Australia and Pakistan have enjoyed a long-standing relationship since 1947. Australia continues to support Pakistan in its efforts to build economic prosperity and enhance development.

Australia has important interests in Pakistan reflecting the country’s strategic position in South Asia and its economic potential. For example, Australia-Pakistan two-way trade in goods and services was worth $1.83 billion in 2017.

In line with the *Partnerships for Recovery* strategy, Australia’s interests are advanced by a Pakistan that responds well to the COVID-19 pandemic and charts a path to a more inclusive and prosperous future.

**COVID-19 SITUATION ANALYSIS**

The COVID-19 pandemic is having a significant impact on Pakistan. While the Government of Pakistan appears to have managed an initial outbreak, the risk of a second wave and prolonged disruption is high.

Pakistan has issued a National Action Plan for COVID-19 to guide the country’s health preparedness and response. The government has focused on balancing social cohesion and support for livelihoods with managing the public health impacts.

Already fragile, Pakistan is facing a serious economic challenge. Initial lockdowns to curtail the spread of the virus and global downturn have damaged the government’s medium-term economic prospects. Instead of a projected GDP growth rate of 2.1 per cent, Pakistan’s economy contracted by 0.4 per cent in 2019-20. The World Bank estimates negative growth of 0.2 per cent in 2020-21. Government stimulus packages in response to COVID-19 are expected to worsen the country’s challenging debt position.

The United Nations Development Programme (UNDP) projects 126 million people in Pakistan are vulnerable to the socio-economic impacts of COVID-19. Prior to the pandemic, 60 million people lived in poverty, 50 million of whom were in need of humanitarian assistance. This includes 2.6 million Afghans who remain in Pakistan.

Pakistan’s food security is also fragile and at risk from severe flooding and locust attacks. If left unchecked, the Food and Agricultural Organisation (FAO) warns the current swarm of locusts, could remain in the Indus region for up to three years and put millions at risk of starvation.

Women and children will be most affected by COVID-19. Pakistan consistently ranked near the bottom of global gender equality indices prior to the pandemic. UNDP estimates that over the next year, COVID-19 could put 1.6 million more women at risk of violence, 8 million could lose access to contraceptives, and 4.7 million could give birth without an attendant.

The number of children permanently out of school in Pakistan is expected to reach 30 million. Routine immunisations may remain sporadic for between 17 million and 26 million children under five. Targeted polio vaccination drives have resumed, though Pakistan will face an uphill battle to eradicate polio with new cases emerging.

Disruption to livelihoods and essential service delivery has the potential to fuel religious extremism and social discontent. In addition to its own citizens, Pakistan also hosts around 2.6 million Afghans who remain in Pakistan.
The government has limited fiscal levers available at present and relies heavily on international assistance to make up the shortfall.

The international response to COVID-19 in Pakistan will continue to be shaped by a transitioning donor landscape. Large bilateral donors (UK and US) are sharpening their strategies. Smaller donors have recently phased out of Pakistan. Most donors have given early support, including China, which is expanding its donor presence in the region. Some local and international NGOs continue to face local registration hurdles, which prevent them from operating. As the second and third order effects of COVID-19 mount, further support from donors may be limited.

Multilateral development banks are increasingly taking a leading role in development in Pakistan. Australia plays a valued part in these multi-stakeholder forums.

**AUSTRALIA’S RESPONSE**

Australia is a trusted partner in Pakistan, having provided development and humanitarian assistance for 70 years. Though our bilateral development program to Pakistan ended in June 2020, several legacy investments, already fully funded, will continue to operate until 2022-23 with most pivoting to a COVID-19 response. Australia will maintain a targeted development presence in Pakistan through ongoing global and regional development programs and our diplomatic, trade and security engagements. Most of our ongoing development assistance will be delivered through multilateral partners to expand the reach and impact of our funding.

Support from Australian Government agencies will continue, including through the Australian Centre for International Agricultural Research (ACIAR). CSIRO, Austrade, the Department of Home Affairs, the Australian Federal Police (AFP), and the Australian Defence Force (ADF) will continue to engage in activities with Pakistan. Australia contributes in a wide range of areas, including water, agriculture, food security, law enforcement, counter-terrorism and peer-to-peer exchanges.

**Health Security**

Australia is providing emergency assistance to respond to immediate COVID-19 health security challenges. Through the World Bank, we have helped procure ventilators and masks in Khyber Pakhtunkhwa. Longer-term humanitarian assistance will improve hygiene, sexual and reproductive health outcomes, and broader health system preparedness. Through the National Disaster Risk Management Fund (NDRMF), Australia is bolstering Pakistan’s health system surveillance and case management of COVID-19.

Our Water for Women program, which improves inclusive and sustainable water and sanitation across the Indo-Pacific, has pivoted its focus to increase community awareness of COVID-19 infection prevention. The Australian NGO Cooperation Program (ANCP) will support Australian NGOs to complement government and donor support for critical health services.

Through the United Nations Population Fund (UNFPA), Australia will continue longer-term support for life-saving maternal and reproductive health and protection services to vulnerable groups in the border regions of Khyber Pakhtunkhwa and Balochistan, including providing Personal Protective Equipment (PPE) for health workers.

Australia will contribute to routine immunisation and polio surveillance through Gavi, the Vaccine Alliance and the Global Polio Eradication Initiative (GPEI) in supporting the continuity of immunisation and polio surveillance. We will advocate with partners on equity of access to a COVID-19 vaccine.

**Stability**

Australia will focus on providing humanitarian relief, addressing gender inequality and improving governance to support long-term stability in the region.

Australia’s Regional Humanitarian Strategy for the protracted humanitarian crisis in Afghanistan and Pakistan directs funding to displaced people and host communities on both sides of the border. Australia’s assistance includes support for vulnerable refugee communities to limit the spread of COVID-19 and provides basic services. In Pakistan we will concentrate on Balochistan and on the fragile former tribal areas in Khyber Pakhtunkhwa.

Our humanitarian assistance in Pakistan complements our long-term defence and humanitarian investment in Afghanistan, including our interests in countering terrorism and reducing irregular migration in the region.

Through the World Food Programme (WFP) we will provide cash and food assistance in former tribal areas to prevent starvation and stunting. With the World Bank, Australia will continue to support public service delivery and employment opportunities in conflict-affected border communities.

According to the Global Climate Risk Index, Pakistan is the fifth most vulnerable country to climate change. Natural disasters and extreme weather events could...
compound the effects of the pandemic and hamper response efforts. Australia will continue to invest in improved disaster preparedness and natural resource management.

Under the new Strengthening Water Security in South Asia Initiative (SAWASI), Australia will promote sustainable and resilient water management in Pakistan’s major cities. SAWASI will build on the Australia Water Partnership’s engagement with provincial government to develop urban water roadmaps. CSIRO will also provide a new water apportionment tool to Pakistan counterparts. This tool will replace mistrusted manual water management calculations which have contributed to tensions between provinces.

The lack of equal opportunities for the participation of women and minority groups in Pakistan’s society undermines social cohesion and the conditions for peace and stability. Australia will continue to advocate for gender equality in Pakistan. Australia will work with Oxfam to broadcast an animated series challenging gender stereotypes. Australian funding to UN Women in Pakistan will boost resourcing for frontline responders to violence against women.

We will also work with Pakistan to advance human rights and maintain space for an active civil society. This includes through policy advocacy and targeted assistance using the Direct Aid Program.

DFAT and the Department of Home Affairs will work through their engagement in the Financial Action Task Force (FATF) to strengthen its anti-money laundering and counter-terrorism financing (AML/CFT) regime. The AFP will continue capacity building activities for Pakistan security agencies.

Pakistan’s military is a critical institution in Pakistan and is influential within the region. Defence cooperation includes the ADF’s Defence Force scholarships program and personnel exchanges.

**Economic Recovery**

Australia will advocate in support of free trade and sound policy making that promotes inclusive growth and a long-term recovery from the impacts of the pandemic. We will focus on recovery in regions and sectors that stand to benefit the poor the most, particularly women and girls.

We will work alongside the Asian Development Bank (ADB) and the World Bank to improve government capacity. This will help identify pathways to recovery, keep markets functioning, and expand social protection.

We will leverage Australia’s strong reputation on federated governance to provide technical advice in water and agriculture. Australia is the only country to hold a Memorandum of Understanding (MOU) on water cooperation with Pakistan. We will encourage Pakistan to scale up development successes from the MOU, including through co-funding and commercial arrangements.

Through ACIAR, we will provide Australian expertise to improve the productivity of food systems. Working with the Food and Agriculture Organization (FAO), we will support men and women farmers in Balochistan to improve their produce for sale to domestic and international markets.

Pakistani students in Australia gaining tertiary-level skills will contribute to Pakistan’s development trajectory upon returning home. We will offer Australia Awards scholarships when possible and will explore potential online learning opportunities during COVID-19. Led by Austrade, we will continue to promote Australia as a highly desirable destination for Pakistani students for when travel resumes.
**Table 1: COVID-19 Response Plan Performance Framework**

<table>
<thead>
<tr>
<th>Response Plan</th>
<th>Health Security</th>
<th>Stability</th>
<th>Economic Recovery</th>
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<tbody>
<tr>
<td><strong>Expected Outcomes</strong></td>
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<tr>
<td>- Women, children and vulnerable groups in Pakistan receive health services they need for COVID-19 and essential care (SDGs 3, 5, 10)</td>
<td>- Greater gender equality, improved governance, and humanitarian relief, contribute to social cohesion (SDGs 1, 2, 4, 5, 10)</td>
<td>- Australian expertise supports Pakistan's economic recovery providing livelihoods for the people of Pakistan (SDGs 6, 8, 10, 11)</td>
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<td><strong>Key Results</strong></td>
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<td>- Number of medical products to which Australia has contributed that are available in Pakistan: o PPE and ventilators procured and distributed (227,620 PPE, 31 ventilators) o Number of contraceptives to protect from unplanned pregnancies made available through Australian support (Target: Couple Year Protection (CYP) 3,500 in 2020-21)</td>
<td>- Number of women and girls survivors of gender-based violence (GBV) received services (Target: 5,587 in 2020-21) o Number of people reached by digitised violence against women (VAW) messaging (Target: 50,000 in 2020-21)</td>
<td>- Number of female entrepreneurs provided with financial and / or business development services (Target: 11,921 to June 2021) o Number of poor women and men with increased incomes (Target: 40,317 women and 55,329 men to June 2022)</td>
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<td>- Number of safe deliveries attended by a skilled birth attendant (Target: 9,000 in 2020-21)</td>
<td>- Number of people reached with VAW video content through social and electronic media (Target: 10,000,000 in 2020-21) o Number of children in disadvantaged districts supported with inclusive distance learning as part of response and recovery from COVID-19 crisis (Target: 27,700 by December 2021)</td>
<td>- Value of Additional Market Transactions as a result of adoption of demonstrated models and innovations (Target: USD31,295,000 to June 2022)</td>
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<td>- Number of vulnerable people reached with emergency assistance in conflict and crisis situations (Target: 146,370 men, 140,630 women in 2020-21)</td>
<td>- Number of women and girls survivors of gender-based violence (GBV) received services (Target: 5,587 in 2020-21)</td>
<td>- Examples of policy and technical advice provided to improve economic recovery</td>
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<td><strong>Supporting Investments</strong></td>
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<td>- Australian NGO Cooperation Program (ANCP – various organisations) o Gavi, the Vaccine Alliance o Global Polio Eradication Initiative (GPEI) o Humanitarian support (WFP) o Maternal and reproductive health and protection support program (UNFPA Pakistan) o Multi-Donor Trust Fund for Border Areas (World Bank)</td>
<td>- Australian Federal Police (AFP) o Counteracting violent extremism through women (UNDP) o Department of Defence o Department of Home Affairs (Home Affairs) o Direct Aid Program (DAP – various organisations) o Ending Violence Against Women through Culture (Oxfam) o Global Partnership for Education (GPE) o Humanitarian support (WFP) o Maternal and reproductive health and protection support program (UNFPA Pakistan) o Multi-Donor Trust Fund for Border Areas (World Bank) o Sustainable Development Investment Portfolio (SDIP) o Technical assistance for COVID-19 response (World Bank) o Urban Water Management (AWP) o Water Apportionment Tool (CSIRO)</td>
<td>- Agribusiness Balochistan (FAO) o Australian Centre for International Agricultural Research (ACIAR) research o Business Partnership Platform (BPP – BCI, Engro and PAVE) o Direct Aid Program (DAP – various organisations) o Market Development Facility results reporting (Palladium) o Multi-Donor Trust Fund for Border Areas (World Bank) o Trade Finance Program (ADB)</td>
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October 2020