more sense to deliver programs across many countries or the whole region. This can involve the provision of programs on issues that do not fit neatly into national borders. Communicable and vector borne-diseases, for instance, cross borders so a sectoral approach, sometimes paired with a bilateral program, is necessary. Australia is considered a world expert in areas such as water management, and we harness that expertise in our programs.

Who we work with

The strength and diversity of Australian's connections to the world mean that partnerships are essential to Australia's broader foreign policy and to an effective development program.

The Australian Government competitively contracts aid delivery work to Australian and international companies and not-for-profit organisations which use their expertise to deliver development assistance and to work with local people to continue the benefits long after contracts end.

We work with non-government organisations (NGOs), both Australian and international, that have demonstrated their ability to deliver results, offer value for money, and have strong local partnerships that support collaboration, capacity building and sustainability. We seek to build on the local knowledge and connections of NGOs, as well as their development expertise and ability to influence change.

Australia provides core funding to the Multilateral Development Banks (the World Bank Group and the Asian Development Bank) in support of their development and poverty alleviation mandate. During replenishments, Australia actively advocates for the interests of the Pacific, for example, the 2017 Replenishment for the World Bank concessional arm, the International Development Association (IDA), resulted in the Pacific receiving an almost four-fold increase in minimum annual allocations. Also, through our membership on their boards, Australia can ensure that important issues, such as disaster risk reduction, climate change, gender equality and disability inclusiveness, are embedded into their policies and practices.

2030 Agenda for Sustainable Development

The 2030 Agenda for Sustainable Development (2030 Agenda) is a framework for development engagement. It provides a shared agenda to build and strengthen international relationships at a time of reform and change. It is not just for and about government. It involves the private sector, civil society, academia and international organisations and cuts across the aid, trade, security and foreign policy aspects of Australia's international engagement.

The 2030 Agenda includes 17 Sustainable Development Goals (SDGs or Goals) addressing economic, social and environmental aspects of development. It is paired with the Addis Ababa Action Agenda which focuses on using all sources of development finance (not just development assistance), including tax revenue, enhanced trade, and private sector investment to finance development.

We work with partners to achieve the SDGs in our development program, including through aid for trade, to catalyse sustained and inclusive economic growth.

Australia will deliver its first voluntary national review on our progress towards the 2030 Agenda in 2018, covering our achievements, priorities and challenges—domestically and internationally.

Robust performance systems

Australians want assurance that taxpayer funds are used correctly and in ways that are in our interests.

We have a strong focus on performance reporting, evaluation, innovation and research.

The Australian Aid program is subject to regular and extensive oversight of financial and program accountability.

Effectiveness and achievements

The Organisation for Economic Co-operation and Development – Development Assistance Committee (OECD DAC) undertakes five yearly reviews of member country’s development co-operation policies and systems, to improve the quality and effectiveness of development co-operation policies and systems, and to promote good development partnerships for better impact on poverty reduction and sustainable development in developing countries.

A recent peer review by the OECD DAC³ assessed Australia as having a comprehensive, well-managed performance and reporting architecture that is closely tied to high-level policy objectives. This endorsement is shared by the Chair of Department of Foreign Affairs and Trade’s (DFAT’s) Independent Evaluation Committee, who cites Australia’s aid performance management system as among global best practice.

Annually, the Australian Government reports on the effectiveness and achievements of the Aid Program in DFAT’s Annual Report, Performance of Australian Aid Report and Australian Engagement with Developing Countries publication.

The Office for Development Effectiveness (ODE) conducts strategic evaluations to inform Australia’s development assistance policies and practice. ODE also routinely assesses and reports on the quality and robustness of aid performance management systems.

Outline of this report

This report presents eight chapters and four appendixes.

Chapters 1 to 4 detail Australia’s ODA allocations geographically—the Pacific, South-East and East Asia, South and West Asia, and Africa and the Middle East.

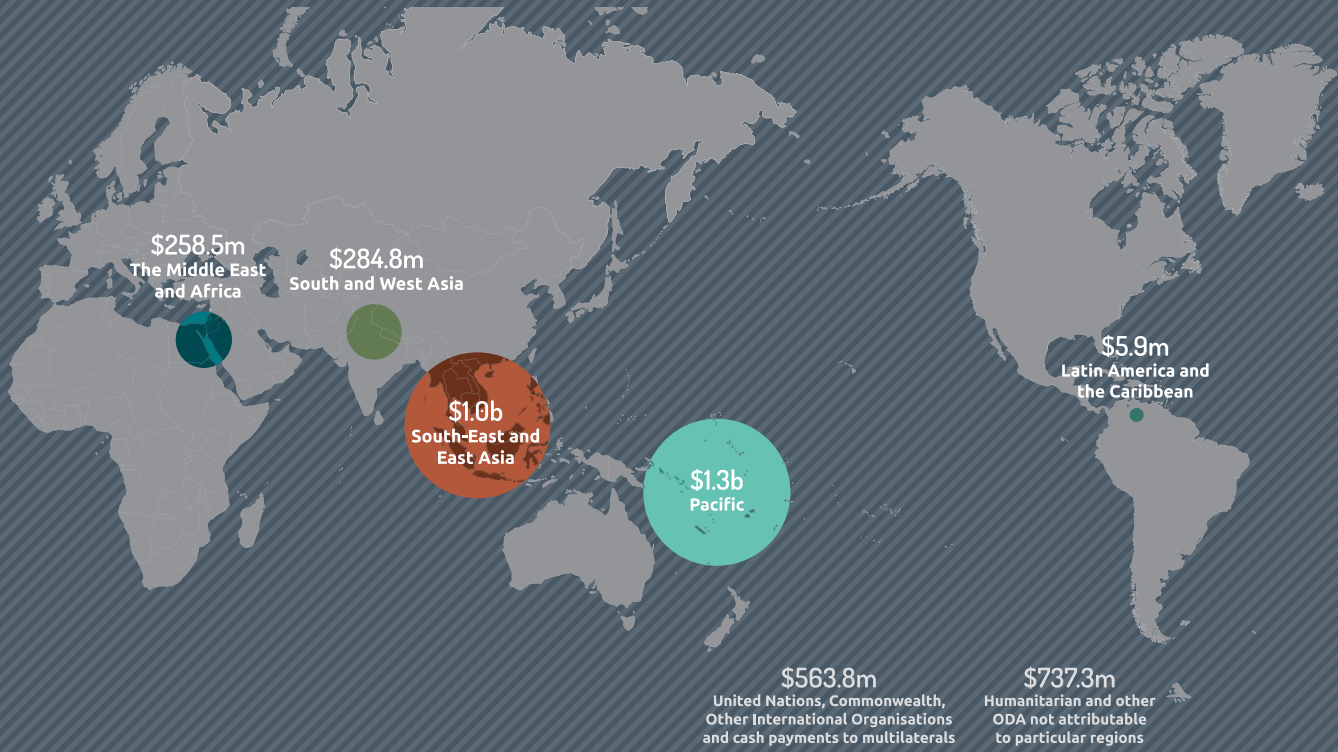
Chapters 5 to 7 details Australia’s ODA allocations that cut across themes and regions.

Chapter 8 summarises the major activities undertaken by Australian government departments for the development assistance program, other than DFAT.

3 DAC OECD Development Co-operation Peer Reviews: Australia 2018

**2018-19 TOTAL AUSTRALIAN
OFFICIAL DEVELOPMENT
ASSISTANCE BY REGION***

\$4.2 BILLION



**Australian
ODA by
investment
priority****



**With
Australia's
support**



**PACIFIC
STEP-UP INITIATIVES**

\$42.6m

2018-19



**GLOBAL
HUMANITARIAN AND
PROTRACTED CRISES**

\$410m

2018-19



**INDO-PACIFIC
FRIENDSHIP GRANTS**

\$10m

2018-19 TO 2020-21

* Total Australian ODA, from all agencies and programs, attributable to regions.

** Excludes departmental and adjustments.

KEY TABLES

Australian Official Development Assistance by country, regional and global programs

Table 1: Allocations by country, regional and global programs
2017–18 and 2018–19 Budget Estimate

Program	2017–18 Budget Estimate \$m	2018–19 Budget Estimate \$m
Papua New Guinea ¹	472.9	519.5
Solomon Islands	92.7	146.1
Vanuatu	41.9	41.9
Fiji ²	40.4	35.0
Samoa	23.6	23.6
Nauru	21.2	21.2
Kiribati	20.2	20.2
Tonga	17.6	17.6
Tuvalu	6.6	6.6
Cook Islands	1.9	1.9
Niue and Tokelau	1.8	1.8
North Pacific	5.0	5.0
Pacific Regional	166.4	206.6
Pacific total	912.3	1,047.0
Indonesia	296.0	266.4
Timor-Leste	68.0	73.0
The Philippines	67.0	67.0
Vietnam	58.4	58.4
Cambodia	62.4	56.1
Myanmar	42.1	42.1
Laos	20.6	20.6
Mongolia	5.9	5.9
ASEAN and Mekong	32.6	32.6
South-East and East Asia Regional	8.6	14.6
South-East and East Asia total	661.5	636.7
Afghanistan	80.0	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	19.8	19.8
South and West Asia total	220.7	220.7

Program	2017–18 Budget Estimate \$m	2018–19 Budget Estimate \$m
Sub-Saharan Africa	31.8	31.8
The Middle East and North Africa (includes the Palestinian Territories)	20.5	20.5
The Middle East and Africa total	52.3	52.3
Gender Equality Fund	55.0	55.0
Regional Scholarships and Education	101.8	101.8
Health, Water and Sanitation	132.3	108.1
Infrastructure and Rural Development	44.5	46.0
Innovation Fund	50.0	35.0
Other sectoral programs	82.8	143.6
Indo-Pacific Sectoral programs total	411.4	434.5
Country and Regional programs total	2,313.3	2,446.2
Disaster Risk Reduction, Preparedness and Response	39.0	39.0
Protracted Crises and Strengthening Humanitarian Action	78.4	87.2
Emergency Fund	150.0	150.0
Global Humanitarian Partnerships	132.3	133.5
Humanitarian, emergencies and refugees total	399.7	409.7
United Nations Development Programme	12.7	12.7
United Nations Children's Fund	21.0	21.0
United Nations Population Fund	9.2	9.2
United Nations Programme on HIV and AIDS	4.5	4.5
World Health Organization	12.4	12.4
UN Women	7.8	7.8
Commonwealth Organisations	7.2	7.2
Contribution to Global Health Program ³	64.5	65.0
Contribution to Global Education Partnerships ³	15.0	16.0
Contribution to Green Climate Fund ³	20.0	19.2
Other ODA eligible contributions ⁴	32.9	44.9
UN, Commonwealth and Other International Organisations total	207.2	219.9
Global NGO Programs	132.4	135.6
Australian Volunteers Program	42.6	42.6
Community Engagement and International Research	8.4	8.4
NGO, volunteer and community programs total	183.4	186.6

Program	2017–18 Budget Estimate \$m	2018–19 Budget Estimate \$m
Cash payments to multilateral organisations	390.6	358.6
Global programs total	1,180.8	1,174.7
Departmental	248.9	255.2
Other Government Departments	236.8	204.0
Other Government Departments—Asian Infrastructure Investment Bank (AIIB)⁵	–	161.1
Adjustments	-67.5	-80.1
Total Australian ODA	3,912.4	4,161.1

- 1 PNG's allocation includes funding for the Joint Understanding \$45.0 million in 2017–18 and \$62.0 million in 2018–19.
- 2 Fiji's allocation includes \$5.4 million for Tropical Cyclone Winston in 2017–18.
- 3 Payments align with multi-year replenishment schedule. There has been no reduction to Australian commitments.
- 4 Includes ODA eligible portions of contributions to the UN and other international organisations.
- 5 ODA eligible portion of the Australian Government contribution to the Asian Infrastructure Investment Bank (AIIB), managed by the Treasury.

Australian Official Development Assistance by country and region of benefit

Table 2: Total Australian ODA by country and region of benefit
2017–18 and 2018–19 Budget Estimate

Country and region*	2017–18 Budget Estimate \$m	2018–19 Budget Estimate \$m
Papua New Guinea	546.3	572.2
Solomon Islands	142.2	187.0
Vanuatu	69.8	62.3
Fiji	65.6	58.1
Samoa	37.2	35.5
Nauru	25.4	25.9
Kiribati	30.9	29.4
Tonga	30.4	27.9
Tuvalu	8.7	9.7
Cook Islands	3.2	3.4
Niue and Tokelau	2.9	2.9
North Pacific	8.0	8.0
Pacific Regional	127.3	261.3
Pacific total	1,097.8	1,283.6
Indonesia	356.9	316.2
Timor-Leste	96.1	91.8
The Philippines	85.0	85.4
Vietnam	84.2	84.2
Cambodia	87.4	83.6
Myanmar	66.4	76.9
Laos	42.3	41.3
Mongolia	10.9	9.6
South-East and East Asia Regional	53.8	238.3
South-East and East Asia total	883.0	1,027.2
Afghanistan	80.9	80.2
Bangladesh	57.9	59.8
Pakistan	47.1	49.2
Sri Lanka	27.7	28.6
Nepal	31.9	30.6
Bhutan	9.2	7.0
Maldives	3.8	2.6
South and West Asia Regional	25.4	26.9
South and West Asia total	283.9	284.8

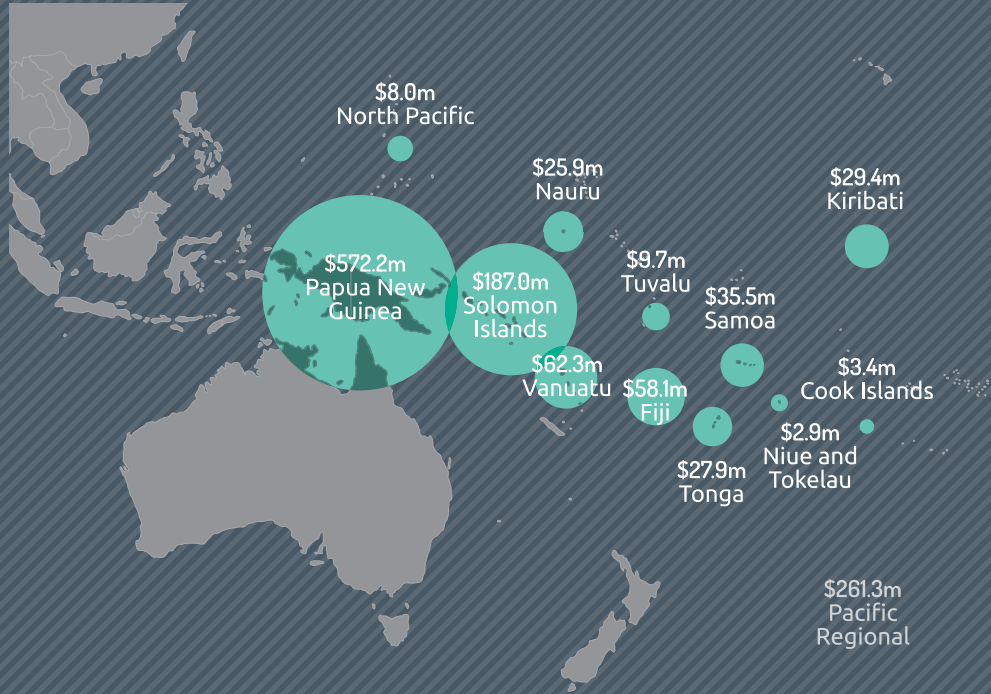
Country and region*	2017–18 Budget Estimate \$m	2018–19 Budget Estimate \$m
Sub-Saharan Africa	108.2	121.1
The Middle East and North Africa (includes the Palestinian Territories)**	145.4	137.4
The Middle East and Africa total	253.6	258.5
Latin America and the Caribbean total	5.9	5.9
Core contributions to multilateral organisations and other ODA not attributable to particular countries or regions	1,388.1	1,301.2
Total Australian ODA	3,912.4	4,161.1

* Total Australian ODA attributable to partner countries and regions. Funding allocated to the Gender Equality Fund and Humanitarian Emergency Fund at Budget is attributed to appropriate country and regional programs to reflect actual and planned expenditure.

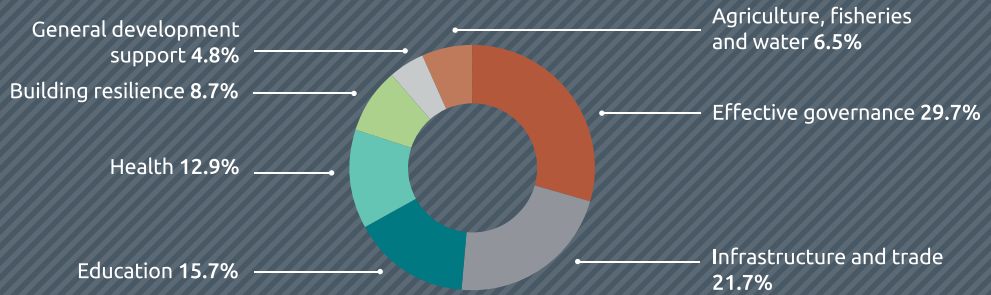
** Includes Iraq, Syria, and other flows to the region.

2018-19 TOTAL AUSTRALIAN ODA TO THE PACIFIC*

\$1.3 BILLION



Australian ODA by investment priority



Program highlights



PACIFIC AUSTRALIA PACIFIC SECURITY COLLEGE**

\$17.5m

2018-19 TO 2020-21



PACIFIC LABOUR FACILITY

\$50m

2018-19 TO 2022-23



PACIFIC ELIMINATING MOSQUITO BORNE DISEASES IN THE PACIFIC

\$7.7m

2017-18 TO 2020-21

* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in the Pacific.
 ** Includes non-ODA eligible components.

Stepping up support for a more resilient Pacific is one of the five priorities for Australia's foreign policy set out in the White Paper.

The Australian Aid program will focus on promoting economic cooperation and greater Pacific integration for economic growth, tackling security challenges and strengthening people-to-people links with Pacific island countries to achieve stronger partnerships for a secure, stable and prosperous Pacific.

The Aid program will work to strengthen the economic resilience of the region by improving opportunities for growth and jobs in the Pacific, and by increasing labour mobility opportunities for Pacific workers in Australia. Through our Pacific regional program, we will support a new Pacific Labour Scheme to allow workers from the region to take up low and semi-skilled opportunities in rural and regional Australia for up to three years. Streamlined measures will also help increase the uptake of opportunities under the Seasonal Worker Program (SWP). A new Pacific Labour Facility and the realignment of our skills and education programs, in the Australia-Pacific Technical College will support this.

Our bilateral programs will help countries review policies, strengthen the competitiveness of key sectors and create the conditions for economic growth and prosperity. Key policy focuses include supporting women's empowerment and greater economic participation, reducing red tape, developing improved financial markets, deepening financial inclusion, and supporting the tourism and agribusiness sectors.

We will assist with major infrastructure projects, including the construction of a high-speed telecommunications cable connecting PNG and Solomon Islands to Australia.

Security of the Pacific region is necessary for Pacific island countries to achieve sustainable development. Through new initiatives, such as the Australia Pacific Security College, we will work with Pacific island countries to build a more stable and secure region. We will bring together officials from across countries and agencies for training and professional development and enable them to establish close working relationships.

The Australian Federal Police's (AFP) Pacific Police Development Program will continue to support a broad range of police development activities throughout the Pacific, improving the rule of law as a prerequisite for economic, social and political development.

Australia is the most significant contributor of humanitarian assistance and reconstruction efforts to the Pacific, as shown in our responses to recent disasters such as Tropical Cyclone Gita and the earthquake in PNG. Beyond these responses we are working with Pacific partners to enhance climate change and natural disaster resilience among communities.

We are also working to bring Australians and Pacific Islanders closer together through a range of programs to enhance our people-to-people links. Australia Awards Scholarships will continue to build strong links within the Pacific and national capacities in the Pacific.

More broadly, Australia will also enhance regional information sharing, which is central for Pacific island countries to better control their maritime domains against illegal fishing, drug smuggling and other transnational crimes, as well as promote their sovereignty. Alongside this we will also focus on improved health security outcomes to prevent major disease outbreaks across the region.



1474
awardees

ACROSS 13 COUNTRIES
IN THE PACIFIC



60%
females

2018
AUSTRALIA AWARDS
SCHOLARSHIPS

Stepping up for a more secure and prosperous Pacific



ECONOMIC GROWTH

Working in partnership with governments to better integrate our economies through transformative infrastructure, open access to Australian markets and facilitation trade.



INFRASTRUCTURE, SUCH AS UNDERSEA CABLE PROJECT



LABOUR MOBILITY AND SKILLS



PACER PLUS PACKAGE



SECURITY

Promoting a rules based order, we are committed to good governance and stability in our region.



AUSTRALIA PACIFIC SECURITY COLLEGE



PROTECTING FISHERIES RESOURCES



POLICE DEVELOPMENT PROGRAMS



RELATIONSHIPS

Building and strengthening working relationships, with Pacific people-to-people opportunities for collaboration and share insights into new and innovative solutions for development.



PACIFIC SCHOOLS BRIDGE PROJECT



AUSTRALIA AWARDS



PACIFIC CONNECT

Case study: Stepping up engagement in the Pacific

Australian Aid has helped address many of the acute challenges faced by our neighbours in the Pacific over many years. This includes our work on economic vulnerability, climate change and natural disasters, health security, governance and capacity constraints, and education and employment opportunities. However, we recognise that the complexity of these challenges demands deeper engagement, integrated policy and fresh ideas to help drive forward development outcomes in the region.

In the White Paper, Australia has committed to intensifying our engagement and promoting greater integration with, and within the region, along three core pillars:

- » promoting economic resilience and improving livelihoods
- » tackling security challenges
- » strengthening people-to-people links, skills and leadership.

The 'Step-Up' in action: Pacific Pharmaceutical Laboratory Testing Program pilot

In close partnership with Pacific island countries, the Australian Therapeutic Goods Administration is piloting the Pacific Pharmaceutical Laboratory Testing Program. This program will enable access to safe, quality assured medicines, by providing participating countries access to Australia's world-class medicine testing services.

Laboratory testing is a simple and immediate mechanism for countries to determine the quality and safety of the medicines they procure and use. The pilot provides five medicine quality test credits per participating country, per year. Three credits are for routine testing of commonly used medicines, with a focus on antibiotics and medicines for treating non-communicable diseases, while two are for reactive testing of medicines when a potential problem with a product is suspected.

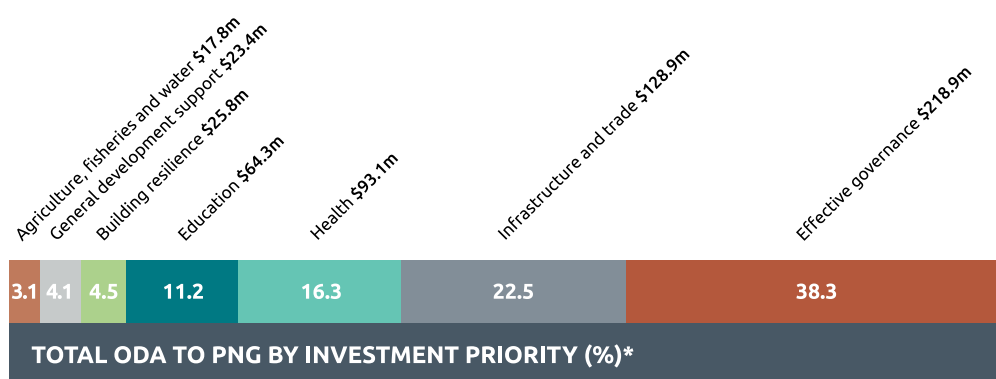
In 2017–18, Australia signed five memoranda of understanding with the governments of Kiribati, Nauru, Solomon Islands, Tonga and Tuvalu to participate in the pilot. The first routine testing campaign took place between February and March 2018. Following its success, the program will expand to additional Pacific island countries throughout 2018.

The sharing of Australian testing systems through this initiative not only supports improved health outcomes in Pacific island countries, but also promotes greater health security for our neighbourhood and Australia.

Indo-Pacific Health Security Initiative

Papua New Guinea

2018–19	
Program	Budget Estimate \$m
Country	519.5
Regional	21.4
Global	11.5
Other Government Departments	19.8
Total ODA to PNG	572.2



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

Australia has a strong and enduring partnership with PNG, our nearest neighbour. Close cooperation on economic, security, and development matters, as well as a broad range of people-to-people links highlight the depth and breadth of our relationship.

Despite a decade of robust economic growth from the mid-2000s, growth in PNG has slowed due to lower commodity prices and budget deficits. Growth is projected to remain moderate over the short-to-medium term. More than 40 per cent of the population remain poor and face hardship, 80 to 85 per cent of Papua New Guineans live in traditional rural communities. The development challenges for children and youth in PNG are stark. An estimated 40 per cent of children are stunted, one in five children are not enrolled in school and nearly half the population is under 20 years of age.

PNG is our largest development partner. Our support responds to PNG's many challenges, including fiscal and infrastructure constraints, poor human development indicators, and weak capacity to deliver services.

In 2018–19, Australian development support for PNG will focus on:

- » supporting the future digital economy through the delivery of a new undersea high-speed telecommunications cable from Australia to Port Moresby, a project that will have a positive impact on business engagement and significant social benefits

A stable prosperous PNG is in Australia's national interest.

White Paper

- » improving the lives of women and girls across all areas of work through investments that: enhance women’s voice in decision-making, leadership and peace building; promote economic empowerment; end violence against women and girls; and increase access to support services
- » enabling economic growth by: investing in infrastructure, innovation and business partnerships; leveraging finance for development; supporting agriculture and rural development; improving the business enabling environment; developing improved financial markets; and deepening financial inclusion
- » supporting effective governance, with an emphasis on: working with provinces and districts to improve service delivery and economic opportunity; supporting the contribution of communities, churches and the private sector; and enhancing the accountability, legitimacy and responsiveness of law and justice agencies
- » enhancing health by: targeting maternal and child health and communicable diseases; strengthening health security; and helping to build a more effective health system
- » enhancing the education sector by: improving the quality of education for young children; equipping students with the skills and qualifications necessary for employment; and nurturing the leadership qualities needed for the country’s development
- » cultivating a culture of gender inclusiveness.

Case study: Undersea Telecommunications Cable Project

Australia is committed to supporting PNG and Solomon Islands to build their economies through sustainable development and resilient technologies, enabling e-commerce and the digital delivery of services.

In an ambitious joint project, planning is underway to build high-speed telecommunications cables from Australia to PNG and to, and within, Solomon Islands, allowing faster and more reliable Internet connections in both countries.

PNG’s existing undersea telecommunications cable to Sydney is nearing the end of its useful life. Solomon Islands has no undersea telecommunications cable link, leaving it dependent on expensive and unreliable satellite communications.

The Undersea Telecommunications Cables Project is one element of Australia’s International Cyber Engagement Strategy that sets out Australia’s approach to help bridge digital divides across the Indo-Pacific. The project will support the development of entrepreneurship, digital skills and the further integration of these Pacific countries into the global marketplace.



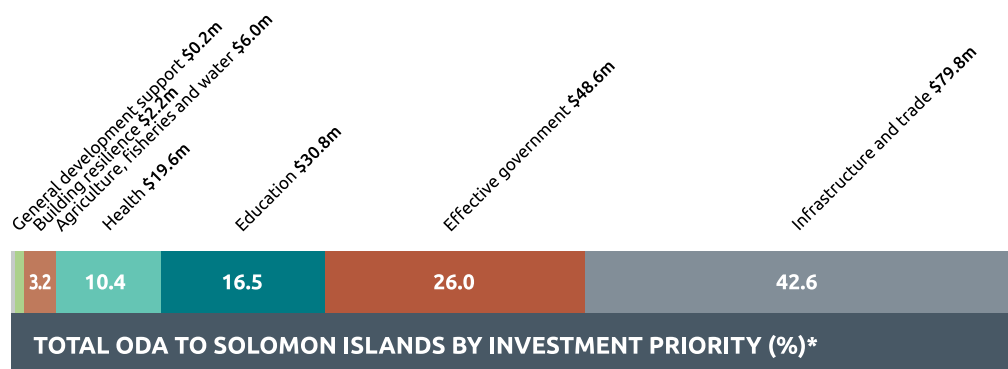
Caution Bay PNG. Mapping the route for the new telecommunications cable. Photo: DFAT

Slow and unreliable Internet connections hinder business potential and prevent timely information sharing and exchanges, both within and external to the local environment.

World Bank

Solomon Islands

2018–19	
Program	Budget Estimate \$m
Country	146.1
Regional	12.7
Global	9.4
Other Government Departments	18.9
Total ODA to Solomon Islands	187.0



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

Australia is a major economic, development and security partner of Solomon Islands and has a deep and longstanding relationship in supporting its ongoing stability, underpinned by viable institutions and economic growth.

Development outcomes in Solomon Islands are behind the rest of the region. Solomon Islands ranked 156 out of 187 countries on the 2016 United Nations Human Development Index. Gross Domestic Product (GDP) per capita is among the lowest in the Pacific at around US\$2,000.

Most of the population (growing at about 3 per cent per annum) is involved in subsistence and/or cash crop agriculture, with less than one-quarter involved in paid work. Agriculture and raw materials (including logging) accounted for 92 per cent of exports, leaving the narrow-based economy vulnerable to shocks.

The conclusion of Regional Assistance Mission to Solomon Islands (RAMSI) in 2017 coincided with Australia's commitment to step-up support for a more resilient Pacific and the development of a shared agenda for security and prosperity in Solomon Islands. In 2018–19, Australian development support for Solomon Islands will focus on:

- » creating conditions for economic growth and prosperity, including assisting with major infrastructure projects such as the Tina River Hydro Development Project, a public-private partnership aiming to deliver significant energy production and unlocking potential for economic growth in Solomon Islands

- » supporting the future digital economy through the construction of a high-speed telecommunications cable from Australia to, and within, Solomon Islands, which will support the development of entrepreneurship, digital skills and the integration of Solomon Islands into the global marketplace and have significant social benefits
- » creating an improved enabling environment for business investment through the Solomon Islands Growth Program, and positioning Solomon Islands to maximise the benefits and opportunities of economic development and responsible investment
- » ensuring that the first national elections following the conclusion of RAMSI, scheduled to occur in early 2019, deliver a credible and technically sound election process for the people of Solomon Islands
- » continuing to provide support for long-term stability through Australia's justice, governance and policing development programs, which will focus on strengthening key institutions so as to improve macroeconomic stability, provide better access to services, and contribute to safer communities
- » supporting the ongoing development of Solomon Islanders through our education and health improvement projects.



Increased telecommunications links is important to economic growth and social welfare.
Photo: Irene Scott



Case study: The Last Taboo

Funded under the Australian Aid program's Pacific Women Shaping Pacific Development (Pacific Women) program, The Last Taboo is the first multi-country study of menstrual hygiene in the Pacific. Research and workshops took place in Fiji, PNG and Solomon Islands in 2016 and 2017.

The Last Taboo explored the challenges experienced by women and girls in managing their menstruation, particularly whether these challenges made it harder for them to equally participate in school and work and engage with their communities.

Managing menstruation effectively and with dignity can be challenging for girls and women in low and middle-income countries in the Pacific. Barriers include negative community attitudes towards menstruating females, a lack of menstrual health education, and the unavailability, quality and price of menstrual hygiene products, particularly in rural and remote regions.

Innovative research methods were enlisted where women and girls were able to share the challenges they face in managing their menstruation, their preferences regarding sanitary products and their aspirations for how they wish to manage their menstrual hygiene in a safe environment. Research outcomes informed a series of workshops that brought together gender, health, education and water and sanitation experts to deliver new approaches.

The Last Taboo has already achieved successes in improving gender equality in the Pacific. The project is supporting companies that produce low-cost, safe menstrual hygiene products in the Indo-Pacific. A woman-owned business has been established in Solomon Islands to produce menstrual hygiene products.

This initiative is an important step in bridging the gender divide in the Pacific through education and the empowerment of women. It also supports Australia's commitment to achieving global Sustainable Development Goal 5 on gender equality. The Last Taboo aligns with Australia's foreign policy objectives by reducing poverty, leveraging partner funding and delivering results at a low cost.

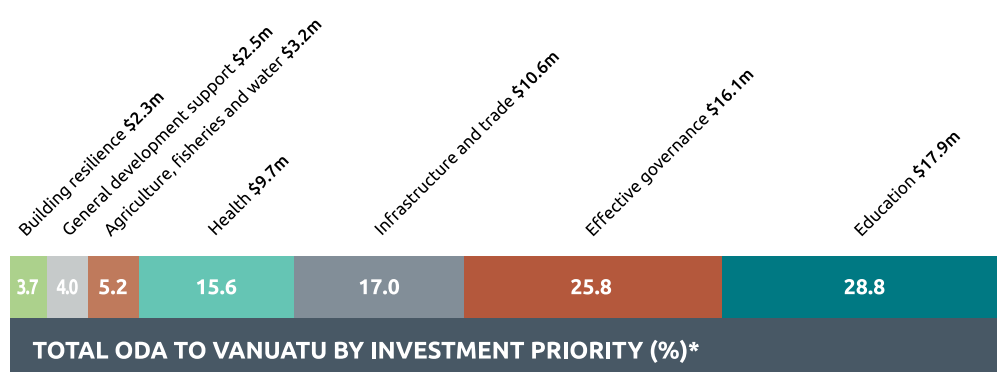
The Last Taboo was a collaboration between the innovationXchange, Pacific Division, Health Division and external organisations including the Burnet Institute, International Women's Development Agency and Water Aid Australia.



Solomon Islands data collection for the Last Taboo Research project. Photo: DFAT and Burnet Institute

Vanuatu

2018–19	
Program	Budget Estimate \$m
Country	41.9
Regional	9.9
Global	8.9
Other Government Departments	1.7
Total ODA to Vanuatu	62.3



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

Australia and Vanuatu share a common interest in a prosperous and stable Vanuatu. Australia is an important economic partner for Vanuatu, providing the country with most of its tourists, investment and development assistance.

Most of Vanuatu’s population lives in rural areas where subsistence farming, fishing and production of cash crops, such as kava, coconut and cocoa, are the main sources of livelihood. Goods exports are dominated by agricultural products, particularly kava, coconut products, beef and cocoa. Vanuatu’s economic growth has recently been driven largely by tourism and construction. Tourism and tourism-related services sectors (wholesale and retail trade, hotels and restaurants, and transport and communication) account for approximately 40 per cent of GDP and one-third of people in formal employment.

The overall economic impact of Tropical Cyclone Pam (2015) has been significant, as real GDP contracted by more than 2 per cent before growth rebounded to 4 per cent in 2016 and 4.5 per cent in 2017, largely driven by recovery in tourism and agricultural production. In 2017, Vanuatu’s GDP per capita was US\$2,976.

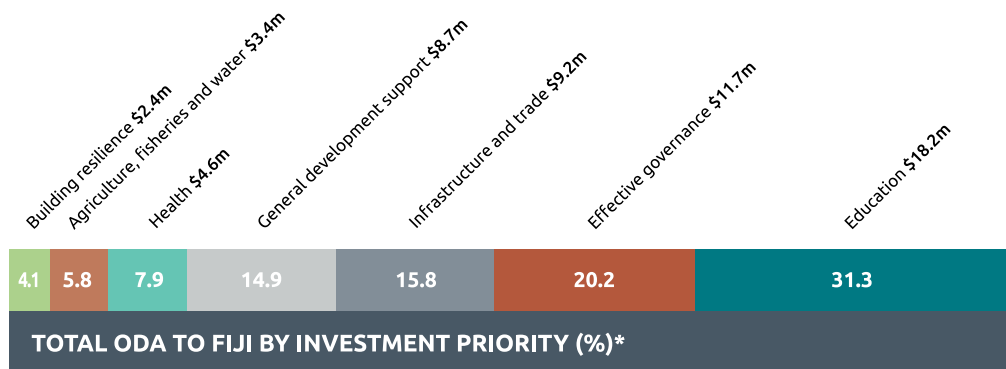
In 2018–19, Australian development support for Vanuatu will focus on:

- » promoting economic growth through helping the Vanuatu Government provide the right conditions for business development and investment
- » strengthening skills in tourism, agribusiness and handicrafts to improve economic opportunities for both women and men in targeted provinces, with Australia continuing to work with government and private sector stakeholders to co-invest in skills development priorities

- » improving economic growth and service delivery in rural areas in Vanuatu through increased access to a well maintained, affordable and integrated transport network
- » supporting the Vanuatu Government to improve the early years of education by training teachers and rolling out new curriculum, to ensure children can read, write and understand basic mathematics
- » supporting essential health services and initiatives to combat malaria, training village health workers and providing locum doctors and support for clinical staff in hospitals
- » improving community safety and resilience through strengthening justice institutions, with a focus on reducing violence against women, children and youth
- » building disaster resilience through the final phase of support for recovery from Tropical Cyclone Pam, including the repair of critical public infrastructure (such as rebuilding health centres, primary school classrooms and key government buildings for essential public services).

Fiji

2018–19	
Program	Budget Estimate \$m
Country	35.0
Regional	14.5
Global	5.6
Other Government Departments	3.0
Total ODA to Fiji	58.1



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

Australia is committed to strong and productive relations with Fiji, underpinned by people-to-people links and significant trade and investment ties to support a prosperous Fiji. We recognise Fiji's economic potential and its capacity to serve as a regional hub for business, tourism, security cooperation, and humanitarian and disaster response coordination.

The foundations of Fiji's economy are broadly sound, and perceptions of increased transparency and accountability following Fiji's return to democracy have boosted business confidence.



The Fiji Women's Fund launching its first annual progress report. The Fund is an Australian Government initiative and Australia will contribute \$10.5 million from 2015 to 2022. Photo: DFAT

Expansionary fiscal policies, particularly large infrastructure and social expenditure programs and accommodative monetary policy, have supported seven years of economic growth since 2010. Service sectors continue to grow strongly (largely driven by the tourism industry) and along with construction, manufacturing and retail activity, are the main drivers of growth. Tourism remains Fiji's main source of foreign exchange and visitor numbers grow steadily each year, reaching more than 840 500 in the 12 months to January 2018—a new record. Australia remains Fiji's largest tourism market, accounting for more than 43 per cent of visitor arrivals during this period, followed by New Zealand (22 per cent) and the United States (10 per cent).

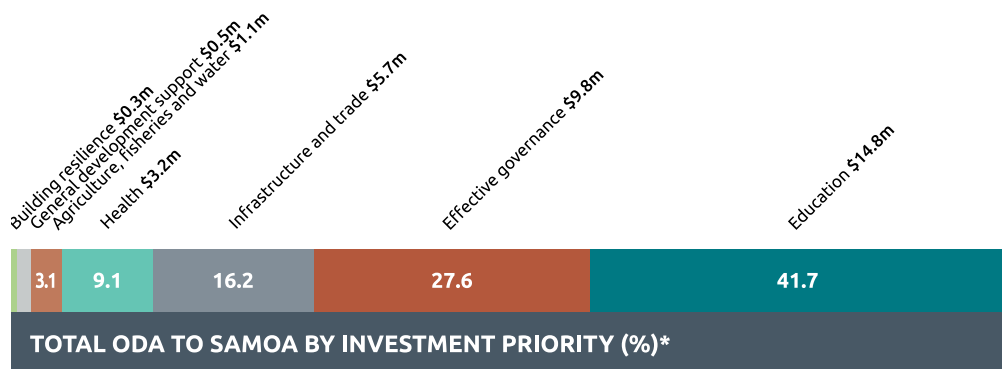
Australia's development program forms part of our enhanced partnership with the Government of Fiji in support of Fiji's development, outlined in their 5-year & 20-Year National Development Plan: Transforming Fiji. We share the interest of the Government of Fiji in enhancing private sector growth and stimulating the economy to generate jobs and incomes for the poor. Australia is Fiji's leading donor in health and education, and a major partner in private sector development and governance.

In 2018–19, Australian development support for Fiji will focus on:

- » increasing private sector development by supporting the Fiji Government to review and improve its investment policies, reduce red tape, strengthen financial markets, and strengthen the competitiveness of the key sectors of tourism and niche goods exports
- » improving human development through new programs to improve the quality of basic education and health services in Fiji
- » supporting the Fiji Government to administer the 2018 election and induct new members of Parliament, with Australia continuing to support the work of the Fiji Parliament and its committees and assisting the Fiji Government to implement its civil service reforms.

Samoa

2018–19	
Program	Budget Estimate \$m
Country	23.6
Regional	8.1
Global	1.7
Other Government Departments	2.1
Total ODA to Samoa	35.5



* Difference in values due to rounding and/or percentages below 2 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. We are committed to Samoa's development and to the security and prosperity of the region.

Samoa has a small and developing economy that has generally performed well in recent years. Key domestic sectors are services, tourism and agriculture. Remittances from Samoans working abroad are a key part of the economy. Australia, New Zealand and the United States are the main source of remittances. Foreign development assistance in the form of loans, grants and direct aid is an important component of the economy. Approximately 60 per cent of the population is employed informally and works in subsistence agriculture or local commercial ventures.

Samoa has a small population of around 196 000, a narrow resource base, and is geographically isolated. Economic infrastructure needs to be improved and credit is relatively expensive. It is difficult for Samoa to attract and retain the skills it needs.

Australia's development program will support ongoing governance reforms, promote gender equality, improvements to education and health services, and resilience to climate change and natural disasters.

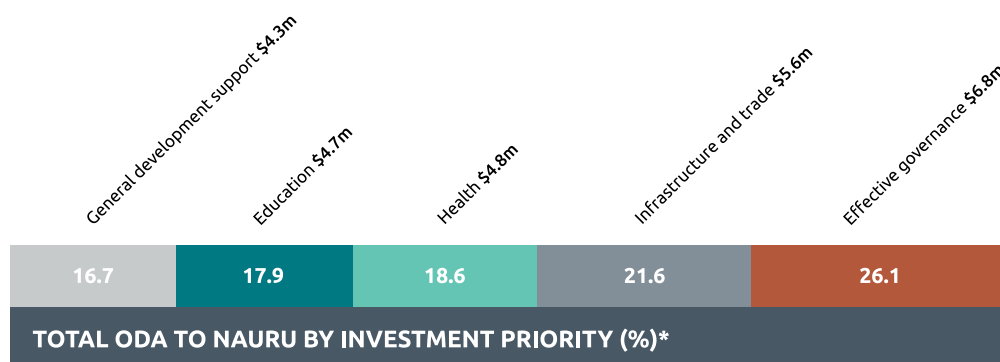
In 2018–19, Australian development support for Samoa will focus on:

- » assisting the Government of Samoa to pursue economic reforms which will improve the performance of state-owned enterprises, effectively manage government expenditure and debt, promote private sector growth and build resilience to external shocks
- » investing in climate resilient roads and bridges

- » improving the quality of teaching standards with a view to further improving numeracy and literacy outcomes
- » providing support to Samoa’s health care system
- » delivering programs that benefit people with disabilities and promote gender equality, particularly women’s economic empowerment, such as the Women in Leadership Project, led by the United Nations Development Programme (UNDP), which aims to strengthen women’s leadership and gender equality.

Nauru

2018–19	
Program	Budget Estimate \$m
Country	21.2
Regional	3.6
Global	0.0
Other Government Departments	1.1
Total ODA to Nauru	25.9



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

Australia has a long-established relationship with Nauru, dating back almost a century. Australia is Nauru’s largest trade, investment and development assistance partner, and will continue to support Nauru to achieve its development priorities in health and education services, essential infrastructure, and public-sector reform. Nauru’s economy faces significant constraints common to other small island states. These include its small size, remoteness, a harsh natural environment with infertile soils, limited exploitable resources and the need to create jobs and promote growth for an expanding population.

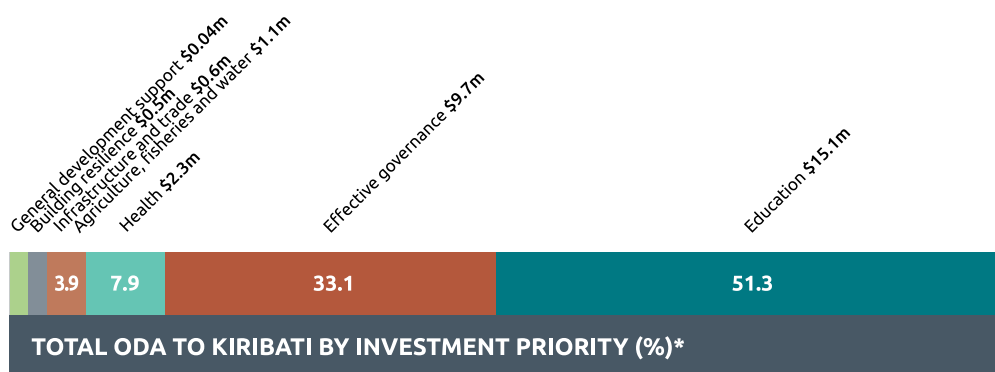
Fish abound in Nauruan waters, but Nauru has been unable to establish a fishing industry of its own. Fees from fishing licenses issued to distant water fishing nations are an important source of revenue for Nauru. An Australian-funded fisheries adviser was previously engaged to help maximise revenue from the country’s marine assets. Royalties from the phosphate industry currently offer only a modest and declining revenue stream, providing an estimated 3 per cent of the national budget in 2015–16. However, revenue associated with the presence of the Regional Processing Centre and its ancillary service providers represents Nauru’s most significant revenue stream.

In 2018–19, Australian development assistance to Nauru will focus on the:

- » provision of skilled personnel to fill key management roles in the Nauru public service to strengthen public financial management, develop coordination and economic governance, and deliver essential utilities
- » development of an all-weather port and community sports centre
- » enhancement of human development by working with the ministries of education and health on training and recruitment of staff, strategic planning, and the management of resources
- » provision of Australia Award Scholarships to Australian universities and other tertiary education providers in the region
- » expansion of participation by Nauruans in Australia’s labour mobility programs.

Kiribati

2018–19	
Program	Budget Estimate \$m
Country	20.2
Regional	7.4
Global	1.3
Other Government Departments	0.5
Total ODA to Kiribati	29.4



Australia and Kiribati have a long history of collaboration. Australia is Kiribati’s largest bilateral aid donor. Kiribati is a low-lying archipelago nation acutely vulnerable to climate change, especially to rising sea levels that have already begun inundating land and homes across the islands. Australia is promoting economic cooperation with Kiribati through enhanced labour mobility and helping to mitigate environmental security challenges.



Seasonal workers from Kiribati. Photo: DFAT

Kiribati, in common with other small island atoll states, faces obstacles posed by remoteness, lack of scale, and vulnerability to external shocks and environmental stress. Internal and external remoteness and weakness in business climate have kept the private sector small. This constrains economic growth and strains public finances. Kiribati relies heavily on fishing revenue and remittances from citizens employed abroad, mainly seafarers. These are both sensitive to fluctuations, respectively depending on fish migratory patterns and the global economy.

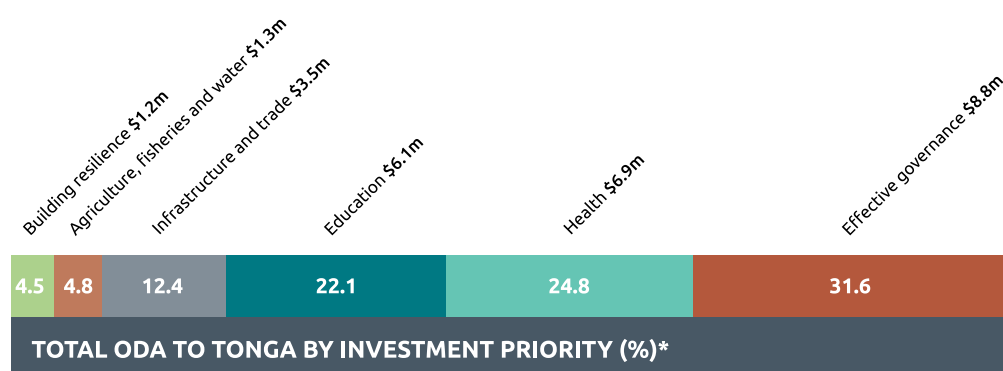
Notwithstanding its limited resources, Kiribati has largely had a solid record of financial stability since independence in 1979. Governments have adopted a cautious approach to domestic spending combined with a deliberate policy of capitalising its sovereign wealth fund, the Revenue Equalisation Reserve Fund.

In 2018–19, Australian development assistance for Kiribati will focus on:

- » developing a more capable, qualified and mobile I-Kiribati workforce through skills development at the Kiribati Institute of Technology and increased I-Kiribati participation in labour mobility schemes to Australia through the new Pacific Labour Scheme and the SWP
- » strengthening primary and secondary education to improve learning outcomes for I-Kiribati children through: curriculum reform and teacher professional development; inclusive education development; upgraded school facilities; school leadership programs; and improved management of the education system.

Tonga

2018–19	
Program	Budget Estimate \$m
Country	17.6
Regional	6.2
Global	1.4
Other Government Departments	2.6
Total ODA to Tonga*	27.9



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

Australia has a longstanding relationship with Tonga. Australia and Tonga are committed to Tonga's development and to the security and prosperity of the region. Tonga's development challenges include vulnerability to natural disasters, geographical isolation and a narrow resource, production and export base.

In 2016, Tonga was ranked second on the World Risk Index due to its exposure to natural hazards and its capacity to respond. Tonga has a geographically isolated population of around 100 000 people, significant subsistence agriculture and a narrow resource, production and export base. It imports substantially more than it exports and has a relatively low level of private sector activity. Approximately one-quarter of Tongan households find it difficult to meet their basic needs, especially those living on outer islands and those who are not in receipt of overseas remittances. Remittances from Tongans working overseas are an important element of the economy, representing an estimated 26 per cent of GDP in 2015.

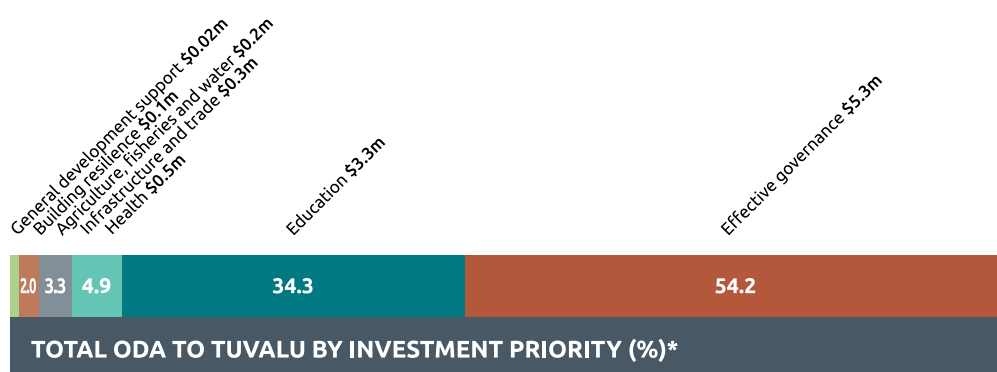
In February 2018, Tonga suffered extensive damage from Tropical Cyclone Gita. Australia's total recovery and reconstruction package of \$14 million will assist with the recovery of the education sector, restoration of urban infrastructure and strengthened food security.

In 2018–19, Australian development support for Tonga will also focus on:

- » strengthening the health system including by promoting health, exercise and nutrition to address non-communicable diseases like diabetes, and supporting mental health and disability services
- » 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
- » providing Australia Awards Scholarships, quality tertiary education and skills development aligned with labour market needs, to provide economic opportunities for Tongan workers, with a focus on opportunities for women and those with disabilities.

Tuvalu

2018–19	
Program	Budget Estimate \$m
Country	6.6
Regional	2.7
Global	0.2
Other Government Departments	0.2
Total ODA to Tuvalu	9.7



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

Australia’s close and longstanding relationship with Tuvalu is underpinned by strong security and development partnerships. Australia will continue to work with Tuvalu to build resilience to external shocks, improve macro-economic stability, effective governance and basic education.

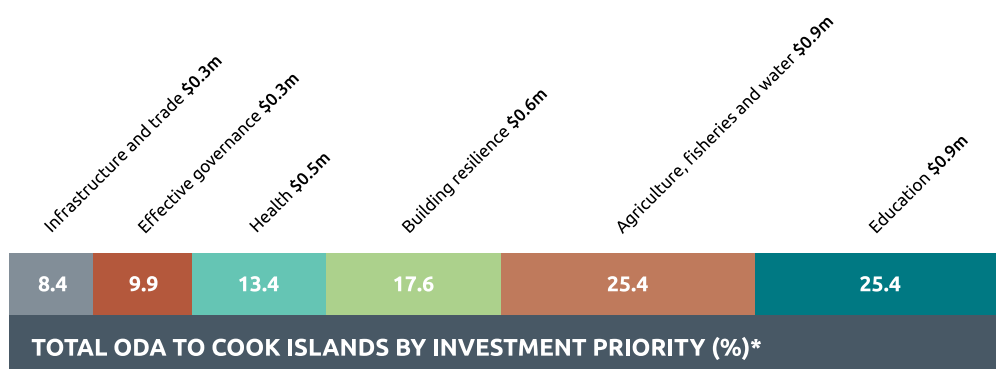
Tuvalu’s prospects for economic growth are constrained by its distance from markets, small and dispersed population and vulnerability to both economic and environmental external shocks. Gross national income per capita is US\$5,840 per annum and Tuvalu has limited options to generate revenue. Its main sources of income are fishing licenses, aid, the leasing of the ‘.tv’ Internet domain name and distributions from the Tuvalu Trust Fund. The private sector is small and offers limited employment opportunities. Tuvaluans rely primarily on the public sector as their principal source of employment. Tuvalu also faces severe development challenges arising from limited education and work opportunities, and modest natural resources. Climate change impacts will exacerbate these development challenges.

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

- » promoting effective governance and economic growth through key economic and social development reforms, including the provision of skilled personnel in areas such as investment and budget management, climate change and disaster management
- » strengthening education service delivery through a new program to expand the quality of learning outcomes for primary school students nationwide, increase technical and vocational skills development, and strengthen government systems
- » building an educated and skilled workforce through Australia Awards Scholarships to study in Australia and the Pacific region
- » supporting joint efforts on health security, identity security and border security to increase opportunities for Tuvaluans to participate in labour mobility schemes.

Cook Islands

2018–19	
Program	Budget Estimate \$m
Country	1.9
Regional	1.3
Global	0.2
Other Government Departments	0.0
Total ODA to Cook Islands	3.4



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

The Cook Islands has developed a small but successful tourism industry and the Government of Cook Islands has accorded high priority to its further development. Developing marine resources within the Cook Islands' large economic exclusion zone, including black pearl farming in the Northern Group Islands, is another government priority. Cook Islands' development is challenged by its narrow economic base, limited natural resources, fragile environment, shortage of skilled labour and relatively remote location.

The economy, underpinned by tourism and marine resources, remains vulnerable to natural disasters, as demonstrated by Cyclone Pat which caused significant damage to key infrastructure in 2010, and the severe drought that hit in 2011. The Cook Islands has relatively high-income levels per person, reflecting the impact of expatriate residents and the tourist-based economy of Rarotonga. However, this masks the subsistence lifestyle of people living on the outer islands, who have limited access to basic services such as health, education, transport and potable water.

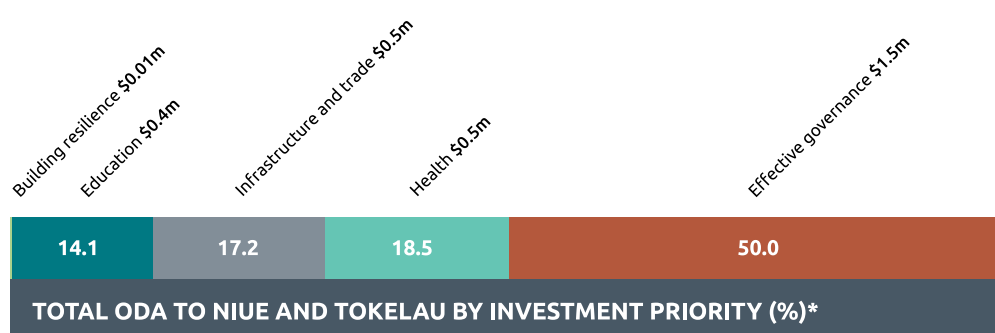
Australia will continue to support the Cook Islands to achieve its development priorities in the water and sanitation, gender and education sectors through the New Zealand Government, under a delegated cooperation arrangement.

In 2018–19, Australian development support to the Cook Islands will focus on:

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

Niue and Tokelau

2018–19	
Program	Budget Estimate \$m
Country	1.8
Regional	1.1
Global	0.0
Other Government Departments	0.0
Total ODA to Niue and Tokelau	2.9



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

Niue

The economic challenges Niue faces are common to other small island states within the region. Geographic isolation, limited natural resources and a small population hamper economic development. Cyclones occasionally devastate the island’s infrastructure, including housing and tourist facilities. Niue’s declining population has been a concern of successive governments. At the time of the 2006 Census, the population was 1625 and fell to 460 in 2011. Approximately 24 000 Niueans live in New Zealand (2013 Census) and about 900 live in Australia (2011 Census).

Australia provides development assistance to Niue through a delegated cooperation arrangement with New Zealand. Australia’s assistance focuses on education, to ensure an educated and productive workforce that is ready to contribute to economic growth and waste management. Australian support to Niue is aligned with the development priorities identified in the Joint Commitment for Development between New Zealand and Niue.

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

- » design of a waste management program to meet the increasing challenges facing the country
- » implementation of a pilot vocational education scholarship program to train new nurses, teachers and trades.

Tokelau

Tokelau has the smallest economy in the world. The principal sources of revenue are sales of copra, postage stamps, souvenir coins, handicrafts and remittances from relatives in New Zealand. Tokelau's population of 1400 people is spread across three low-lying coral atolls (Atafu, Fakaofu and Nukunonu) with a land area of only 12 square kilometres. Tokelau's small size and isolation are a challenge for economic growth and development. Tokelau is very poorly serviced by transport routes. It has no airport in the islands, and the only way to travel in or out is twice a month by boat from Samoa. The journey covers 500 kilometres and takes about 26 hours in good weather. This makes it difficult for people to access work opportunities abroad and means importing goods is expensive.

Australian development assistance is delivered through the New Zealand Government under a delegated cooperation arrangement. Australian support to Tokelau is closely aligned with the Joint Commitment for Development between New Zealand and Tokelau.

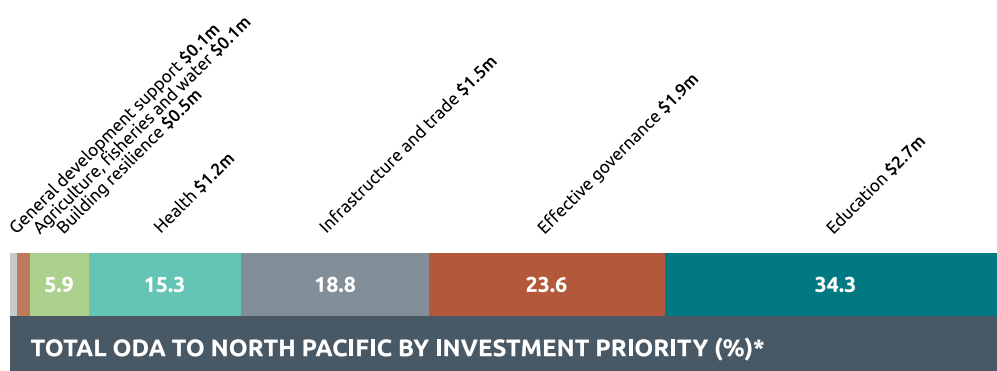
In 2018–19, Australian development support to Tokelau will support Tokelau's strategic development priorities including continued support for improving early childhood education.



An aerial view of Atafu atoll in Tokelau. It is the smallest of Tokelau's three atolls with a land area of only 2.5 square kilometres. Photo: NASA

North Pacific

2018–19	
Program	Budget Estimate \$m
Country	5.0
Regional	2.2
Global	0.8
Other Government Departments	0.0
Total ODA to North Pacific*	8.0



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

Australia's development assistance in the North Pacific focuses on the Federated States of Micronesia, the Republic of Palau and the Republic of the Marshall Islands. These three North Pacific countries face challenges with remoteness, access to potable water and natural disasters (particularly drought). Their tourism and fisheries industries show the most potential to support economic growth.

Australia's assistance addresses shared development priorities and is delivered in collaboration with government, multilateral development partners and NGOs.

Australian Aid will help improve social and economic opportunities for women and girls in the North Pacific through the Pacific Women program. It will also build national capacity to drive change by providing Australia Awards Scholarships.

In 2018–19, Australian development support to the North Pacific will focus on the:

- » Federated States of Micronesia, where Australia, together with the national and state governments and the Asian Development Bank (ADB), is co-financing the Improving the Quality of Basic Education Project to strengthen the effectiveness of education systems and improve early grade learning outcomes
- » Republic of Palau, where Australia is part of a multi-partner effort to reform Palau's digital communications sector and increase access to high-quality, low-cost Internet services by taking advantage of a submarine cable connecting Palau to an international cable hub in Guam
- » Republic of the Marshall Islands, where Australia, the national government and the ADB are establishing an integrated water supply and sanitation system on Ebeye Island to improve health outcomes for residents.

Case study: The Pacific Women program

The Pacific Women program recognises that long-term targeted investment is necessary to achieve gender equality. Since 2012, Pacific Women has worked through multiple partnerships and coalitions to address the complex factors associated with gender inequality: violence against women; women's economic empowerment; leadership; and decision-making.

Pacific Women has supported almost 60 000 women and children to access crisis support services, including counselling, health and justice. More than 11 500 women have been supported to take on leadership roles at community, provincial and national levels and more than 8000 women have received financial literacy training and information services.

Produce markets are central to the economies of Pacific countries and 80 per cent of market vendors are women. Pacific Women funds Markets for Change, implemented by UN Women and UNDP, to provide women with financial literacy and services, agricultural skills training, improved market infrastructure and strengthened Market Vendors Associations (MVA). Leisavi Joel, Vice-President of Silae Vanua MVA in Vanuatu, noted the changes she has experienced from being part of the MVA: 'Now I have the courage to go to the office of the government to talk. Before I was afraid to do it, I didn't know what to say.'

Pacific Women continues to evolve with new programs underway, such as Pacific Girl, designed to work with Pacific organisations to address the needs of adolescent girls, and Balance of Power, designed to increase women's participation and voice in political processes.

Promoting gender equality in the coffee industry in PNG

Pacific Women also supports CARE's Coffee Industry Support Project in PNG. This project has worked to increase women's access to extension services and encourage joint decision-making in coffee farming families. Money earned increased by 100 per cent from 2014 to 2016 and women and men are now jointly involved in decisions about how that money is spent.

In the Eastern Highlands of PNG, coffee is an essential cash crop. Women work longer hours in coffee production than men but receive, on average, less than one-third of the income. Despite their valuable contribution to coffee production, services that improve coffee farming techniques are predominantly provided by men, for men.

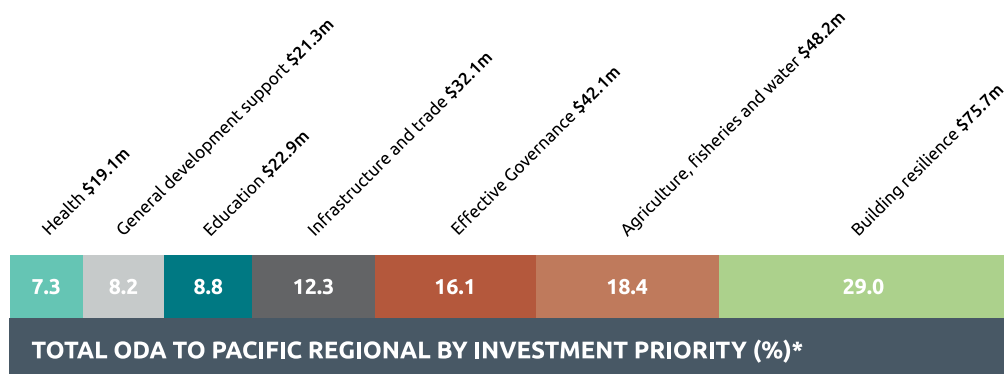
Women make up nearly half of the world's agricultural workers but have less access than men to productive resources and opportunities. Improving women's access could increase agricultural yields by 25 to 30 per cent worldwide.



The campaign, SANAP WANTAIM – STAND TOGETHER, seeks to bring men and women, boys and girls, as allies and partners in making Port Moresby safe for everyone. Photo: DFAT

Pacific Regional

2018–19 Total ODA allocation: \$206.6 million



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

The Pacific Regional Program focuses on issues more effectively addressed at regional level.

In 2018–19, Australian development support through the regional program will focus on:

- » supporting economic growth through: building a better business-enabling environment and encouraging private sector development; implementing labour mobility programs, including the Pacific Labour Facility, which will provide work experience, skills and remittances through the new Pacific Labour Scheme; and supporting the Australia Pacific Technical College, which delivers internationally recognised Australian technical and vocational qualifications for Pacific Islanders
- » tackling regional security challenges through the Australia Pacific Security College that will build individual and regional capacity to respond to security threats; supporting border, identity and health security through partnerships with Australian institutions; and supporting regional fisheries management to detect and prevent illegal fishing
- » supporting resilient and healthy communities to better prepare for climate change and respond to natural disasters; and strengthening regional health services and training, including through the Pacific Pharmaceutical Laboratory Testing Program pilot
- » developing stronger people-to-people links, including through regional institutions, led by the Pacific Islands Forum Secretariat, which will contribute to regional growth, stability and development. Our key partnerships will include the Pacific Community, the Forum Fisheries Agency, the Secretariat of the Pacific Regional Environment Programme, and the University of the South Pacific
- » targeting gender equality programming through the Pacific Women, which supports gender equality, greater economic participation, and women's empowerment in the Pacific.
- » Fisheries are the primary economic resource of many countries in the Pacific. Australia has been a strong and active supporter of sustainable fisheries management and of action to address illegal, unreported and unregulated fishing.

In 2018–19, we will provide regional support to promote sustainable fisheries management in the Pacific by:

- » assisting Pacific island countries to: increase economic return from fisheries; detect and prevent illegal, unreported and unregulated fishing; and build coastal resilience to withstand pressure from the impacts of climate change, population growth and overfishing
- » negotiate international treaties on maritime boundaries and biodiversity in the high seas.

The estimated economic rent loss in the Western and Central Pacific due to illegal, unreported and unregulated fishing in 2014 was estimated to be US\$150 million, principally from licensed vessels undertaking unreported and unregulated activities.

Forum Fisheries Agencies
Annual Report 2016–17



Young girls from Hulavu in West Guadal Canal enjoy a Saturday afternoon fishing in a dug out canoe.
Photo: DFAT

Case study: Labour Mobility

Increased international migration for work offers critical opportunities for the Pacific and its people. Given the unique development challenges faced by the Pacific Island countries, there is now broad consensus that expanding labour mobility is vital for their future. Given their youth bulge, unemployment is a pressing problem. Where these countries are unable to bring jobs to the people, the alternative is to bring the people to where the jobs are. For labour-sending countries, remittance flows can be important sources of income and consumption, as well as foreign exchange and investment, often in education and health.

Pacific Possible: Labour Mobility, World Bank, 2017

The White Paper highlights the importance of promoting economic cooperation and greater economic integration between Australia and the Pacific. Australia will work to improve opportunities for growth and jobs and strengthen the economic resilience of Pacific island countries by increasing opportunities for labour mobility, in line with stepping up Australia's engagement in the Pacific.

A new Pacific Labour Scheme will allow workers from the region to take up low and semi-skilled work opportunities in rural and regional Australia for up to three years. The Scheme will commence in July 2018 with an initial intake of up to 2000 workers over 2018–19. It will focus on sectors in Australia with projected employment growth and which match Pacific island skill sets.

The Scheme will be labour-market tested to ensure Australians have priority for local jobs and that Pacific workers are provided with skills, experience and incomes not available in their home countries. Kiribati, Nauru and Tuvalu will have first access to the Scheme, with access to be extended to other Pacific countries over time based on need and determination of impact. The Scheme will contain protections to safeguard against worker exploitation.

The Government will establish a new Pacific Labour Facility in 2018 to connect Australian employers with Pacific workers and support the administration of the Pacific Labour Scheme. The Facility will increase the quality of training and supply of workers to Australia, provide pastoral care services for workers, and monitor the impact of labour mobility programs both in Australia and in Pacific economies. The Facility will also provide targeted support for the SWP.

Building on the 21 000 workers from the Pacific and Timor-Leste who have worked in Australia under the SWP since 2012, a range of new measures to support participation in the program and to improve uptake will be introduced. These measures include increasing Australian industry engagement, piloting additional support to reduce up-front costs for approved employers, strengthening training, improving visa arrangements, and providing additional assistance for seasonal workers to access their superannuation and pastoral care in Australia.

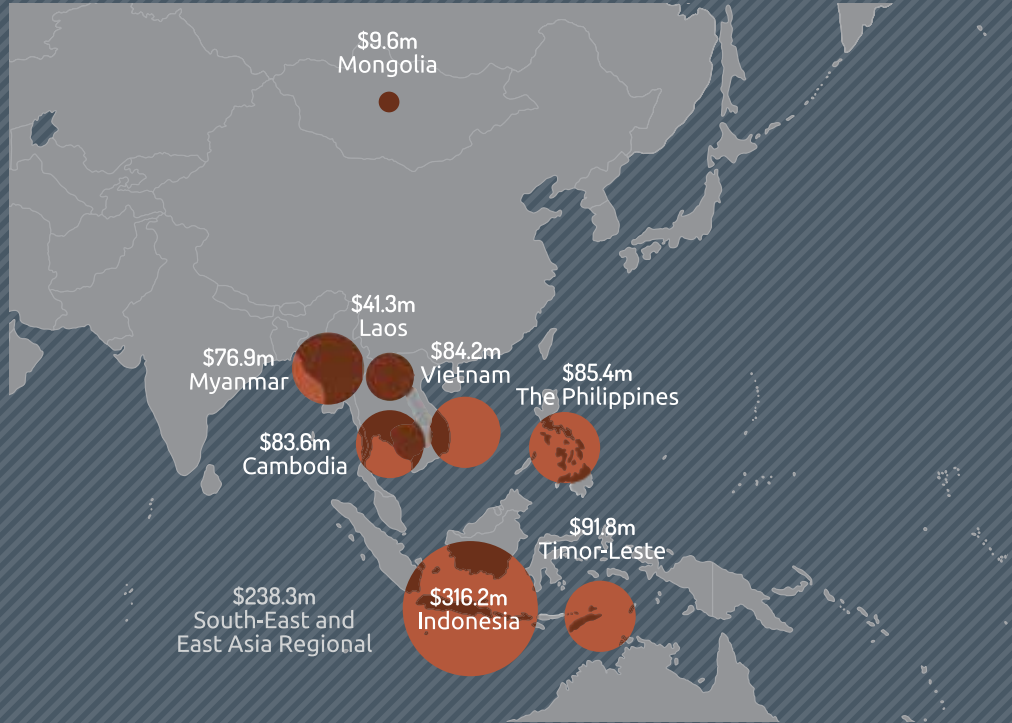
The Scheme will complement the SWP through longer-term, non-seasonal employment opportunities for Pacific workers, and will build on the success of the Northern Australia Worker Pilot Program.

For every six-month placement under the SWP, workers on average save and send home \$5,000. For Tonga, the largest provider of seasonal workers, this would equate to \$13 million sent home in 2016–17.

White paper

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

\$1.0 BILLION



Australian ODA by investment priority



Program highlights



MEKONG MEKONG WOMEN'S EMPOWERMENT PROJECT (EMPOWER)

\$10.3m

2017-18 TO 2020-21



TIMOR-LESTE POLICE DEVELOPMENT PROGRAM

\$22m

2018-19 TO 2021-22



THE PHILIPPINES PUBLIC FINANCIAL MANAGEMENT PROGRAM FOR INSTITUTIONS AND INFRASTRUCTURE

\$36m

2018-19 TO 2023-24

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

SOUTH-EAST AND EAST ASIA

South-East Asia lies at the heart of the Indo-Pacific region, a region we are working to keep peaceful and prosperous at a time of profound change.

The Australian Government will ensure Australia remains a leading economic and strategic partner for the countries of South-East Asia. Australia's development cooperation in the region contributes to sustainable economic growth and poverty reduction which in turn supports an increasingly prosperous, outwardly-focused, stable and resilient region.

We are a longstanding and trusted development partner in South-East Asia. This region still hosts almost half of the world's poorest people, with 327 million people living in extreme poverty (defined by the World Bank as living on less than US\$1.90 a day). Across the region, growth is highly uneven. By reducing poverty, we empower millions of people to lead healthy, productive lives, and promote self-reliance. This benefits Australia and helps create a stable and prosperous region for us all.

Australia's development assistance in South-East Asia recognises that there is an important role for aid to support the transition of emerging market economies in the region. We deliver targeted advice and technical assistance that has a catalytic effect both on reform efforts and capacity development. For example, in Indonesia, the Philippines and Vietnam, Australia has transitioned from traditional donor-recipient partnerships to economic partnerships, with an emphasis on investments that are tightly targeted, catalytic, and can leverage each partner government's own resources for even greater impact.

Australia has a vital interest in regional economic integration and unlocking the next stage of economic growth. We remain committed to supporting the work of the governments of Cambodia, Laos and Vietnam on private sector development, including encouraging the private sector to take a lead role in driving sustainable growth.

In the education sector, we are improving access to quality education in Laos and Myanmar, making the education system more valuable for industry and addressing key policy skills gaps in Vietnam.

In the Philippines, the focus is on supporting improvements to basic education for children in Mindanao. In Indonesia, we are improving the efficiency and quality of the education system and equipping school teachers with the skills they need to prepare the next generation to enter the workforce. In Timor Leste, we are supporting job creation, increasing rural incomes, and helping more people become workforce ready.

Our aid enables us to help our neighbours during significant humanitarian crises. This includes those affected by the protracted crises in Kachin State, northern Shan State and Rakhine State in Myanmar, and those affected by the conflict situation in the Southern Philippines.

Australia Awards Scholarships continue to promote enduring people-to-people links between Australia and recipient South-East Asian countries. They also deepen capacity and productivity.

We will continue to cooperate on transnational challenges, such as reducing crime and people smuggling, countering violent extremism and maritime security capacity building in South-East Asia to keep our region safe and secure.

Australia is prioritising work to counter shared security challenges, support key drivers of economic growth, and support our South-East Asian neighbours to tackle inequality and maintain social stability. We continue to help the countries of our region to improve governance and advance human rights. Across all bilateral programs in South-East Asia, Australia prioritises empowering women and girls and supporting disability inclusive development.



1591
awardees

ACROSS 8 COUNTRIES
IN SOUTH-EAST AND
EAST ASIA

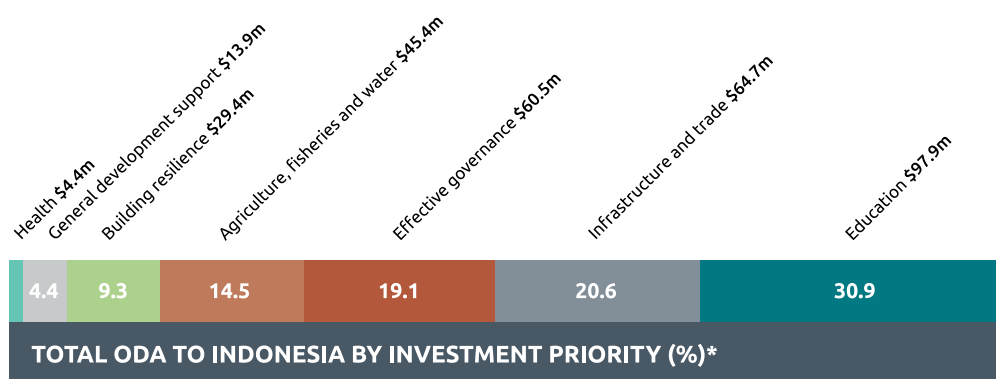


53%
females

2018
AUSTRALIA AWARDS
SCHOLARSHIPS

Indonesia

2018–19	
Program	Budget Estimate \$m
Country	266.4
Regional	28.2
Global	15.4
Other Government Departments	6.3
Total ODA to Indonesia*	316.2



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

Indonesia is one of Australia's most important bilateral relationships. Despite substantial development progress, Indonesia still faces significant challenges. More than 80 million Indonesians continue to live under the World Bank's \$3.20 per day poverty line—more than the rest of Association of Southeast Asian Nations (ASEAN) combined. Indonesia's economic growth has hovered at around 5 per cent in recent years, which is good by Group of 20 standards, but below the level necessary to accommodate the increasing number of Indonesians entering the job market, and well below the level of growth Indonesia will need to reach high-income status before its working age population starts to decline in 2030.

Australia works in an economic partnership to support Indonesia's growth and stability. We partner with Indonesian agencies to further the development of infrastructure, skills and institutions. Australia supports Indonesia's efforts to tackle inequality and maintain stability, promote tolerance and pluralism and counter violent extremism. Australia has long and deep experience working with Indonesia to provide policy and technical advice to address priority development challenges.

In 2018–19, Australia's development partnership with Indonesia will focus on:

- » boosting inclusive growth by building effective economic institutions and infrastructure, and promoting mutual benefits of international trade and investment. This includes promoting private sector growth and lowering the costs of undertaking business in Indonesia, particularly for infrastructure projects. We are continuing to increase smallholder farmer incomes by strengthening markets and innovation to increase productivity.
- » improving human development for a more productive and healthier society, enabling citizens to improve their futures and contribute to Indonesia's economic growth. We will focus on improving the efficiency and quality of the education system to equip school

teachers with the skills needed to prepare the next generation of the workforce. Through Australia Awards, we are building and maintaining a network of Indonesian leaders with specialist skills from Australian tertiary institutions. In addition, we are strengthening Indonesia's preparedness to tackle emerging health threats.

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

Case study: Helping Indonesia to tackle inequality



Meeting for Woman Heads of Families under a Women's Empowerment Initiative, West Kalimantan. Photo: Hasan Tribuana

Indonesia has achieved substantial development progress and strong economic growth, but with this progress has come growing concerns about inequality. More than 80 million Indonesians live under the World Bank's \$3.20 per day poverty line.

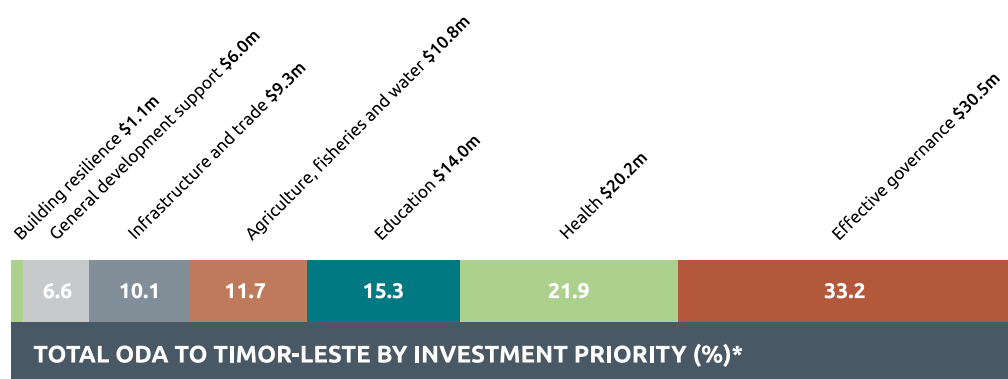
Eastern Indonesia, located closest to Australia, lags well behind the rest of the country on all key development indicators. Inequality not only hurts individuals, it hurts the economy as a whole and can threaten stability. For these reasons, tackling inequality is at the heart of Australia's economic partnership with Indonesia.

Inequality has many dimensions and our work with Indonesia is multifaceted. Through our economic governance programs, Australia is supporting Indonesia's ambitious plans to reform the tax system to help generate the revenue needed to deliver infrastructure and service improvements. At the same time, we are helping Indonesia to improve the coverage and quality of its social safety net to help lift and keep people out of poverty and provide the opportunity to contribute to economic growth.

Through our work in rural development we are helping to increase incomes for smallholder farmers by trialling innovative ways to increase agricultural productivity. We also work with Indonesia to address gender inequality and social exclusion by empowering women to become more involved in local politics and decision-making processes, and helping marginalised groups to access basic services.

Timor-Leste

2018–19	
Program	Budget Estimate \$m
Country	73.0
Regional	5.0
Global	11.8
Other Government Departments	2.0
Total ODA to Timor-Leste*	91.8



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

Australia and Timor-Leste are close neighbours, with a rich history and strong people-to-people links stretching back decades.

Timor-Leste's Strategic Development Plan 2011–2030 sets out its aspiration to become an upper middle-income country by 2030 and Australia, as Timor-Leste's largest development partner, is focused on helping them achieve this. Despite significant progress since independence, challenges remain. There is a real need for Timor-Leste to diversify its economy to support more sustainable growth and livelihoods. Two-thirds of Timor-Leste's 1.17 million population live on less than US\$2 a day, making it one of the poorest countries in the region.

Australia works with the government and people of Timor-Leste to support their priorities, focusing our efforts in three strategic areas—economy, people and society.

In 2018–19, Australian development support to Timor-Leste will focus on:

- » improving health, education, nutrition, water and sanitation, gender equality and disability outcomes of Timorese, as well as increasing access to social protection through the Partnership for Human Development
- » improving rural livelihoods through rehabilitation and maintenance of rural roads through the Roads for Development Program and improving rural households food security, nutritional status and incomes through the Farming for Prosperity (Tomak) Program
- » ensuring Timor-Leste remains stable and free of conflict with the new phase of police development and capacity building in partnership with the AFP
- » strengthening governance and financial institutions to improve service delivery and policy making through the Governance for Development Program

- » supporting villagers to choose, design and build small-scale infrastructure projects, which benefit their livelihoods through the National Village Development Support Program
- » improving the economic empowerment, leadership and wellbeing of Timorese women and girls by reducing the high rates of violence against women and girls through prevention, improved access to services and judicial support through the Nabilan Program
- » improving training and employment opportunities for young Timorese through the Workforce Development Program and private sector growth through the Market Development Facility.

Case study: Health resource and supply chain mapping for the Asia Pacific region



Digital technology is playing a crucial role in improving access to medication. Photo: DFAT

Imagine if you could track the availability of life-saving medication across the Pacific with the click of a button. Given the geographic complexities of the Pacific, ensuring that each remote island has adequate medical supplies presents major challenges for the region.

Tupaia is a mobile-enabled web platform that makes information about the medical services and supplies available at health facilities digitally accessible, allowing health care decision makers to direct resources appropriately. Tupaia is bringing Pacific islands closer than ever before. With Australia's support, the mobile platform is seeking to track the availability of medical supplies across the entire Pacific region. Tupaia is supported by the Australian Development Accelerator, managed by DFAT's innovationXchange. Tupaia has already achieved success in the Pacific, expanding its coverage to six countries in the region since launching in 2017.

Recently, Tonga used Tupaia's real-time mobile data to assess damage to medical facilities from Cyclone Gita. Meanwhile in Timor-Leste, availability of essential medicines at the national level has improved by more than 20 per cent. These results will continue to improve as usage of the platform becomes more widespread. This initiative enables better health care services, therefore improving the prosperity and security of our region.

The Philippines

2018–19	
Program	Budget Estimate \$m
Country	67.0
Regional	8.3
Global	6.5
Other Government Departments	3.6
Total ODA to the Philippines	85.4

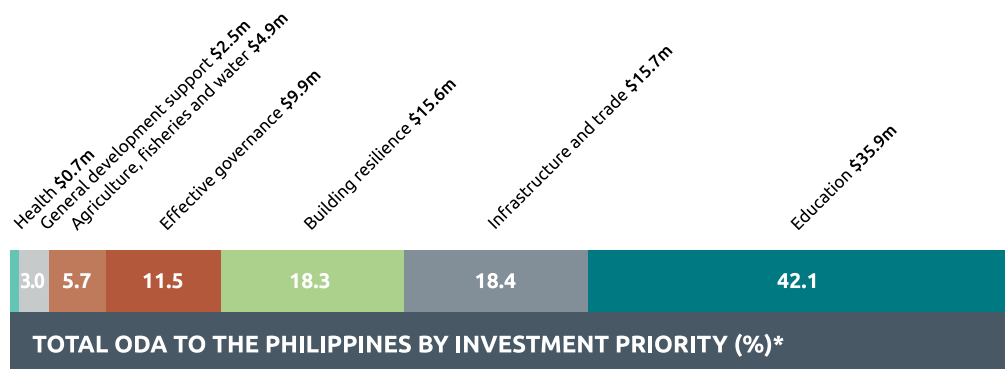


EDUCATION PATHWAYS TO PEACE IN CONFLICT-AFFECTED AREAS OF MINDANAO PROGRAM

\$90m

(2017–18 to 2026–27)

Contributing to resilience, stability, peace and prosperity in Mindanao by improving the quality of the education system. The program will focus on the most disadvantaged populations to address inequality in education. It will work with a broad range of stakeholders participating in the peace process to support improvements to basic education for children in the Autonomous Region of Muslim Mindanao.



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

The Philippines is one of Australia's longest-standing bilateral relationships. We have shared interests, supported by strong people-to-people links. Australia's interests in the Philippines will be pursued through assisting the Philippine Government with the development of a well-managed and stable government and a more prosperous, inclusive and open economy. A more open economy will not only benefit Filipinos, it will allow both nations to continue to pursue a mature economic partnership.

As noted in the White Paper, the conflict situation in the Southern Philippines is of pressing concern to both countries. Australia's national interest in regional stability and prosperity will require increased engagement with the Government of the Philippines on this issue and greater investment in programs in Mindanao, including to support the recovery of communities after the Marawi City conflict in 2017.

The Philippines has enjoyed sustained and rapid growth over the past several years, supported by strong remittance flows, a growing business process outsourcing sector, and increased government revenue. To reduce poverty and inequality and ensure that future growth is more inclusive, the Philippines Government will need to implement institutional reforms and a substantial program of infrastructure investment in the coming years. Supporting communities affected by conflict in the Southern Philippines will be critical for stability and improved development outcomes in the poorest region in the country.

Our partnership with the Philippines will focus on all elements of our trade, investment and development initiatives working together to promote growth.



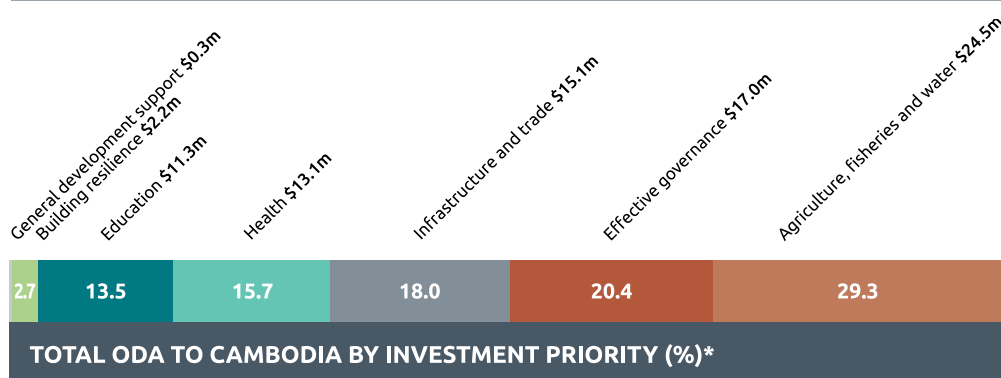
The Australian Embassy and The Asia Foundation, through the Coalitions for Change flagship project, implemented innovative strategies to introduce transformational land reform, including in land titling. Photo: The Asia Foundation

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

- » implementing a range of activities to support the peace process, long-term stability and development in the Southern Philippines, including:
 - building institutional capacity to implement the peace agreement
 - supporting development of strong local mechanisms to avert the escalation of violence and to address the drivers of radicalisation
 - supporting long-term stabilisation and recovery support for communities affected by violence and conflict
 - supporting the Women, Peace and Security Agenda, in particular the implementation of the United Nations Security Council Resolution 1325 (UNSCR1325)
- » supporting reforms in education, tax, competition and land governance.

Cambodia

2018–19	
Program	Budget Estimate \$m
Country	56.1
Regional	7.9
Global	16.6
Other Government Departments	3.0
Total ODA to Cambodia*	83.6



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

Cambodia has one of the fastest growing economies in the world, but unequal distribution of economic gains means many Cambodians still struggle to access quality, affordable essential services. Australia will continue working with the Government of Cambodia to deliver programs to assist the people of Cambodia by improving infrastructure, increasing farmers' incomes and delivering better quality health and education outcomes. In line with the White Paper, Australia will promote sustainable development aimed at reducing poverty and improving gender equitable outcomes, including through strong engagement with the private sector.

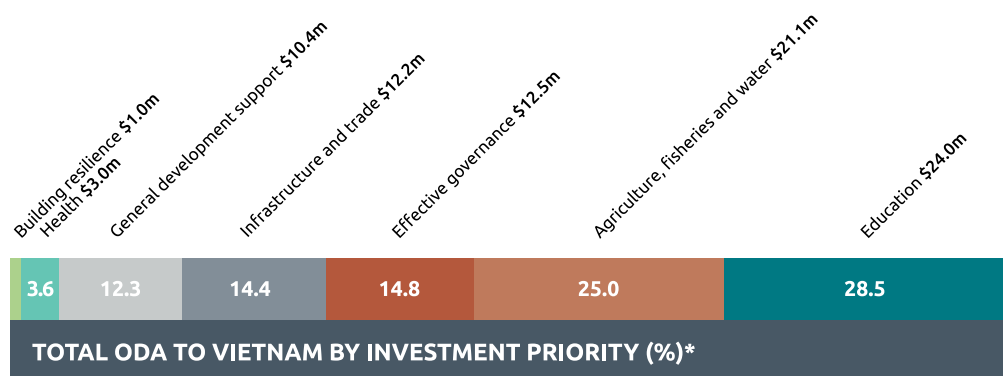
In 2018–19, Australian development support to Cambodia will focus on:

- » improving access to rural infrastructure, including electricity and treated piped water to households and businesses, rehabilitating rural roads and civil infrastructure damaged during severe flooding
- » increasing incomes for smallholder farmers, increasing Cambodia's trade in milled rice and other crops and building new irrigation canals for farmer communities
- » strengthening Cambodia's health financing system to improve efficiency and quality of care, in line with Australia's Health for Development Strategy 2015–2020, and addressing poor reproductive, maternal and neonatal health for vulnerable women
- » improving the sustainable delivery of quality services to women experiencing violence and to people living with a disability

- » enhancing our Australia Awards Scholarships through a new agreement to award both long and short-course scholarships to the best and brightest Cambodian students to study in Australia, focused on providing equal opportunity for women, people with disabilities and people from the provinces
- » promoting women’s economic empowerment and extending the reach of sexual and reproductive health services where there is unmet need, through activities working with midwives and local women entrepreneurs.

Vietnam

2018–19	
Program	Budget Estimate \$m
Country	58.4
Regional	10.4
Global	10.2
Other Government Departments	5.2
Total ODA to Vietnam	84.2



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

Australia and Vietnam’s partnership extends across political, security, economic and people-to-people activities. Vietnam is one of our fastest growing trade partners and is central to regional security in South-East Asia.

Vietnam has recorded strong economic growth of more than 6 per cent per year over the past three years, and the economy has great potential if Vietnam can harness innovation and increase the uptake of technology. Growth currently is constrained by low productivity, poor infrastructure and a lack of competition in key areas of the economy. Inequality, particularly for women and ethnic minorities, remains significant and 9 million people continue to live below the national poverty line.

Reflecting our maturing economic partnership, we will continue to work with Vietnam to capitalise upon its significant domestic resources and foreign investment, and support its efforts to enter a new phase of economic development.

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

- » encouraging the private sector to take a lead role in driving sustainable growth and promoting better resource allocation through more efficient and competitive markets
- » making Vietnam’s education system more valuable for industry and addressing key policy skills gaps in government through our skills development program, including promoting a Women in Leadership agenda
- » advancing the economic and social benefits of gender equality through our work to promote women’s economic empowerment.

Case study: Cao Lanh Bridge



Cao Lanh Bridge, Vietnam. Photo: DFAT

The Mekong Delta is the third largest industrial centre in Vietnam and contributes 70 per cent of Vietnam’s agricultural and fishery exports. However, poor road networks and vulnerability to natural disasters have prevented agricultural and industrial investments that would lead to increased economic activity and improved living standards for local communities.

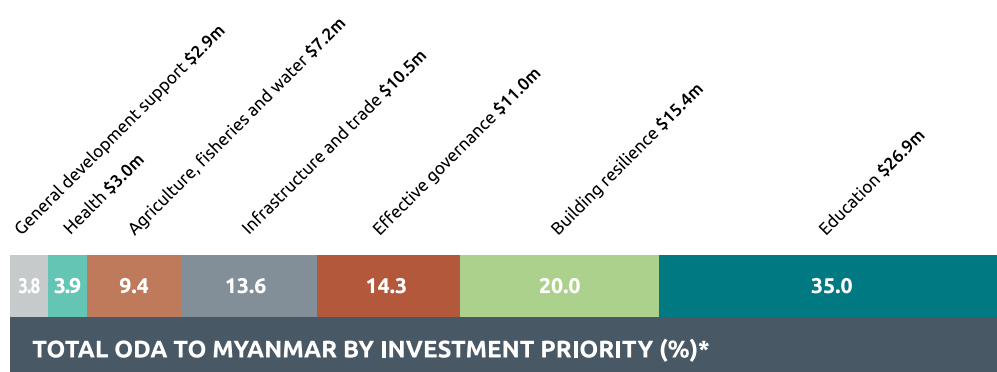
To address this, Australia has funded the design and construction of the Cao Lanh Bridge that will replace slow ferries and improve 25 kilometres of interconnecting roads. The bridge will create a crucial new transport link that will spur economic development by connecting the 18 million people in Vietnam’s Mekong Delta to regional markets. Five million people are expected to directly benefit from the bridge, with 170 000 using it daily. This project will link producers in the Mekong Delta to markets in Ho Chi Minh City and provide a link to Thailand through Cambodia on highways being upgraded by the ADB with Australian support.

The Cao Lanh Bridge is the largest single Australian Aid activity in mainland South-East Asia (\$160 million, 2011–18). Our support has included a focus on mitigating risks by, for example: ensuring the bridge can withstand the impacts of climate change; providing support to reduce land acquisition and resettlement impacts; and reducing vulnerability to HIV/AIDS and trafficking women and children.

The Cao Lanh Bridge builds on Australia’s previous investment in the My Thuan Bridge that is still known throughout Vietnam as the ‘Australian Bridge’.

Myanmar

2018–19	
Program	Budget Estimate \$m
Country	42.1
Regional	11.9
Global	18.5
Other Government Departments	4.4
Total ODA to Myanmar	76.9



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

The Myanmar Government is undertaking complex economic and political reforms and pursuing a nationwide peace process after five decades of military rule. Many people are internally displaced in Kachin, Rakhine and Shan states because of years of conflict and outbreaks of intercommunal tension. In Rakhine State, human rights abuses in 2017 led to large numbers of people fleeing to Bangladesh, creating the region's current largest humanitarian crisis. The situation underlines the need for Australia to remain engaged on human rights issues as well as development and humanitarian assistance. Our efforts in Myanmar will continue to promote and protect the international rules-based order in line with the White Paper, supporting stability, prosperity and global cooperation.

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

- » promoting peace and stability by supporting the nationally led peace process, peacebuilding, inter-communal harmony and social cohesion activities, which will also help implement the Women, Peace and Security agenda
- » strengthening democratic institutions including through support to parliament, civil service reform, rule of law centres and the Myanmar National Human Rights Commission
- » delivering humanitarian assistance, including to displaced people in Rakhine, northern Shan and Kachin states
- » improving access to quality education, including through the Myanmar Education Quality Improvement Program, and assisting the Myanmar Government to promote access to education through the School Grants and Stipends Program
- » promoting inclusive economic growth, including through regulatory reform that supports investment and fiscal transparency and promotes women's economic empowerment.

Case study: Promoting inclusion of small and medium enterprises in Myanmar's tourism industry



These initiatives shows tourists the Myanmar way of life. Photos: Australian Volunteers International

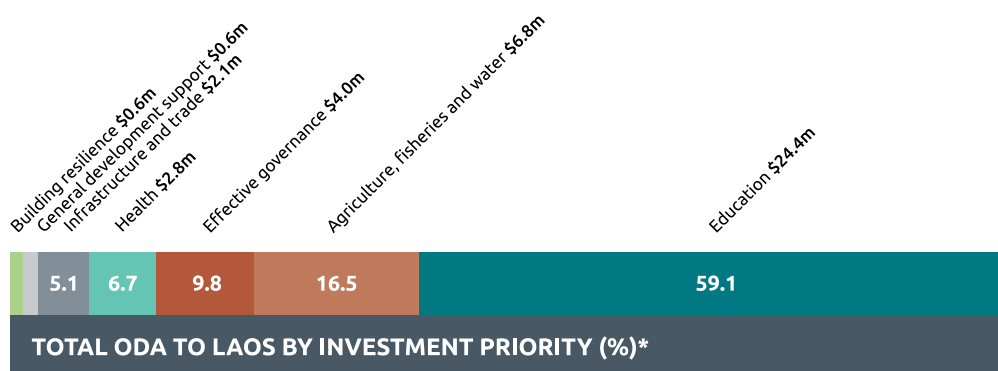
In 2018–19, the Business Partnerships Platform (BPP) will continue to build Australia's collaboration with business and civil society in addressing development challenges.

For example, Australian Volunteers International partnered with global tourism company Intrepid Travel through the BPP to develop the Sustainable Tourism Hub in Myanmar. The Hub is providing business advisory services, funding and skills development to small and medium sized tourism enterprises, focusing on people who would otherwise face significant barriers to participation in the tourism market in Myanmar, such as women, ethnic minorities and people with disabilities. This partnership is designed to meet increasing demand for sustainable, local experiences in the Myanmar tourism market.

Through the BPP, Australian Volunteers International and Intrepid Travel have formed a collaborative partnership to improve tourism suppliers' skills to boost economic growth to meet consumer demand. The initiative has trained 28 candidates in sustainable tourism management and supported 10 businesses to develop their tourism products to take to market. Successful products include bags and jewellery made from recycled materials, a demonstration of traditional tea making at a tea shop in Myanmar and cooking classes that employ housewives to teach tourists how to cook traditional home-cooked meals.

Laos

2018–19	
Program	Budget Estimate \$m
Country	20.6
Regional	7.4
Global	9.3
Other Government Departments	4.0
Total ODA to Laos	41.3



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

Australia and Laos share a strong and diverse relationship underpinned by deepening economic ties, community links and development cooperation. Standards of living have improved for many, but the country still faces significant development challenges. The benefits of economic growth have not been shared equally, particularly in rural areas, and some social development indicators remain weak. Key development challenges include limited access to quality education services, skills shortages, and constraints to the development of the private sector.

In 2018–19, our development assistance will focus on:

- » improving access to basic education for disadvantaged girls and boys through increasing student participation, improving the quality of teachers and teaching materials, and improving school infrastructure
- » developing Laos’ human resource and institutional capacities through our scholarships and training program, and through activities to promote women’s leadership
- » promoting broad-based economic growth through removing regulatory barriers to trade and investment, improving the business environment, and improving access to finance for Laos’ poor.

Consistent with the White Paper, the focus of Australia’s development assistance to Laos is:

- » contributing to global efforts to reduce poverty, alleviate suffering and promote inclusive and sustainable development
- » building our influence through education, including the Australia Awards.



**BASIC EDUCATION
QUALITY AND
ACCESS IN LAOS**

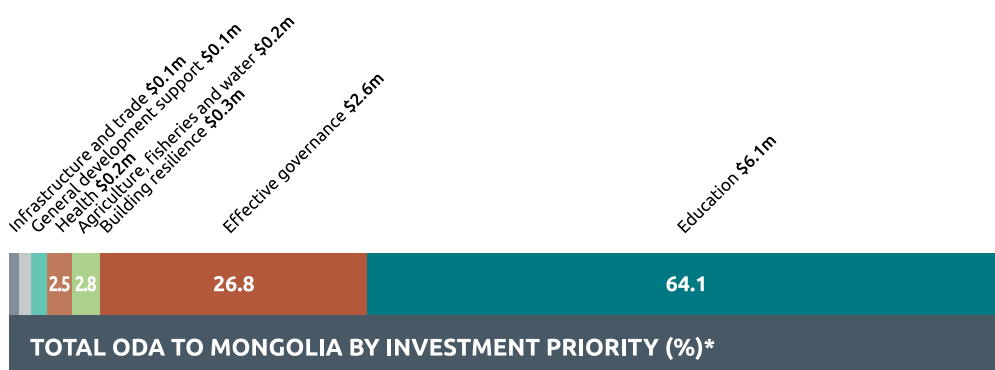
\$64m

\$48.9 MILLION FROM AUSTRALIA OVER FIVE YEARS (TO BE COMPLETED BY AUGUST 2020), CO-FUNDED WITH THE EUROPEAN UNION AND USAID

Strengthen national education systems (including primary curriculum), improve quality of teaching and targeted support for educationally disadvantaged areas of Laos (focused on ethnic children, girls and children with disabilities).

Mongolia

2018–19	
Program	Budget Estimate \$m
Country	5.9
Regional	2.1
Global	1.4
Other Government Departments	0.2
Total ODA to Mongolia	9.6



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

The opening of the Embassy in Ulaanbaatar in 2015 was an important milestone in the bilateral relationship, recognising that Australia is an important investor and a source of expertise in the extractives sector, and that Australia and Mongolia share commitment to democracy and interests in an open, rules-based regional order.

The performance of Mongolia's economy is driven by its mining industry, particularly the production of copper, gold and coal, with the mining sector accounting for approximately 20 per cent of GDP and almost 90 per cent of exports. As mining output increases and commodity prices improve, the mining sector, if managed well, will lead to increased economic growth and a reduction in poverty.

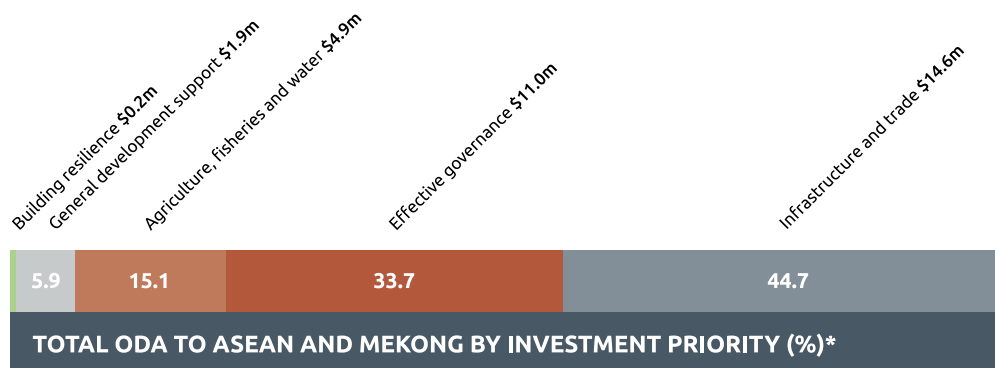
In this context, Australia's development assistance promotes inclusive, well-governed, efficient public and private sectors that enable Mongolia to benefit from resource-driven growth. The development program provides Australian expertise in technical assistance, tertiary education and resources governance, and is aligned with the development objectives identified by the Mongolian Government.

In 2018–19, Australian development support to Mongolia will focus on ensuring that:

- » Mongolia's government, civil society and private sector personnel have the skills and qualifications to deliver better services and drive economic growth
- » Mongolians are benefiting from a well-governed mining industry.

Association of Southeast Asian Nations and Mekong

2018–19 Total ODA allocation: \$32.6 million



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

Australia’s ASEAN and Mekong programs support the shared vision of ASEAN Member States to realise a politically cohesive, economically integrated and socially responsible community in South-East Asia.

The 2018 Australia-ASEAN Special Summit marked the start of a new era within the signing of The Sydney Declaration. The Declaration details the vision of the ASEAN-Australia partnership and our shared commitment to elevate cooperation. During the Summit, leaders agreed to boost trade, investment and business links between Australia and ASEAN, with new initiatives on smart cities, infrastructure development, economic policy cooperation, digital standards, education exchanges, counter-terrorism and security cooperation.

The ASEAN and Mekong Program’s economic investments focus on: enhancing regional economic integration and connectivity; improving access to financial services for low-income men and women in ASEAN; supporting entrepreneurship, innovation and economic policy making; and building the capacity of women’s organisations to promote women’s economic rights. Australian Aid works to improve the sustainable management of shared water resources for greater food, energy and water security.

Our flagship counter-trafficking and safe migration investments support effective regional responses to cross-border governance challenges, human rights issues and stable and inclusive growth. This work has supported the development and implementation of the ASEAN Convention Against Trafficking in Persons, Especially Women and Children, and renewed regional and global efforts to combat trafficking and modern slavery.

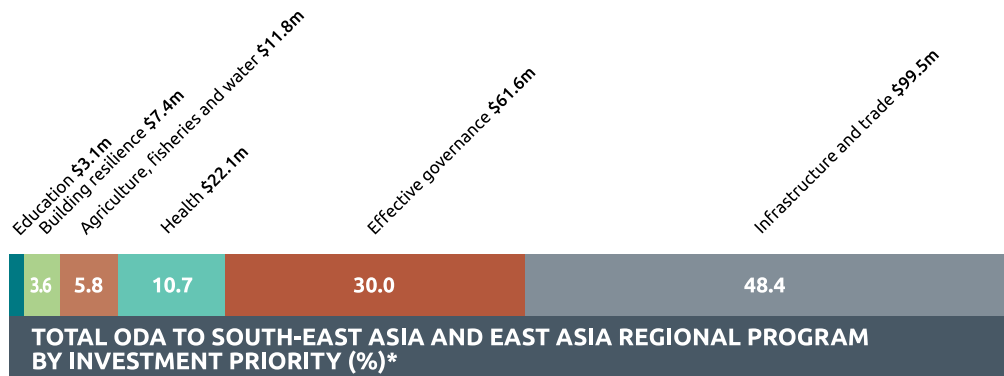
In 2018–19, Australia’s ASEAN and Mekong Program will, among other programs, support the:

- » Greater Mekong Water Resources Program initiatives, which continue to play a significant role in support of more equitable, inclusive, transparent and effective water resources management across the Mekong sub-region. Effective governance of water resources is critical to the region’s water, food and energy security. The program aims to maximise benefits and minimise negative transboundary social and environmental impacts of water infrastructure projects.

- » new ASEAN-Australia Counter-Trafficking initiative, which will build on our 15-year history of supporting improved criminal justice sector responses to human trafficking in ASEAN, including through our current investment in the Australia-Asia Program to Combat Trafficking In Persons. This new 10-year investment will continue to support implementation of the ASEAN Convention and enhance victim rights protection.
- » ASEAN-Australia Digital Standards initiative, which will provide a framework for Australia and ASEAN countries to cooperate in developing, adopting and using international standards that promote digital trade and support inclusive economic growth in the region.

South-East and East Asia Regional

2018–19 Total ODA allocation: \$14.6 million



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

‘Bolder and sustained collective actions needed.’

‘Deepen regional economic integration.’

‘Realise the full potential of the business sector, particularly the small and medium-sized enterprises.’

November 2017,
APEC Leaders Meeting

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 Asia-Pacific Economic Cooperation (APEC), which accounts for more than half of global GDP and more than 2.8 billion people. APEC partners account for more than two-thirds of Australia’s total trade in goods and services. Australia’s prosperity depends on open trade and investment.

In 2018–19, Australian development support for APEC-related activities in the South-East and East Asia Regional program will focus on initiatives that respond to the calls made by APEC Leaders as well as development priorities outlined in the White Paper. This will involve delivering practical capacity building projects that help economies to resist the adoption of protectionist policies, keep markets open and free, and promote trade and investment liberalisation and facilitation.



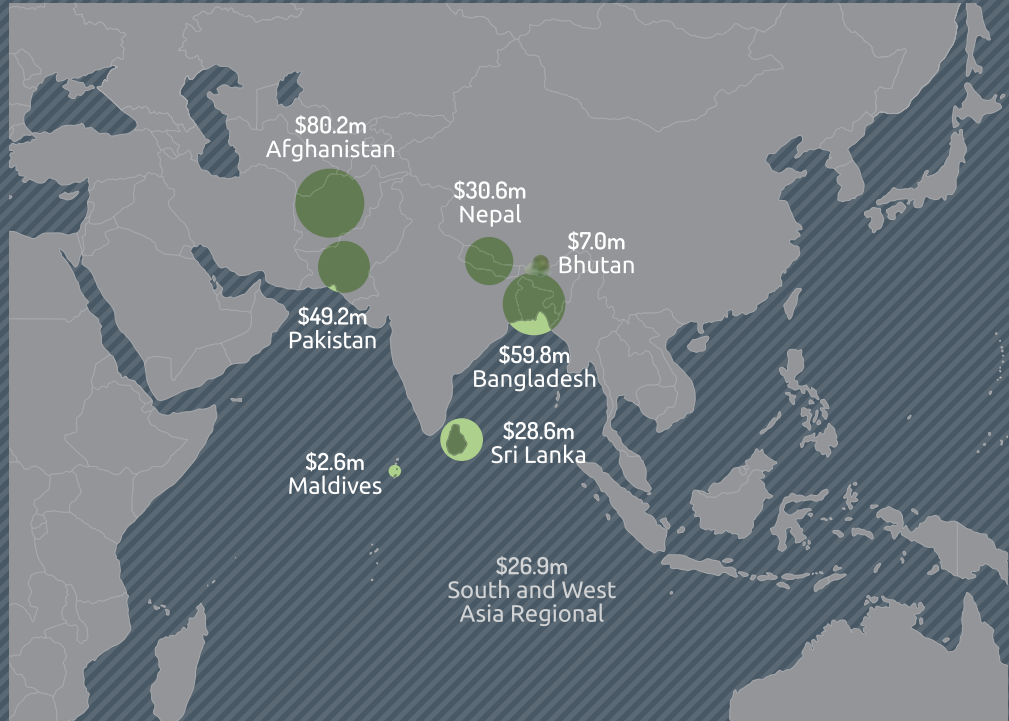
Technical and vocational training for out-of-school youth through Australia's Basic Education Assistance for Muslim Mindanao project. Photo: DFAT

Targeted APEC-related development work will include:

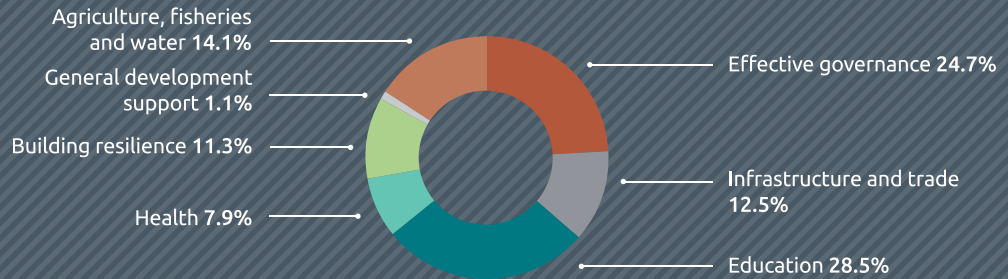
- » progressing structural reforms to boost productivity and strengthen inclusive economic development and growth
- » implementing individual and collective actions to drive greater liberalisation of the services sector
- » advancing policy and practical efforts that draw on digital technologies to boost trade and inclusive economic growth
- » making economic growth more inclusive by promoting the development of remote areas
- » strengthening women's participation in the economy, including by supporting their role in international trade and export markets
- » maintaining the active involvement of business in developing human resources and promoting job creation.

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

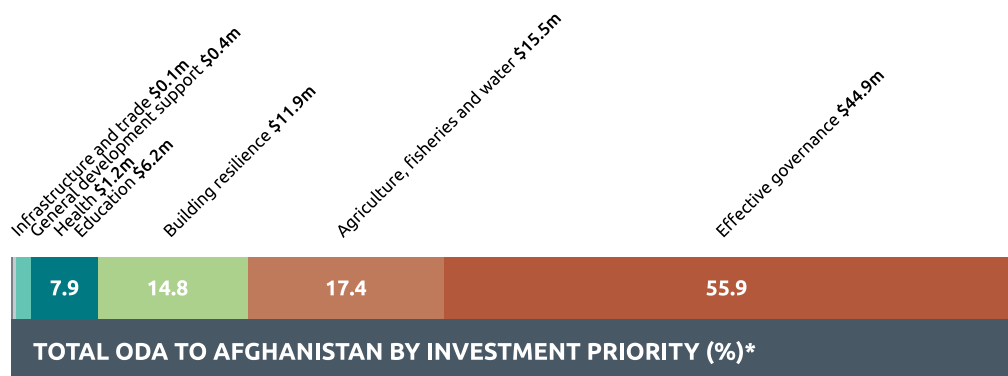


49%
females

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



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.

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.

\$80 million annually to Afghanistan from 2017 to 2020

2016 Brussels Conference on Afghanistan

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

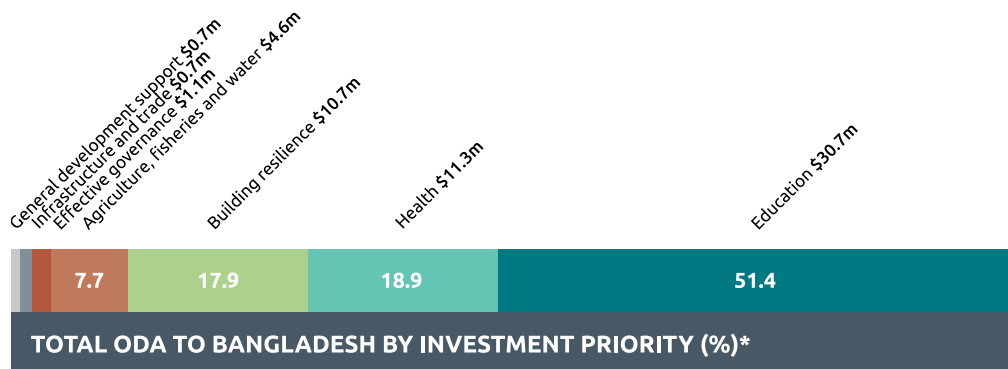
The Regional Humanitarian Strategy for Afghanistan and Pakistan (\$60 million, 2018 to 2020) is a new approach to humanitarian funding to support refugees and internally displaced peoples and host communities.

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.

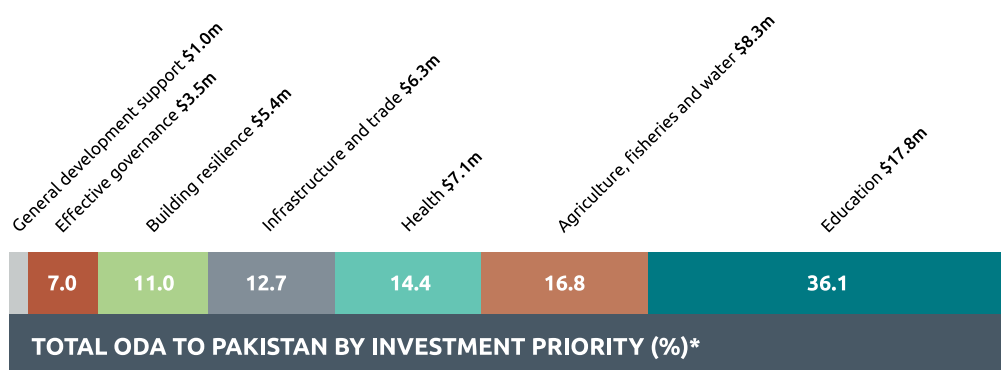
Australian Aid will be delivered through strategic partnership arrangements, including with the World Food Programme, BRAC (Bangladesh's largest NGO) and other humanitarian partners with a proven record for effective and efficient aid delivery.



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

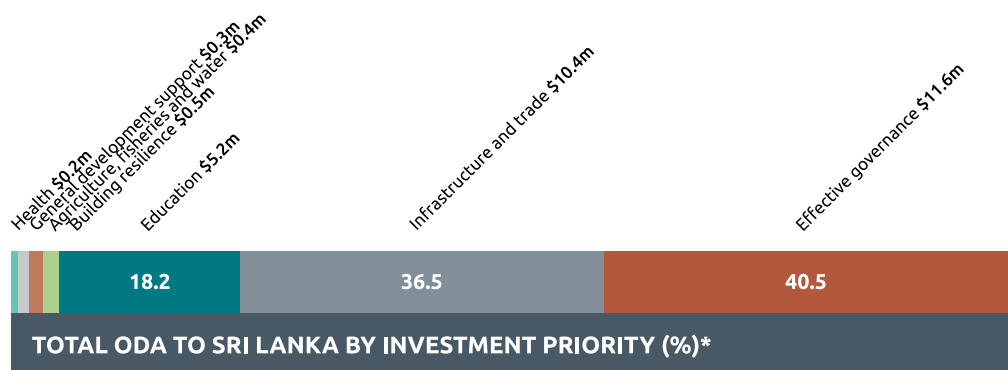
The Khyber Pakhtunkhwa Education Sector Program (KESP) is making great efforts to advance universal education. The program aims to increase the number of children (especially girls and marginalised groups) who enrol in and successfully complete quality primary and secondary education.

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



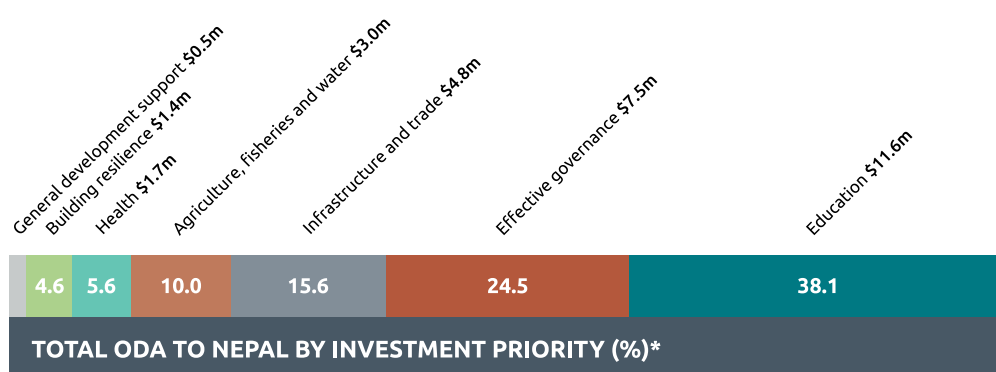
In 2018–19, Australia’s development assistance will take forward its economic partnership approach, with the aim of maximising the number of Sri Lankans who benefit from economic growth. The goal of the program is to assist Sri Lanka’s progress as an inclusive, secure, stable and prosperous partner in 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

Infrastructure and trade \$0.1m
 Health \$0.1m
 Agriculture, Fisheries and water \$0.2m
 Building resilience \$0.2m

Education \$6.4m



* 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

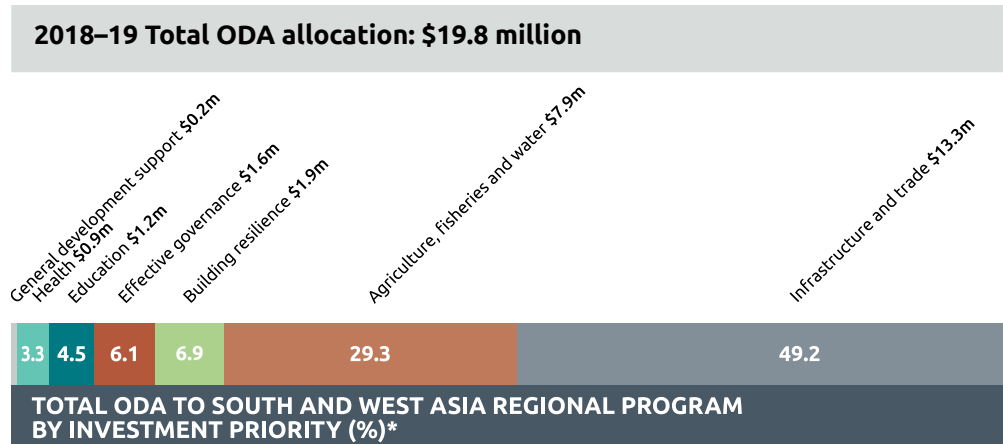
Education \$2.6m



* 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



* 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).

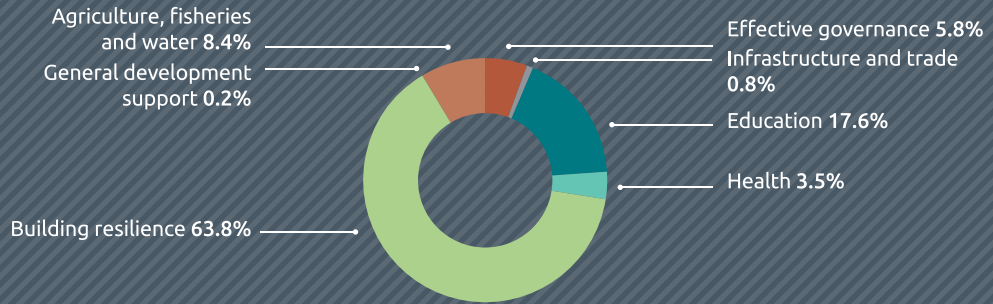
In 2018–19, SDIP will support further research, policy reform and capacity building to strengthen regional cooperation and generate new knowledge on the interdependencies between water, energy and food security.

2018-19 TOTAL AUSTRALIAN ODA TO THE MIDDLE EAST AND AFRICA*

\$258.5 MILLION



Australian ODA by investment priority



Program highlights



PALESTINIAN TERRITORIES WORLD BANK TRUST FUND
\$10m
2018-19



BOTSWANA SAVANNA-BURNING PROJECT
\$3.8m
2017-18 TO 2020-21



THE MIDDLE EAST AND AFRICA AUSTRALIA AWARDS SCHOLARSHIPS
329
2018

* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in the Middle East and Africa.

** Includes Iraq, Syria, and other flows to the region.

THE MIDDLE EAST AND AFRICA

Australia is promoting rules-based order in conflict-affected areas.

Australia's investments in the Middle East and Africa align with the White Paper's objective to promote international rules and stability through our humanitarian commitments in Iraq, the Palestinian Territories, Somalia, South Sudan and Syria. Further, Australian Awards promote people-to-people and institutional links with Africa and the Palestinian Territories. Australia's interests and influence are broadened in the region through our development program, building Australia's reputation as a reliable partner with commercial and educational credentials.

Case study: Empowering women through education



Australia Awards-Africa Alumnus Ms Alombah conducting field practice with a trainee in Cameroon. Photo: DFAT

Women receive close to 50 per cent of Australia Awards in Africa.

Ms Eveline Ngumbi Epse Alombah, from Cameroon, is using skills gained from the Increasing the Development Impact of Agricultural Research short course to run training programs in Cameroon. The programs have trained 558 women, 433 men and 355 youth. Those who have been trained and applied the techniques for new crop varieties report that their yields have increased from 5 tonnes to about 8 tonnes per hectare.

Ms Olayeni Maryam Temitayo, from Nigeria, is applying knowledge from the Local Economic and Social Development in Extractives short course to start a mining empowerment project to improve the livelihood of women and youth.

Ms Omenwa, from Nigeria, after attending the Ocean Governance and Sustainable Fisheries course, initiated a project to deliver training to 23 women from Nigeria's Niger Delta region, aimed at building their entrepreneurial skills and enhancing their aquaculture practices.

Ms Mazuba Mwanachingwala, from Zambia, is using her own research from her Masters of Science in Sustainable Aquaculture to show fish farmers new cost-effective approaches to develop fish feed from the by-products of locally grown crops. This project has made aquaculture a more viable option for small farmers to improve their incomes and is reducing the incidence of malnutrition for children under two years of age. The achievements of these women, and many like them, are building Australia's reputation and influence as a valued development partner.



329
awardees

ACROSS 21 COUNTRIES
IN THE MIDDLE EAST
AND AFRICA

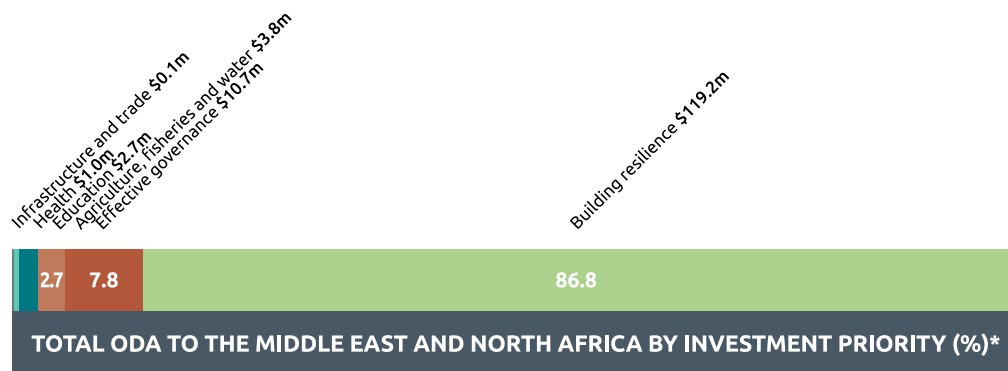


48%
females

2018
AUSTRALIA AWARDS
SCHOLARSHIPS

The Middle East and North Africa

2018–19	
Program	Budget Estimate \$m
Country	20.5
Regional	3.9
Global	113.0
Other Government Departments	0.0
Total ODA to The Middle East and North Africa	137.4



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

Iraq and Syria: The multi-year humanitarian packages

Australia provides generous assistance to address the impacts of the humanitarian crises in Iraq and Syria. The Iraq Humanitarian and Stabilisation Package provides support to the most vulnerable populations in Iraq and assist communities become more stable and resilient. The Syria Crisis Humanitarian and Resilience Package provides humanitarian assistance, including responses to gender-based violence, and focuses on education and livelihood activities in Jordan and Lebanon.

More information can be found in the Building Resilience section.

The Palestinian Territories

The Palestinian Territories is one of the poorest regions in the Middle East with the ever-present threat of conflict hampering economic opportunity and social development. These challenges are particularly acute in Gaza where the effects of previous conflicts are ongoing. The water and electricity situation in Gaza continues to deteriorate with the potential to compound an already concerning humanitarian situation. Economic growth in Gaza remains stagnant and the unemployment rate is 44 per cent.

The Palestinian Territories continue to experience a decline in international support as donors respond to the neighbouring humanitarian crises in Iraq and Syria. This is affecting the Palestinian Authority's capacity to meet its financial commitments, enact good public policy and generate economic activity. The United Nations Relief and Works Agency—a significant service provider and employer in the region—is also working in the context of increased need and reduced donor support. Operating in the territories is high risk because the environment is characterised by conflict, instability and the risk of aid funding being diverted to terrorism. The Palestinian Territories' program has strong measures in place to manage these risks.

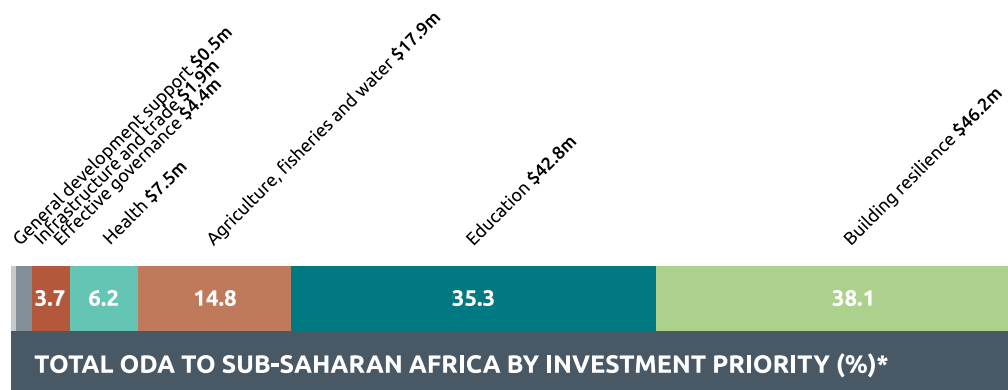
Australia has a long history of supporting Palestinians. Our development assistance is a tangible demonstration of our support for the Middle East peace process and aligns with the White Paper's priority to foster global and region stability.

Australia will implement its development program through a number of investments in 2018–19, including to the:

- » United Nations Relief and Works Agency, to provide essential health, education and protection services to more than 5 million Palestinian refugees in Jordan, Lebanon, the Palestinian Territories and Syria, including to address gender-based violence. Australia will provide \$20 million in 2018–19 as part of its \$80 million, four-year Strategic Partnership Agreement
- » Australia Middle East NGO Cooperation Agreement Phase Three (AMENCA 3), to improve the competitiveness of the agriculture sector and create jobs for women and youth in line with the White Paper's focus on supporting inclusive economic growth
- » Palestinian Authority's reform program, through a contribution to a World Bank multi-donor trust fund, which focuses on improving the Palestinian Territories' public financial management to help more effectively undertake public service delivery, budget execution and expenditure rationalisation
- » Australia Awards, to support the next generation of Palestinian leaders and build public sector policy and management capacity within the Palestinian Territories and in the agricultural sector.

Sub-Saharan Africa

2018–19	
Program	Budget Estimate \$m
Country	31.8
Regional	15.0
Global	65.4
Other Government Departments	9.0
Total ODA to Sub-Saharan Africa*	121.1



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

Sub-Saharan Africa is a diverse region with multiple development challenges. By 2030, Sub-Saharan Africa is set to make considerable progress against the SDGs in economic growth and strengthening domestic-resource mobilisation. However, most goals, including ending extreme poverty, reducing maternal mortality and access to energy, will need increased speed of progress by several multiples of current rates to reach SDG targets.

Australia's funding to Africa supports the White Paper's agenda to broaden our international influence in support of stability, prosperity and cooperation to address global challenges. Our program builds people-to-people links, supports economic engagement and promotes gender equality.

Australia has a clear national interest in the security, stability and prosperity of Sub-Saharan Africa. The growing population of the 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, transnational crime and counter-terrorism.

There has been encouraging progress in attaining gender equality in sub-Saharan Africa. The region has closed nearly 68 per cent of its gender equality gap and data suggests economic parity can be achieved in 60 years.⁴ While high female labour force participation rates are a factor in closing the region's gender gaps, women still tend to be concentrated in low-skilled roles. The focus of Australian Aid, particularly through Australia Awards Scholarships, is to promote women's access to higher skilled jobs and inclusive economic growth.

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

In 2018–19, Australian development program will support:

- » through Australia Awards, African leadership and human capacity development in the areas of extractives, agricultural and public policy, where Australia has extensive experience and expertise
- » 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 Somalia and South Sudan
- » women's economic participation and voice in decision-making in their communities and region (for example, close to 50 per cent of Australia Awards will go to women).

⁴ World Economic Forum, *The Global Gender Gap Report 2016*.

INVESTMENT PRIORITIES AND CROSS-REGIONAL PROGRAMS

Infrastructure, trade facilitation and competitiveness



AID FOR TRADE

Target met

20 PER CENT BY 2020



ASIA-PACIFIC
ASIAN
INFRASTRUCTURE
INVESTMENT BANK

\$161.1m

2018-19



INDO-PACIFIC
EMERGING
MARKETS IMPACT
INVESTMENT FUND

\$40m

2017-18 TO 2021-22

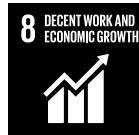
Program highlights
2018-19 Budget Estimate

Program	2018-19 Budget Estimate \$m
Pacific	278.5
South-East and East Asia	243.7
South and West Asia	35.6
The Middle East and Africa	2.0
Global*	209.0
Total ODA to Infrastructure, trade facilitation and competitiveness**	768.8

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

** Difference due to rounding.

Contributes to:
**SUSTAINABLE
DEVELOPMENT
GOALS**



A mothers group from West Ambrym launched its own virgin coconut oil producing company after attending a series of up-skilling activities organised by the Department of Industry and the Australian-funded Vanuatu Skills Partnership. Photo: DFAT

For every US\$1 of the Private Infrastructure Development Group's (PIDG) member contributions, an estimated US\$17 is mobilised from private sector sources.

2106 PIDG Annual Report

Infrastructure

Infrastructure is a key driver of economic growth. When planned, financed, constructed and managed well, infrastructure facilitates trade and investment, stimulates enterprise opportunities, generates employment and provides poor women and men with access to basic services. The many indirect benefits that flow from quality infrastructure development—reliable energy supply, better roads, improved water supply, access to sanitation, rehabilitated railways and ports, and modern telecommunications—are key factors for sustainable and inclusive social and inclusive economic growth, as well as regional connectivity, stability and prosperity.

The significant infrastructure gap in the Asia Pacific region, estimated by the ADB at US\$26 trillion to 2030⁵, is preventing countries from fulfilling their economic potential. Public funding alone cannot bridge this gap in infrastructure finance. Private capital will be essential, and Australia is committed to catalysing private investment in infrastructure in the Indo-Pacific through our bilateral, regional and multilateral partnerships.

Consistent with the White Paper, Australia will prioritise infrastructure development and investment that reinforces an open, global economy based on: fair and open competition; strong and transparent rules; non-discriminatory, predictable and enforceable regulatory systems; robust social and environmental safeguards, including gender equality considerations; a genuine need; and avoiding unsustainable debt burdens. Australia's Strategy for Investments in Economic Infrastructure will also continue to guide Australia's ODA expenditure in infrastructure and support our program teams to make informed investment choices.

Case study: Australian support for infrastructure financing

Australia supports World Bank and ADB efforts on infrastructure through co-financed projects in individual countries, and through our capital contributions to the Asian Infrastructure Investment Bank (AIIB) and core contributions to IDA and the ADB's Asian Development Fund, which contribute significant amounts to infrastructure development.

The lack of well-structured projects is a barrier to financing. Our support for World Bank and ADB project preparation facilities allows for the design of financially viable infrastructure projects that are attractive to private investors.

In addition, we fund the World Bank's Public Private Infrastructure Advisory Facility, which works to enhance the capacity of developing countries to support public-private partnerships in infrastructure.

Australia's prosperity and economic growth is tied closely to Asia. Through Australia's membership of the AIIB, we are supporting additional financing for infrastructure and greater regional connectivity in the Asia region. In 2018–19, Australia will provide \$161.1 million to the AIIB.

Australia is also an active member of the multi-donor PIDG, which mobilises private sector investment in infrastructure in frontier markets. The Group works across the infrastructure project cycle, blending member contributions with local, regional and international private sector investment, and with debt or equity from development finance institutions.

Finally, the World Bank Australia Safeguards Partnership 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.

⁵ ADB, *Meeting Asia's Infrastructure Needs*, 2017.

Case study: Emerging Markets Impact Investment Fund

Small and medium enterprises can have sustainable social and economic impacts on their communities, but can have trouble accessing the capital they need to expand their operations. While this represents great opportunities for investors, East Asia and South-East Asia currently contribute only 6 per cent of total assets under management for impact investors globally. The market in the Pacific is smaller still.

The Emerging Markets Impact Investment Fund is a \$40 million flagship financing mechanism designed to have social impact at its core and to attract greater investment to the region by deploying capital to funds that service early-stage small and medium enterprises, and by providing technical assistance to funds and businesses to improve management capacity, financial skills and business operating practices.

The Fund will support companies that benefit poor communities and enhance quality of life through products or services, supply chains, or employment practices across a range of sectors including agriculture, health care, education, financial inclusion, clean energy and technology.

The Fund will have a strong focus on targeting enterprises that have a positive impact on women, whether they are led by women, promote gender equality in their workplaces, or provide products or services that support women.



Improving water and sanitation through the Indonesia Infrastructure Facility. Photo: DFAT

Trade facilitation and competitiveness

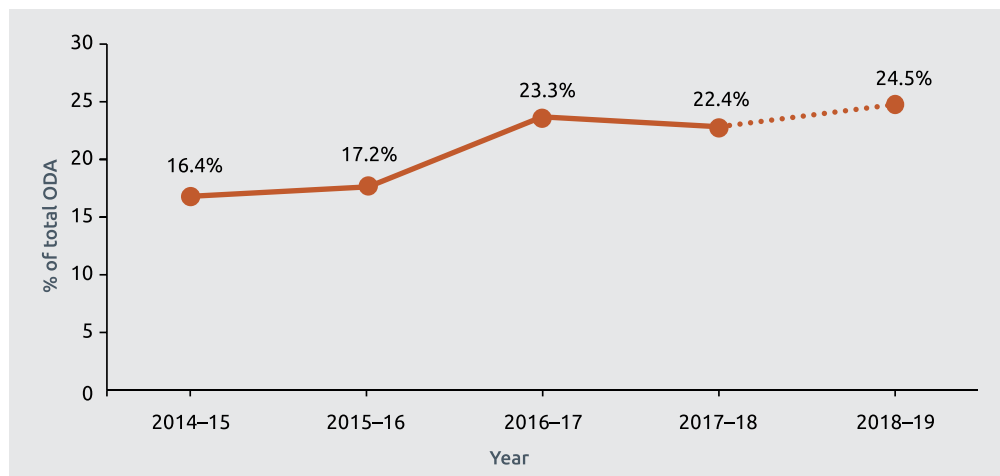
Australia's aid for trade investments involve regulatory reform, infrastructure modernisation and private sector capacity building in developing countries. The fundamental objectives of Australia's aid for trade agenda are to enhance developing countries' engagement in the global trading system through facilitating trade and building international competitiveness that empowers women economically.

Developing countries' increasing need for aid for trade is reflected in the 2030 Agenda for Sustainable Development, which calls for a rise in aid for trade investments. In response to this, the White Paper notes that aid for trade will be used to catalyse sustained and inclusive economic growth to help reduce poverty.

Australia's aid for trade work is guided by the Strategy for Australia's Aid for Trade Investments. The Strategy provides a framework to ensure that aid for trade is well-planned and effective, meets the needs of developing country partners, and is aligned with Australia's interests. The Strategy gives effect to one of the 10 Australian Aid strategic targets, which is to increase aid for trade expenditure to 20 per cent of the Australian Aid budget by 2020.

Australia surpassed this 20 per cent target in 2016–17; however as the target is a proportion of the total Australian Aid budget this will fluctuate from year-to-year. Australia's aid for trade investments are forecast to be \$1 billion in 2018–19, or 24.5 per cent of the Australian Aid budget.

Figure 2: Aid for trade trajectory



Case study: Financing trade in developing countries

International trade is a driving force behind economic growth. Since 1990, it has lifted more than a billion people out of poverty in our region. For small and medium businesses in developing countries, having access to trade finance is crucial to participating in the global trading system. The ADB estimates there is about a \$1 trillion trade finance gap in the Asia-Pacific region.

Through the ADB's Trade Finance Program, Australia is: supporting stronger prudential and governance processes for banks in the region; helping banks to develop new products that can be accessed by their customers to finance their trade transactions; and providing guarantees and co-insurance to support transactions. The outcome is improved access to trade finance in developing countries, especially for small businesses.

In 2017–18, Australia's support helped catalyse more than 3500 trade finance transactions worth \$4.5 billion in developing countries in our region. This involved more than 240 banks and benefited more than 2800 small and medium enterprises.

With Australia's support, this work is also expanding into the Pacific region for the first time. Following a rigorous due diligence process and training, banks in Fiji, PNG, Samoa and Vanuatu are now being supported to deliver loans and guarantees to prospective traders. The first transaction supported was for \$30,000 in pre-export finance to ship 8 tonnes of cocoa beans from Samoa to Japan.

Trade finance comprises loans and guarantees provided by financial institutions, such as banks and insurance companies, which allow businesses to buy or sell goods and services across borders.

In 2018–19, Australia will continue to make aid for trade investments that:

- » reduce trade costs at the border through partnerships, such as with the World Bank and the World Economic Forum, which will enable us to help developing countries make customs procedures and logistics processes more efficient
- » improve small business access to global markets in partnership with Standards Australia and the International Organization for Standardisation, which will enable us to help developing countries to modernise standards and adopt best practice in relation to digital trade and e-commerce
- » make trade more inclusive by using the platform of the Global Trade Professionals Alliance, which will assist women entrepreneurs in developing countries to build their capacity to do business internationally and connect them to networks for future commercial opportunities.

Agriculture, fisheries and water

Program highlights 2018–19 Budget Estimate



AGRICULTURE
AgRESULTS

\$20m

2012–13 TO 2019–20



GLOBAL
AGRICULTURAL
RESEARCH
THROUGH CGIAR

\$18.3m

2018–19



MEKONG
AUSTRALIAN WATER
PARTNERSHIPS

\$2m

2018–19

SUSTAINABLE DEVELOPMENT GOALS

1 NO
POVERTY



2 ZERO
HUNGER



6 CLEAN WATER
AND SANITATION



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



15 LIFE
ON LAND



Water requirements for drinking, food and energy production will increase as will demand for energy needed to grow, store and transport food, underscoring the nexus between food, energy and water.

White Paper

	2018–19
Program	Budget Estimate \$m
Pacific	83.3
South-East and East Asia	137.7
South and West Asia	39.9
The Middle East and Africa	21.7
Global*	96.3
Total ODA to agriculture, fisheries and water	378.9

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

As the world's population grows, demand for food, fisheries and water will continue to rise. These pressures, compounded by climate change, will strain the world's resources in a way that could limit future prosperity and contribute to conflict and population displacement. Agriculture and fisheries play a vital role in economic growth and poverty reduction and are key to the achievement of the SDGs, especially Goal 2. Meeting future food demand in a sustainable way will require major advances in productivity, market systems, natural resource management and governance. It will also require managing increased demand for water.

In addition to supplying agricultural products to global markets, Australia supports basic food security and efficient water management internationally by promoting agricultural, fisheries and water development through innovative partnerships with the private sector, civil society and partner governments.

In 2018–19, an estimated 9 per cent of Australia's development assistance will be invested in the agriculture, fisheries and water sectors. Australia's support is guided by the Strategy for Australia's aid investments in agriculture, fisheries and water (2015).

In agriculture, water and fisheries, Australia's priorities are:

- » strengthening markets: To help increase the participation of small-scale farmers and fishers in markets and address constraints, including by leveraging private sector investment and innovation (with an emphasis on women's economic empowerment).
- » innovating for productivity and sustainable resource use: To improve productivity along food and agriculture value chains and promote more efficient and sustainable use of natural resources, using Australian and international research and expertise.
- » promoting effective policy, governance and reform: To assist partner countries achieve more effective policy settings to promote sustainable and inclusive growth, open trade and improve the enabling environment for business, investment and innovation.
- » improving productivity, governance and sustainability of fisheries management in Pacific island countries: To increase the economic return and strengthen community-based management of fisheries to detect and prevent illegal, unreported and unregulated fishing; population growth and overfishing; and negotiate international treaties on maritime boundaries and biodiversity in the high seas.



Improving agriculture and processing coffee In Flores. Photo: Hasan Tribuana

In 2018–19, Australian development support to the agriculture, fisheries and water sector will focus on:

- » 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 with a focus on the Pacific—a highly biodiverse region
- » 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
- » strengthening efforts to share our water management expertise in the Indo-Pacific region through funding for a second four-year term for the successful Australian Water Partnership
- » supporting Pacific coastal communities to manage coastal ecosystems and develop alternative livelihoods where fish stocks are under pressure and maximise the potential of the blue economy
- » targeting water scarcity and increasing water use efficiency through improved water management, drawing on Australian expertise.

Case study: Vaccine Development Pilot

AgResults is a \$122 million collaborative initiative between the governments of Australia, Canada, United Kingdom, United States, and the Bill & Melinda Gates Foundation. The initiative designs and implements prize competitions, also referred to as pay-for-success or pull mechanisms. These innovative development finance mechanisms incentivise the private sector to work towards a defined goal shaped around overcoming barriers and developing solutions to food security and agricultural challenges that focus on poor households. Solutions are intended to be sustainable and accessible to the poor after initiatives are complete.



Making livestock vaccines, medicines and diagnostics accessible and available to the millions of smallholder livestock keepers. Photo: GALVmed

The Brucellosis Vaccine Development Pilot is a US\$30 million pull mechanism that aims to incentivise animal health companies to develop a vaccine against *Brucella melitensis*, a strain of Brucellosis that particularly affects small ruminants, such as goats and sheep, and is prevalent throughout developing countries. Brucellosis is a costly and highly infectious disease that affects livestock and causes abortions, infertility, decreased milk production and weight loss. The anticipated impact of the vaccine is to improve livelihoods and incomes for smallholder farmers by mitigating costs, improving health outcomes, reducing infection rates and reducing disease outbreaks.

Case Study: Enhancing women's economic empowerment in the mountainous North-West of Vietnam



Enhancing women's economic power: A cinnamon farmer in Lao Cai, supported under an Australian program. Photo: Oxfam Australia

The mountainous North-West of Vietnam is home to a diverse ethnic minority population. It has some of the highest levels of poverty and inequality in the country. Women in these areas are particularly disadvantaged, experiencing challenges such as isolation, lower levels of education and lack of decision-making power in their households and communities, all of which prevents them from accessing economic opportunities.

The Australian Government is supporting investments that aim to overcome some of these challenges and increase the social and economic empowerment of women in the agriculture and tourism sectors in the North-West of Vietnam. The \$33.7 million Aus4Equality program aims to support women to better engage in agriculture and tourism markets, enhance women's voices in decision-making, promote partnerships with the private sector, and support more inclusive government policies and services. In 2018–19, Aus4Equality will continue to work in partnership with the Government of Vietnam, civil society and the private sector to support small-scale farmers to improve their farming techniques, business planning and links to markets.

Australia's Women's Economic Empowerment through Agriculture Value Chain Enhancement program (\$3.5 million over four years) is also supporting the social and economic empowerment of women in the North-West of Vietnam, focusing on banana, cinnamon and pork agricultural value chains. Since 2016, the program has increased the participation and decision-making power of women in households and communities, helped producer groups achieve better access to market information, and increased farmer incomes by introducing improved processing techniques.

Effective governance

Program highlights 2018–19 Budget Estimate



PNG
JUSTICE SERVICES
FOR DEVELOPMENT

\$90m

2015–16 TO 2019–20



INDO-PACIFIC
JUSTICE AND
SECURITY

\$15.8m

2017–18 TO 2020–21



TIMOR-LESTE
GOVERNANCE FOR
DEVELOPMENT

\$72m

2012–13 TO 2020–21

SUSTAINABLE DEVELOPMENT GOALS



	2018–19
	Budget Estimate
Program	\$m
Pacific	381.4
South-East and East Asia	220.7
South and West Asia	70.1
The Middle East and Africa	15.1
Global*	124.5
Total ODA to effective governance**	811.8

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

** Difference due to rounding.

Australia focuses on creating the conditions in our region for inclusive growth within a rules-based and stable investment environment by supporting better public policy and financial management and helping to strengthen accountable and transparent governments. 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. 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 that improving governance and addressing fragility and conflict are inherently political problems, requiring a holistic (foreign policy, development, trade and security) response. Australia's efforts will continue to address the drivers of conflict, fragility and poor governance and not just their symptoms. In all our governance work, we recognise the importance of taking an approach that is sensitive to the different needs of men, women, boys and girls.

In 2018–19, 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, Australia-Indonesia Economic Cooperation Partnership, and 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

- » promoting women’s rights, such as political participation as voters and candidates in the Pacific
- » supporting countries in our region to 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
- » improving women’s leadership and decision-making opportunities in the Pacific
- » providing logistics, policy and technical advice for electoral processes in partner countries in 2018–19, such as in Solomon Islands and the Autonomous Region of Bougainville
- » improving access to justice and community safety, especially for women and children affected by family and sexual violence, and supporting capacity building for inclusive, legitimate and responsive justice systems in partner countries such as PNG, Solomon Islands and Vanuatu
- » supporting influential policy and research in Asian partner countries, including through the Knowledge Sector Initiative in Indonesia
- » 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, in partnership with the University of Birmingham
- » enhancing global efforts to implement Goal 16 on peace, justice and strong institutions, including a focus on measuring peace in the Pacific
- » funding conflict resolution and violence reduction through peace support programs in Myanmar, the Philippines and Autonomous Region of Bougainville in PNG, with a focus on implementing the Women, Peace and Security Agenda and UNSCR 1325
- » 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.

In 2018–19, Australian development assistance will enhance its capacity to support improved governance in extractive economies in developing countries, including by:

- » 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
- » 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
- » promoting and strengthening norms and standards in the extractives sector consistent with transparency, good governance and sustainability, including through 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.

Health

Program highlights 2018–19 Budget Estimate



**GLOBAL
INDO-PACIFIC
HEALTH SECURITY**

\$300m

2017–18 TO 2022–23



**GLOBAL
GLOBAL POLIO
ERADICATION
INITIATIVE**

\$18m

2018–19 TO 2019–20



**GLOBAL
SEXUAL AND
REPRODUCTIVE
HEALTH INITIATIVE**

\$6m

2017–18 TO 2020–21

Contributes to:

**SUSTAINABLE
DEVELOPMENT
GOALS**



	2018–19
	Budget Estimate
Program	\$m
Pacific	165.8
South-East and East Asia	69.3
South and West Asia	22.5
The Middle East and Africa	8.5
Global*	169.6
Total ODA to Health	435.7

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

The White Paper recognises good health and strong and resilient health systems are important to support productive societies and economic growth, and that global cooperation is essential to guard against global health risks. Alongside this, the White Paper highlights our commitment to guarding against regional and global health risks. This includes responding to the introduction and spread of infectious disease and preventing disease.

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 the health needs of women and men and regional preparedness and capacity to respond to emerging health threats. The Strategy prioritises investments in:

- » enhancing core public health systems and capacities in key partner countries, including service delivery, 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 (TB)
- » ensuring a more effective global health response, through contributing to, and influencing the work of, global health initiatives and organisations
- » implementing innovations in health that respond to the complex health challenges of our region
- » providing access to clean water and sanitation and improving hygiene practices.



A team of medical professionals from Interplast Australia and New Zealand conduct a workshop with Fijian nurses. The program is funded by the Australian Government and Rotary Clubs in Australia and New Zealand. Photo: DFAT

The White Paper gives high priority to water and references the Water for Women Fund as a key program for improving access to water, sanitation and hygiene (WASH) across the Indo-Pacific. The Water for Women Fund began in December 2017 and is being implemented by 10 civil society organisations across 16 countries. In addition to achieving WASH outcomes, the Fund will contribute to Australia's continued global leadership in the promotion of gender equality. Other Australian investments in WASH include a contribution to the World Bank's Global Water Security and Sanitation Partnership, a partnership with the World Health Organization (WHO) focusing on WASH in health care facilities and bilateral programs in Indonesia and Vietnam. Together, they comprise the Water for Development portfolio and play an important role in securing improved health and economic development in the region.

In making health investments, Australia works at country, regional and global levels to respond to partner country and regional health needs. In 2018–19, Australian development support to the health sector will focus on:

- » supporting investments across the Indo-Pacific designed to promote sexual and reproductive health rights, including focusing on the sustainable expansion of access to family planning services. These include integrated sexual and reproductive health rights and gender-based violence responses on the Afghanistan–Pakistan border; research into the barriers to adolescent female contraceptive update in the Pacific; and the enhancement of young people’s knowledge on comprehensive sexuality education through formal and non-formal education in Nepal.
- » strengthening health systems, with Australia’s largest bilateral country health investments being Cambodia, PNG, Solomon Islands and Timor-Leste
- » improving the quality and accessibility of clinical care in Pacific island countries by supporting the delivery of essential hospital care
- » assisting countries in South-East Asia and the Pacific to strengthen their public health systems and sustainably finance and manage disease and immunisation programs
- » supporting malaria elimination in the Asia-Pacific region by fostering regional partnerships and supporting the Asia Pacific Leaders’ Malaria Alliance Secretariat
- » driving change and innovation in health security policy and practice through Australia’s Indo-Pacific Centre for Health Security
- » supporting early action under the Indo-Pacific Health Security Initiative to strengthen regional health security through national and regional-level capacity building activities, investments in disease surveillance, diagnostic capacity and outbreak response, and support for improvements in the regulation of new drugs and diagnostics for infectious diseases
- » strengthening sexual and reproductive health outcomes, through three programs with the UNFPA in the Pacific and seven programs in the Indo-Pacific region, which aim to improve the supply and demand for quality services, focusing on reducing unmet need for family planning
- » deepening Australia’s engagement with international health and medical research institutions to support the development of innovative drugs, diagnostics and other disease prevention and control technologies for the benefit of the Indo-Pacific region
- » supporting global public-private partnerships, multilateral organisations and international NGOs to extend the reach of our development program to more countries and people and to promote health investment in our region. This will occur, for example, through contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria, WHO, Joint United Nations Programme on HIV/AIDS and UN Population Fund.
- » reducing childhood deaths and illness from vaccine-preventable diseases by increasing access to comprehensive routine immunisation programs through our partnership with Gavi, the vaccine alliance. Gavi promotes the use of new and under-used vaccines, strengthens immunisation systems and helps developing countries access vaccines at affordable prices.
- » improving access to safe and affordable water and improved sanitation and hygiene practices and improved nutrition including through the Water for Women Initiative.

Case study: New tools for emerging diseases

The Indo-Pacific Health Security Initiative will contribute to the avoidance and containment of emerging and re-emerging infectious disease threats that have the potential to cause social and economic harms on a national, regional or global scale. A major disease outbreak would have severe health and economic implications for Australia, our region and probably the whole world. It would cost lives and disrupt trade, investment and the movement of people.

The constant evolution of new microbes that cause endemic disease strains means that infectious diseases such as malaria and TB pose a threat to the security of our region. The international spread of infectious diseases poses further threats through trade and tourism. Many viruses and bacteria have now acquired resistance to tried and true antimicrobial drugs. That means we need to invest in the discovery and development of new treatments and diagnostic tools, and in innovative technologies for controlling mosquitoes and other vectors that promote the spread of several major infectious diseases including malaria, dengue and Zika.

To accelerate the development of innovative technologies and treatments, Australia will invest \$75 million over five years in Product Development Partnerships (PDPs). PDPs bring together funding agencies, private industry and scientists to develop new drugs, diagnostics and other disease prevention and control technologies for use in poor-country settings where market incentives alone will not drive product development.

This investment represents a 50 per cent annual increase in Australia's funding for PDPs. It follows an independent review of Australia's past support for PDPs, which found that they deliver results, manage risks while fostering innovation, and represent good value for money. Australia's previous funding of the Medicines for Malaria Venture PDP supported the development of Coartem® Dispersible, the first anti-malarial drug made especially for children. The Foundation for Innovative New Diagnostics, another PDP funded in 2015, used Australian and partner funds to develop the Xpert® Ultra test, which allows health care workers to accurately diagnose drug-resistant TB with portable, cheaper tests.

Four PDPs⁶ will receive support from Australia from 2018 to 2022 to develop new drugs and diagnostics for malaria and TB, including drug-resistant forms of these diseases, and vector control tools for a range of mosquito-borne diseases. The funding for these PDPs complements Australia's existing investment through the innovationXchange in Monash University's World Mosquito Program, which is conducting world-leading trials to eliminate the transmission of several mosquito-borne diseases including dengue and Zika in locations such as Fiji, Indonesia and Vietnam. These trials are exploiting the ability of the naturally occurring Wolbachia bacterium to block transmission of these viruses from the virus-carrying mosquitoes to humans.

By prioritising the development of new drugs and diagnostics for malaria and TB, and vector control tools for mosquito-borne diseases, the Indo-Pacific Health Security Initiative continues Australia's commitment to disrupting the spread of infectious disease through innovative approaches.

Australia has pledged

\$220m

TO THE GLOBAL FUND
FOR THREE YEARS
2017 TO 2019

**During this timeframe,
the Global Fund will:**



INVEST

\$242m

US DOLLARS

TO COMBAT
DRUG-RESISTANT
MALARIA IN THE GREATER
MEKONG SUB-REGION



INVEST

\$190m

US DOLLARS

TO FIND 1.5 MILLION
MISSING TB CASES
LARGELY WITHIN THE
INDO-PACIFIC



**PROVIDE
CRITICAL
SUPPORT**

TO COMBAT MULTI-DRUG
RESISTANT TB, PREVALENT
IN ASIA AND PNG

⁶ The four PDPs are: Foundation for Innovative New Diagnostics, TB Alliance, Medicines for Malaria Venture and the Innovative Vector Control Consortium.

Education

Program highlights 2018–19 Budget Estimate



MYANMAR
MYANMAR EDUCATION
CONSORTIUM PHASE II

\$10m

2016–17 TO 2020–21



GLOBAL
GLOBAL PARTNERSHIP
FOR EDUCATION

\$90m

2018–19 TO 2020–21



GLOBAL
EDUCATION
CANNOT WAIT

\$10m

2017–18 TO 2020–21

**SUSTAINABLE
DEVELOPMENT
GOALS**



	2018–19
	Budget Estimate
Program	\$m
Pacific	202.1
South-East and East Asia	243.7
South and West Asia	81.8
The Middle East and Africa	45.5
Global*	64.1
Total ODA to education	637.2

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

A quality education is transformational. It makes people healthier and more productive, increases their incomes and job opportunities, and gives them more control over their lives. At country level, improving education standards increases economic growth. Recent research shows that quality primary schooling was the most important factor in the economic growth experienced by East Asian countries in the second half of the 20th century.

Educating women and girls is particularly transformative. It leads to reduced rates of maternal mortality, better educated and healthier children and increased household incomes.

One-quarter of the world's school-age children live in East Asia and the Pacific. While the region is home to some of the most successful education systems, up to 60 per cent of students are in poorly performing systems where performance in key subjects is low or unknown. Girls, people living with disabilities and those facing geographic, ethnic or socioeconomic constraints, are particularly disadvantaged.

Australia and its neighbours benefit from development programs 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 2018–19, Australian development support to the education sector will focus on:

- » enabling the most marginalised in society, including girls, ethnic minorities and children with disabilities, to receive a quality education in Bangladesh, Indonesia, Laos, Myanmar, Pakistan, the Philippines and across the Pacific

- » undertaking multi-year studies to improve teacher quality and student learning in Timor-Leste and Vanuatu
- » 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 Goal 4
- » complementing our bilateral programs through contributions to global education programs like the Global Partnership for Education
- » education in emergencies by supporting Education Cannot Wait, which ensures education is prioritised in responses to humanitarian disasters.



The Basic Education Assistance for Muslim Mindanao program has established 845 learning centres in conflict-affected areas and disadvantaged communities in the Autonomous Region in Muslim Mindanao, including seven floating centres in Basilan, Sulu, and Tawi-Tawi. Photo: DFAT



3810
awardees

ACROSS 49 COUNTRIES
GLOBALLY



55%
females

2018
AUSTRALIA AWARDS
SCHOLARSHIPS

Australia Awards

The White Paper acknowledges that education, training and research exchanges are central to Australia's connection to the region. These exchanges build influence, strengthen links between people, institutions and organisations, and enhance mutual understanding. Australia invests significantly in educational exchanges through the Australia Awards.

Australia Awards are prestigious international scholarships and short courses funded by the Australian Government. They offer the next generation of global leaders an opportunity to undertake study, research and professional development in Australia and the region, so they can, in turn, contribute to the development of their home nations.

Australia Awards are a whole-of-government initiative bringing together scholarships administered by Australian Centre for International Agricultural Research (ACIAR), DFAT and Department of Education.

Australia Awards are a feature of nearly all of Australia's bilateral development assistance programs. They use Australian education and training expertise to build the capacity of our partner countries to address development challenges. They strengthen existing partnerships and develop new connections at individual, country, regional and multilateral levels.

The strategic framework of Australia Awards is outlined in the Australia Awards Global Strategy: Investing in the next generation of global leaders for development 2016–18.

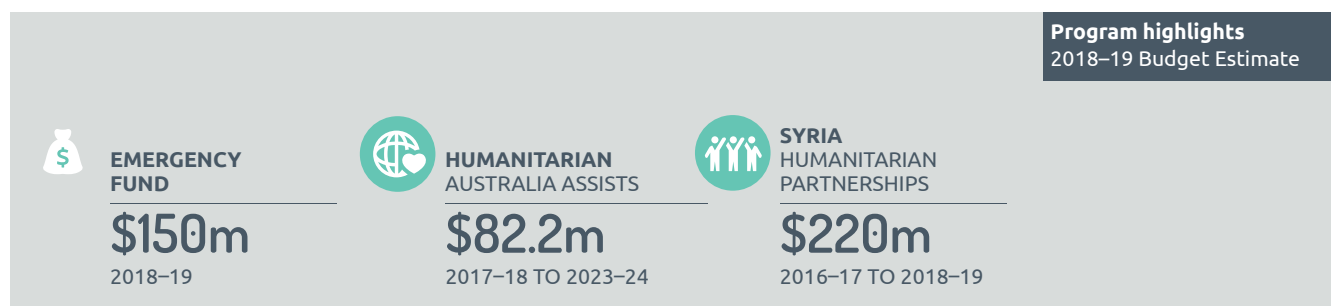
Key principles guiding investment in Australia Awards are:

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

In 2018, Australia offered 4031 Australia Awards scholarships and fellowships and short courses to individuals from more than 60 developing countries, including 1273 Australia Awards scholarships; 340 Australia Awards Pacific scholarships; 1136 Australia Awards Fellowships; 7 ACIAR awards; and 1275 Australia Awards short courses.

Australia Awards are provided in line with the priority sectors identified by each country program. They support long-term vocational, undergraduate, Masters or PhD level study at Australian institutions. Scholarship designs for each bilateral program identify priority areas of study to support partner countries' development objectives.

Building resilience



Program	Budget Estimate \$m	2018-19
Pacific	111.4	
South-East and East Asia	73.3	
South and West Asia	31.9	
The Middle East and Africa	165.4	
Global*	308.9	
Total ODA to building resilience	690.9	

* 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. The UN estimates that from 2005–2015 disasters impacted more than 1.5 billion people and caused economic losses of US\$1.4 trillion. In 2017, the World Bank assessed that global natural hazards cost more than US\$670 billion in annual consumption loss. Climate change, urbanisation and population growth are significant drivers of increased risk exposure in our region.

Australia’s development assistance to countries in the Indo-Pacific region helps to strengthen resilience and mitigate the impact of future disasters. For example, Australian investments in PNG, Solomon Island and Vanuatu have improved the resilience of critical infrastructure to extreme weather and seismic events. This infrastructure includes roads, education facilities, hospitals and health clinics, water supply and public buildings. Addressing gender equality considerations and responding to the needs of women and girls are essential steps in ensuring that strategies to strengthen resilience and reduce disaster risks are effective.

When disasters strike and during times of crisis, Australia provides generous and timely assistance to our neighbours. In our immediate region during 2017–18, we provided rapid and effective humanitarian support to communities in Indonesia, the Philippines, PNG, Samoa, Tonga and Vanuatu affected by volcanic eruptions, severe weather events and earthquakes. This assistance saved lives and helped hasten recovery and reconstruction efforts.

Additionally, Australia’s ability to mitigate disaster risks and respond quickly to emerging disasters has been strengthened through the Australian Humanitarian Partnership (AHP). The AHP is an arrangement with six leading Australian NGOs and their consortia partners, which facilitates the Australian Government partnering rapidly with organisations best placed

to provide support to affected communities during crises. In 2017–18, Australia’s funding to the AHP supported humanitarian responses in nine countries including Bangladesh, Iraq, Jordan, Lebanon, Nepal, PNG, South Sudan, Tonga, Vanuatu and Yemen.

In 2017, the AHP’s \$50 million, five-year Disaster READY initiative was launched, focusing on five countries in our immediate region—Fiji, PNG, Solomon Islands, Timor-Leste and Vanuatu—all of which are ranked among the world’s most disaster-prone countries. In 2018–19, Disaster READY will continue to assist communities and local governments to better prepare for, respond to and recover from emergencies. This assistance supports the focus in the White Paper on building resilience in the Pacific, and complements Australia’s \$38.5 million, five-year Australian Red Cross Humanitarian Partnership which works with local Red Cross and Red Crescent societies to help communities to anticipate, prepare for and reduce risks from disasters.

Case study: Tropical Cyclone Gita cash programming in Tonga



Assisting Tongan’s in the aftermath of Tropical Cyclone Gita. Photo: DFAT

On 12 February 2018, Tropical Cyclone Gita smashed into Tonga causing damage equivalent to 15 per cent to 20 per cent of GDP. The first Australian Defence Force flights arrived to deliver humanitarian supplies and expert personnel within 24 hours of the cyclone arriving. Australia’s emergency response and longer-term reconstruction assistance totalled \$14 million. This included: providing relief supplies, such as tarpaulins, for shelter; restoring power connections; and helping get children back to school.

Using an innovative approach, Australia, the World Bank and the Government of Tonga moved swiftly to make available an additional cash payment of around \$130 per person to some of the most vulnerable people affected by the storm. By using an existing Tongan Government social welfare scheme for elderly pensioners and people with disabilities, Australian assistance reached those in need less than four weeks after the storm, assisting with recovery efforts.

International experience demonstrates that beneficiaries of cash assistance recover more quickly from crises and use their funds to seek medical assistance, repair their homes, buy food, repair gardens, repair agricultural land and help family members recover.

As humanitarian crises become more frequent and complex, Australia is identifying new ways to respond, including through better engagement with the private sector. A new partnership with Australian energy companies following Cyclone Gita in Tonga enabled the deployment of a team of 10 Australian electrical lines technicians to Tongapatu, the main island severely impacted by the cyclone. These technicians, working alongside counterparts from Tonga and New Zealand, helped restore power to thousands of homes and businesses and played a vital role in helping Tonga to recover. Tongan authorities estimated that, without external assistance, restoration of power would have taken up to three months. Working together, in less than five weeks, power was back on for the vast majority of Tongans.

Table 3: Estimated breakdown of Australian Humanitarian Program funding

	2017–18 Budget Estimate \$m	2018–19 Budget Estimate \$m
Disaster risk reduction, preparedness and response	39.0	39.0
Protracted crises and strengthening humanitarian action	78.4	87.2
Emergency Fund	150.0	150.0
International Committee of the Red Cross	27.5	27.5
United Nations Office for the Coordination of Humanitarian Affairs	8.8	10.0
World Food Programme	40.0	40.0
United Nations Central Emergency Response Fund	11.0	11.0
United Nations High Commissioner for Refugees	25.0	25.0
United Nations Relief and Works Agency for Palestine Refugees in the Near East	20.0	20.0
Total	399.7	409.7

Conflict and displacement

In accordance with commitments made in the White Paper, Australia will continue to respond to the long-term challenge posed by the global displacement of people, including 22.5 million refugees and more than 40 million internally displaced people. We support displaced people as close to their homes as possible, so they can return when conditions allow. This is essential because permanent resettlement is available to only a fraction of the world's displaced.

Australia works closely with a range of international organisations to protect and support refugees and displaced people, including the UN High Commissioner for Refugees and the International Committee of the Red Cross. Australia focuses strongly on protection efforts for women and girls and people with disabilities because they are particularly vulnerable during conflicts and natural disasters.

Middle East

Now in its eighth year, the Syria conflict remains one of the biggest humanitarian and security crises facing the world today. The UN estimates that 13.1 million people in Syria need humanitarian assistance, including 6.1 million who are internally displaced. Humanitarian access remains a pressing issue and an estimated 3 million people live in hard-to-reach areas. The crisis has also displaced more than 45.6 million Syrian refugees to countries in the surrounding region, including Egypt, Iraq, Jordan, Lebanon, and Turkey. More than 91 per cent of refugees live in host communities outside formal refugee camps.

Australia's \$220 million package of assistance addresses the humanitarian and longer-term needs of displaced Syrians. The package has continued Australia's humanitarian assistance inside Syria and to refugees living in Jordan and Lebanon, including with the provision of food, shelter, medical assistance, protection, services in response to gender-based violence, and access to clean water. The package is supporting the governments of Jordan and Lebanon to host large numbers of Syrian refugees through programs to strengthen education systems and improve livelihoods for refugees and vulnerable host populations. Australia will provide \$100 million under the package in 2018–19.

The humanitarian situation in Iraq also remains grave, with 11 million people in need of humanitarian assistance. An estimated 2.6 million remain displaced by the conflict, which began in 2014. While people can return to many liberated cities and towns, significant work is necessary to restore basic services in these areas. Protection of civilians affected by the conflict remains the key humanitarian challenge.

Australia is providing a three-year \$100 million humanitarian and stabilisation package of assistance for Iraq. The package is providing predictable funding to international efforts to meet the humanitarian needs of the most vulnerable conflict-affected populations in Iraq, contributing to the stabilisation of liberated areas and promoting social cohesion. Australia will provide \$35 million under this program in 2018–19.

Africa

Australia's humanitarian assistance to Africa focuses on the crises in South Sudan and Somalia, and the resulting displacement to neighbouring countries. Five years of conflict in South Sudan has left 7 million people in need of humanitarian assistance, including 1.9 million people internally displaced. More than 2 million more people have fled from South Sudan to neighbouring countries. In Somalia, 6 million people remain in need of humanitarian assistance, including more than 2 million who are displaced (including around 1.3 million children). Australia will continue to provide humanitarian assistance to support people inside South Sudan and Somalia, through the UN and other trusted humanitarian partners.

Australia supports the Comprehensive Refugee Response Framework, which has trials in Ethiopia and Uganda, and is helping to equip refugees with skills and training, among other initiatives. At a time when traditional approaches are being overwhelmed, Australia is contributing to the development of the Global Compact on Refugees, scheduled to be agreed by UN member states in 2018. The Refugee Compact seeks to comprehensively address the needs of displaced people and to better support countries hosting large refugee populations for protracted periods.

Asia

Australia also provides generous assistance to address the impacts of the humanitarian crises in Afghanistan, Bangladesh, Myanmar and Pakistan. More information can be found in the relevant country section.

Social protection

Social protection provides direct support to poor and vulnerable people so they can feed their families, keep children in school and pursue livelihood opportunities. Australia's support to social protection is in line with the SDGs. A key target of Goal 1 and Goal 10 is to ensure appropriate social protection systems exist and to expand their coverage. Australia's approach to social protection remains focused on supporting partner governments to improve their social protection programs. These programs reduce poverty and inequality and support growth that is inclusive of the poor and vulnerable, which are important areas of focus in the White Paper.

In 2018–19, Australia will continue to work with countries in our region to develop and expand their own social protection systems. In Indonesia, Australia will assist the Papua Provincial Government to pilot a cash transfer program to reduce child malnutrition, improve child health, promote local economic growth, and reduce poverty. Through the World Bank, Australia is helping to expand Indonesia's Family Hope Conditional Cash Transfers Program from 6 million households to 10 million households by the end of 2018. This program helps the poorest families invest in the health and education of their children.

Australia is assisting the Government of Bangladesh to operationalise its ambitious new social security strategy, which is part of Bangladesh's drive to become a middle-income country by 2021. Bangladesh spends more than most countries in the region on social protection, so helping Bangladesh improve their system is an effective way for Australia to reach the country's poorest households. Australia will also continue to support the country's largest NGO, BRAC, on a program that provides cash and in-kind support to the poorest households to help build their resilience through diversified livelihoods. This model is being refined and replicated across the globe.

In the Philippines, Australia's support will focus on continuous improvement of the conditional cash transfers that cover 4.4 million poor households. Australia will also work with the government to develop a social protection framework for the Philippines to support the government's goal of providing social protection that benefits the entire population. For poor people who may miss out on the conditional cash transfer program—homeless street families, people with disabilities, and indigenous people—Australia will assist the government to improve the effectiveness of an innovative, inclusive, new program.

Australia will also continue to support the development of social protection systems that are responsive to large shocks, especially in the Pacific. There have been two recent examples of Pacific countries topping up their social protection programs after a disaster—Fiji, after Tropical Cyclone Winston in 2016, and Tonga, after Tropical Cyclone Gita in 2018. These responses provide excellent examples of the benefit of using existing social protection systems to provide extra assistance during shocks.

Gender equality fund and empowering women and girls

Program highlights 2018–19 Budget Estimate



Contributes to: SUSTAINABLE DEVELOPMENT GOALS



Australia's Gender Equality Fund (established in 2015–16) is driving stronger gender equality performance and results in Australian Aid. It supports major investments that promote gender equality and women's empowerment and demonstrate innovative practice, in line with these priorities of Australia's Gender Equality and Women's Empowerment Strategy:

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

The Fund also supports cutting-edge research and innovative initiatives in the private and civil society sectors, the results of which are leveraged to improve gender performance across the development program.

The White Paper is explicit in its acknowledgement of gender equality as a core Australian value and the empowerment of women as a top priority. There are compelling reasons for Australia to promote gender equality in our development program as well as across our foreign policy, economic diplomacy and development efforts, including:

- » ensuring women are included in all facets of economic, political and cultural life, which makes societies much more likely to be vibrant, inclusive, productive and stable
- » increasing women's participation in the economy, which strengthens the wellbeing of families and communities
- » advancing gender equality, which in the countries of Asia and the Pacific could add a 12 per cent increase over a business-as-usual GDP trajectory by 2025⁷
- » ensuring gender equality, which is essential for stability and security in our region.

Innovative programs supported by the Fund include several initiatives related to the generation of better gender statistics, an essential ingredient for the promotion of inclusive development and tracking progress in implementing the SDGs. These include:

- » UN Women's Making Every Woman and Girl Count (\$6.5 million, 2016–20), to increase the availability and accessibility of quality gender data
- » UNFPA's kNowVAWdata program, to strengthening sustainable regional and national capacity by measuring, analysing and using data relating to violence against women (\$2.3 million, 2016–20).

Gender equality is a
core Australian value
White Paper

⁷ McKinsey Global Institute, *The power of parity: Advancing women's equality in Asia Pacific*, April 2018



Building and Construction Trainer, Gael Waki, explains tile laying as part of training facilitated by the Australian-funded Vanuatu Skills Partnership in Malampa Province. Photo: DFAT

The Gender Equality Fund also facilitates Australia’s work on women, peace and security issues in accordance with UNSCR 1325 and Australia’s National Action Plan on Women, Peace and Security. This includes supporting UN Women’s multi-donor Women, Peace and Humanitarian Fund, an innovative partnership to support the crisis response and longer-term peace building efforts of women working on the frontlines of the world’s most intractable conflicts.

The Fund will contribute to the Pacific Women program (2012–22; \$320 million over 10 years), which supports a range of women’s leadership, women’s economic empowerment, and violence against women programming across 14 Pacific countries.

Case study: Influencing the private and public sectors to promote women’s economic empowerment

In 2018–19, Australian Aid’s Investing in Women program continues to promote economic growth and business development through the advancement of gender equality in Indonesia, Myanmar, the Philippines and Vietnam through a \$46 million (2016 to 2019) investment.

Core areas of Investing in Women’s work are:

- » forming business coalitions and helping those businesses to make their workplace practices more inclusive on the basis that improving gender equality in the workplace will improve productivity and help businesses attract and retain the best talent
- » working with financial investors to increase the level of private investment flowing to women-led small and medium enterprises in South-East Asia
- » helping countries to remove legal and policy obstacles to women’s full economic participation such as the work Investing in Women is currently undertaking with the Government of Vietnam to revise its labour laws.

Participating businesses in program countries are working towards and qualifying for certification on gender equality from EDGE, the leading business certification standard for gender equality. The program is also partnering with impact investment houses to spearhead gender lens investing in South-East Asia.

Case study: Promoting gender equality in Asia through better factory conditions



Women in the textiles trade are often over worked and underpaid. Photo: DFAT

Across Asia, approximately 80 per cent of garment and footwear factory workers are women. Women who work in these sectors often do not earn enough for a decent standard of living or to meet their own and their families' basic needs. Women are also often frequently subjected to sexual harassment in the workplace and have little or no access to labour rights.

To support the improvement of labour standards in the garment and footwear factories, Australia is a significant donor to the Better Work program, a joint initiative of the International Labour Organization and the International Finance Corporation. In partnership with the private sector and trade unions, Better Work supports improving workplace standards, including wages, working hours, maternity leave and labour relations. The program is operating in 1300 factories that together employ more than 1.6 million workers in seven countries. Australia's funding for Better Work goes to projects in Bangladesh, Cambodia, Indonesia and Vietnam.

In the coming years, the program will focus increasingly on the promotion of gender equality in factories, including through addressing issues relating to sexual harassment in factories and examining the impact that enhancing women's economic empowerment has in women's lives beyond the factory door.

In addition, CARE Australia is, with local partners in Cambodia, Laos, Myanmar and Vietnam, targeting sexual harassment in factories, a key obstacle to women's economic empowerment that contributes to a culture of violence against women. CARE is working with female employees, workplace managers, private sector partners, industry and regional associations, and government agencies to improve workplace practices and protections on sexual harassment and improved policy settings at national level.

Recent research in Cambodia revealed that sexual harassment in factory settings is a regular occurrence, with nearly 1 in 3 female garment factory workers experiencing it in the workplace in the previous 12 months. Drawing on CARE's tested approaches for influencing behaviour change and social norms, this program will directly impact 200 000 people over three years, creating safer and more productive workplaces.

The Fund's multi-year commitments include:



\$4m

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



\$3m

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

Disability-inclusive development

Disability inclusion is a priority for Australia's international engagement in development, humanitarian action and human rights. The White Paper, the Humanitarian Strategy 2016, and Australia's priorities for its 2018–2020 term on the Human Rights Council reflect this strong policy commitment. *Development for All 2015–2020: Strategy for strengthening disability-inclusive development in Australia's aid program*, further articulates the Australian Government's commitment to playing a leadership role in disability-inclusive development so people with disabilities in developing countries can find pathways out of poverty and realise their full potential.

People with disabilities comprise an estimated 15 per cent of the global population and are disproportionately represented among the poorest people. They often face considerable barriers, including marginalisation and discrimination, to participate in development efforts. To be effective in reducing poverty, development must overcome these barriers to actively include and benefit people with disabilities.

In 2018–19, Australia will continue to Co-Chair the Global Action on Disability (GLAD) Network alongside the International Disability Alliance and the United Kingdom’s Department for International Development. 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 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 2018–19, Australian development support for disability-inclusive development will focus on:

- » improving disability-inclusiveness in mainstream Australian Aid investments and responding to recommendations made in 2017–18 by ODE
- » working with partners like the International Disability Alliance and the UN Special Rapporteur on the Rights of Persons with Disabilities to advance disability inclusion in UN systems and programs
- » supporting disabled people’s organisations in developing countries to advocate for rights, including through the Pacific Disability Forum and Disability Rights Advocacy Fund
- » building global capacity to collect and analyse disability data through our disability data partnerships with 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.



Vanuatu people with disabilities enjoy their rebuilt facility after it was destroyed by Tropical Cyclone Pam. Photo: DFAT

Case study: Reducing inequalities for people living with disabilities in Indonesia



PUSPADI Bali staff I Made Gunung (r) holding a prosthetic leg with Australian volunteer Stephanie Fitzpatrick, at a workshop, Denpasar Timur, Bali. Photo: Harjono Djyobisono, Australian Volunteers International

More than 11 million people with disabilities live in Indonesia. Reflecting Australia's commitment to advancing human rights and the SDGs, Australian volunteers are supporting disability inclusion in Indonesia through assignments in health, education, sports, disaster risk reduction, and private sector development.

Australian volunteer Stephanie Fitzpatrick, Communications and Social Media Specialist, is on an 18-month assignment with PUSPADI Bali, helping to combat stereotypes about people living with disabilities. PUSPADI Bali provides high-quality mobility aids, education and training and advocacy programs to people with physical disabilities in Bali and Eastern Indonesia. Stephanie supports the publication and dissemination of positive stories and designs effective communication strategies to support and promote the organisation, its programs, fundraising efforts, and advocacy campaigns for the protection and fulfilment of the Rights of Persons with Disabilities.

In 2018–19, Australian Volunteers will continue to support Australia's commitment to reducing poverty and inequality by supporting men, women and children living with disabilities to reach their full potential.

Sport for development

The Australian Government is making a positive contribution to community development outcomes in the Indo-Pacific working in partnerships with sports and development actors.

Case study: Women in News and Sport initiative

The Women in News and Sport initiative is an example of the Australian Government providing opportunities for the professional development of female sports journalists in the Indo-Pacific. The Australian Government is partnering with the Australian Broadcasting Corporation to increase the quality of coverage of women and women's sport in the region.

Since its launch in 2016, the initiative has delivered workshops, panel events and mentoring opportunities for coverage of significant sports events to more than 70 female sports journalists from Indonesia, India, the Philippines, Vietnam and the Pacific region.

2018–19
global fund
partners:



GLOBAL FUND TO
FIGHT AIDS, TUBERCULOSIS
AND MALARIA

\$220m

2017 TO 2019



GAVI—THE VACCINE
ALLIANCE

\$250m

2016 TO 2020



GLOBAL PARTNERSHIP
FOR EDUCATION

\$90m

2018 TO 2020



GREEN CLIMATE FUND

\$200m

2014–15 TO 2018–19



GLOBAL GREEN
GROWTH INSTITUTE

US \$15m

2017 TO 2019



GLOBAL
ENVIRONMENT
FACILITY

\$93m

2014 TO 2018



MONTREAL
PROTOCOL

\$23.5m

2018 TO 2020



Global funds and multilateral organisations

Multilateral organisations form an important component of the international rules-based order. They set norms and standards and promote global cooperation on development issues. Their financing and norm-setting in sectors such as finance, agriculture, education, health and infrastructure is central to global prosperity. Multilateral organisations can deliver large-scale finance, analytical work and technical expertise in our region that complements and builds on Australia's bilateral program. Australia uses its influence with multilateral organisations to leverage their larger funding base and deliver more projects in our region.

In 2018–19, Australia will continue to work in partnership with global funds (2018–19 Global Fund Partners, p.106) and multilateral organisations to advance an open, inclusive and prosperous Indo-Pacific region, respond to emerging and ongoing humanitarian crises, support security, and build capacity and links to advance economic growth and open markets.

Australia will also provide funding to the ADB in 2018–19. The ADB has been a major source of development finance for the Asia Pacific Region since it was established in 1966. Australia's membership and financial contributions to the ADB provide Australia with the opportunity to engage and influence policy the highest levels for strengthened regional development outcomes. Australia has one of the largest shareholdings in the ADB and has representatives in leading position on the Board of Directors. The Australia-ADB partnership has achieved many positive results in our region through supporting infrastructure development, private sector growth, effective governance, disaster risk reduction and women's economic empowerment.

Climate change

The White Paper identifies climate change as a key political, economic and security challenge over the longer term. Responding will remain a priority for Australia's development assistance, with continued focus on the Indo-Pacific region. Australia is making targeted climate change investments and is integrating climate change considerations across the entire development program. Responses take several forms and include technical advice and strengthening governance. Responses operate across all sectors, including energy, infrastructure, education and agriculture.

Australia is committed to providing at least \$1 billion to developing countries over five years to address climate challenges. In 2018–19, Australia will invest more than \$200 million into bilateral, regional and global programs to help developing countries reduce their carbon emissions and build resilience to the impacts of climate change, which can exacerbate existing development challenges and constrain economic growth.

Pacific island countries are particularly vulnerable to the impacts of climate change. In 2016, Australia committed to provide \$300 million over four years for climate change and disaster resilience support specifically to the Pacific. Australia will commence work on several new initiatives during 2018–19. The Australia Pacific Regional Climate Change Action Program (\$75 million) will deliver a range of activities including continued investment in climate science and investments in climate governance, gender and social inclusion.

The Pacific Blue Carbon Initiative (\$6 million) will boost efforts to protect and manage coastal blue carbon ecosystems in the Pacific in partnership with Fiji and other Pacific countries, regional institutions and private sector organisations.

Beyond the Pacific region, Australia's key climate change investments in 2018–19 will include Phase 2 of the Sustainable Development Investment Portfolio (\$42 million, 2016 to 2020) to promote integrated management of water, energy and food in three major Himalayan river basins, with a focus on addressing climate change risks in these areas. Another major ongoing project is the Indonesia–Australia Partnership for Environmental Governance (\$10 million, 2017 to 2019) through which Australia is partnering with the Indonesian Government to prevent the recurrence of forest and land fires and reduce greenhouse gas emissions.

In 2018–19 Australia will also begin work on two new initiatives to drive international action on the threats facing the world's coral reefs. The Coral Reef Innovation Facility (\$5 million) will be established to help find, incubate, and accelerate solutions to coral reef management challenges common to developing countries. Approximately \$2 million will be spent to improve sharing of knowledge, experience and innovation between countries through the International Coral Reef Initiative.

Australia's contributions to multilateral organisations are central to our climate change efforts. They include:

- » ongoing commitment to the Green Climate Fund (\$200 million, 2015 to 2018)
- » contributions to the Montreal Protocol on Substances that Deplete the Ozone Layer (MPMF) (\$23.5 million, 2018 to 2020) and Global Green Growth Institute (US\$15 million, 2017 to 2019)
- » a proportion of core contributions to multilateral agencies such as the ADB, Global Environment Facility and World Bank.

The private sector plays a key role in developing countries' transitions to low-emissions, climate resilient economies. During 2018–19, Australia will explore opportunities to increase the pace and scale of private sector climate finance investments in the Indo-Pacific region.

Case study: Assistance to address ozone depletion and climate change

Australia is an active member of the MPMF. Australia played a lead role in securing agreement for the 2016 Kigali Amendment to phase-down production and imports of hydrofluorocarbons (HFC). Our influence in MPMF works to restore the ozone layer, reduce greenhouse gas emissions and provide Australian industry investment certainty and a level playing field.

As part of its membership, Australia will contribute \$23.5 million to the MPMF over three years to 2020, supporting developing countries to move to alternatives by investment funding and capacity building. The ozone layer is expected to recover by the middle of this century if all countries continue to meet their obligations.

There are dual benefits to phasing out ozone depleting chemicals such as hydrochlorofluorocarbons (HCFCs), because they are also strong greenhouse gases. The MPMF's investment in Indonesia's phase out of HCFCs will greatly reduce the climate impact of direct refrigerant emissions and indirect emissions through energy use. Australia and Indonesia are also working bilaterally to support the HCFC phase out by improving the skills of Indonesia's refrigeration and air conditioning industry, and to establish a refrigerant recovery and disposal program.

Global action to restore the ozone layer will prevent millions of skin cancers, melanomas and cataracts caused by exposure to Ultra Violet-B radiation. The Montreal Protocol reduced greenhouse gas emissions by 135 billion tonnes of carbon dioxide equivalent from 1990 to 2010. The HFC phase-down will reduce greenhouse gas emissions by 72 billion tonnes between 2019 and 2050, equating to around one and a third years of global greenhouse gas emissions.

Case study: Global Forest Observations Initiative

Australia has extensive and world-leading expertise in monitoring forests using satellite technology. We share this expertise internationally through our leadership of the Global Forest Observations Initiative (GFOI), along with the governments of Norway, United Kingdom and United States, as well as the UN's Food and Agriculture Organization (FAO), Committee on Earth Observation Satellites, European Space Agency and World Bank. Australia's contribution to the GFOI, managed by the Department of Environment and Energy, is part of a \$10 million investment for global measurement, reporting and verification. Deforestation and the resulting carbon emissions account for an estimated 10 per cent of global greenhouse gases and are one of the largest sources of greenhouse gases after electricity generation.

In 2018–19, our objective in engaging in the GFOI will continue to support developing countries to build high-quality national forest monitoring systems, with a focus on Pacific island and South-East Asian countries.

This is a key element of countries' implementation of the UN Framework Convention on Climate Change and the Paris Agreement. With monitoring systems in place, developing countries can make informed decisions on the management of their forests and quantify efforts to Reduce Emissions from Deforestation, Forest Degradation and related activities in developing countries (REDD+). These systems are also vital to the successful implementation of REDD+ funding mechanisms such as the Forest Carbon Partnership Facility and Green Climate Fund. The investment has environmental, sustainability and community benefits.

Through the GFOI, Australia led the development of an innovative and interactive resource known as REDDcompass. Launched in 2016, REDDcompass is now accessed by more 3000 users from 100 countries. It has been adopted by all GFOI partners and is delivered through intensive capacity building for 15 countries across Africa, Asia, the Pacific islands and South America.

Cyber co-operation program

In 2018–19, the Australian Government will invest \$4 million to build cyber capacity in the Indo-Pacific. This forms part of a four-year, \$14 million Cyber Cooperation Program which aims to support Australia's broader international cyber engagement which champions an open, free and secure cyberspace. Building cyber capacity in our region increases Australia's cyber resilience. The borderless nature of cyberspace means we must engage internationally to ensure we can capture the opportunities and manage the risks.

The scope of activities supported through the Cyber Cooperation Program will continue to align with the priorities identified in Australia's International Cyber Engagement Strategy.

In 2018–19, activities in our Cyber Cooperation Program will focus on:

- » raising cybercrime awareness and strengthening cybercrime legislation
- » developing cybersecurity capability, including increasing cyber incident response capacity
- » promoting a peaceful and stable online environment
- » advocating for multi-stakeholder internet governance and cooperation
- » supporting efforts to promote and protect human rights online.

In 2018–19, Australia will build on the successful partnerships developed since 2016 to provide a package of assistance in priority countries and regionally, across ASEAN and the Pacific. We will continue to support innovative approaches to building cyber capacity, seeking new proposals from businesses, think tanks, universities and the private sector.

Non-government organisations and volunteers

The White Paper identifies NGOs as vital partners in Australia’s effort to encourage greater prosperity and stability in our region. Australian, international and local NGOs have been key partners in the development program for more than 40 years, working together to support sustainable economic growth and reduce poverty. NGOs have strong connections to local communities, access to remote, fragile and conflict-affected areas, and deep development expertise.

The Australian Government’s DFAT and NGOs: Effective Development Partners policy, sets out how we leverage the knowledge and expertise of NGOs to magnify the impact of Australia’s development assistance program. We have a strategic partnership with the Australian Council for International Development to facilitate close collaboration on humanitarian and development policy issues—including transparency, accountability and effectiveness—with the NGO sector. The partnership helps to directly alleviate poverty and extends the reach of the Australian Aid program.

Australia’s trusted NGO partners deliver results. Fifty-seven Australian NGOs have been accredited through the Australian NGO Cooperation Program (ANCP), after meeting comprehensive due diligence requirements such as transparency, accountability, development approach and child protection. This program matches funding against community contributions and gives NGOs the flexibility to trial innovative approaches and maximise their comparative advantage.

In 2018–19, ANCP will:

- » work with 57 accredited Australian NGOs delivering more than 450 projects in more than 50 countries
- » fund locally-led and sustainable projects in a range of sectors including education, health, water and sanitation, food security, civil society and economic development
- » increase access to safe water, financial services and essential medicines
- » promote human rights, gender equality, child protection and disability inclusion
- » engage the private sector and enable communities to be more resilient to natural disasters.

Case study: Reducing the threat of drug resistant tuberculosis on Australia's border



The TB support team on Daru Island in PNG. Photo: Sierra Myers

The White Paper recognises the importance of preventing and responding to the introduction and spread of infectious diseases. Health crises threaten economic and human development. International travel, urbanisation and weak health systems in some countries contribute to the rapid spread of pathogens around the globe. Antimicrobial resistance is a major global health threat. If not tackled decisively, it could cause an additional 10 million deaths a year by 2050.

The Australian Government is working with Australian NGOs in PNG to help reduce the global threat caused by drug-resistant TB. With funding from the ANCP, the Burnet Institute is helping to tackle drug-resistant TB on Daru Island in PNG. Recognising the link between unfinished TB treatment and the development of drug-resistant strains of TB, a team of five peer counsellors, called TB-PALS (people affected by, living with, or having survived TB) are supporting TB patients to complete their treatment. TB-PALS provides education and counselling to support patients and their families through their lengthy treatment. This patient-oriented approach, funded by the Australian Government, is keeping patients in care and enabling a cure from TB.

Australian Volunteers

The White Paper recognises that Australia’s commitment to solving regional and global challenges underpins our standing as an influential and successful nation. Our development partnerships expand our points of engagement and international influence. The Australian Volunteers program matches skilled Australians from all walks of life with organisations in developing countries to help these organisations deliver on their objectives. In addition to sharing their expertise, Australian Volunteers also learn valuable skills and knowledge about our region that they bring back to Australia, building our workforce and cultural understanding.

Volunteers work in sectors such as health, education, business, community and social development, environment, agriculture and food security, and disaster prevention and response. The program connects Australians to Australia’s development program and the region. It raises awareness of the development program overseas and in Australia and contributes to Australia’s positive reputation in the region.

In 2018–19, the Australian Volunteers program will:

- » support more than 1100 volunteers in 29 countries
- » place at least 97 per cent of volunteers in the Indo-Pacific region with 40 per cent of assignments in the Pacific
- » create space to innovate and pilot new approaches to volunteering through the Innovation Fund and strategic partnerships
- » empower volunteers to tell their stories through a range of digital platforms, encouraging a broader group of Australians to volunteer and to raise awareness of the program.



Australian Volunteers working abroad. Photos: DFAT

Case study: Australian Aid: Friendship Grants



Australian community organisations will be able to apply for an Australian Aid: Friendship Grant to expand or enhance their development activities in the Indo-Pacific region. Photo: Darren James

All over Australia, organisations big and small, are performing great work to help people in their community and overseas. Service clubs, faith-based groups, peak bodies of doctors, nurses, farmers, as well as local government councils, diaspora groups, and many other community organisations have been helping people in developing countries for years, building strong connections in the countries in which they work.

The White Paper recognises that a wide variety of civil society actors can bring value and add to the effectiveness of Australian Aid. Following analysis of current and past mechanisms for engaging civil society and consulting more than 100 Australian community organisations, Australian Aid: Friendship Grants was designed to target a diverse group of Australian community organisations to become part of the delivery of Australia's development program.

The three-year, \$10 million small grants program, announced in the 2018–19 Budget, will provide one-off grants of \$30,000 to \$60,000 to Australian community organisations to expand or enhance their development activities, tackling poverty and saving lives in our region.

The program seeks to engage a group of new partners that reflect the diversity of the Australian community to identify and support effective community programming, and raise greater awareness of Australia's contribution to the SDGs in our region.

Funding will be provided for activities that build on existing relationships and for programs to achieve practical and tangible results.

The Australian Charities and Not-for-profits Commission's *Australian Charities Report 2016* says more than 4000 charities operate overseas and 1300 charities help communities overseas. The Australian Government is looking forward to connecting with the charities supported through Australian Aid: Friendship Grants.

AUSTRALIAN GOVERNMENT DEPARTMENTS DELIVERING AID

Australia applies a whole-of-government approach to aid delivery, forged through almost 50 years of cooperative work. The specific experience, skills and knowledge of Other Government Departments, including Australian Government, and state and territory government departments and agencies, help to reduce global poverty and improve prosperity and stability in our region. These skills are invaluable.

Other Government Departments work directly on delivering their own international development programs, representing Australia in international fora and partnering with DFAT to address specific development challenges.

Table 4: Other Government Departments delivering ODA

2018–19 Budget Estimate

	Aid delivered directly from Budget Measures \$m	Aid delivered in partnership with DFAT \$m	Total \$m
Agriculture and Water Resources	6.4	0.5	6.9
Attorney-General's Department	1.7	7.1	8.9
Australian Centre for International Agricultural Research	107.1	15.3	122.4
Australian Federal Police	38.6	6.5	45.1
Commonwealth Scientific and Industrial Research Organisation	-	3.3	3.3
Communications and the Arts	1.0	0.8	1.8
Department of Home Affairs	3.1	0.4	3.5
Environment and Energy	1.0	0.6	1.6
Finance	0.4	0.7	1.1
Health	11.0	0.3	11.3
Infrastructure, Regional Development and Cities	-	1.8	1.8
Jobs and Small Business	8.5	4.8	13.3
Prime Minister and Cabinet	-	0.6	0.6
Treasury Portfolio	185.9	0.1	186.0
Other Government Departments (Australian)	0.1	1.5	1.6
States and territories	0.3	1.5	1.8
Total ODA delivered by OGDs*	365.1	45.8	410.9

* Difference due to rounding.

Attorney-General's Department

Through the Attorney-General's Department's (AGD) 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.

AGD will contribute to effective governance and stability in the region by improving policing and criminal law policy and legal frameworks and supporting their more effective implementation.

The AGD is also implementing these programs on behalf of DFAT:

- » Indo-Pacific Justice and Security Program, designed to enhance Indo-Pacific partner countries' legal and policy responses to financial crime and illicit financial flows, exploitative irregular migration, violent extremism and international crime cooperation
- » Australia Indonesia Partnership for Justice II, designed to strengthen the rule of law and the security environment in Indonesia
- » Institutional Partnership Program in Papua New Guinea, part of a whole-of-government program designed to provide public service policy, strategic advice and capacity development, including administrative leadership and management support to counterpart PNG government agencies
- » Combatting Corruption initiative, designed to improve PNG's anti-money laundering, financing of illegal operations regime and strengthen the role of the Ombudsman Commission.

Australian Centre for International Agricultural Research

ACIAR is the Australian Government's specialist agricultural research-for-development agency. ACIAR does not undertake research but rather identifies opportunities and brokers partnerships to undertake international agricultural research and capacity building that supports agricultural private sector innovation and human development.

In 2018–19, ACIAR will concentrate its efforts in the 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.

ACIAR's partnerships and their achievements support Australia's national interests in many ways. Agricultural research for development has proven to be a highly effective route to enhancing prosperity and reducing poverty in partner developing countries, which 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.

ACIAR is working with both the public and private sectors to support innovative private sector partnerships, including extending agronomic, technical and economic information. Through such partnerships, the agriculture, fisheries and forestry sector can drive comprehensive economic transformations that deliver more equitable and sustainable growth.

Gender equality within the agricultural sector is a high priority within ACIAR's program, recognising the vital contribution that women and girls play in farming, food and health systems of developing countries. Through increasing access to services and changing attitudes and beliefs about women's and men's roles, ACIAR aims to support productive, sustainable and resilient food and farming systems.

ACIAR is also implementing a range of programs on behalf of DFAT to support environmental governance and sustainable agriculture conservation, and to support PNG's economic growth through developing competitive markets and rural development.

Australian Federal Police

AFP's International Engagement 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 2018–19, 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 to address leadership and management, policy, governance, gender equality, 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
- » Tonga Police Development Program.

AFP is also implementing the Vanuatu Australia Police Project and the Timor-Leste Police Development Program on behalf of DFAT.

Department of Health

The Department of Health's annual contribution to the WHO supports work regional and global health issues, particularly in developing countries. As the UN's directing and coordinating authority for health, 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 the Treasury

In 2018–19, the Treasury will continue to manage the payments of the previously agreed capital increase to the ADB, which will fund activities aimed at delivering tangible development benefits in ODA-eligible countries and supporting infrastructure that encourages inclusive economic growth.

Treasury also manages Australia's membership to the AIIB. In 2018–19, Australia's ODA will increase by \$161.1 million to reflect the work being done by the AIIB to foster sustainable economic development by improving infrastructure and regional connectivity in Asia.

Other contributions

The **Commonwealth Scientific and Industrial Research Organisation** delivers programs that improve sustainable water resources management capacity in South and West Regional Asia and develops block-chain platforms, facilitating trade related transactions and a transport supply chain mapping tool within developing countries.

The **Department of Agriculture and Water Resources** provides Australia's annual core contributions to FAO. Australia's contribution enables the FAO to undertake a range of activities relevant to Australia and the Asia-Pacific, such as the 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 and agriculture and rural development priorities. This includes assisting Pacific island countries 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 Communications and the Arts** will provide development assistance to the International Telecommunication Union, the UN specialised agency responsible for international cooperation in the use of telecommunications and the radio frequency spectrum. Development assistance will support activities in relation to telecommunication policy and regulation, human capacity building, cyber security, spectrum management applications, digital inclusion and emergency communications.

Communications and the Arts is working through the Australian Broadcasting Corporation to deliver the Pacific Media Assistance Scheme on behalf of DFAT. The Scheme will support the development of diverse, independent and professional media that promotes informed and meaningful public discourse throughout the Pacific region.

The department's annual contribution to the FAO supports FAO's capacity to: help eliminate hunger, food insecurity and malnutrition; make agriculture, forestry and fisheries more productive and sustainable; reduce rural poverty; enable inclusive and efficient agricultural and food systems; and increase resilience of livelihoods to threats and crises.

The **Department of Environment and Energy** provides annual contributions to the UN's Environment Programme, Convention to Combat Desertification, Convention on International Trade in Endangered Species of Wild Fauna and Flora and Convention for the Protection of the Natural Resources and Environment of the South Pacific Region. Contributions will assist developing countries in implementing environmentally sound policies and practices.

The department is also implementing a range of programs on behalf of DFAT:















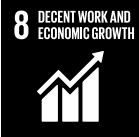


- » Kokoda Initiative Phase Three to support the Papua New Guinea Conservation and Environment Protection Authority to deliver vital environment protection work
- » Improving Indonesia's Measurement, Reporting and Verification System to support policy and decision-making, including in tackling smoke haze issues
- » the Papua New Guinea Disaster Risk Reduction Program, with Geoscience Australia to improve the response to, and management of natural hazards
- » Fisheries Development Assistance in the Pacific to reduce poverty and achieve sustainable development
- » Climate and Oceans Support Program in the Pacific, working through the Bureau of Meteorology.

The **Department of Home Affairs** will continue to work with partner governments in the Middle East, the Pacific, South-East Asia and South Asia to build their capacity to manage migration flows effectively and combat people smuggling. In 2018–19, 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 and enable countries to manage risks ahead of the border.

The **Departments of Jobs and Small Business** provide a range of development assistance including the annual ODA contribution to the International Labour Organization.

APPENDIX 1: 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The 2030 Agenda consists of 17 SDGs (Goals and the Addis Ababa Action Agenda on Financing for Development). The 2030 Agenda established the globally agreed framework for development from 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 which shaped considerable progress in development from 2000 to 2015.

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

APPENDIX 2: SUPPLEMENTARY TABLES

Table 5: Allocations by country, regional and global programs
2017–18 Estimated outcome

Program	2017–18 Estimated outcome \$m
Papua New Guinea ¹	471.8
Solomon Islands	92.7
Vanuatu	45.7
Fiji ²	40.2
Samoa	23.6
Nauru	21.2
Kiribati	20.2
Tonga	23.8
Tuvalu	6.6
Cook Islands	1.9
Niue and Tokelau	1.8
North Pacific	5.0
Pacific Regional	181.0
Pacific total	935.6
Indonesia	296.2
Timor-Leste	68.9
The Philippines	65.0
Vietnam	56.5
Cambodia	62.4
Myanmar	56.3
Laos	22.4
Mongolia	6.0
ASEAN and Mekong	33.0
South-East and East Asia Regional	8.6
South-East and East Asia total	675.3
Afghanistan	80.0
Bangladesh	72.8
Pakistan	39.8
Sri Lanka	19.5
Nepal	17.7
Bhutan	2.3
Maldives	1.8
South and West Asia Regional	20.1
South and West Asia total	254.0

Program	2017–18 Estimated outcome \$m
Sub-Saharan Africa	40.0
The Middle East and North Africa (includes the Palestinian Territories)	131.5
The Middle East and Africa total	171.5
Gender Equality Fund	37.1
Regional Scholarships and Education	102.2
Health, Water and Sanitation	132.3
Infrastructure and Rural Development	43.3
Innovation Fund	48.7
Other Sectoral Programs	87.7
Indo-Pacific Sectoral programs total	414.2
Country and Regional programs total	2,487.7
Disaster Risk Reduction, Preparedness and Response	42.0
Protracted Crises and Strengthening Humanitarian Action	38.9
Global Humanitarian Partnerships	142.2
Humanitarian, Emergencies and Refugees total	223.1
United Nations Development Fund	12.7
United Nations Children's Fund	21.0
United Nations Population Fund	9.2
United Nations Program on HIV and AIDS	4.5
World Health Organization	12.4
UN Women	7.8
Commonwealth organisations	7.2
Contribution to Global Health Program ³	64.5
Contribution to Global Education Programs ³	15.0
Contribution to Green Climate Fund ³	20.0
Other ODA eligible contributions ⁴	44.6
UN, Commonwealth and Other International Organisations total	218.9
Global NGO Programs	132.7
Australian Volunteers Program	42.6
Community Engagement and International Research	7.0
NGO, Volunteer and Community Programs total	182.3

Program	2017–18 Estimated outcome \$m
Cash payments to multilateral organisations	376.1
Global programs total	1,000.4
Departmental	248.9
Other Government Departments	242.9
Other Government Departments—Asian Infrastructure Investment Bank (AIIB)⁵	164.2
Adjustments	-67.5
Total Australian ODA	4,076.6

1 PNG's allocation includes funding for the Joint Understanding of \$62.0m in 2018–19.

2 Fiji's allocation in 2017–18 includes additional funding for Tropical Cyclone Winston.

3 Payments align 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.

5 ODA eligible portion of the Australian Government contribution to the AIIB, managed by the Treasury.

Table 6: Total Australian ODA by country and region of benefit
2017–18 Estimated outcome

Country and Region*	2017–18 Estimated outcome \$m
Papua New Guinea	541.0
Solomon Islands	136.9
Vanuatu	64.3
Fiji	61.7
Samoa	35.0
Nauru	26.1
Kiribati	27.7
Tonga	34.6
Tuvalu	8.5
Cook Islands	3.4
Niue and Tokelau	2.7
North Pacific	7.9
Pacific Regional	180.1
Pacific total	1,130.1
Indonesia	359.0
Timor-Leste	95.0
The Philippines	83.2
Vietnam	82.2
Cambodia	89.1
Myanmar	84.2
Laos	43.1
Mongolia	11.6
South-East and East Asia Regional	250.6
South-East and East Asia total	1,098.0
Afghanistan	80.7
Bangladesh	89.9
Pakistan	49.6
Nepal	33.9
Sri Lanka	27.6
Bhutan	8.4
Maldives	3.8
South and West Asia Regional	26.7
South and West Asia total	320.5

Country and Region*	2017–18 Estimated outcome \$m
Sub-Saharan Africa	137.3
The Middle East and North Africa (includes the Palestinian Territories)**	153.6
The Middle East and Africa total	290.9
Latin America and the Caribbean total	9.1
Core contributions to multilateral organisations and other ODA not attributable to particular countries or regions	1,228.1
Total Australian ODA	4,076.6

* Total Australian ODA attributable to partner countries and regions. Funding allocated to the Gender Equality Fund and Humanitarian Emergency Fund at Budget is attributed to appropriate country and regional programs to reflect actual and planned expenditure.

** Includes Iraq, Syria, and other flows to the region.

GLOSSARY OF TERMS

Appropriation	The 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, it also restricts expenditure to the purpose specified.
Australia Awards Scholarship	Australia Awards Scholarships awardee numbers represent those students that are studying on long-term scholarships, awarded and funded by DFAT, who are studying in Australia on an Australia Awards Scholarship or in selected education institutions in the Pacific region under the Australia Awards Pacific Scholarships.
Australian Aid	Used interchangeably with Australian ODA, this is the total ODA delivered through whole-of-government.
Australian Aid policy	<p>The Australian Government defined the key aspects of the development program in <i>Australian aid: promoting prosperity, reducing poverty, enhancing stability</i> and its accompanying performance framework: <i>Making Performance Count: enhancing the accountability and effectiveness of Australian aid</i>.</p> <p>The purpose of the development program is: To promote Australia's national interests by contributing to sustainable economic growth and poverty reduction. To achieve this, Australian Aid 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"> » infrastructure, trade facilitation and international competitiveness » agriculture, fisheries and water » effective governance: policies, institutions and functioning economies » education and health » building resilience: humanitarian assistance, disaster risk reduction and social protection » gender equality and empowering women and girls.
Australian Official Development Assistance expenditure lifecycle	<p>The 2018–19 ODA Budget Estimates will come to be actual expenditure on release of the publication Australian Engagement with Developing Countries. An indicative timeline of events is below:</p>

Budget Estimate	Revised Estimate	Estimated Outcome	Actual Expenditure
Portfolio Budget Statements 2018–19	Mid-Year Economic and Fiscal Outlook 2018–19	Portfolio Budget Statements 2019–20	Following the end of 2018–19 financial year

Budget estimate	An estimate, of revenue or expenditure.
DFAT official development assistance	<p>ODA delivered by DFAT. Consisting of approximately 90 per cent of ODA, DFAT manages its funding through country, regional and global programs.</p> <p>Country programs</p> <p>Country programs (also referred to as bilateral programs) are an integrated package of mutually agreed activities, which are developed planned and implemented jointly with a partner government.</p> <p>Regional program</p> <p>Regional programs are packages of activities benefiting multiple countries within a region. For example:</p> <ul style="list-style-type: none"> » Pacific Regional » ASEAN and Mekong » South-East and East Asia Regional » South and West Asia Regional. <p>Global programs</p> <p>Global programs deliver development benefits across the developing world and include contributions to:</p> <ul style="list-style-type: none"> » international organisations, emergency and humanitarian and refugee programs » contributions to NGOs and volunteer programs » development education and public information » development research.
Estimated outcome	The predicted outcome for the current financial year.
Flow	ODA attributed to a country or region of benefit.
Foreign Policy White Paper 2017	<i>Opportunity, Security, Strength: The 2017 Foreign Policy White Paper</i> sets out a comprehensive framework to advance Australia's security and prosperity in a contested and competitive world. Informed by our values, it describes Australia's national interests and the Government's international engagement priorities. It is Australia's agenda for opportunity, security and strength.

Indo-Pacific region

Australia's nearest neighbours within the Indian and Pacific oceans, eligible to receive ODA:

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	The 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

Investment priority

The development 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 Pacific 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 a 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

Better quality education enables young people to get the skills they need to contribute to the economy. Investments in health—particularly health systems—ensure that 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.

Preventing crises is a good investment, so the development program will work to reduce disaster risks and promote preparedness. The development program will also 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.

General development support

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

Non-government organisations

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 and/or undertake community development.

Official Development Assistance

As defined by the OECD DAC, ODA is:

Financial flows to countries and territories on the, DAC List of ODA Recipients and to multilateral institutions which are:

- i. provided by official agencies, including state and local governments, or by their executive agencies
- ii. each transaction of which:
 - a. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - 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).⁸

To ensure consistency in the application of ODA eligibility, the DAC has further delineated the boundaries of ODA in many areas. This includes in military aid, peacekeeping, social and cultural programs, assistance to refugees, civil police work, nuclear energy and research.

Aid Governance Board

Implementation of Australian Aid by DFAT is governed by the Aid Governance Board (AGB), established in 2018. The AGB ensures the development program is consistent with Australian Government policy, it aligns with bilateral, regional and multilateral priorities, achieves development impact, and promotes value for money.

The AGB is supported by two advisory groups:

- » Quality and Risk Assurance Unit: advising the AGB and delegates on the quality of concepts and designs of significant investments.
 - » Development Policy Forum: providing advice to the AGB on development policy and strategy and escalating issues.
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8 OECD, 'Is it ODA?', November 2008.

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

More information

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

- » Foreign policy: *2017 Foreign Policy White Paper* (the White Paper)
- » Aid policy: *Australian aid: promoting prosperity, reducing poverty, enhancing stability*
- » Budget Papers and Portfolio Budget Statements
- » Statistical summary of 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 annual Performance of Australian Aid Report.

ABBREVIATIONS AND SHORTENED FORMS

Abbreviations and shortened forms	
ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
AFP	Australian Federal Police
AGD	Attorney-General's Department's
AHP	Australian Humanitarian Partnership
AIDS	acquired immune deficiency syndrome
AIIB	Asian Infrastructure Investment Bank
ANCP	Australian NGO Cooperation Program
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asia Nations
BPP	Business Partnerships Platform
DAC	Development Assistance Committee
DFAT	Department of Foreign Affairs and Trade
FAO	Food and Agricultural Organization
GOAL	Sustainable Development Goal
GDP	gross domestic product
GFOI	Global Forest Observations Initiative
GLAD	Global Action on Disability Network
HCF	hydrofluorocarbons
HCFC	hydrochlorofluorocarbons
HIV	human immunodeficiency virus
IDA	International Development Association
KESP	Khyber Pakhtunkhwa Education Sector Program
MPMF	Montreal Protocol's Multilateral Fund
MVA	market vendors association
NGO	non-government organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OGD	Other Government Departments
Pacific Women	Pacific Women Shaping Development
PDP	Product Development Partnership
PNG	Papua New Guinea
RAMSI	Regional Assistance Mission to Solomon Islands
REDD+	Reduce Emissions from Deforestation, Forest Degradation and related activities in developing countries
SDG	Sustainable Development Goal or Goal
SDIP	Sustainable Development Investment Portfolio
SWP	Seasonal Workers Program
TB	tuberculosis
TB-PALS	People Affected by, Living with, or having Survived TB
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UN SCR1325	UN Security Council Resolution 1325 on Women, Peace and Security
WASH	water, sanitation and hygiene
WHO	World Health Organization

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