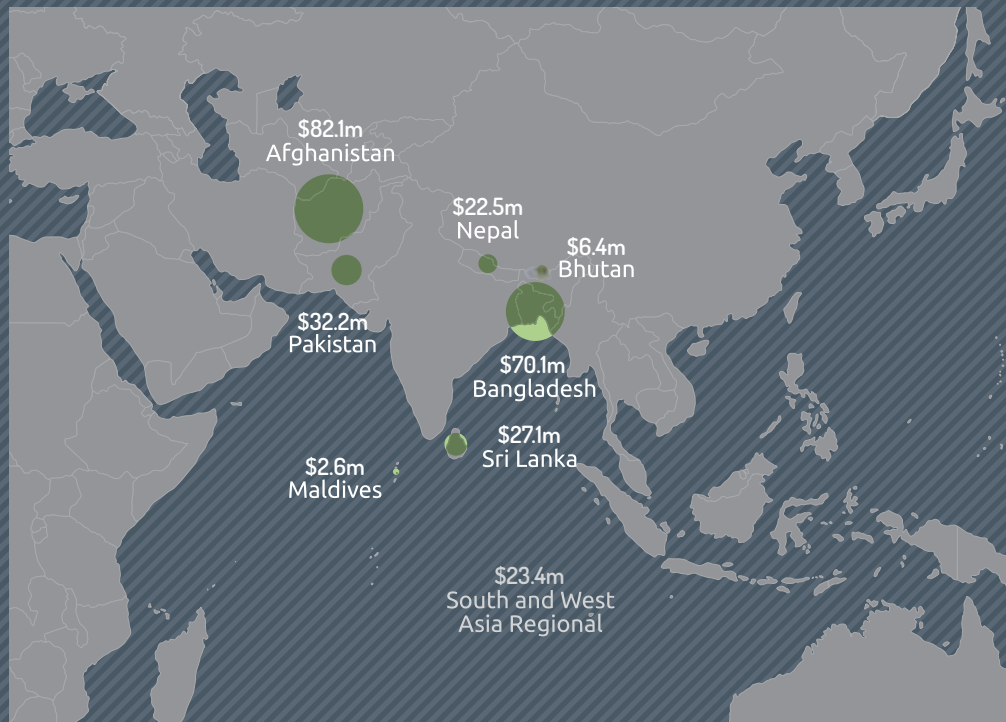
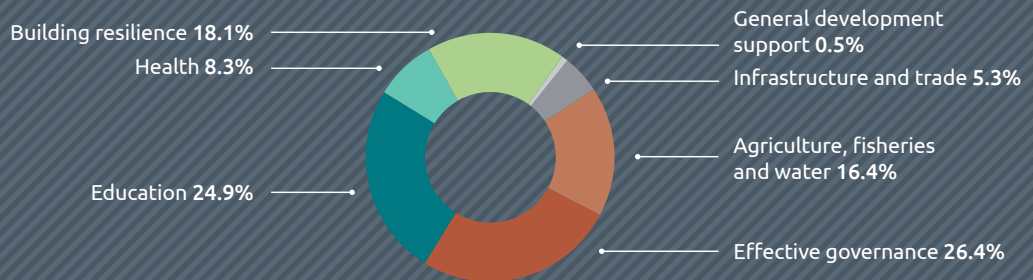


2019-20 TOTAL AUSTRALIAN ODA TO SOUTH AND WEST ASIA*

\$266.2 MILLION



Australian ODA by investment priority



Program highlights



SRI LANKA ECONOMIC OPPORTUNITIES FOR THE POOR

Aiming to reduce poverty through inclusive, private sector-led economic growth

\$34m

2013-14 TO 2021-22



SOUTH ASIA SOUTH ASIA REGIONAL INFRASTRUCTURE CONNECTIVITY

Improving cross-border trade and connectivity

\$25m

2019-20 TO 2023-24



AFGHANISTAN ELIMINATING VIOLENCE AGAINST WOMEN

Preventing and responding to violence against women in Afghanistan

\$22.5m

2017-18 TO 2021-22

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

SOUTH AND WEST ASIA

Australia promotes an open and inclusive Indo-Pacific through its work in South and West Asia. We are strengthening our economic, humanitarian and security links with the region to build prosperity, stability, closer regional cooperation and gender equality.

Australia is supporting South and West Asia's economic growth by facilitating trade and promoting investment in connectivity infrastructure. The South Asia Regional Trade Facilitation Program and the new South Asia Regional Infrastructure Connectivity initiative are raising the quality of investment in regional energy and transport infrastructure. Through the Australian Government's Sustainable Development Investment Portfolio, we are promoting better resource management practices to increase water, food and energy security in the three major Himalayan river basins. In Sri Lanka, Australia is supporting private sector-led economic growth by advancing economic reform and trade liberalisation. In Bangladesh, we are stimulating growth by creating economic opportunities for the poorest communities.

Australia is advocating for the rights of women and girls across South and West Asia through targeted investments to shift entrenched barriers to equality and reduce violence against women. We are: working with Sri Lanka's largest companies to promote women's leadership, recruitment and retention; helping women to graduate from ultra-poverty in Bangladesh; and countering violence against women and supporting their active participation in public life in Afghanistan and Pakistan.

Conflict and instability in the region have resulted in protracted humanitarian crises. Our humanitarian contributions in Afghanistan, Bangladesh and Pakistan are playing a strong role in delivering regional stability by working to meet the basic needs of vulnerable and mobile populations.

Australia is bolstering Bangladesh's response to the largest humanitarian crisis in the Indo-Pacific region—the flight of more than 700,000 Rohingya from Myanmar. We are assisting Bangladesh and other partners to address the regional implications of this crisis and respond to the needs of displaced Rohingya and the host communities being affected.

Through the Afghanistan–Pakistan Regional Humanitarian Strategy, we are providing predictable, medium-term funding for our humanitarian partners to deliver critical assistance on our behalf. Australia is working at government and community levels to help Afghanistan and Pakistan to strengthen communities, address inequality and increase economic opportunities.

Australia continues to make a major contribution to maintaining security, combating terrorism and tackling extremism across the region. We are assisting the Government of Bangladesh to combat domestic terrorist financing and helping partners to counter the pervasive use of social media for radicalisation.

Australia is working to strengthen regional architecture to better address common challenges and opportunities. Through the Indian Ocean Rim Association, we are improving maritime safety and security, leveraging the blue economy and supporting women's economic empowerment.



350
awardees

ACROSS 7 COUNTRIES
IN SOUTH AND
WEST ASIA



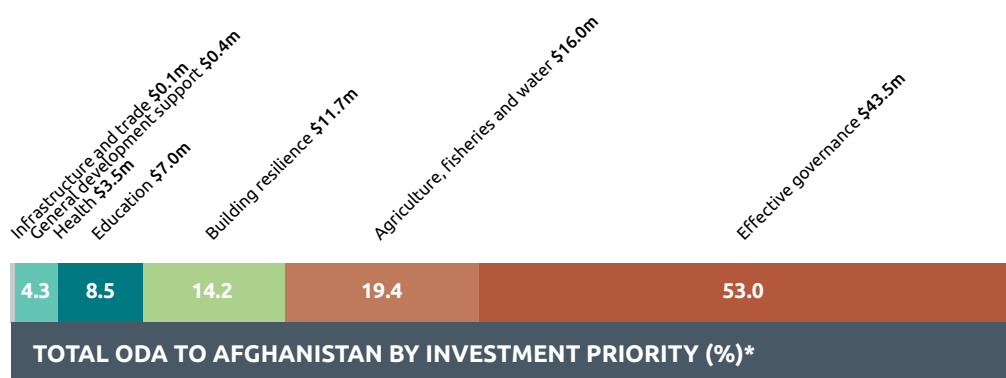
48%
females

**AUSTRALIA AWARDS
SCHOLARS ON AWARD
IN 2019***

* data as at 31 January 2019

Afghanistan

	2019–20
Program	Budget Estimate \$m
Country	80.0
Regional	0.1
Global	2.0
Total ODA to Afghanistan	82.1



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

We are committed to an inclusive Afghan-led and Afghan-owned peace and reconciliation process, preserving the country's sovereignty and territorial integrity.

A secure and stable Afghanistan is vital to containing the threat of international terrorism. Australia's development assistance to Afghanistan advances our national interests by promoting stability and providing alternatives to extremism and violence.

Afghanistan remains one of the world's poorest countries. Four decades of war have devastated the country's human, physical, social and institutional infrastructure. Violence against women and gender inequality are endemic. Only every sixth woman and one in two men can read. More than one-third of the population lives on less than USD1.25 a day.

At the 2016 Brussels Conference on Afghanistan, Australia pledged to extend our \$80 million annual development program to Afghanistan from 2017 to 2020. In partnership with other donors and in accordance with accepted best practice in fragile and conflict-affected states, Australia has aligned more than 80 per cent of our assistance to the Afghan Government's National Priority Programs.

The 2018 Geneva Conference on Afghanistan reinvigorated efforts to start a viable peace process in Afghanistan and, though nascent and fragile, talks aimed at achieving a lasting peace are underway.

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.

In 2019–20, Australia’s development cooperation will support Afghanistan by:

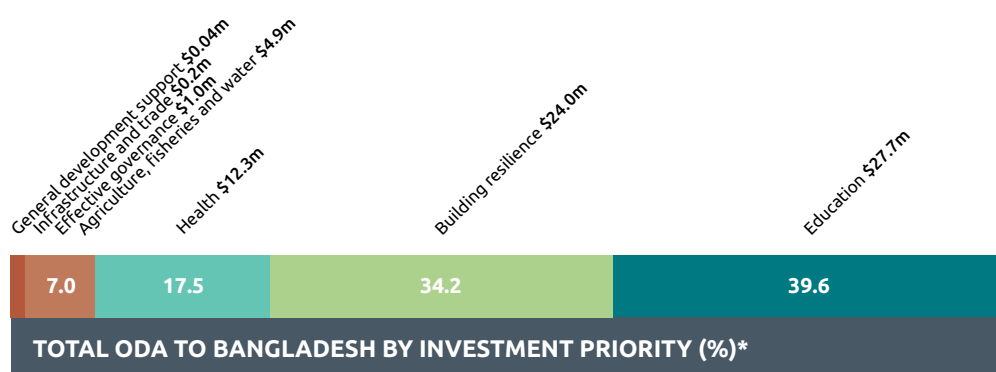
- » accelerating economic growth and improving governance through investments in the World Bank-administered Afghanistan Reconstruction Trust Fund and through strategic policy advice to the Afghan Government
- » implementing Australian commitments made during the 2018 NATO Leaders’ Summit in Brussels to support sustainment of the Afghan National Defence and Security Forces
- » empowering women and girls through higher literacy rates, better support services, advocacy and access to justice through the Empowerment through Education program, and helping to end violence against women programs
- » strengthening communities through the Australia Afghanistan Community Resilience Scheme, providing niche support to policy development on dryland farming and water resource management.

An Afghan boy in Bamyan Province, home of the Hazaras, plays with a tyre across a dry field. In 2018, Afghanistan experienced its worst drought in decades. Photo: DFAT



Bangladesh

2019–20	
Program	Budget Estimate \$m
Country	38.5
Regional	5.9
Global	23.3
Other Government Departments	2.5
Total ODA to Bangladesh*	70.1



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

Bangladesh is a partner of increasing importance to Australia in the Indian Ocean region. Having maintained impressive economic growth over the past decade, Bangladesh has reduced the number of people living in extreme poverty from 44 per cent of the population to less than 14 per cent since 1991. While life expectancy, literacy rates and per capita food production have also increased substantially, approximately 22 million people continue to live in extreme poverty. Significant challenges to inclusive growth remain—a slowing poverty reduction rate, widening income inequality, the lack of a skilled workforce, a challenging business enabling environment and regulatory framework, and the Rohingya humanitarian crisis in southern Bangladesh.

Australia has a longstanding development partnership with Bangladesh, particularly focusing on education, skills development and economic resilience among the poorest and most marginalised communities. Australian assistance in these areas will support Bangladesh in its efforts towards graduating from least developed country status by 2024. With more than 900,000 displaced Rohingya in Bangladesh, a key priority for Australian development assistance remains responding to the basic humanitarian needs of the Rohingya and host communities in Cox's Bazar District. Australia will continue to work through strategic partnerships to leverage the capability of established local development actors, like BRAC, the largest NGO in Bangladesh, that have proven capability to deliver results.

Our partnership with BRAC enabled Australia to respond rapidly when violence in Myanmar's Rakhine State drove hundreds of thousands of Rohingya to flee their homes to Bangladesh. Within the first three weeks of the crisis, BRAC provided more than 100,000 people with sanitation coverage and more than 224,000 people with access to clean water.

In 2019–20, Australian development support to Bangladesh will focus on:

- » increasing access to quality education, addressing skills gaps and creating economic opportunities for the poor so they can better engage in the growing economy
- » working with strategic partners to help women and their families find pathways out of extreme poverty
- » assisting the Government of Bangladesh to strengthen social security programs, improve the impact of public spending on social protection, and address the social security challenges of a middle-income economy
- » enabling displaced Rohingya and members of the host community in Cox's Bazar to gain access to lifesaving assistance, protection, and services for women and children
- » supporting infrastructure development, the business enabling environment and other structural reforms through regional and global investments and the Australia Awards Scholarships.

Case study: Climate and development integration in practice in South Asia



The Partnership for Cleaner Textile program in Bangladesh advised 200 factories on how to use less water, energy and chemicals. Photo: International Finance Corporation

A 12-year strategy is being implemented through the Sustainable Development Investment Portfolio Phase 2, valued at \$42 million over four years to 2020, to strengthen regional cooperation in South Asia. This includes the interdependencies between climate, water, energy and food security. Addressing climate change features as an explicit investment objective. Specialist climate data, technical support and assessment in the program cycle have strengthened decision making and program impacts.

In 2017, for example, Australia's work in partnership with other bilateral donors and the private sector improved energy efficiency in the textiles industry in Bangladesh. Australian development assistance contributed to reducing water usage by 3.1 billion litres, energy use by 606,000 megawatt hours, and greenhouse gas emissions by the equivalent of 185,000 tons of carbon dioxide.

Australian development assistance also provided electricity to further microbusiness opportunities in Bangladesh, Bhutan, India, Nepal and Pakistan, and gave 8 million people access to off-grid lighting systems. The Strategy also improved food security by helping more than 50,000 farmers—15,000 of whom are women—to adopt climate smart agricultural practices.

Other South and West Asia

Sri Lanka

2019–20 Total ODA to Sri Lanka: \$27.1 million

In 2019–20, Australia’s development assistance will continue to help build a long-term economic partnership with Sri Lanka. Despite having the second highest per capita income in South Asia, Sri Lanka also has significant income inequality and pockets of absolute poverty. Our assistance will support private sector-led economic growth that is inclusive and reduces poverty. Australia will assist with economic reform and help create new jobs in industries such as tourism, including for women and people with disability in post-conflict areas. Australia will continue to support Sri Lanka’s efforts towards post-conflict reconciliation, as part of our goal to foster stability and prosperity in the country and across the Indo-Pacific.

In 2019–20, Australian development support to Sri Lanka will focus on:

- » growing tourism markets and assisting the growth of small and medium enterprises in conflict-affected provinces in the north and east; partnering with government and the tourism industry to deliver vocational training that is accessible to women and people with disability; and linking fisheries and agricultural cooperatives in northern Sri Lanka with export supply chains
- » partnering with the IFC to work with leading Sri Lankan companies to develop the conditions that will lead to more jobs for women
- » working with partners such as The Asia Foundation and World Bank to support economic reform and improve the capacity of local governments to respond to the needs of citizens and the private sector

Case Study: Eliminating Barriers to Inclusive and Sustainable Growth in Sri Lanka

Eliminating Barriers to Inclusive and Sustainable Growth in Sri Lanka is a \$10 million investment assisting the Sri Lankan Government to put its economy on a path to sustainable growth. The program—designed to complement the Sri Lankan Government’s Vision 2025 economic reform strategy—identifies and implements a range of priority reforms to create a more agile trade regime and enhance the international competitiveness of Sri Lanka’s private sector.

Australia’s investment addresses key constraints on Sri Lanka’s global competitiveness. Delivered in partnership with the World Bank, the project provides a three and a half-year program of technical assistance concentrating on trade capacity building, removing barriers to trade, governance reforms and technical assistance, with a strong focus on training and skills development.

The program seeks to remove barriers to trade by improving investment policy to increase investor confidence, setting up a trade and investment portal, establishing a national single window for trade and investment, and significantly reducing the number of para-tariffs in Sri Lanka.

Results have been impressive, particularly in improving the ease of doing business. In 2018, Sri Lanka made a 10-point jump in the World Bank’s Ease of Doing Business ranking.

Pakistan

2019–20 Total ODA to Pakistan: \$32.2 million

In 2019-20, Australia will deliver a consolidated and targeted development assistance program in Pakistan to improve gender equality, agriculture and water security.

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

Our multi-year regional humanitarian strategy to Afghanistan and Pakistan will help displaced people and host communities, with a focus on nutrition, gender-based violence and sexual and reproductive health. Gender disparities are stark, with less than one-quarter of Pakistani women in paid work, compared to four in five men. Nine in 10 Pakistani women experience violence in their lifetime, among the world's highest rates of gender-based violence.

In 2019–20 and beyond, Australia's development support to Pakistan will focus on:

- » promoting the rights of women, girls and vulnerable groups through ongoing support to partners who work to end violence against women and girls in Pakistan, and supporting the provision of lifesaving reproductive health and family planning services to people affected by the humanitarian crisis on the border between Afghanistan and Pakistan
- » addressing Pakistan's severe water scarcity through, for example, Australia's Commonwealth Scientific and Industrial Research Organisation modelling of water flows to deliver better water resource planning and decision making for the Indus River basin, Pakistan's economic lifeblood
- » delivering inclusive economic growth and improving food security through partnerships with businesses in rural Pakistan to stimulate growth in the economy, engage women, increase incomes for the poor, and improve food security, including in the country's poorest areas.



FRIENDSHIP GRANTS

RESTORATION OF IRRIGATION WATER SYSTEMS TO ENHANCE RURAL LIVELIHOODS AND HEALTH IN SRI LANKA

SA community partner
Adelaide Sri Lanka Buddhist Vihara Incorporated

Nepal

2019–20 Total ODA to Nepal: \$22.5 million

Nepal's continued development as a democratic and stable Indo-Pacific partner is in Australia's national interest. Nepal remains one of the least developed countries in the region and continues to be vulnerable to natural disasters like the devastating 2015 earthquakes. While Nepal has experienced a broad-based recovery, more than half the population continues to face economic insecurity or risks falling back into poverty. Complex and multidimensional development challenges remain, including socio-cultural and geographical barriers to development.

With a new three-tier federal structure, the Government of Nepal is poised to embrace a new development model, aiming to become a middle-income country by 2030. Australia's development assistance is supporting this effort, including by supporting improvements to the delivery of essential services by provincial and local governments.



FRIENDSHIP GRANTS

VOCATIONAL TRAINING CENTRE AND TRAINING FOR DISADVANTAGED MEN AND WOMEN IN NEPAL

TAS community partner
Rotary Club of Deloraine Incorporated

In 2019–20, to meet other priorities the government is making a reduction to the Nepal program. Australian development support to Nepal will focus on:

- » assisting Nepal's transition to a federal system of governance by supporting the development of a strong and effective subnational government that can respond to the needs of citizens, especially marginalised groups
- » furthering our partnership with the Government of Nepal to improve resilience, humanitarian response capabilities and disaster risk reduction
- » supporting Nepal's emerging human-resource development priorities through Australia Awards Scholarships and short courses, focusing on the education sector
- » strengthening people-to-people links through the Australian Volunteers Program in areas such as urban planning, midwifery, agriculture and tourism.

Bhutan

2019–20 Total ODA to Bhutan: \$6.4 million

Australia's development assistance is a central feature of our longstanding partnership with Bhutan. Over the last decade, Bhutan has achieved sustained development gains and is expected to graduate to middle-income status by 2023.

Despite continued growth forecasts of more than 7 per cent per annum, Bhutan's economy continues to face significant challenges. It relies heavily on hydropower and tourism, which are highly dependent on natural resources. Increasing demands on public services, youth unemployment, gender inequality, a large rural population, and ecosystem fragility also present challenges.

Bhutan needs a knowledgeable and skilled workforce, robust institutions, a thriving private sector, and an active civil society to remain environmentally and economically resilient. This strong base will ensure that its transition from least developed country status is sustainable.

In 2019–20, Australian development support to Bhutan will focus on:

- » building human capacity through the provision of Australia Awards Scholarships for tertiary education, short courses and support for technical and vocational education
- » supporting gender equality through leadership training and strengthening advocacy on ending violence against women
- » increasing people-to-people links through the Australian Volunteers Program, focusing on health, science and agriculture
- » improving sanitation and hygiene services through the Water for Women Fund.

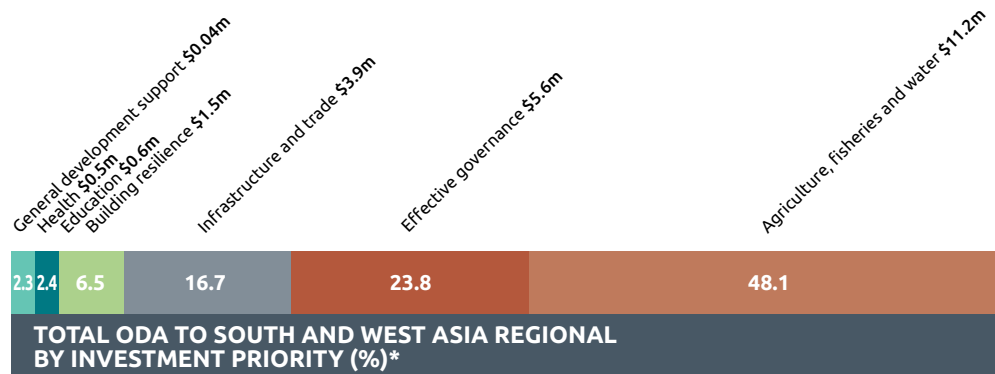
Maldives

2019–20 Total ODA to Maldives: \$2.6 million

In 2019–20, Australia will support the democratically elected government in the Maldives to advance our mutual interest in a peaceful and prosperous region and help build strong people-to-people links. Our development cooperation will assist the Maldives to build its human capital through the Australia Award Scholarships and strengthen its democratic institutions through support delivered by UNDP.

South and West Asia Regional

2019–20 Total ODA allocation to South and West Asia Regional: \$14.8 million



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

Australia's trade and economic partnership with South and West Asia is increasingly important. The region's economic outlook is positive, recording the highest growth rate in the world in 2018 at 6.9 per cent. To sustain its economic growth and reduce poverty, the region must tackle its low levels of economic integration. Key constraints to growth include poor quality economic infrastructure (such as roads, power facilities and ports) within and between countries, and limited cooperation on shared regional resources, such as water.

Australia's regional development assistance in South and West Asia supports partner countries to address these region-wide challenges. Our approach acknowledges that the complex political, social and environmental settings in the region require programs to have a long-term focus. At the same time, our programs are responsive to emerging priorities in this dynamic region. In January 2019, a new infrastructure initiative was announced—South Asia Regional Infrastructure and Connectivity. This will assist in improving the quality of the region's infrastructure in the transport and energy sectors.

In 2019–20, to meet other priorities the government is making a reduction to regional programs in South and West Asia. Australian development support to regional programs in South and West Asia will focus on:

- » increasing water, food and energy security to facilitate economic growth and improve the livelihoods of the poor and vulnerable (including women and girls) through the Sustainable Development Investment Portfolio program
- » supporting countries to develop high-quality infrastructure projects and unlock finance from the private sector for infrastructure through the South Asia Regional Infrastructure and Connectivity program
- » creating a better trading environment, particularly for women, under the South Asia Regional Trade Facilitation Program.

Australia will also help strengthen and build the capability of regional institutions, including the Indian Ocean Rim Association, and promote greater cooperation on maritime safety and security, women's economic empowerment and the blue economy in the Indian Ocean region.