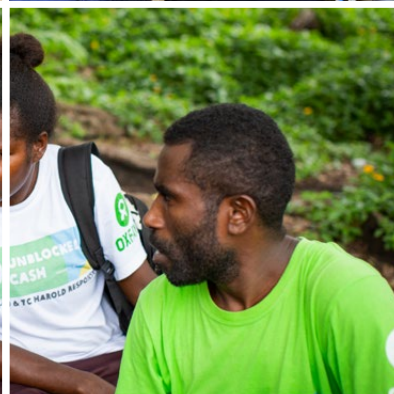
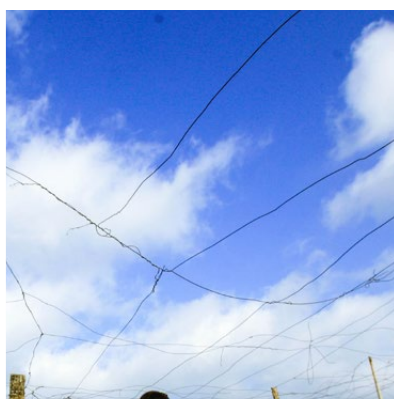
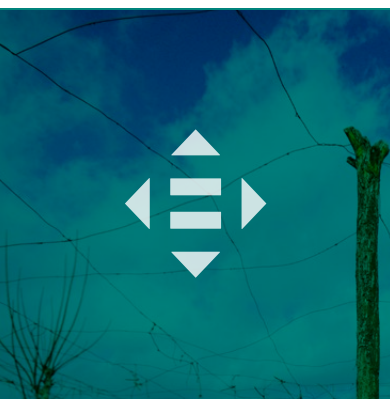




Australian Government

Department of Foreign Affairs and Trade



# Performance of Australian Development Cooperation Report 2022–23



## Acknowledgement of Country

The Australian Government acknowledges Australia's First Nations peoples as the Traditional Custodians of Country throughout Australia and recognises and respects their continuing connections to lands, waters and communities.

The government pays respect to Elders past and present, to emerging leaders, and to all First Nations peoples, and recognises the continuation of diverse cultural, spiritual and educational practices.

The government thanks all First Nations peoples who have generously shared their knowledge and expertise to inform the Performance of Australian Development Cooperation Report 2022–23.



### Performance of Australian Development Cooperation Report 2022–23

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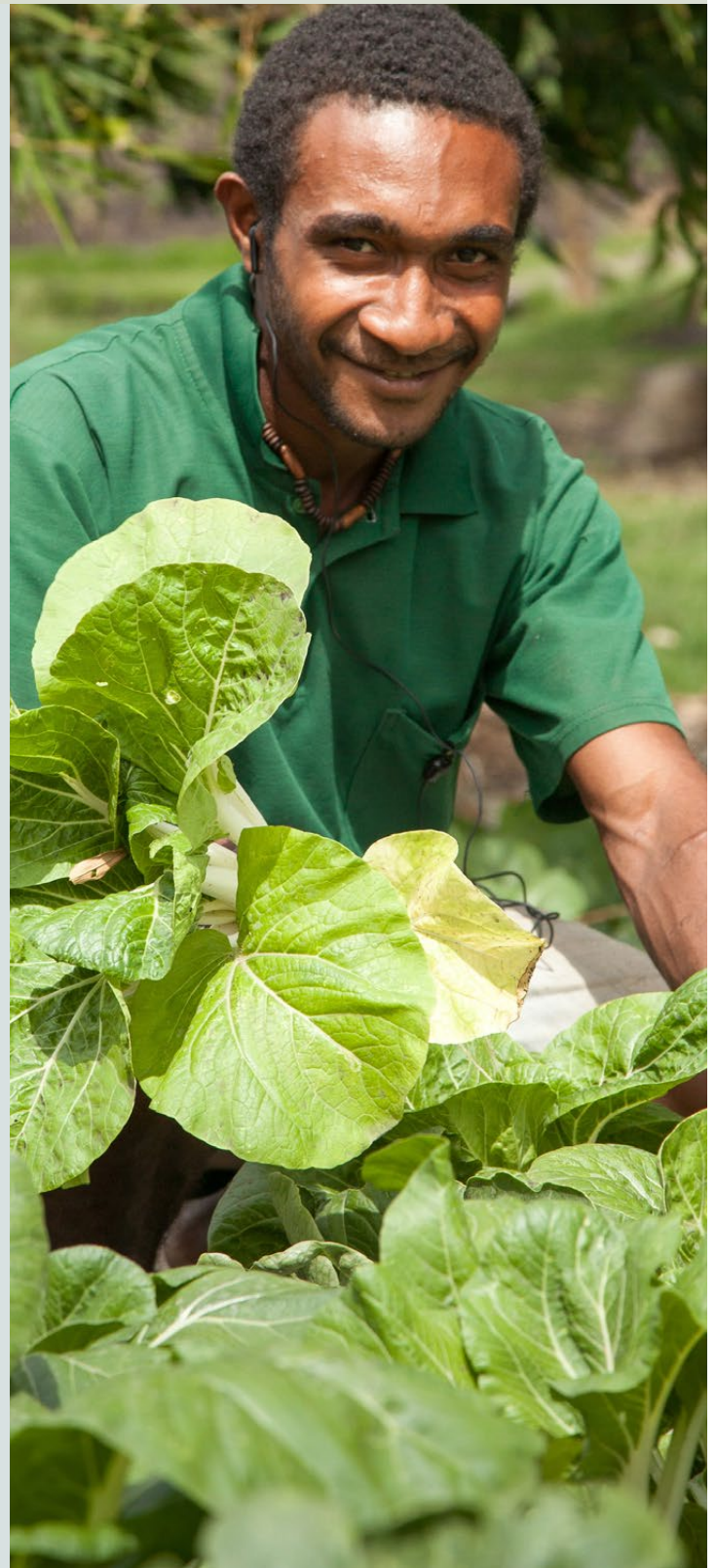
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City Mission Farm, Papua New Guinea (right). Credit: DFAT



# Ministerial foreword



## **The Hon Pat Conroy MP**

Minister for International  
Development and the Pacific

I am pleased to present the inaugural Performance of Australian Development Cooperation report. This annual report is part of the Government's commitment to enhance the transparency and accountability of Australia's development program.

The report demonstrates that Australia's development program is effective and having real impact. It is making a significant contribution to the development aspirations of our partners and neighbours as we work together to achieve the Sustainable Development Goals and recover from the COVID-19 pandemic.

Just over six months since the launch of the International Development Policy, focus has shifted to translating the policy into practice. We are also implementing recommendations from the Development Finance Review. There are positive trends in our efforts to boost local employment and procurement to help drive outcomes. Key commitments to strengthen learning, evaluation and transparency are on track. Dialogue with our partners on new country and regional Development Partnership Plans is underway. These efforts will be critical to working in genuine, respectful partnership with local actors to deliver results.

We are building from a strong base—but our ambition is high. Being transparent means acknowledging where we have more to do. We are close to, but not yet

achieving our ambitious gender equality targets. We also need to lift our disability equity results. These are critical to ensuring our development efforts are effective and leave no one behind. We are responding to these challenges, including through our new International Gender Equality Strategy and International Disability Equity and Rights Strategy, both to be released in 2024.

Listening to our partners means recognising that climate change is the single greatest threat to the livelihoods and wellbeing of people in the Pacific. We are embedding climate resilience across our programs, galvanised by our new target for climate change objectives. But we know that this, alone, will not be enough: slowing the destructive march of climate change in our region will require collective action.

Our ambitions can only be achieved by drawing on all tools available. This includes the vital role of DFAT's locally engaged staff, an early focus of DFAT's development capability uplift. They are driving the policy's locally led development agenda across the region.

The policy and its accompanying performance and delivery framework also integrates Official Development Assistance (ODA), blended finance and non-ODA development activities. This report presents, for the first time, data on Australia's development finance portfolio, a powerful catalyst for enhancing our impact. We also include reporting from Australian Government departments and agencies contributing to international development efforts.

Alleviating poverty and supporting sustainability in our region requires a whole-of-nation effort. Australian institutions, culture, expertise, economic, sporting, community and regional ties are key to how we deliver our development assistance. Our partnerships with a diverse range of public and private sector organisations working internationally contributes to our relationships and impact. And we are working with First Nations Australians to embed their knowledge in our development programs.

This inaugural Performance of Australian Development Cooperation report marks delivery of an important commitment under the policy and its associated performance and delivery framework—but it is only the beginning. Future performance reports will continue to draw out our progress in these critical areas, demonstrating impact of which all Australians can be proud.

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## Mission Statement

*"To support and promote equalizing opportunities for persons with disabilities through advocacy programs and through promotion of an inclusive, barrier free society"*

**NOTHING ABOUT US  
WITHOUT US**

## CONTACT US:

Office: (+679) 331 1203



Australian High Commission Senior Program Manager, Iliesa Lutu, addressing stakeholders during the International Disability Equity and Rights Strategy consultations in Suva, Fiji. Credit: DFAT

## Introduction

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## Partnerships are key to delivering the International Development Policy

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Australia's [International Development Policy](#) was launched in August 2023 and presents a long-term vision for how our development cooperation will meet the critical needs of our partners, while also supporting Australia's national interests and the interests we share with our region. Our approach to program planning and delivery is underpinned by principles of quality, accountability and responding to partner priorities. The [Performance and Delivery Framework \(PADF\)](#) tracks key reforms and will improve how we plan, design and deliver our programs; communicate our results; provide timely and transparent information on investments and performance; and deliver accountability to the Australian Parliament and public.

The policy affirms the objective of Australia's development program: to advance a peaceful, stable and prosperous Indo-Pacific region. This depends on supporting sustainable development and lifting people out of poverty. To achieve this, Australia's programs support our partners to:

- **build** effective, accountable states that drive their own development
- **enhance** state and community resilience to external pressures and shocks
- **connect** with Australia and regional architecture
- **generate** collective action on global challenges that impact us and our region.

A key commitment under the policy is to publish an annual Performance of Australian Development Cooperation (PADC) report, reflecting our focus on accountability and our commitment to world-class development cooperation. This inaugural PADC report summarises early progress in implementing the PADF and the performance of Australia's development cooperation from July 2022 to June 2023.

The International Development Policy and PADF were released after the 2022–23 reporting year, replacing the *Partnerships for Recovery: Australia's COVID-19 Development Response* policy and its performance framework. Accordingly, this PADC report is transitional, reflecting the shift from the previous policy and associated performance framework to the priorities and performance framework of the new policy. This first PADC report sets out the status of all elements of the PADF, including the implementation of new systems and processes for collecting and analysing the required data. Where possible the report also includes initial data and results. We are establishing an online Australian international development portal to provide financial and performance information (refer to [Chapter 1](#)), which will further enhance transparency of PADF results.

The PADC report is intended to capture performance across the breadth of Australia's development cooperation. This includes Official Development Assistance (ODA) managed by the Australian Government Department of Foreign Affairs and Trade (DFAT) and other Australian agencies, as well as development cooperation that leverages Australian expertise or resources and other types of financing (such as non-ODA funding, loans and private finance). This transitional report includes a chapter on development finance and case studies of development cooperation implemented by other agencies, and annexes with further detail. Future PADC reports will further integrate the whole-of-government and non-ODA elements of Australia's development cooperation.

# Outline of this report

This report is divided into five chapters and four annexes.

**Chapter 1** reports on the performance indicators for the whole of the development program. Reflecting the transitional nature of the report, the first section introduces the Indo-Pacific development context drawing on the *Partnerships for Recovery* Tier 1 indicators. Tier 2 results under the previous policy are also reported, with data for the new set of Tier 2 indicators to be collected from 2024 and reported in future PADC reports. Data are then presented (where available) for the new set of Tier 3 indicators.

**Chapter 2** summarises the performance of country and regional development programs. The analysis draws on a performance data and evaluation case studies from four regional groups: the Pacific; Southeast Asia; South and West Asia; and beyond the Indo-Pacific.

**Chapter 3** summarises the results and achievements of our major global programs and partnerships. This includes our partnerships with multilateral development banks, United Nations (UN) agencies and flagship global programs such as the Australian NGO Cooperation Program (ANCP), Australia Awards and the Australian Volunteers Program.

**Chapter 4** reports on Australia's development finance portfolio. This includes budget support, the Australian Infrastructure Financing Facility for the Pacific (AIFFP) and blended finance.

**Chapter 5** presents performance data for the following sectors: economic infrastructure and services; agriculture, trade and other production services; governance; education; health; humanitarian assistance and disaster risk reduction; and multisector and general support.

**Annex A** presents the three-year aggregate results under the *Partnerships for Recovery* three-tier performance framework.

**Annex B** summarises the major activities and achievements that other Australian government agencies have contributed to Australia's development cooperation. This includes appropriated ODA, non-ODA and hybrid (combined ODA and non-ODA) support.

**Annex C** lists and links to the published development evaluations completed in 2022.

**Annex D** presents the detailed development finance tables that are referenced in [Chapter 4](#).

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The PADC report is intended to capture performance across the breadth of Australia's development cooperation.

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## Performance assessment approach

This report draws on performance assessments undertaken at the four levels of our development program as identified by the PADF (refer to Table 1). These include:

- whole of program
- country and regional programs
- multilateral programs
- investments.

At the **whole-of-program level**, alignment with the International Development Policy and progress to advance a peaceful, stable and prosperous Indo-Pacific region are assessed and reported annually in DFAT's annual report and the PADC report.

To ensure performance assessments in IMRs are robust and contestable, they are subject to moderation.

At the **country and regional program** level, partnerships are key to delivering the International Development Policy. New whole-of-government country and regional Development Partnership Plans (DPPs) will be progressively released during 2024, replacing COVID-19 Development Response Plans. Each DPP will have a performance assessment framework that includes indicators for assessing progress towards stated objectives. A midcycle review for each DPP will be undertaken and published.

At the **multilateral program** level, DFAT periodically undertakes multilateral performance assessments for selected multilateral organisations that receive core funding from Australia. Results will be published in future PADC reports. In addition, major global programs including ANCP, Australia Awards and the Australian Volunteers Program are assessed against program-specific monitoring and evaluation frameworks.

At the individual **investment** level, quality reporting is completed annually for all development investments over \$3 million. Through the Investment Performance Reporting process, DFAT investment managers complete either an annual investment monitoring report (IMR), a humanitarian investment monitoring report (HIMR) or a final investment monitoring report (FIMR) for each investment. Each type of report has its own ratings matrix and investment performance is rated as satisfactory or unsatisfactory.<sup>1</sup> To ensure performance assessments in IMRs are robust and contestable, they are subject to moderation.<sup>2</sup> FIMRs report on the performance of investments over their lifetime, including the level of achievement against the intended end of investment outcomes. FIMR ratings are independently validated by external assessors. Investments can also be subject to independent evaluations and impact assessments, which form part of the evidence used in quality reporting.

Table 1: Performance and Delivery Framework

Level	Policy settings	Performance assessment	Reporting
Whole of Development Program	International Development Policy	<ul style="list-style-type: none"> <li>Three tier indicator framework</li> </ul>	DFAT Annual Report Annual bilateral Development Partnership talks
Country and Regional Programs	Development Partnership Plans	<ul style="list-style-type: none"> <li>Annual reporting</li> <li>Mid-cycle strategic review</li> </ul>	Annual Performance of Australian Development Cooperation Report
Multilateral Programs	Strategic Partnership Frameworks	<ul style="list-style-type: none"> <li>Periodic multilateral performance assessment</li> </ul>	Online data portal
Investments	International Development Programming Guide	<ul style="list-style-type: none"> <li>Investment reports</li> <li>Independent evaluations</li> <li>Impact assessments</li> </ul>	

1 Investments are rated on a 6-point scale. Ratings of 6 (very good), 5 (good) and 4 (adequate) are considered satisfactory ratings; ratings of 3 (less than adequate), 2 (poor), and 1 (very poor) are considered unsatisfactory.

2 Moderation of IMR/HIMR (by experienced DFAT staff outside of the program area) is required for investments that are: \$50 million and above; high risk (regardless of value); rated unsatisfactory for effectiveness, efficiency, gender equality or risk management in the last IMR; rated 4 for effectiveness in the last IMR; or investments requiring improvement (IRI).





In partnership with the YCAB Ventures, the Australian Government, through Investing in Women's Impact Investing pathway, supported Farmacare to accelerate the digitisation of community pharmacies in Indonesia. Credit: DFAT

## Performance indicators

The performance indicator framework (refer to Table 2) supports implementation of the International Development Policy. The indicator framework has three tiers:

- **Tier 1: Indo-Pacific development context** – these indicators present selected issues central to achieving sustainable development outcomes for the Indo-Pacific. Improvements over time for Tier 1 indicators are the outcomes of collective efforts by countries and their development partners, including Australia.
- **Tier 2: Australia's contribution to development** – these are annual results directly attributable to Australian development efforts, organised against the four focus areas of the development policy.
- **Tier 3: How we work** – these are selected measures of DFAT's operational approach to delivering Australia's development program.

Table 2: PADF indicator framework

Tier 1	Tier 2	Tier 3
Indo-Pacific development context	Australia's contribution to development	How we work
<ul style="list-style-type: none"> <li>• Fragility</li> <li>• Gender equality</li> <li>• Political rights and civil liberties</li> <li>• Fiscal sustainability</li> <li>• Governance</li> <li>• Poverty</li> <li>• Economic growth</li> <li>• Health</li> <li>• Impact of disasters</li> <li>• Climate change adaptation</li> <li>• Climate change mitigation</li> <li>• Regional economic integration</li> </ul>	<p><b>Building effective and accountable states:</b></p> <ul style="list-style-type: none"> <li>• Improved governance</li> <li>• Economic policy reform and management and private-sector development</li> <li>• Economic empowerment</li> <li>• Social protection measures</li> <li>• Gender equality</li> <li>• Disability equity</li> </ul> <p><b>Enhancing state and community resilience:</b></p> <ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Education</li> <li>• Health</li> <li>• Food security</li> <li>• Climate adaptation, mitigation, environment and biodiversity</li> <li>• Maritime security</li> </ul> <p><b>Connecting partners with Australian and regional architecture:</b></p> <ul style="list-style-type: none"> <li>• Strengthening leadership</li> <li>• Labour mobility</li> <li>• Strengthening regional architecture</li> </ul> <p><b>Generate collective action on global challenges:</b></p> <ul style="list-style-type: none"> <li>• Multilateral engagement</li> <li>• Trade</li> <li>• Emergency assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Our development cooperation is effective</li> <li>• Our development cooperation is inclusive with a focus on gender equality and disability equity</li> <li>• Addressing climate change is central to our development cooperation</li> <li>• Partnerships underpin our development cooperation</li> <li>• Our development cooperation is transparent</li> <li>• Our development cooperation uses local actors in design, delivery and evaluation</li> <li>• Our development cooperation is informed by monitoring, evaluation and learning</li> <li>• Our development cooperation is enhanced by First Nations perspectives</li> </ul>





Student at The Hohola Youth Development Centre where students learn vocational skills, Papua New Guinea. Credit: DFAT

## Chapter 1

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Progress and  
achievements  
against the indicator  
framework



## Tier 1: Indo-Pacific development context

Tier 1 indicators present selected issues that are central to achieving sustainable development outcomes for the Indo-Pacific. The Tier 1 indicators reported for 2022–23 were set out under Partnerships for Recovery. The following summary of the Indo-Pacific development context draws on the Tier 1 results for 2022–23 (refer to Figure 1) and the three-year aggregate summary in Annex A (which includes the full set of indicators and data sources).

Overall, the development context in the Indo-Pacific region showed signs of improvement in 2022–23, following the significant and prolonged impact of the COVID-19 pandemic. Despite these improvements, the region continued to be affected by supply chain shocks, including as a result of Russia's invasion of Ukraine. As the slow recovery from the pandemic continued, inflation and increasing energy prices compounded the economic challenges facing the region.

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Overall, the development context in the Indo-Pacific region showed signs of improvement in 2022-23

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### Stability

Overall, there was limited progress on stability across the region. The proportion of fragile and conflict-affected countries remained stable over 2021–22 to 2022–23 after a notable improvement in 2021–22 from the previous year. In the Pacific, 36 per cent of countries are classified as fragile; in Southeast Asia, this figure is 18 per cent. Most countries were affected by institutional and social fragility, and Myanmar was affected by conflict. According to the Freedom House *Freedom in the World* ratings,<sup>3</sup> political rights and civil liberties remained mostly stable over 2021–22 to 2022–23 after a slight decrease from 2020–21 for both Southeast Asia and the Pacific.

Regarding fiscal sustainability, half of all Pacific countries are now at high risk of debt distress. In Southeast Asia, Laos is already in debt distress. Fiscal sustainability and higher levels of debt across the region means countries are less resilient in times of crisis. Lack of debt sustainability has already limited the capacity of some governments to invest in infrastructure and social development.

### Prosperity

Economic conditions in the region showed positive signs of improvement particularly in Southeast Asia and emerging markets, which saw higher growth than smaller countries and those in the Pacific. In 2022–23, economic growth in the region was varied and disparate. For example, GDP per capita for the upper-middle- and high-income countries in the region, such as Nauru, Republic of Palau, Fiji, Brunei Darussalam, Malaysia and Singapore, appeared to have recovered more quickly from the pandemic, with Brunei Darussalam and Singapore up 20 per cent from pre-pandemic levels. In contrast, growth in poorer countries of the region remained lower than pre-pandemic levels.

The value of exports in the region showed mixed results. In 2022–23, Southeast Asia bounced back to an export value close to pre-pandemic levels. However, the Pacific, while showing signs of recovery, remained 25 per cent below pre-pandemic levels. Income from tourism as a proportion of GDP was consistent with the three-year trend. While tourism exports have been very volatile in the Pacific over the past three

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3 The Freedom in the Word ratings are at <https://freedomhouse.org/report/freedom-world>

years, tourism income as a share of GDP has sharply rebounded since borders reopened across the Pacific in 2022. In the Pacific and Southeast Asia, income from tourism as a proportion of GDP was highest in Vanuatu and Cambodia.

The proportion of the population living on less than USD3.20 per day increased modestly in the region because of the pandemic; however, the expansion of social protection systems is likely to have helped to prevent a larger increase in poverty. Uneven population growth and recovery trajectories within and between countries are affecting income distribution, leading to greater inequality and larger pockets of poverty.

While high inflation in key trading partner nations may dampen the region's fragile recovery, increasing trade and investment will present opportunities for the region to cement gains made during the pandemic recovery.

## Resilience

In 2022–23, COVID-19 cases continued to increase across the region. There was no significant change in universal health coverage for the region, which includes services essential for health security. In the Pacific, universal health coverage appeared to worsen marginally due to the inability of some governments to allocate additional resources as they diverted assistance towards the pandemic response.

According to the World Economic Forum 2023 Global Gender Gap Index, gender equality in East Asia and Pacific is at 68.8% parity.<sup>4</sup> Despite positive commitments to gender equality, such as the 2023 Pacific Leaders Gender Equality Declaration and the ASEAN Gender Mainstreaming Strategic Framework 2021–2025, the Global Gender Gap Index ratings have remained largely unchanged over the past decade.<sup>5</sup>

Climate change is a major concern and will continue to affect the region, with increasingly unpredictable economic and human costs. According to the Notre Dame Global Adaptation Initiative's Country Index, more than half of countries in Southeast Asia reduced their climate change vulnerability scores in 2022–23. There was less progress in the Pacific, where only one country reduced its vulnerability score (compared with six countries the previous year). Most countries in the region reported little progress in implementing national and subnational disaster risk reduction strategies or plans, compared with the previous year. This is concerning because disasters have long-term effects on poverty, infrastructure, and food and water security.

## Looking ahead

In the PADF, we have updated the Tier 1 indicators, which we will report against in future PADF reports. While some of the indicators will carry over, there is a stronger focus on climate change adaptation and mitigation and the impacts of the disaster–climate–health nexus. Additionally, because development underpins stability, the indicators related to governance, fragility, fiscal sustainability and political rights and civil liberties will be central in monitoring progress in future years. These indicators will illustrate the overall regional trends within which Australia's Tier 2 and Tier 3 performance results should be considered.

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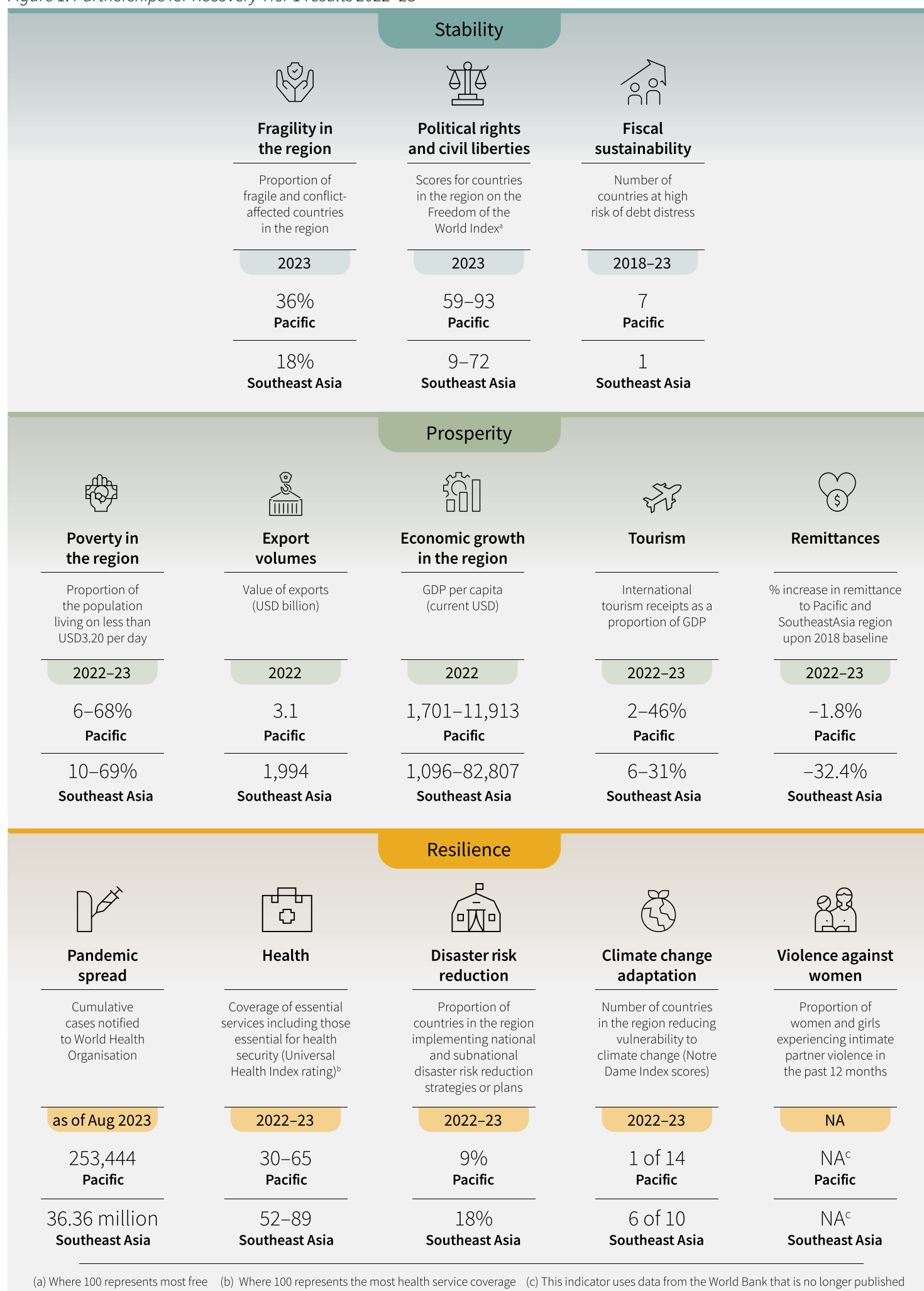
Climate change is a major concern and will continue to affect the region, with increasingly unpredictable economic and human costs.

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<sup>4</sup> This measure is drawn from the Tier 1 gender equality indicator in the PADF. It has been used here because the data source for the Tier 1 violence against women indicator under Partnerships for Recovery is no longer available.

<sup>5</sup> Global Gender Gap Index rankings by region are at <https://www.weforum.org/reports/global-gender-gap-report-2023/in-full/benchmarking-gender-gaps-2023/>

Figure 1: Partnerships for Recovery Tier 1 results 2022–23



(a) Where 100 represents most free (b) Where 100 represents the most health service coverage (c) This indicator uses data from the World Bank that is no longer published

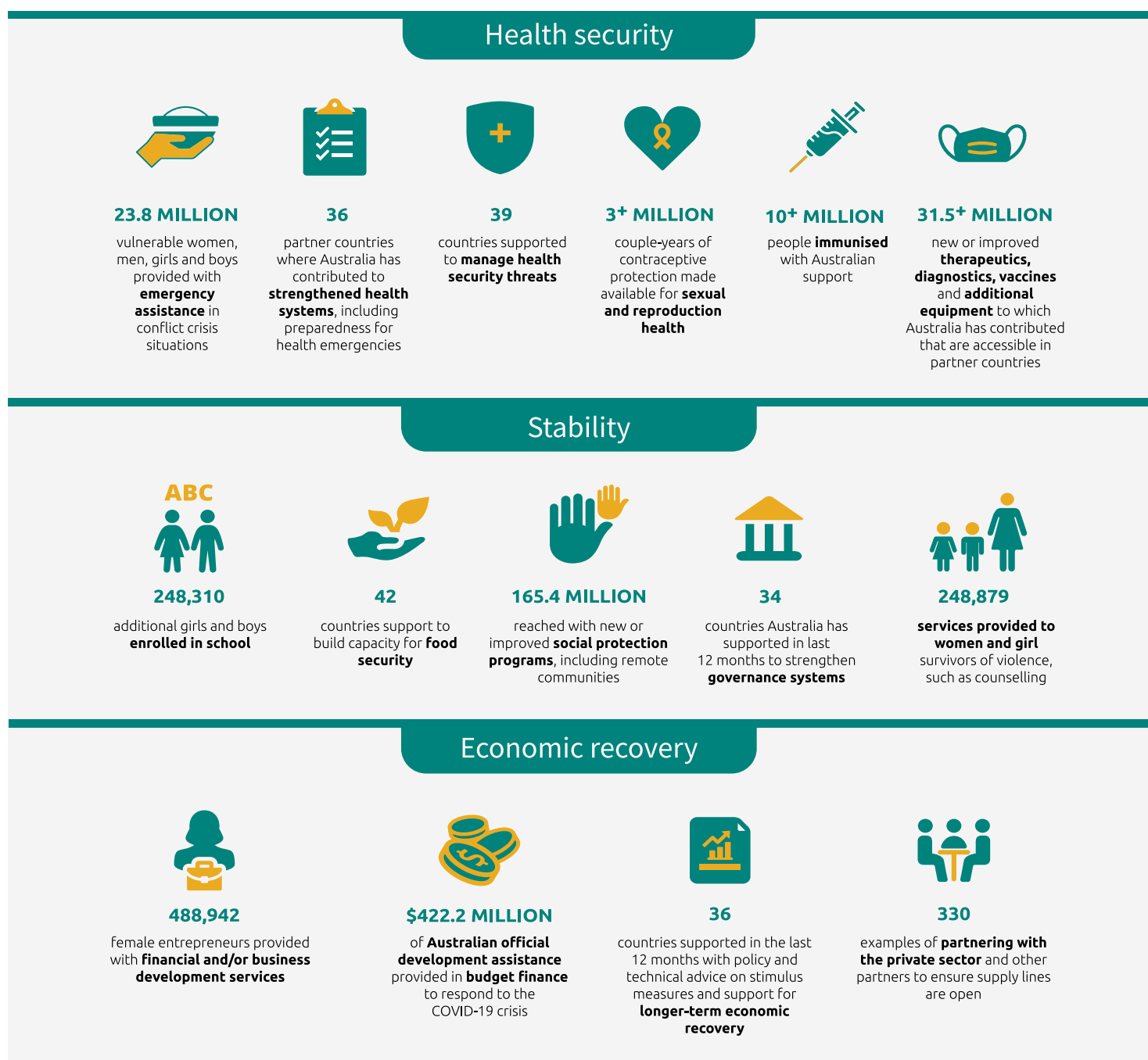


## Tier 2: Australia's contribution to development

Tier 2 results reflect contributions to development from various Australian government departments and agencies, including DFAT, the Australian Government Department of Defence, the Australian Centre for International Agricultural Research (ACIAR) and the Australian Federal Police (AFP).

These results reported here reflect the Partnerships for Recovery Tier 2 indicators, which were in place for the 2022–23 reporting period (refer to Figure 2).<sup>6</sup> Data for the new Tier 2 indicators (under the PADF) will be collected for the first time in 2023–24. For aggregate results from the past three reporting years, refer to Annex A.

Figure 2: Partnerships for Recovery Tier 2 results 2022–23



6 2022–23 Tier 2 results were first reported in DFAT's 2022–23 annual report <https://www.dfat.gov.au/sites/default/files/dfat-annual-report-2022-23.pdf>

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In 2022–23,  
we supported  
36 countries to  
strengthen health  
systems severely  
strained by the  
pandemic.

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Gender equality and  
the empowerment  
of women and  
girls are priorities  
across Australia's  
development  
program.

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## Health security

Australia continued to support its neighbours to strengthen health security and build more resilient health systems that are better prepared for future pandemics. In 2022–23, we supported the rollout of COVID-19 and routine vaccines, and responded to partner countries' vaccine needs on request. Our assistance helped deliver immunisations to over 10 million people, supporting comprehensive COVID-19 vaccination coverage in the Pacific and making a significant contribution towards the needs of countries in Southeast Asia.

Australia is also playing a part to ensure global vaccine equity. We contributed to global efforts to guard against new COVID-19 variants, lift global vaccination rates and accelerate the development of vaccines against infectious disease threats, including through the Coalition for Epidemic Preparedness Innovations and the COVAX Advance Market Commitment.

In 2022–23, we supported 36 countries to strengthen health systems severely strained by the pandemic. This included preventing, detecting and responding to emerging infectious disease outbreaks while ensuring continuity of essential health services. Our support contributed to over 31 million new or improved therapeutics, diagnostics, vaccines and additional equipment to help countries improve their preparedness for health emergencies.

Australia partnered with United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), MSI Asia Pacific and the International Planned Parenthood Federation to deliver essential sexual and reproductive health services to women across seven Southeast Asian countries. In 2022–23, our support made available over 3 million couple-years of contraceptive protection for sexual and reproductive health.

## Stability

Australia contributed to regional stability and cohesion in a range of ways, including through investments in water, sanitation and hygiene, education and social protection systems. We helped keep open vital transport corridors to the region, partnering with the private sector and other partners to ensure supply lines remained open. In 2022–23, our support increased school enrolments by almost 250,000 boys and girls. We reached 165.4 million people, including those in remote communities, through new or improved social protection programs. We provided nearly 250,000 services (such as counselling) to women and girl survivors of violence.

Gender equality and the empowerment of women and girls are priorities across Australia's development program. In 2022–23, DFAT worked across the region to deliver positive impacts for women and girls. The Indo-Pacific Gender Equality Fund provided \$65 million to support regional partners to empower women economically; advance women and girls' voices and leadership; and prevent gender-based violence. The department has also strengthened its commitment to gender equality across the development program, requiring all programs valued over \$3 million to include a gender equality objective, and setting a performance target of 80 per cent of ODA investments effectively addressing gender equality.

Australia is working with partners to provide food, health and nutrition services, access to safe water and essential support for those at risk, including women and children. We provided \$124.9 million to the World

Food Programme (WFP) in 2022–23 to deliver emergency food assistance to those most affected by the global food crisis. We contributed \$64 million to food assistance in the Horn of Africa and the Middle East, including through partners such as the Australian Humanitarian Partnership, the International Committee of the Red Cross, the Office of the United Nations High Commissioner for Refugees (UNHCR), WFP and the Emergency Action Alliance. Through the Australia Assists program, since 2021–22 Australia has deployed 11 humanitarian specialists to UN agencies responding to crises in Ethiopia, Kenya and Zimbabwe.

Australia also continued to support Sri Lanka throughout 2022–23. Australia has committed \$75 million in humanitarian and development assistance to meet immediate food and health care needs. Our assistance helped provide food, health and nutrition services, access to safe water and essential support for those at risk, including women and children.

Since the beginning of Russia's illegal invasion of Ukraine, Australia has provided \$75 million in humanitarian assistance to help meet the urgent needs of Ukrainians. We have worked with humanitarian partners, including UN agencies and nongovernment organisations, to respond to priorities such as food, water, shelter, health and protection. We have had a particular focus on at-risk groups, including women, children, older people and people with disability.

### **Economic recovery**

In 2022–23, Australia provided \$422.2 million in budget finance to help our partners respond to, and recover and rebuild from, the economic impact of the COVID-19 pandemic. Our support reduced fiscal distress in partner countries by building on existing budget and aviation sector support and laying the foundation for economic recovery. We provided 36 countries with policy and technical advice on stimulus measures and support for longer-term economic recovery.

Australia supported the region's return to economic growth through support for women's empowerment, human capital development, food security and increased trade and investment. In 2022–23, our support helped provide almost 500,000 female entrepreneurs with financial and/or business development services. We expanded and improved the Pacific Australia Labour Mobility (PALM) scheme to ensure more Pacific and Timorese workers develop skills, generate remittances and start new businesses at home.

Our support for quality infrastructure helped strengthen the region's resilience and sovereignty. We have started to implement the government's \$200 million climate and infrastructure partnership with Indonesia, drawing on Australia's deep expertise in renewables and the green energy transition. We continue to help meet our Pacific partners' need for quality and sustainable infrastructure with strong local content, including through the AIFFP.

In 2022–23, Australia's support for climate and disaster resilience included conducting research on the impact of climate change on people with disability; co-financing infrastructure to minimise impacts of climate change; and building the capacity to address climate change within Pacific governments and society. In 2023, Australia strengthened its previous climate finance commitment of \$2 billion and is now expected to deliver \$3 billion towards the global goal on climate finance over 2020 to 2025.

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In 2022–23, Australia provided \$422.2 million in budget finance to help our partners respond to, and recover and rebuild from, the economic impact of the COVID-19 pandemic.

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Lilisiana, Malaita Province, Solomon Islands. Credit: Collin Leafasia/Oxfam

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In 2023, Australia strengthened its previous climate finance commitment of \$2 billion and is now expected to deliver \$3 billion towards the global goal on climate finance over 2020 to 2025.

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Australia supported Fiji and Vanuatu in their recovery from Tropical Cyclones Yasa and Harold through rehabilitating and rebuilding damaged or destroyed school and health infrastructure. These disaster recovery programs incorporate rigorous measures for building back better and improving the resilience of individuals and assets to climate change and future disasters. Climate change projections and future disasters have been considered in planning the rebuild, which will use climate- and disaster-resilient design and construction.

### **Tier 3: ‘How we work’**

Tier 3 of the new performance framework has eight indicators that track our operational approach to designing, delivering and managing Australia’s development program (refer to Table 3). Progress in 2022–23 is summarised in Table 3 and additional analysis is provided in the following sections of the text. As this is a transitional report, there are several indicators for which reporting cannot begin because appropriate systems are not yet in place to collect relevant data. Results for these indicators will be reported in future PADC reports, once the systems are established. Tier 3 results for 2022–23 from the performance framework for Partnerships for Recovery are in Annex A.

Table 3: PADF Tier 3 results, 2022–23

Indicator	Progress
Our development cooperation is effective	<ul style="list-style-type: none"> <li>86 per cent of investments were assessed as satisfactory on both the effectiveness and efficiency criteria in the IMR process (target: 85 per cent)<sup>a</sup></li> <li>75 per cent of investments were effective in addressing gender equality (target: 80 per cent)<sup>b</sup></li> <li>70 per cent of completed investments were assessed as satisfactory on both the effectiveness and efficiency criteria in the FIMR process (target: 70 per cent)</li> </ul>
Our development cooperation is inclusive with a focus on gender equality and disability equity	<ul style="list-style-type: none"> <li>75 per cent of investments effectively addressed gender equality (target: 80 per cent)<sup>b</sup></li> <li>85 per cent of eligible new investments valued at ≥\$3 million have a gender equality objective, while the remaining investments are in the process of establishing an objective (target: 100 per cent)</li> <li>50 per cent of investments effectively addressed disability equity in implementation<sup>b</sup></li> </ul>
Addressing climate change is central to our development cooperation	<p>From 2024–25, at least half of all new bilateral and regional investments that are valued at more than \$3 million will have a climate change objective, with a goal of this rising to 80 per cent in 2028–29</p> <p>Reporting against this indicator will begin from 2024–25. A baseline was conducted in 2021–22 which identified that 26 per cent of all investments had a climate objective. Note: from 1 July 2024 we will be measuring the number of new investments with a climate objective, as per the target</p>
Partnerships underpin our development cooperation	<p>Although reporting against this indicator will begin in 2023–24, regular dialogues with partners in Australia and at Posts, have continued to be held during the reporting period</p>
Our development cooperation is transparent	<p>Work to establish an online portal commenced during the reporting period. Development of datasets to re-establish reporting to the International Aid Transparency Initiative (IATI) is also underway. Australia's ranking in the Publish What You Fund Aid Transparency Index will be a performance measure from 2025</p>
Our development cooperation uses local actors in design, delivery and evaluation	<ul style="list-style-type: none"> <li>3,842 local personnel, subcontractors and staff were engaged by managing contractors</li> <li>2,451 local contracts and grants, with a value of \$630 million, were awarded by managing contractors</li> <li>72 per cent of bilateral investment designs and 65 per cent of evaluations included local participation</li> </ul>
Our development cooperation is informed by monitoring, evaluation and learning	<p>Reporting against monitoring, evaluation and learning plans assessed at 6 months of implementation will begin in 2023–24, informed by the 2022 pilot of the MEL Plan assessment tool</p> <p>The next annual review of evaluation quality and use has commenced and will focus on evaluation use in the reporting period 2023–24. This review is expected to be published later in 2024. The last reviews were completed in 2023 and were published on the DFAT website in March 2024</p>
Our development cooperation is enhanced by First Nations perspectives	<p>Although reporting against this indicator will begin in 2023–24, a guidance note outlining the First Nations approach to international development was initiated during the reporting period</p>

<sup>a</sup> Initial analysis of the 2022–23 IMR results, published in DFAT's annual report, indicated 87% of investments were rated as satisfactory against both the effectiveness and efficiency criteria. After a data error was identified, this was revised to 86%.

<sup>b</sup> Initial analysis of the 2022–23 IMR results, published in DFAT's annual report, indicated 76% of investments were effectively addressing gender equality and 46% of investments were effectively addressing disability equity. After a data error was identified, this was revised to 75% and 50% respectively.

## Indicator 1: Our development cooperation is effective

**At least 85 per cent of investments are assessed as satisfactory on both the effectiveness and efficiency criteria in the IMR process**

IMRs are used to assess whether Australia's development program is effective, efficient and responsive. In 2022–23, the IMR process covered 381 investments. Of these, 307 (81 per cent) had an IMR completed, 27 (7 per cent) a HIMR and 47 (12 per cent) a FIMR. Of the 381 investments, 86 per cent were assessed as satisfactory (scores of 4, 5 or 6) against effectiveness and efficiency criteria. This compares to 85 per cent in 2021–22 and is consistent with the three-year trend of 86 per cent.

When underperformance was identified in ongoing investments, we developed and implemented targeted actions to address shortcomings. Of the 381 investments with completed reports, 16 investments (4 per cent) were identified as underperforming, compared with 22 investments (6 per cent) in 2021–22. Of the 16 underperforming investments, eight were completed investments that either had ended or were ending shortly. Remediation plans were developed for the eight underperforming ongoing investments.

In 2023–24, we will pilot a re-introduction of IMR 'spot checks' to further strengthen the robustness of IMR ratings.



Filling program roles with additional qualified Solomon Islanders who have a deep understanding of the local context has helped the program navigate the local political economy and identify areas of policy influence that could only be achieved through local networks.

### Case study 1:

#### Improving performance through remediation plans: education in Solomon Islands

The Education Sector Support Program is a four-year, \$64 million investment delivered in partnership with the Solomon Islands Government to implement its education plan. It is jointly funded with New Zealand, with an Australian contribution of \$41.5 million.

In 2022, this investment was assessed as underperforming, and a remediation plan was put in place. The remediation plan included a review of the program strategy, which led to improved program logic. The strengthened program logic had a stronger line of sight between activities and outcomes, which better reflected the program's sphere of influence. Improvements to monitoring, evaluation and learning included reviewing and refining performance targets to better reflect the intended results, and implementing more timely and outcomes-focused data collection. The efficiency of the program was also improved, including through increasing the proportion of local advisers (from 14 per cent to 31 per cent) and local representation on the program management team (from 44 per cent to 67 per cent). Filling program roles with additional qualified Solomon Islanders who have a deep understanding of the local context has helped the program navigate the local political economy and identify areas of policy influence that could only be achieved through local networks. The investment was assessed as performing satisfactorily in the 2023 reporting round.

The program is now well placed to draw on lessons learned to inform the design of the proposed next phase. For example, it will be important to take account of what is both technically and political feasible in the operating context, and allow enough time in the program to embed reforms needed to achieve end of program outcomes.



## At least 80 per cent of investments are effective in addressing gender equality

In 2022–23, 75 per cent of investments were assessed as effective in addressing gender equality. Further analysis on this indicator is on [Page 23](#), under Indicator 2.

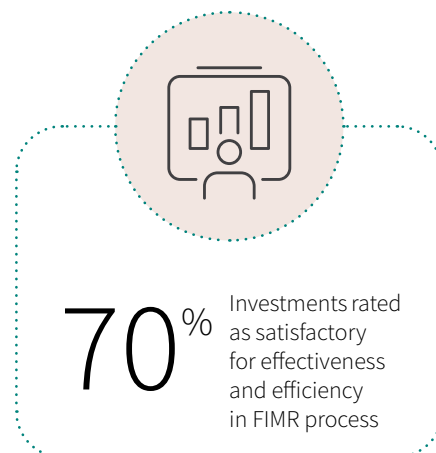
## At least 70 per cent of completed investments are assessed as satisfactory against both effectiveness and efficiency criteria in the FIMR process

FIMRs report on the performance of investments over their lifetime, including whether end of program outcomes were achieved.

In 2022–23 47 FIMRs were completed; all were subject to independent external validation. This represents 12.5 per cent of all investments required to undertake annual performance reporting in 2023. The validation process resulted in the effectiveness ratings of two investments being changed from satisfactory to unsatisfactory and the efficiency ratings of two investments being changed from satisfactory to unsatisfactory.

Characteristics associated with unsatisfactory ratings included lack of clarity in end of program outcome statements and weaknesses in monitoring, evaluation and learning. Lower-value investments (those under \$10 million) tended to underperform, particularly compared with investments in the highest range (over \$100 million). Our analysis points to lower-value investments receiving less scrutiny during design and less resourcing for monitoring, evaluation and learning during implementation. This analysis will help direct specific, targeted support to certain types of investments in our portfolio to strengthen performance.

FIMR aggregate ratings tend to be lower than those for IMRs. In 2023, this ‘performance gap’ was 16 per cent, with 86 per cent of IMRs assessed as satisfactory for both effectiveness and efficiency, compared with 70 per cent of FIMRs. This gap was smaller than in the previous two years.<sup>7</sup> The performance gap is explained by the different focus of IMRs and FIMRs. FIMRs look at the lifetime of the investment and to what extent the end of program outcomes were achieved. IMRs assess performance over the previous 12 months, focusing on outputs and intermediate outcomes, along with some assessment of progress towards the end of program outcomes. Whether an investment has achieved its stated end of program outcomes is a more definitive assessment than whether progress is on track. The achievement of outcomes is also more inherently difficult than the achievement of outputs and intermediate outcomes. This difference in focus and the relative difficulty in achieving outcomes compared with outputs is why DFAT has set different performance targets for overall IMRs (85 per cent effective and efficient) compared with FIMRs (70 per cent effective and efficient).



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In 2022–23 there were 47 FIMRs completed; all were subject to independent external validation.

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<sup>7</sup> In 2020–21 the performance gap was 27 per cent; in 2021–22 it was 23 per cent. The COVID-19 pandemic may have had a significant effect on concluding investments in 2020–21 and 2021–22.

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Resourcing for gender equality expertise is required throughout the lifetime of investments.

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## Case study 2:

### Key elements of investments that effectively address gender equality

Nine investments for which FIMRs were completed in 2022–23 had gender equality as a principal objective. Seven of the nine investments were assessed as satisfactory or better for effectiveness and for effectively implementing strategies to promote gender equality. The remaining two investments were assessed as unsatisfactory for effectiveness and one of these was also assessed as unsatisfactory for gender equality.

Analysis of these completed investments suggested that **effective gender equality investments share five features:**

- There is a strong evidence and consultation base during the design stage.
- Aspirational performance outcomes are balanced with intermediate outcomes. High-performing investments have outcomes that address multiple aspects of gender inequality and are adjusted during implementation to address the causes of gender inequality.
- Robust investment-level gender analyses are updated and used over the lifetime of the investment.
- The funding commitment is longer-term, with built-in agility to respond to changes in the operating context.
- Local agents are involved, especially women's collectives, organisations and movements.

**Four lessons learned** were:

- Resourcing for gender equality expertise is required throughout the lifetime of investments.
- Effectiveness is reduced by inadequate use of monitoring and evaluation data on gender equality in investment learning, adaptation and improvement.
- DFAT needs to encourage partners to build their commitment and capability to synthesise gender equality results and track progress to outcomes.
- Fit-for-purpose implementation and management arrangements are essential.

DFAT is using this analysis to improve the design and implementation of investments.

## Indicator 2: Our development cooperation is inclusive with a focus on gender equality and disability equity

**Eighty per cent of all development investments will address gender equality effectively, and all new investments over \$3 million will include gender equality objectives**

In 2022–23, 75 per cent of development investments performed satisfactorily in addressing gender equality in implementation.<sup>8</sup> This score was lower than last year but remained consistent with previous years. In 2022–23, gender equality specialists provided IMR quality assurance for a higher proportion of investments compared with previous years. This quality assurance covered more than 60 per cent of IMRs and HIMRs, in addition to the validation of FIMRs provided by external experts. We assess that this closer attention to the quality of gender reporting has led to more robust assessments of performance (refer to [Spotlight](#)).

The requirement that new development and humanitarian investments valued at \$3 million and above include gender equality objectives came into effect in December 2022. Between December 2022 and 30 June 2023, 85 per cent of eligible new investments had a gender equality objective, and objectives are being established for the remainder. Mechanisms have been introduced to improve compliance to meet the 100 per cent target. In particular, investment designs that do not undergo formal peer review (those below \$10 million) or that do not follow standard design pathways are receiving more proactive support from gender equality specialists.

We expect that progress in implementing the gender equality objective requirement will strengthen our ability to deliver on the gender equality performance target. In 2022–23, 70 per cent of investments rated unsatisfactory on gender equality did not have a gender equality objective.

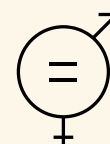
This link can also be seen in the region and sectors with weaker performance on gender equality over the reporting period: 70 per cent of Pacific investments and 64 per cent of humanitarian and disaster risk reduction investments that underperformed on gender equality did not have an objective to address gender equality. We expect that designing programs to include gender equality objectives will improve performance. We are targeting efforts to improve performance on gender equality in the Pacific and in humanitarian crises and responses.

Two-thirds (66 per cent) of the investments that underperformed on gender equality in 2022–23 will end before 2025. Evidence from the Investment Performance Reporting process tells us that the new programs that replace these – which will include gender equality objectives – will be better positioned to perform effectively on gender equality.

There are early indications that the gender equality objective requirement is leading to an increase in expenditure on gender equality across the development program. Expenditure on gender equality has increased to \$1.7 billion in 2022–23 from \$1.5 billion in 2021–22.



**75%** Investments that address gender equality effectively



**85%** New investments over \$3 million that include a gender equality objective

<sup>8</sup> Initial analysis of the 2022–23 IMR results, published in DFAT's annual report, indicated 76% of investments were effectively addressing gender equality. After a data error was identified, this was revised to 75%.

CRIP aims to build the capacity of Pacific island countries to better manage the impacts of factors such as climate change on their coral reefs through enhanced reef monitoring approaches, including the use of new AI technologies.

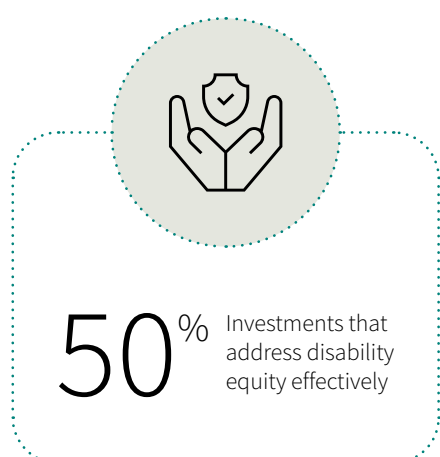
### Case study 3:

#### Integrating gender equality while improving marine protection through greater community engagement

The Australian Institute of Marine Science (AIMS) and its partners significantly improved the performance of the Coral Reef Innovation Project (CRIP) on gender equality in 2023.

CRIP aims to build the capacity of Pacific island countries to better manage the impacts of factors such as climate change on their coral reefs through enhanced reef monitoring approaches, including the use of new AI technologies. Advancing gender equality was not a principal program objective in the design. However, in the past year, AIMS formally partnered with Sea Women of Melanesia, a foundation that equips women in Papua New Guinea and Solomon Islands with training, skills, equipment and resources to help Indigenous communities create and manage marine reserves around their own coral reefs.

AIMS organised a two-day knowledge exchange workshop to explore the role ReefCloud – a CRIP-developed coral reef monitoring system – can play in supporting local Pacific women and their communities in effective coral reef management. AIMS and Sea Women of Melanesia were joined by Sea Women Great Barrier Reef, the Coral Sea Foundation, the Gidarjil Development Corporation and the Secretariat of the Pacific Regional Environment Programme, bringing together traditional knowledge and western science. As a result, a ReefCloud dashboard will be co-designed to communicate the results of reef monitoring to local communities, enabling Sea Women of Melanesia and others to engage with more women and support faster, data-driven reef management decisions in the Pacific.



#### Percentage of investments effectively address disability equity in implementation

In 2022–23, 50 per cent<sup>9</sup> of development investments over \$3 million performed satisfactorily on addressing disability equity in implementation. Performance relates to enabling people with disability to benefit equally by identifying and addressing barriers to inclusion and providing opportunities for participation. The performance rating is assessed through the Investment Performance Reporting process. The 50 per cent result is a decline from 56 per cent in 2021–22, though it is consistent with previous years.

Disability inclusion in our development cooperation is varied. Common elements include a commitment to include people with disabilities and efforts to address barriers to their inclusion. These efforts include ensuring physical environments are designed and built or adapted to be accessible; addressing communication barriers by providing information in a range of forms; and providing reasonable accommodation. Areas requiring improvement include ensuring meaningful participation by people with disabilities and organisations of people with disabilities in all stages of programming, greater consideration of intersectionality and inclusion of diverse people with disabilities.

<sup>9</sup> Initial analysis of the 2022–23 IMR results, published in DFAT's annual report, indicated 46% of investments were effectively addressing disability equity. After a data error was identified, this was revised to 50%.



To increase program quality and performance on disability equity and rights, we are increasing specialist advisory support and developing the capability of DFAT staff. The forthcoming International Disability Equity and Rights Strategy will also clarify performance and quality expectations for disability equity. We are complementing analysis to inform our future performance and quality expectations.

## Spotlight

### Strengthening gender equality and disability equity capability

DFAT is building capability and increasing gender equality and disability equity program quality in our development cooperation.

We are committed to meeting the 80 per cent target for gender equality performance in future, and to ensuring that this achievement reflects meaningful outcomes for partner countries and participant communities. Analysis shows that there are clear opportunities to improve performance by investing in capability development and technical expertise to inform design and implementation that is tailored to country, regional and operational contexts.

We have increased our investment in both gender equality and disability equity capability. This includes greater access to specialist expertise, training, communications and outreach, both internally and with our partners. Gender equality and disability equity specialists provide technical assistance to investments in design, implementation and review, and are responding to increased demand for specialist support. We are also responding to growing demand for integrated disability and gender advice.

In 2022–23, gender and disability specialists provided improved training for the Investment Performance Reporting process and quality assurance on a higher proportion of investments compared with the previous year. This additional training and closer attention to the quality of disability reporting is likely to have led to more robust assessments of performance.

Our efforts will inform and support implementation of the forthcoming International Gender Equality Strategy and the International Disability Equity and Rights Strategy.

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We are committed to meeting the 80 per cent target for gender equality performance in future, and to ensuring that this achievement reflects meaningful outcomes for partner countries and participant communities.

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## Indicator 3: Addressing climate change is central to our development cooperation

**From 2024–25, at least half of all new bilateral and regional investments that are valued at more than \$3 million will have a climate change objective, with a goal of this rising to 80 per cent in 2028–29**

The International Development Policy introduced a new commitment that from 2024–25, at least half of all new bilateral and regional investments valued at more than \$3 million will have a climate change objective, with a goal of 80 per cent by 2028–29. Reporting against this indicator will begin in 2024–25.

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Our targeted climate investments focus on energy transition, climate-resilient food and water systems, the natural environment, infrastructure and disaster risk management.

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In addition to the target, new bilateral and regional Development Partnership Plans will be informed by climate risk analysis, and we have committed to align bilateral programs with partner countries' climate priorities. From 2023–24, IMR templates will include a new climate change performance criterion, to be completed for investments with a climate change objective. Together, these actions will support climate-resilient development in our region.

To reach the new target, we will build on our existing two-track approach: designing new, targeted climate investments and mainstreaming climate change across new investments in all sectors. This recognises that to lift people out of poverty and for sustainable development, we need to build climate-resilient outcomes in all sectors, regions and countries. For example, the recent design of the Australia–Indonesia Partnership Program for Education Quality Improvement (INOVASI Phase 3) has introduced an outcome focused on building inclusive climate change mitigation and resilience. With a focus on 'real-world' learning, INOVASI will work with key stakeholders to trial approaches to improve policies and practices and support climate resilience in Indonesia's education system.

Our targeted climate investments focus on energy transition, climate-resilient food and water systems, the natural environment, infrastructure and disaster risk management. These align with priority areas for investment in climate and development outcomes.<sup>10</sup>

In advance of the target coming into effect in 2024–25, we have already seen progress in our efforts to enhance climate action in our region. We are implementing measures to improve climate- and disaster-resilient outcomes and supporting the vital transition to low-emission economies across our region.

In 2023, Australia strengthened its previous climate finance commitment of \$2 billion, and is now expected to deliver \$3 billion towards the global goal on climate finance over 2020 to 2025. In 2022–23, Australia's ODA climate finance reached \$571.1 million (12 per cent of ODA expenditure), which is an increase from \$449.2 million in 2021–22. When combined with non-ODA funding (including non-ODA grants and loans) and the private finance that has been mobilised, Australia's total climate finance in 2022–23 was \$619.1 million.<sup>11</sup>

Australia's investments supporting climate and disaster resilience are diverse and involve working with governments, research institutions and civil society across a range of countries and regions.

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10 Refer to [Finance for climate action: Scaling up investment for climate and development](#); Report of the Independent High-level Expert Group on Climate Finance. November 2022.

11 Refer to [Delivering on our Climate Finance Commitments](#)

## Case study 4:

### Blue Carbon Accelerator Fund

The Blue Carbon Accelerator Fund supports the development of coastal blue carbon restoration and conservation projects in developing countries, producing benefits for climate, biodiversity and communities, and paving the way for private-sector finance. The fund was established by the Australian Government Department of Climate Change, Energy, the Environment and Water through a \$7.25 million (non-ODA) grant award to the International Union for Conservation of Nature (IUCN). Australia is working in partnership with the IUCN to deliver the fund.

Readiness support is helping project developers get projects ready for implementation and future private-sector finance. The fund is currently providing readiness support to projects in Benin, Madagascar, Peru and Philippines. A second round of applications, focused on the Indo-Pacific, closed in July 2023, and four projects were announced in December 2023.

Implementation support is funding four on-ground blue carbon ecosystem projects in Indonesia and Papua New Guinea. These projects all take a community-led approach for tackling on-ground blue carbon ecosystem restoration.

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Readiness support is helping project developers get projects ready for implementation and future private-sector finance.

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## Indicator 4: Partnerships underpin our development cooperation

**Regular dialogues, in Australia and at Posts, to share emerging practices, exchange ideas and facilitate learning**

**Development Partnership Plans in place by 2024**

Development Partnership Plans (DPPs) will be key to translating the International Development Policy into action. DPPs will be developed in close consultation with our partners during 2023 and 2024 reflecting a genuine partnership approach based on respect and listening. Regular dialogue with partners will be built into the implementation of DPPs through consultation, evaluation and learning activities. These activities will share emerging practices, exchange ideas and facilitate learning.

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Development Partnership Plans will be key to translating the International Development Policy into action.

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## Indicator 5: Our development cooperation is transparent

**Establish an online portal providing access to financial and performance data as well as key documentation on all DFAT-managed ODA investments**

The Australian Government announced in the International Development Policy that it will create a new data portal to sustain our commitment to transparency. Available from the end of 2024, this public, searchable, online portal will bring together data and documentation on expenditure and investments, increasing the accessibility and transparency of information on Australia's development program.

DFAT is investing in data analytics and reporting capability to increase reporting to the International Aid Transparency Initiative

Delivered in a phased approach, we will add more information over time, including development results, charts, infographics and documentation such as investment designs, reviews and evaluations.

### Australia's ranking on the Publish What You Fund Aid Transparency Index (from 2025)

As part of our renewed commitment to accountability and transparency, DFAT is investing in data analytics and reporting capability to increase reporting to the International Aid Transparency Initiative (IATI). IATI is an open data standard for sharing information on humanitarian and development investments and results.

Work is under way to provide annual datasets to IATI in 2024 and priority data at greater frequency in subsequent stages.

The Publish What You Fund Aid Transparency Index is an independent measure of transparency among the world's major international development donors. The index has 35 indicators, each corresponding to the availability and accessibility of a particular type of information. The methodology assesses both IATI data and publicly available information. In the 2022 index, Australia was rated as 'fair'. With the additional initiatives focused on transparency and accountability, including increased reporting to IATI and the establishment of a data portal, we expect Australia's rating to improve from 2025.


## Indicator 6: Our development cooperation uses local actors in design, delivery and evaluation

### Number of local personnel, subcontractors and staff engaged (employment created) – managing contractors

Engaging more local personnel, subcontractors and staff in Australia's development program can have a multiplier impact: as well as the program outcomes, we are investing in the skills and capability of local people and sharing the economic benefits of employment. Increasing the number of skilled, capable and specialist local staff in our programs will also support more effective, locally led development action.


In 2022–23, managing contractors employed 5,794 people including 3,635 local personnel. Of these, 1,776 engagements were for local specialist personnel. The top four specialist disciplines were education; monitoring and evaluation; infrastructure; and economics (with more than 200 personnel for each discipline). Local project support personnel (1,859 engagements) performed roles such as project administration, finance and procurement. In addition, 207 local personnel were engaged as subcontractors. During 2022–23, \$145 million was paid to 3,842 local personnel and subcontractors.

Total personnel employed and payments increased by 15 per cent and 21 per cent, respectively, compared with the previous year. These increases can be attributed to a greater emphasis on localisation as well as program changes from year to year.



1,776

Local specialist personnel



1,859

Local project support personnel



Data on personnel and local supply chains for ODA contracts are collected annually through the Projects Electronic Recording of Financial and Operational Reports Management System (PERFORMS) for all ODA contracts over \$3 million. In 2022–23, 115 programs valued at \$7.9 billion were implemented by managing contractors.

In 2022–23, 24 per cent of ODA spent was through commercial suppliers.

### Number and dollar value of local contracts and grants (local supply chains) – managing contractors

Our use of local supply chains through the development program creates a ‘double dividend’, delivering development outcomes while supporting local businesses.

In 2022–23, managing contractors entered into 2,451 subcontracts with local suppliers, valued at \$630 million. Of these, 1,657 subcontracts (68 per cent) were for program delivery and 794 (32 per cent) were for corporate services. The number and value of subcontracts and grants increased by 8 per cent and 18 per cent, respectively, compared with the previous year. During 2022–23, \$239 million was paid to local suppliers, which decreased marginally by 2 per cent compared with 2021–22. Subcontracts data for ODA contracts are also collected through PERFORMS.

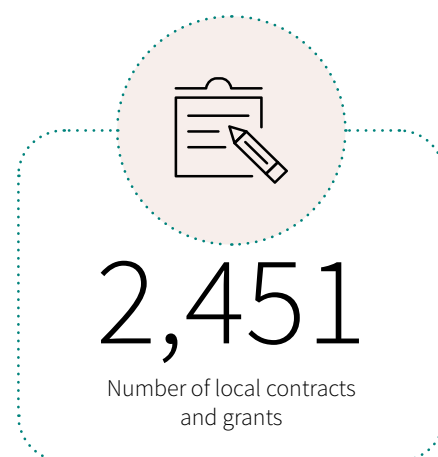
### Number of local partners supported through the Australian NGO Cooperation Program (ANCP), and funding (amount and proportion) to local partners through ANCP organisations, the Australian Humanitarian Partnership and the Australian Red Cross (from 2025)

This indicator tracks important partnerships supporting and funding local organisations across the Indo-Pacific. Foundational work is under way to establish the systems required to track data across a diverse range of partnerships. Formal reporting for this indicator will not begin until 2025.

The ANCP is the Australian Government’s longest-running and largest NGO program (\$142.3 million in 2022–23). Each year, the ANCP supports more than 50 Australian NGOs (ANGOs) to work with more than 2,000 local partners to deliver community-based development outcomes.<sup>12</sup> We are also exploring how locally led approaches can be strengthened through the ANCP. In 2022–23 DFAT piloted a funding pass-down to local partners, where ANGOs were required to allocate a minimum of \$5,000 of their annual ANCP grant to local implementing partners for administration and overhead costs. Over \$465,000 was passed down through this pilot. Looking ahead, ANCP will expand reporting to include funding flows to local partners for implementing project activities in addition to administration and overhead costs. We will start collecting these data from the 2023–24 ANCP Performance Reports, which will provide baseline data for this indicator.

Locally led humanitarian action is a key principle of the **Australian Humanitarian Partnership (AHP)**, including for Disaster READY projects and humanitarian responses. Disaster READY country plans developed for Phase 2 (2022–2027) included specific localisation plans and locally led country committees. All AHP partners report on progress towards locally led humanitarian action; for example, supporting long-term local leadership. AHP partners also track the allocation of funding to local partners, with 36 per cent of total new response funding (\$45.6 million) provided to local partners in 2022–23.

<sup>12</sup> This includes both financial and nonfinancial partners.



Each year, the ANCP supports more than 50 Australian NGOs (ANGOs) to work with more than 2,000 local partners to deliver community-based development outcomes.

**The Australian Red Cross (ARC)** partnership supports stronger, more resilient communities that have increased capacity to prepare for, respond to and recover from disasters and crises. To achieve this, ARC focuses on strengthening nine national societies in the Indo-Pacific, enhancing locally led humanitarian action and increasing the effectiveness of national-society-led disaster risk management. DFAT also provides funding to a global mechanism that channels support to local and national Red Cross Societies. A 2022 report based on research with six national societies found all played leading roles in their countries' preparation and response to the COVID-19 pandemic. ARC is developing a 'localisation lab' in consultation with DFAT and sector partners to test strategies and approaches designed to promote greater local humanitarian leadership and better measure progress on localisation. The 2022 report is also informing ARC's financial sustainability and resource mobilisation program.

#### **By 2025, develop systems to track the proportion of humanitarian funding to local and national partners**

We will consult with stakeholders to determine the best method for tracking funding and will calculate an overall estimate of funding to local and national partners. The 2025 PADC report will outline the baseline from which progress will be assessed, and internal targets, where appropriate. Formal annual reporting is expected to begin in September 2025. In the long term, this indicator will help embed performance requirements on locally led humanitarian action into our performance and reporting systems.

#### **By 2026, 80 per cent of bilateral investment designs and evaluations include local participation**

This indicator will track the inclusion of consultants from the country in which the program is being implemented on design and evaluation teams. Increased local participation is expected to contribute to increased local leadership of design and evaluation processes. The measure will track all evaluations in DFAT's Development Evaluation Plan and DFAT-led bilateral designs over \$10 million in value. Where possible, we will also track data for partner-led designs, regional or multi-country designs, and designs under \$10 million in value; however, the nature of these types of design processes may mean data are not available or comparable, so these data will be reported separately (if available).

While formal reporting will not begin until 2024, indicative baselines have been established:

- For **designs**, 72 per cent (13 of 18) of eligible bilateral designs approved in 2022–23 (with a combined value of over \$820 million) involved local consultants as part of the design team. Qualitative data were also sought on the role of local consultants in teams. Of 22 local consultants involved in these designs, seven (32 per cent) were in administrative roles. Other local personnel were engaged in specialist roles including gender equality, disability equity, and monitoring, evaluation and learning (MEL).
- For **evaluations**, a survey of evaluation managers who undertook evaluations between January 2022 and July 2023 was completed (the longer period was to transition from calendar to financial year reporting). Responses were received for 31 of 47 (66 per cent) evaluations completed in this period. Twenty evaluations included local consultants in the team. This represented 65 per cent of the evaluations for which survey responses were received, but at least 42 per cent of all evaluations.

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Increased local participation is expected to contribute to increased local leadership of design and evaluation processes.

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From 2023–24, data will be collected for all designs and evaluations through our established monitoring system; we will also seek information on the roles of local consultants within the evaluation team. Future reporting may not be directly comparable because of differences in data collection and time periods.

## **Indicator 7: Our development cooperation is informed by monitoring, evaluation and learning**

### **MEL Plans assessed against DFAT Design and MEL Standards at six months of implementation**

This indicator introduces a formal requirement to assess Monitoring, Evaluation and Learning Plans (MEL Plans) against [DFAT's Design and Monitoring, Evaluation and Learning Standards](#). It will cover MEL Plans for new investments delivered by managing contractors. MEL Plans will be assessed against MEL Standard 5. The assessment of MEL Plans is expected to lead to a structured discussion between DFAT and contractors to ensure high-quality implementation of the MEL Plan.

An assessment tool was developed in October 2022 and piloted with a sample of 12 MEL Plans across a range of implementing partners in Papua New Guinea. Anecdotally, investment managers and contractors both valued the tool for providing a clear framework for continuous improvement of program MEL.

For the next reporting period (2023–24), MEL Plans for all new investments delivered by contractors will be assessed against MEL Standard 5 using the tool.

### **Conduct an annual review of the quality and use of evaluations and publicly report on the findings**

The **Reviews of Evaluation Quality and Use** were conducted covering evaluations completed in 2022. Reviews of evaluation quality were previously conducted in 2017, 2014 and 2012 and reviews of evaluation use in 2021, 2017 and 2014. The next reviews will cover evaluations in the reporting period 2023–24.

Key findings from the reviews of evaluations completed by DFAT in 2022 were:

- Most evaluations (70 per cent) were assessed as satisfactory quality and provided a credible source of evidence to support learning, accountability and decision-making.<sup>13</sup>
- There were several examples of good practice, including three evaluations of excellent quality (closely aligned with DFAT's Design, Monitoring, Evaluation and Learning Standards). These evaluations were *Penyediaan Air Minum dan Sanitasi Berbasis Masyarakat* (community-based rural water supply and sanitation—PAMSIMAS); Australia–World Bank Indonesia Partnership (ABIP); and the AIFFP. Evaluations of larger investments (over \$100 million) tended to be of higher quality than evaluations of smaller investments (less than \$10 million).

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The assessment of MEL Plans is expected to lead to a structured discussion between DFAT and contractors to ensure high-quality implementation of the MEL Plan.

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13 Compared with 77 per cent in 2012 and 71 per cent in 2017.

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In consultation with stakeholders, we have begun developing a guidance note outlining the First Nations approach to international development.

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- Seventy-four per cent of evaluation recommendations were accepted, less than in 2021 but more than in 2017 and 2014. With most already or currently being actioned, we are using evaluation findings and recommendations to improve our work.
- Most evaluations were used to inform the design of the next phase of programs and related investments; to inform new policies and strategies; for continuous improvement; and to improve existing programs.
- Evaluations were most commonly used to improve effectiveness in the areas of gender equality, disability equity and social inclusion (a threefold increase in examples compared with 2021) and MEL.

## **Indicator 8: Our development cooperation is enhanced by First Nations perspectives**

### **First Nations perspectives are embedded into development programming and policy**

Embedding the perspectives of First Nations Australians into development policy and programming will take time. It will require new ways of working and engagement including through leveraging existing programs, where appropriate, to explore new approaches.

Embedding First Nations perspectives into our DPPs will initially focus on Papua New Guinea and Timor-Leste. Midcycle reviews will be a further opportunity to consider how to embed First Nations perspectives across a larger set of DPPs. This will be complemented by bilateral and regional engagements led by the Office for First Nations International Engagement to broaden opportunities for building partnerships with First Nations Australians and the region.

In consultation with stakeholders, we have begun developing a guidance note outlining the First Nations approach to international development. The document will serve as a practical guideline for respectful and effective engagement and be a tool to assist embedding First Nations perspectives into Australian programs. The guidance note will be delivered by the end of 2024.

In future, we aim to develop systems to monitor the impact of First Nations perspectives on our international development programming and policy, including establishing appropriate baselines. The system will allow us to assess how effectively First Nations perspectives are being embedded in the design of programs, and the impact of these perspectives on development outcomes.





Empowering women through participating in safe vegetables value chains. Farmers Nguyen Thi May and Nguyen Thi Thuy from Tu Nhien Cooperative in Dong Sang commune, Moc Chau district, Vietnam, harvesting potatoes. Credit: Bui Thi Hang

## Chapter 2

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# Performance by region

This chapter summarises the key performance trends for Australia's country and regional development programs, organised into four regional groups: Pacific; Southeast Asia; South and West Asia; and beyond the Indo-Pacific. It highlights key investment performance trends, examples of the quality and use of evaluations completed and published in 2022, and examples of development activities and achievements delivered by other Australian government agencies.

Performance data are drawn from DFAT's Investment Performance Reporting (IPR) system and include both annual outcomes and three-year trends.<sup>14</sup> This information is complemented by reporting against country and regional [COVID-19 Response Plans \(CDRPs\)](#). The 2022–23 reporting period was the final year of reporting against CDRPs. Twenty-three [CDRP progress reports](#) were published in December 2023. These reports detail achievements and progress against performance indicators and investment-level performance ratings.

Figure 3 summarises the 2022–23 investment performance of each region and all investments across the development program against four common criteria assessed in the IPR process (effectiveness, efficiency, gender equality and disability equity).

Figure 3: 2022–23 Investment performance results across regional groups and whole of program



Pacific and Southeast Asia regional results for effective and efficient IMRs and FIMRs are close to or exceed Tier 3 whole-of-program targets of 85 per cent and 70 per cent respectively. Aggregate outcomes for South and West Asia and Beyond the Indo-Pacific should be treated cautiously because the comparatively smaller number of investments in these two portfolios can lead to volatility in annual aggregate percentage outcomes. In addition, the comparatively high effective and efficient IMR outcome for South and West Asia reflects the exclusion of previously underperforming investments in Afghanistan, which continued to be paused in 2022–23. Gender outcomes in the Pacific and disability equity outcomes across all regions will be an ongoing focus to strengthen performance (refer to the [Tier 3 section of Chapter 1](#) and the [Pacific section of Chapter 2](#)).

14 Investment performance reporting comprises three types of monitoring reports: investment monitoring reports (IMR), humanitarian investment monitoring reports (HIMR), and final investment monitoring reports (FIMR). Refer to Chapter 1 for more information on these three types of reports. Three-year trends cover the 2020–21, 2021–22 and 2022–23 reporting periods.



# Pacific

## Investment performance

The Pacific is a challenging development context. Small populations spread across remote areas make delivering services difficult and often comparatively costly; economic shocks and natural disasters add to these challenges. Pacific programs account for the largest number of investments for which IMRs are completed. In 2022–23, IMRs were completed for 118 Pacific investments, HIMRs for three investments and FIMRs for 17 investments. The proportion of investments rated satisfactory or higher for effectiveness and efficiency was 84 per cent (excluding FIMRs). This outcome was slightly lower than the whole-of-program outcome of 86 per cent but consistent with the three-year Pacific average (84 per cent).

Of the three ongoing investments identified as requiring improvement in 2021–22, two improved performance and one was closed. Eight investments were identified as requiring improvement based on 2022–23 IMR results. Three of these investments have ended and management action plans have been put in place for the five that are ongoing.

Aggregate investment ratings (IMR, HIMR and FIMR) for gender equality and disability equity were 67 per cent and 42 per cent, respectively, lower than the three-year averages of 74 per cent and 54 per cent and the whole-of-program outcomes of 75 per cent and 50 per cent, respectively. Several factors may have contributed to these lower ratings, such as more robust assessment of performance through IMR moderations in 2022–23, and a greater use of modalities where it can be more challenging to demonstrate gender equality and disability equity outcomes (such as budget support and large infrastructure investments). The inclusion of gender objectives in all new investments over \$3 million is expected to have a positive influence. We are building capability of DFAT staff, and increasing specialist advisory support, to improve program quality and performance on disability equity and rights. Further analysis will be undertaken to identify other factors influencing gender equality and disability equity results and additional measures to respond.

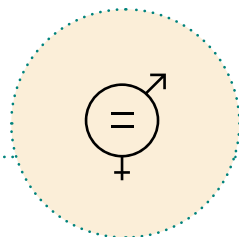
FIMRs for completed investments assessed 76 per cent as effective and efficient, compared with the whole-of-program outcome of 70 per cent. Thirteen of 17 completed investments were assessed as satisfactorily meeting end of program outcomes. Of the four investments assessed as not satisfactorily meeting expected outcomes, two were in Samoa (refer to the [Governance](#) and [Health](#) sections of Chapter 5), one was in Solomon Islands (refer to the [Governance](#) section of Chapter 5 and one was delivered through the Pacific regional program (refer to the [Economic infrastructure and services](#) section of Chapter 5). Three of the four investments were below \$10 million—investments below \$10 million account for the highest proportion of unsatisfactory ratings for completed investments across the whole of program.



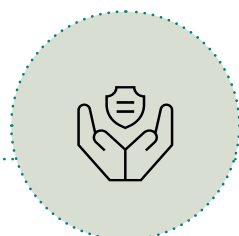
84% Effective and efficient IMRs



76% Effective and efficient FIMRs



67% Gender equality



42% Disability equity

## Case study 5:

### Pacific labour mobility

The Pacific Australia Labour Mobility (PALM) scheme supports the economic development of Pacific island countries and Timor-Leste by providing workers from participating countries with jobs in Australia, enabling them to develop skills, earn income and support their families and communities back home.

Since 2018, PALM scheme workers have sent over \$200 million in remittances home. On average, workers in the scheme remit at least \$1,500 per month.

The PALM scheme has experienced rapid growth in worker numbers in Australia. The government's target of 35,000 workers was achieved 6 months early in December 2022, increasing to more than 39,000 by June 2023. This represents a total expansion of the scheme by 58 per cent throughout 2022–23. The number of women participating in the scheme doubled during 2022, accounting for 20 per cent of PALM participants.

The scheme is now supporting workers in Australia's care sector. In 2022–23, two Aged Care Training pilots were conducted, supporting 61 individuals from Samoa (23) and Fiji (38) to obtain their Certificate III in Individual Support (Aged Care), ahead of placement in full-time employment in Australia's aged care industry.

The scheme is jointly managed by the Australian Government Department of Employment and Workplace Relations and DFAT. Other agencies, including the Fair Work Ombudsman, Australian Border Force, Australian Tax Office and Australian Government Department of Social Services, also contribute to implementing and safeguarding the integrity of the PALM scheme. PALM scheme settings align with the aspirations of participating countries.



Aged Care Workers working at St Agnes Emmaus Aged Care Facility, Port Macquarie. The workers are all from Vanuatu and live and work in Port Macquarie as part of the Pacific Australia Labour Mobility (PALM) Scheme. Credit: DFAT

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Australia's total funding to SPC, which includes core funding, funding to SPC divisions and funding for specific projects, contributes around 30 per cent of SPC's budget.

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## Case study 6:

### Support for the Pacific Community

Australia's flexible, multi-year core funding commitment under our partnership with the Pacific Community (SPC) – the largest technical and scientific regional organisation – contributed to renewal of the SPC's strategic plan, strengthening of its MEL systems and better integration of its programs. An independent evaluation of the Australia–SPC Partnership, completed in October 2022, found that the resources it provided were used effectively and efficiently to enhance SPC's performance and sustainability, and to enhance public goods in the region. The evaluation made recommendations for improvements in relation to Partnership management, coordination and reporting, visibility of achievements and value for money. SPC coordinates support to its Pacific island country and territory members through four flagships covering climate change, oceans, food systems, and gender equality and women's empowerment. Australia's total funding to SPC, which includes core funding, funding to SPC divisions and funding for specific projects, contributes around 30 per cent of SPC's budget.



## Evaluation and learning

In 2022, 18 evaluations covering Pacific programs were completed and 17 were published on the DFAT website with a management response.

- This represented 45 per cent of total evaluations completed in 2022, broadly reflecting the proportion of the ODA budget allocated to the Pacific.
- Thirteen of these were commissioned directly by DFAT and five were jointly commissioned or commissioned by a partner with DFAT input.
- Two-thirds covered investments in the sectors of governance and economic infrastructure and services.
- Two-thirds covered investments that were coming to the end of the current phase or that had ended, and one-third were progress or midterm reviews covering investments still under way.

The case studies below show how evaluation findings were used to improve investments.

### Evaluation case study 1:

#### **Pacific Insurance and Climate Adaptation Programme midterm review report**

The Pacific Insurance and Climate Adaptation Programme is delivered by the UN Capital Development Fund (UNCDF) with support from several development partners, including DFAT. It has built on previous financial inclusion programs to introduce, test and scale market-based climate disaster risk financing and insurance instruments, such as parametric insurance for members of vulnerable and low-income populations in the Pacific. These cover key economic sectors such as agriculture, fisheries, tourism and retail with a cross-cutting focus on women, people with disabilities and micro-, small- and medium-sized enterprises.

In 2022, an independent midterm review assessed the effectiveness of the program's inception phase, with a view to supporting the program's scale-up from 2023. The review found the program was progressing well overall but that more structured support to partners, including policymakers such as central banks, was adequate, but that more structured and intensive capacity-building support to regulators and policymakers will be required as the program scales up and moves into other Pacific countries. In response to the review findings and recommendations, UNCDF, through the program, built on its partnership with the Access to Insurance Initiative to develop the first index insurance best-practice guidelines for regulators, governments and other practitioners in Pacific markets. This best-practice tool was presented in a global webinar attended by more than 100 participants, including many central bank supervisors. It is now being developed into an e-learning tool that will support and build technical capacity and knowledge of best practice in index insurance for Pacific regulators and industry practitioners. It will also be publicly available for other markets.

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In response to the review findings and recommendations, UNCDF, through the program, built on its partnership with the Access to Insurance Initiative to develop the first index insurance best-practice guidelines

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## Evaluation case study 2:

### Pacific IUU Fishing end of investment evaluation

An end of investment evaluation, completed in 2022, found that the project was effective in increasing information sharing between Pacific island countries and building operational capacity to improve cooperative enforcement.

Between 2017 and 2021, DFAT supported Pacific island countries to counter illegal, unreported and unregulated (IUU) fishing in a project to support ratification and implementation of the Niue Treaty Subsidiary Agreement. This agreement provides a framework for Pacific countries (including Australia) to share resources and information to combat IUU fishing. Australia provided support in three phases: awareness raising, legal support to ratify the agreement and operational capacity building to implement the agreement.

An end of investment evaluation, completed in 2022, found that the project was effective in increasing information sharing between Pacific island countries and building operational capacity to improve cooperative enforcement.

It also found that waiting for countries to ratify the agreement before delivering operational capacity building activities caused unnecessary delays and that the collaboration between delivery partners was not optimal and led to fragmentation between project components.

In response, DFAT simplified the design for the next phase of support to focus on building operational capacity for cooperative surveillance and law enforcement activities. The refined operational focus has resulted in a more streamlined and efficient delivery model to support Pacific island countries to work together under the agreement to protect their waters from IUU fishing.

## Southeast Asia

### Investment performance

In 2022–23, 88 IMRs were completed for Southeast Asia investments, HIMRs for three investments and FIMRs for 16 investments. The proportion of investments rated satisfactory for effectiveness and efficiency was 89 per cent (excluding FIMRs). This outcome was higher than the whole-of-program outcome of 86 per cent, but lower than the three-year Southeast Asia average of 93 per cent.

The one ongoing investment identified as requiring improvement in 2021–22 was again assessed as requiring improvement in 2022–23, and will be completed during 2023–24. One additional investment was identified as requiring improvement based on 2022–23 IMR results and a management action plan was put in place.

Aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 80 per cent, slightly lower than the three-year average of 81 per cent, but higher than the whole-of-program outcome of 75 per cent. The aggregate rating for disability equity was 64 per cent, higher than the three-year average of 59 per cent and the whole-of-program outcome of 50 per cent.

FIMRs for completed investments assessed 88 per cent as effective and efficient compared with 70 per cent for the whole-of-program outcome. Of the 16 completed investments, 14 were assessed as satisfactorily meeting end of program outcomes. Two investments were assessed

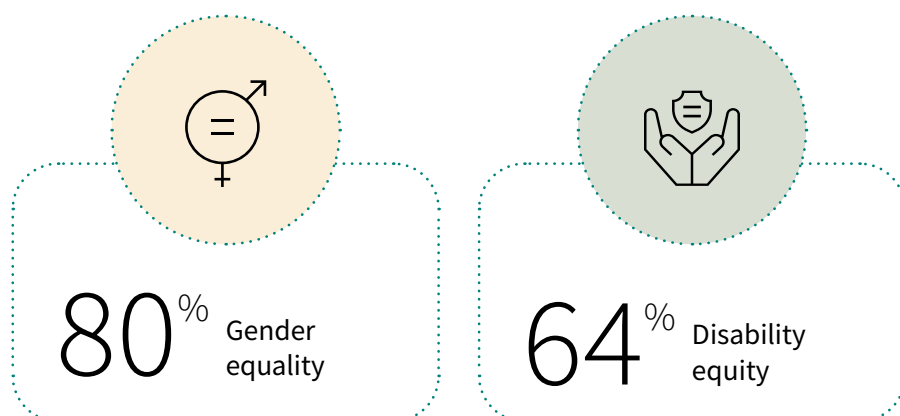


89% Effective and efficient IMRs



88% Effective and efficient FIMRs

as not satisfactorily meeting outcomes: one in Timor-Leste (refer to the [Governance](#) section of Chapter 5) and one in Cambodia (refer to the [Education](#) section of Chapter 5). One of these two investments was below \$10 million.



### Case study 7:

#### Combating human trafficking

Under Australia's National Action Plan to Combat Modern Slavery 2020–25, the Australian Attorney-General's Department (AGD) delivered capacity building and technical assistance supporting Indo-Pacific partner governments to strengthen and implement legal and policy responses to human trafficking and other forms of modern slavery. AGD's regional conference, 'Pacific Perspectives: Combating Human Trafficking in the Pacific Region', brought together representatives from seven Pacific island countries and Timor-Leste to share examples of effective national responses to human trafficking. AGD also partnered with the Vietnamese Government and UN Office on Drugs and Crime to support the development and implementation of Vietnam's legislation and policies to combat human trafficking. Together with Indonesia, AGD continued to co-chair the Bali Process Working Group on Trafficking in Persons, which promotes more effective law and justice responses to human trafficking in the Asia-Pacific region.

#### Evaluation and learning

In 2022, 14 evaluations covering Southeast Asia programs were completed and published on the DFAT website with a management response.

- This represented 35 per cent of evaluations completed in 2022, higher than the proportion of ODA budget allocated to Southeast Asia.
- Twelve evaluations were commissioned by DFAT and two were jointly commissioned or commissioned by a partner.
- About two-thirds covered governance and education investments.
- More than one-quarter covered investments that were coming to the end of the current phase or that had ended, and nearly three-quarters were progress or midterm reviews covering investments still under way.

The case studies below show how evaluation findings were used to improve investments.



Na Haidiew Primary School, Vientiane Lao.  
Credit: Sarah Friend/DFAT

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The review established that BEQUAL positioned Australia as a flexible, pragmatic and capable development partner in support of Laos's education sector, and provided a strong platform for strategic engagement on policy issues.

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### Evaluation case study 3:

#### Basic Education Quality and Access in Laos (BEQUAL) Phase 1 independent end of program review

The BEQUAL program supports the Government of Lao PDR to ensure more students, especially from disadvantaged groups, are literate and have the life skills to join a productive and stable workforce. An independent end of program review was undertaken in 2022 to document the achievements of Phase 1 and draw out lessons for the second phase.

The review established that BEQUAL positioned Australia as a flexible, pragmatic and capable development partner in support of Laos's education sector, and provided a strong platform for strategic engagement on policy issues. The review recommended that BEQUAL Phase 2 finish revision of the grade 1–5 curriculum and focus on continuous professional development (CPD) for teachers that targets student engagement and improvements in learning, and actively supports teaching practices that promote gender equality, disability equity and social inclusion.

BEQUAL Phase 2 is supporting the Ministry of Education and Sport to design and implement the first national CPD system including through:

- developing a CPD system that builds teachers' skills to improve learning for all students
- supporting teacher training colleges to play a key role in the new CPD system
- ensuring all CPD activities, training and communications are gender, equality, disability and social inclusion (GEDSI) mainstreamed with targeted actions including room to trial innovative solutions and collaboration across shared commitments with Lao Ministry of Education and Sports.



## Evaluation case study 4:

### Penyediaan Air Minum dan Sanitasi Berbasis Masyarakat (PAMSIMAS) final independent evaluation

PAMSIMAS or ‘community-based rural water supply and sanitation’ is a nationwide program of the Government of Indonesia, supported by the World Bank and DFAT. Possibly the largest program of its type in the world, PAMSIMAS has reached more than 26 million people. A final independent evaluation, completed in 2022, assessed performance and captured key learnings. The findings were used extensively in the design of the next phase (PAMSIMAS Next Gen).

The evaluation identified gaps in the management information system (MIS) data on access to sanitation in PAMSIMAS. Ministry of Health data on sanitation was a key reference source for the PAMSIMAS MIS, but was unlinked from the MIS following significant problems in 2018. The evaluation findings highlighted that the sanitation data were potentially unreliable and identified gaps during consultations with the design team. PAMSIMAS Next Gen is expected to re-integrate the PAMSIMAS MIS with an improved Ministry of Health database.

DFAT participated directly in the design process by joining field visits with the design team to selected PAMSIMAS locations (the provinces of Aceh and Nusa Tenggara Timur). This was an effective way to give direct feedback from the evaluation to the design team while also testing the facts on the ground.

PAMSIMAS or ‘community-based rural water supply and sanitation’ is a nationwide program of the Government of Indonesia, supported by the World Bank and DFAT.

## South and West Asia

### Investment performance

In 2022–23, IMRs were completed for 16 South and West Asia investments, HIMRs for six investments and FIMRs for four investments. The proportion of investments rated satisfactory for effectiveness and efficiency was 91 per cent (excluding FIMRs). This outcome was higher than the whole-of-program outcome of 86 per cent and the three-year average of 83 per cent. This comparatively high outcome reflects the smaller number of investments in the South and West Asia portfolio (which can lead to volatility in annual aggregate percentage outcomes), as well as the exclusion of previously underperforming investments in Afghanistan (which were paused in 2022–23).

The three investments identified as requiring improvement in 2021–22 were in Afghanistan, and continued to be paused during 2022–23 after the Taliban takeover. One additional investment in Afghanistan was assessed as requiring improvement in 2022–23 and has been completed.

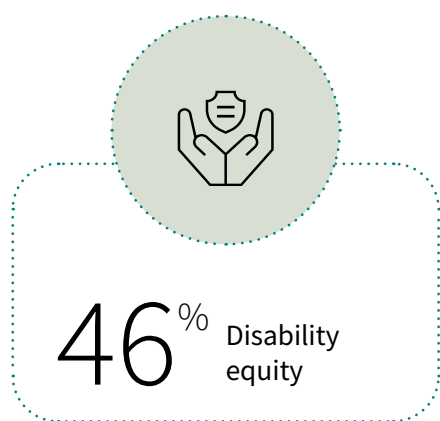
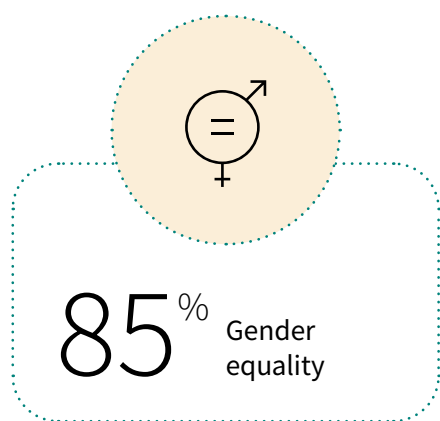
The aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 85 per cent, slightly higher than the three-year average of 80 per cent and higher than the whole-of-program outcome of 75 per cent. The aggregate rating for disability equity was 48 per cent, on par with the three-year average of 48 per cent but less than the whole-of-program outcome of 50 per cent.



91 % Effective and efficient IMRs



25 % Effective and efficient FIMRs



One-quarter (25 per cent) of completed investments were assessed as effective and efficient, compared with the whole-of-program outcome of 70 per cent. This outcome reflects the small number of FIMRs completed for South and West Asia (four in total), which can lead to volatility in overall percentage outcomes. Three of the four completed investments were assessed as not satisfactorily meeting end of program outcomes and/or not achieving these outcomes. All these investments were above \$10 million in value. Two of these investments were in Pakistan (refer to the [Education](#) and [Humanitarian assistance and disaster risk reduction](#) sections of Chapter 5) and one was in Afghanistan (refer to the [Governance](#) section of Chapter 5).

## Evaluation and learning

In 2022, three evaluations covering programs in South and West Asia were completed and two were published on the DFAT website with a management response.

- This represented around 8 per cent of evaluations completed in 2022, higher than the proportion the ODA budget allocated to these regions.
- Two of the evaluations were commissioned directly by DFAT and one was commissioned by a partner with DFAT input.
- The evaluations all covered investments in the governance and education sectors.
- All the evaluations covered investments that were coming to the end of the current phase or which had ended.

The case studies below show how evaluation findings were used to improve investments.

### Evaluation case study 5:

#### Program completion review of the Strategic Partnerships Arrangement (SPA) Phase 2 in Bangladesh between DFAT, the UK Foreign, Commonwealth and Development Office (FCDO) and BRAC

SPA Phase 2 (2016–21) was a partnership between Australia, the United Kingdom (UK) and the Bangladeshi nongovernment organisation BRAC.

SPA Phase 2 (2016–21) was a partnership between Australia, the United Kingdom (UK) and the Bangladeshi nongovernment organisation BRAC. Under the SPA, Australia supported quality education, social protection, gender equality and skills development programs, reaching millions of Bangladeshis and supporting BRAC's institutional development.

To document the program's achievements and draw out lessons for the third phase, the UK, in partnership with Australia, undertook an independent end of program review, which was published in 2022. The review confirmed BRAC provided high-quality, innovative programs. In addition, the review confirmed that Australia's and the UK's support and technical assistance had helped BRAC to significantly strengthen its organisational capacity and systems on safeguarding management. Considering BRAC works with millions of some of the most vulnerable people, the review recommended BRAC continue to embed safeguarding into all its programs, so that beneficiaries are further empowered to report cases of harm or abuse, and to further strengthen its case management processes. During SPA Phase 3, with Australia's support, BRAC is working to make its safeguard reporting system more accessible and to improve the efficiency of its case management.

# Beyond the Indo-Pacific

## Investment performance

In 2022–23, HIMRs were completed for seven investments beyond the Indo-Pacific region, including Africa and Middle East, and IMRs were completed for two investments. No investments completed FIMRs in 2022–23. The proportion of investments rated satisfactory or higher for effectiveness and efficiency was 44 per cent. This outcome was lower than the whole-of-program outcome of 86 per cent and the three-year average of 81 per cent. This lower performance outcome was largely the result of efficiency issues with humanitarian response investments in Syria and Iraq (refer to Chapter 4) and the comparatively small number of investments comprising the ‘beyond the Indo-Pacific’ portfolio which can lead to volatility in annual aggregate percentage outcomes.

The aggregate investment rating (IMR and HIMR) for gender equality was 44 per cent, lower than the three-year average of 75 per cent and the whole-of-program outcome of 75 per cent. The aggregate rating for disability equity was 56 per cent, lower than the three-year average of 73 per cent and higher than the whole-of-program outcome of 50 per cent. These outcomes also reflect the comparatively smaller number of investments in the portfolio which can lead to volatility in percentages.

### Case study 8:

#### Leveraging Australia’s expertise through ACIAR in Ethiopia

ACIAR supports a range of international agricultural research partnerships that improve the productivity and profitability of agricultural systems in eastern and southern Africa. A project in Ethiopia, in partnership with the University of Western Australia, has been following multiple paths to address the challenge of faba bean gall, a disease impacting yields of the main legume consumed in the region. Dressing seeds with a small amount of a common and inexpensive fungicide is proving an immediate solution. The practice, validated and demonstrated in farmers’ fields, is rapidly spreading and allowing the faba bean crop to return to the highlands of Ethiopia, thanks to efforts from the Ethiopian Government agricultural extension services and the support of development partners.

## Evaluation and learning

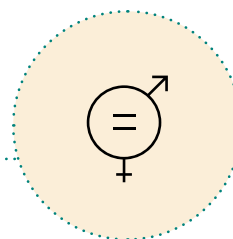
No program evaluations covering the region beyond the Indo-Pacific were undertaken in 2022.



44% Effective and efficient IMRs



N/A Effective and efficient FIMRs



44% Gender equality



56% Disability equity





The Australia Awards Alumni event is held annually to celebrate the achievements and successes of Kiribati graduates who will be returning from Australia and are or will be working for the Government of Kiribati to contribute to the development of Kiribati and the strengthening of the Kiribati–Australia Partnership. Credit: Teemwa Rereniti

## Chapter 3

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# Global partnerships



In addition to country, regional and sectoral programs, Australia provides development assistance through global partnerships. This includes core funding that is provided annually to multilateral development organisations and global funds, such as the World Bank, UNICEF and Gavi, the Vaccine Alliance, and funding provided through our flagship global programs – the ANCP, the Australian Volunteers Program and Australia Awards. This chapter summarises a selection of achievements from these global programs.

## Multilateral partnerships

Our work with multilateral organisations is regularly assessed to ensure partnerships are performing effectively and delivering results. This takes the form of multilateral performance assessments for selected multilateral organisations that receive funding from Australia. These assessments are completed periodically, and results will be published in future PADC reports. As part of these assessments, DFAT draws on the findings from Investment Performance Reporting (from relevant country, regional or sectoral programs implemented by multilateral partners) and the rolling schedule of reviews completed by the Multilateral Organisation Performance Assessment Network (MOPAN).

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Our work with multilateral organisations is regularly assessed to ensure partnerships are performing effectively and delivering results.

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### Case study 9:

#### Engaging on United Nations performance with High Level Consultations

Australia's multi-year Strategic Partnership Frameworks with UN development and humanitarian agencies help ensure partnerships are performing effectively and delivering results through the many programs that multilateral agencies help us deliver, our regular core funding contributions, and the presence of agencies across our region. We also want to ensure resources are appropriately allocated to support Indo-Pacific countries' development priorities.

The latest generation of Strategic Partnership Frameworks (SPFs) better articulate shared priorities across all our UN partnerships, and include more robust compliance and safeguard measures. Australia holds regular High Level Consultations (HLCs) with agencies to communicate strategic priorities and review SPF objectives, implementation and performance. This formal governance mechanism allows us to directly engage with senior agency leadership, drive transparency and accountability, and agree on future collaboration.

HLCs consider consolidated feedback from across our international network, where we work with UN agencies on global, regional and country-specific projects. The HLCs often bring senior UN leadership to our region and can be held jointly with multiple agencies or other partners to foster closer collaboration and drive efficiencies.

The HLCs form part of our wider framework for performance, accountability and oversight of multilateral partners. This includes periodic multilateral performance assessments, regular UN agency reporting, our role as members or observers of the agency executive boards, and other collective donor processes such as MOPAN.

In April 2023, Australia held joint HLCs with the UN Development Programme, the UN Children's Fund (UNICEF), UN Women and the UN Population Fund (UNFPA) in Bangkok, Thailand. These were the first



Australia Assists employee Reem is a gender-based violence (GBV) specialist who contributes to the strengthening of UN Women's existing programs on GBV prevention, protection and response in Rohingya camps, and supports the design of sub-office work on GBV. Reem works towards creating inputs for the UN Women in Bangladesh Biannual Work Plan and other planning documents within the sub-office. Credit: Saikat Mojumder

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Australia reinforced the importance of appropriate and quality staffing in the Pacific, collaboration with international financial institutions, adherence to safeguard requirements, and UN coordination and budget sustainability.

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in-person HLCs for these agencies since 2019, coming at a time when interconnected crises were threatening progress on the 2030 Agenda for Sustainable Development, increasing funding needs and putting growing pressure on our UN partners.

The HLCs included joint sessions between Australia, New Zealand and the four UN agencies to discuss cross-cutting issues, and separate discussions with each agency to focus on their specific priorities and performance. Frank and constructive conversations reinforced greater collaboration and expectations on gender equality, climate change, the humanitarian–development–peace nexus and UN reform.

Positive messages from Australia centred on agencies’ technical expertise, their extensive in-country access and their unique coordinating and normative roles. Australia reinforced the importance of appropriate and quality staffing in the Pacific, collaboration with international financial institutions, adherence to safeguard requirements, and UN coordination and budget sustainability.

We highlighted the need for appropriate procurement processes to deliver cost-effective and on-time projects in the Pacific, including in infrastructure. UN agencies were effective in providing rapid humanitarian assistance based on need; however, there was scope to improve coordination, build capacity to implement at scale, and better plan how to transfer responsibility back to governments following the response.

Each of these UN agencies was in a different stage of scaling up sustainable development financing models and sought Australia’s support to increase partnerships with international financial institutions and catalyse funding and expertise to leverage additional resources.

#### Case study 10:

##### **Performance assessment frameworks with humanitarian multilateral organisations**

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Management actions under the CAAs were used to guide Australia’s and the UK’s engagement, monitoring of performance and financial management.

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Centralised assurance assessments (CAAs) provide assurance on the central capacity and capability of multilateral organisations to manage core funding, and to provide a central store of due diligence and assurance that can support other bilateral spending within the organisation. Between 2019 and 2021, DFAT and FCDO jointly conducted CAAs of key humanitarian multilateral partners (the UN Office for the Coordination of Humanitarian Affairs, the UN World Food Programme and the International Committee of the Red Cross). Management actions under the CAAs were used to guide Australia’s and the UK’s engagement, monitoring of performance and financial management. A joint update of the CAAs is expected to start in 2024.

Australia has also developed performance arrangements serving as results frameworks for multi-year Strategic Partnership Frameworks with humanitarian multilateral organisations. DFAT aggregates information from humanitarian partner agency reporting against SPF performance arrangements. This process was developed and undertaken in 2022 and is in the process of being repeated with support from external expertise on performance assessment.

## Multilateral development banks

### Australia's financial contribution to the Asian Development Bank and World Bank

Approximately one-fifth of Australia's development assistance is delivered by the World Bank Group and the Asian Development Bank (ADB). In 2022–23, Australia contributed \$160.7 million to the International Development Association (IDA, the concessional arm of the World Bank) and \$94.2 million to the Asian Development Fund (ADF). These programs play a pivotal role in supporting the poorest countries to reduce poverty by providing concessional finance to boost economic growth, reduce inequalities and improve living conditions. In 2022, the ADB and the World Bank provided USD807 million to the Pacific and USD4.5 billion to Southeast Asia.

In addition to concessional loans and grants, IDA provides significant debt relief through the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). In 2022–23, Australia paid \$8.5 million to HIPC and \$36 million to MDRI.

In 2022–23, Australia contributed USD59 million to 43 International Bank for Reconstruction and Development/IDA trust funds, USD83 million to 18 financial intermediary funds (FIFs) and USD9 million to five International Finance Corporation Trust Funds. Australia joined the Pandemic Fund FIF in March 2023. Since becoming a member of the ADB, Australia has contributed and committed USD3.14 billion to ADB's special funds to support priority areas such as water, clean energy, regional cooperation and integration, urban sector financing and health.

### Multilateral development bank results

In 2022–23, IDA projects globally added 4.67 GW of renewable energy generation capacity; reached 19.3 million beneficiaries with financial services; supported 23.9 million beneficiaries of social safety net programs; and immunised 20.8 million children.

In 2022, through ADB projects across Asia and the Pacific, 263.2 million people benefited from improved health services, education services, or social protection; 404,000 skilled jobs for women were generated; 29.6 million tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per year of greenhouse gas emissions were reduced; and 33.9 million people benefited from improved services in urban areas.

In 2022–23, Australia engaged at senior levels of multilateral development banks (MDBs) throughout the year, including the Prime Minister meeting ADB President Asakawa at the Sydney Energy Forum. The Treasurer and the Minister for International Development and the Pacific met World Bank President Malpass during the 2022 World Bank Annual meetings in Washington DC. Other highlights included an ADB climate mission led by Managing Director Woonchong Um (August 2022); a visit by World Bank's Vice President for East Asia and the Pacific Manuela Ferro (February 2023); and Australia-ADB High Level Consultations led for ADB by Vice President Ahmed Syed (February 2023).

Regular working-level engagement plays a vital role in Australia's influence at the MDBs, including through attendance at annual meetings, effective outreach by our posts and working-level meetings with regional representatives of the MDBs. Australia's priorities in these discussions were

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In response to long-term Australian advocacy, the MDBs have increased their activities in Australia's region, especially the Pacific.

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the need for the MDBs to improve procurement outcomes and project implementation, especially in the Pacific; maintain a strong focus on increasing and achieving climate ambition; ensure improved outcomes on gender equality and disability equity; and strengthen environmental and social safeguards.

In response to long-term Australian advocacy, the MDBs have increased their activities in Australia's region, especially the Pacific. IDA funding to the Pacific has tripled from USD307 million in IDA16 (2012–14) to USD1 billion in IDA20 (2022–25). The World Bank's staffing headcount in the region has risen from 108 (2017) to 159 (2023). The ADB has established a regional office in Suva, Fiji to enhance its relationship with Pacific island countries.

### **■ MDB reform**

MDB reform is crucial to ensure the institutions are fit for purpose to tackle global challenges such as responding to climate change. The G20 Independent Review of MDBs' Capital Adequacy Frameworks, published in 2022, made recommendations on how MDBs can leverage existing resources in the most efficient and effective way to maximise lending capacity. In April 2023, World Bank Governors agreed to a reform package of up to USD50 billion over 10 years to boost the World Bank Group's financial capacity to respond to global challenges including climate change, pandemics and fragility.

In December 2022, following an organisational review, the ADB Board endorsed a new operating model. This ensures the ADB better serves the needs of developing member countries. The ADB also began a review of its capital adequacy framework. This is part of broader reforms to ensure ADB's future financial sustainability.

Australia's advocacy on MDB reform was focused on increasing support to the Pacific in recognition of the region's unique challenges and the impacts of climate change; mobilising private capital to scale up climate action; advancing gender equality; and ensuring support for climate mitigation and energy transition across Southeast Asia, which will be crucial for meeting the Paris Agreement goals. MDB reform remains an ongoing process and focus for Australia.

## **Nongovernment organisations (NGOs)**

The ANCP supports accredited Australian-based development NGOs through flexible annual grants to implement international development projects across a range of sectors to reduce poverty and promote sustainable and inclusive development.

In 2022–23, ANCP allocated \$142.3 million in grants to NGOs. This included \$7.5 million as part of the Australian Government's election commitment of an additional \$30 million for ANCP over four years. This funding enabled 59 NGOs to deliver 402 projects in 53 countries. Seventy-two per cent of this expenditure was for projects delivered in the Indo-Pacific region.

In 2022–23, the ANCP reached approximately 5.9 million people. Results included:

- More than 4.3 million people received improved health services (58.2 per cent were women and girls, and 1.1 per cent were people with disabilities)



- Almost 600,000 people benefited from household-level access to improved drinking water sources and/or sanitation facilities (52.6 per cent were women and girls and 1.9 per cent were people with disabilities)
- More than 230,000 additional people received sufficient food (50.1 per cent were women and girls and 3.3 per cent were people with disabilities)
- More than 58,000 additional girls and boys enrolled in school (47.2 per cent were girls and 3.5 per cent were people with disabilities)
- More than 30,000 women supported to assume leadership roles (2.8 per cent were women with disabilities).

In 2023, DFAT strengthened the ANCP by implementing recommendations from an evaluation completed in late 2022 involving a shift to a strategic partnership approach. This is expected to enable deeper engagement with NGOs and better leverage their knowledge and experience to drive improved performance in the future.

The evaluation recommended streamlining ANCP business processes and addressing equity across organisations of different scale. A review of the ANCP accreditation system and funding policy began in 2023 to identify options for streamlining and enhancing processes and funding arrangements. Recommendations and a management response will inform changes to be implemented in early 2024.

An ANCP pilot was established to address the evaluation recommendation that ANCP better support work on the development–humanitarian nexus. The pilot will fund a set of interventions carried out when a hazard poses imminent danger based on a forecast, early warning, or pre-disaster risk analysis. Six projects implemented by four ANCP NGOs will address climate-related hazards. The pilot will increase the resilience of the ANCP portfolio, protecting ANCP development outcomes by mitigating disruptions to project activities and/or displacement of communities. DFAT will conduct a study at the end of the trial (June 2024) to inform feasibility of scaling up the interventions across the program.

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## Australia Awards

International education is one of Australia’s great success stories. With around 750,000 international students studying in Australia, education is a national asset helping to promote a stable and prosperous region. The Australia Awards scholarships program contributes to development outcomes by investing in the education of a new generation of local leaders with strong links to Australia. In 2022–23, 1,630 new Australia Awards (both long- and short-term) were offered, with 2,393 students studying on long-term scholarships at Australian and Pacific tertiary institutions. Since 2020, the successful completion rate of Australia Awards has averaged 97 per cent. The Australia Awards Fellowships program recommenced in 2022 (Round 18) after a pause in 2017, targeting mid-career and senior leaders, with \$11.2 million in grants awarded to 35 Australian host organisations across six priority themes. The program offered Fellowship placements in Australia from 2022 to 687 mid-career professionals from Asia, Pacific, Europe and Africa.<sup>15</sup>

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<sup>15</sup> Following publication of the PADC report on 2 April, these figures were updated on 17 May 2024.

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A unified global monitoring and evaluation system has been developed to foster learning and measure outcomes and performance across diverse country programs.

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The Australia Awards program encourages women, people with disabilities, ethnic minorities, people living in rural areas and members of socio-economically disadvantaged groups to apply and participate. In 2022–23, 59 per cent of students were female and 78 awardees received disability support through Australia Awards entitlements and case management advisory services. Diverse representatives drawn from alumni are engaged on Australia Awards reference and advisory committees to ensure program design and delivery are informed by local voices and perspectives. To drive performance in this area, the inclusion of vulnerable and minority groups has been introduced as a key Australia Awards global performance standard and newly developed global indicators are in place for country programs.

A unified global monitoring and evaluation system has been developed to foster learning and measure outcomes and performance across diverse country programs. A set of core global indicators and a global reporting system is expected in 2024 and will enable DFAT to systematically aggregate and examine performance and impact. The Australia Awards monitoring and evaluation community of practice has been established, enabling network members to share good practice approaches and challenges to improve decision-making and program delivery.

The Australia Awards Global Tracer Facility, a program of research established by DFAT to examine the long-term outcomes of alumni, has found that the positive impact of the Australia Awards on alumni and their communities continues years after alumni return home. Social network analyses by the Global Tracer Facility in 2022–23 showed the ongoing interconnectivity of Australia Awards alumni, who use their networks to collaborate with Australians. Large-scale data collection has also highlighted that collectively, Australia Awards alumni are using the knowledge and skills they gained while studying to make contributions to development across the globe.

## Australian Volunteers Program

The Australian Volunteers Program contributes to Australia's development program by connecting skilled Australians with local partner organisations and supporting them to achieve their own development goals.

In 2022–23, the Australian Volunteers Program (nearly \$22 million) supported 362 volunteers to complete 417 assignments in 249 partner organisations across 25 countries. Of these placements, 54 per cent were in the Pacific and Timor-Leste, 35 per cent in Asia and 11 per cent in Africa. Assignments focused on education, health, disability and gender inclusion, economic growth, disaster resilience and climate change.

It was a positive year for the Australian Volunteers Program, with the resumption of in-country volunteering following the easing of COVID-19 pandemic travel restrictions. Strong demand from partners was matched by large numbers of Australians interested in volunteering internationally. It also marked the first year of the second five-year phase of the program, and the introduction of reporting against a refreshed program logic and updated end of program outcomes.

Partner organisations reported high levels of satisfaction with the assistance they received through the program, with 80 per cent of partners reporting



good or excellent progress against assignment objectives, and 88 per cent satisfied or very satisfied with their volunteer assignment.

The program continued its strong commitment to diversity and inclusion among volunteers. In 2022–23, more volunteers were female (60.4 per cent) than male; there was a broad age range (from 20 to 82 years); there were increasing numbers of volunteers living with a disability (2.2 per cent); and 17 per cent of volunteers reported speaking a language other than English at home.

Through the Indigenous Pathways initiative, the Australian Volunteers Program continued to expand and strengthen First Nations peoples' participation in international volunteering. Indigenous Pathways deployed its first volunteer to Fiji and signed a formal partnership with WWF Australia for a knowledge exchange between the Australian Indigenous Rangers Program and WWF Solomon Islands, supporting land and sea management and climate change outcomes.

The Australian Volunteer Program's Innovation Hub continued to explore ways to support locally led volunteering and alternative models of volunteering, including in Kiribati, Laos and South Africa. Hybrid volunteering, combining both in-country and remote components, was officially launched as a program modality in April 2023. This modality provides partner organisations and volunteers with greater flexibility around their assignments, and initial feedback has been positive.

The program's commitment to building an appreciation of volunteering culminated in a highly successful International Volunteer Day event at Parliament House, attended by the Minister for Foreign Affairs and members of Parliament.

The volunteer alumni network continued to be active, with 22 events held across Australia. A survey found that 78 per cent of alumni respondents were still in contact with their partner organisation, often many years after the assignment.

Australian volunteer Emergency Nurse Educator Libby White (left) with Registered Nurse Roselyn Morribo at the Vila Central Hospital. Credit: Australian Volunteers Program

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Belau Submarine Cable Company cable laying in Palau, as part of the AIFFP's Palau Submarine Cable Branch System Project. Credit: Jesse Alpert / Belau Submarine Cable Company

## Chapter 4

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# Development finance



# Overview

The Australian Government released the Development Finance Review (the Review) in August 2023 and agreed to all eight recommendations, including a recommendation to improve the transparency of Australia’s development finance portfolio by providing periodic public reporting, including on development impact. This chapter provides inaugural reporting on Australia’s development finance portfolio. Further data are provided in Annex D.

The review defines development finance as finance that generates both a development outcome, either directly or indirectly, and a financial return. Development finance can be deployed at a larger scale than grants alone. It is delivered using instruments such as loans, equity, insurance, and guarantees. Investment returns from development finance can be reinvested, increasing the pool of development finance over time.

Australia has rapidly increased the use of development finance in the past five years, including establishing the AIFFP, Australian Development Investments (ADI) and the Australian Climate Finance Partnership, and expanding Export Finance Australia’s (EFA) infrastructure powers.

Development finance encompasses financing that is eligible to be reported as Official Development Assistance (ODA) and Other Official Flows that promote development. For example, EFA’s support for Telstra’s acquisition of Digicel is considered here as development finance because it provides expected development benefits despite it not being ODA-eligible. The development finance portfolio is now worth around \$7.4 billion (refer to Table 4).

Australia has rapidly increased the use of development finance in the past five years.

Table 4: Australia’s development finance portfolio as at 30 June 2023

Mechanism	Total value (committed)
IMA Act loans (providing budget support to Papua New Guinea and Indonesia)	\$3.5 billion
EFA support for Telstra’s acquisition of Digicel	\$2.5 billion
Australian Infrastructure Financing Facility for the Pacific	\$1.2 billion
Blended finance portfolio	\$0.2 billion
Total	\$7.4 billion

EFA: Export Finance Australia; IMA Act: *International Monetary Agreements Act 1947*.

## Geographic coverage of development finance

Australia’s development finance portfolio is mostly focused on the Pacific (committed value of around \$5.7 billion or 77 per cent) and Southeast Asia (around \$1.7 billion or 23 per cent). Sovereign finance to governments through grants and highly concessional loans will continue to be the primary financing instruments that Australia uses to support Pacific island countries to meet their development finance needs. Access to concessional

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Since 2019, budget support loans have become a significant development finance tool for Australia. The Australian Government's current portfolio under the IMA Act consists of bilateral loans to Indonesia and Papua New Guinea.

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finance will be necessary because of fiscal fragility and debt sustainability challenges, and to support reform efforts.

Capital markets in Southeast Asia are generally more developed and sovereign borrowing capacity is greater compared with the Pacific, and the scale of project financing is larger than Australia can provide in grants. Australia currently offers important, albeit relatively smaller, amounts of development finance to Southeast Asia, including a blended finance portfolio worth around \$235 million.

## **Australia's budget support lending under the IMA Act**

The *International Monetary Agreement Act 1947 (IMA Act)* governs Australia's financial commitments to other countries. The IMA Act enables the Australian Government to provide relatively rapid financial assistance to countries when they most need it, while ensuring Australia's lending is coordinated with multilateral programs and other donor lending. Well-designed and implemented budget support can be a useful tool for policy engagement and an effective way to achieve agreed policy reforms.

Since 2019, budget support loans have become a significant development finance tool for Australia. The Australian Government's current portfolio under the IMA Act consists of bilateral loans to Indonesia and Papua New Guinea.

### **Budget support lending to Papua New Guinea**

The total value of Australia's budget support lending to Papua New Guinea is \$1.96 billion across three loans provided in 2020, 2021 and 2022 (refer to Annex D).

Australia provided loans to Papua New Guinea in 2021 and 2022 to fill budget deficit financing gaps and support the country's long-term fiscal sustainability. In December 2022, Australia formally entered into a loan agreement with Papua New Guinea to support its estimated 2022 budget financing shortfall and support the delivery of reform actions under multilateral development programs, primarily an International Monetary Fund (IMF) program. Consistent with previous loans, the 2022 loan was provided to Papua New Guinea at an interest rate reflecting the Australian Government's cost of borrowing.

The IMF program supports Papua New Guinea to address longstanding structural issues, reduce poverty and foster reforms for inclusive and sustainable growth. Under the IMF program, Papua New Guinea has committed to structural reforms and quantitative targets to strengthen debt sustainability, alleviate foreign exchange shortages, enhance governance and operationalise the anticorruption framework.

### **Budget support lending to Indonesia**

In November 2020, Australia entered into a \$1.5 billion loan agreement with Indonesia. This loan was part of multilateral action to support Indonesia's COVID-19 response. The loan agreement was led by the ADB and included the Asian Infrastructure Investment Bank, the Japan International Cooperation Agency and the German state-owned development bank

(KfW). The loan was fully disbursed in December 2020. Indonesia has met all repayments of principal and interest. As of 30 June 2023, the outstanding principal on the loan was \$1.25 billion.

## Australian Infrastructure Financing Facility for the Pacific

The AIFFP invests in infrastructure to deliver development and economic outcomes in the Pacific and Timor-Leste. The AIFFP has five priority sectors of infrastructure: airports, energy, telecommunications, maritime, and transport and urban infrastructure.

The AIFFP provides financing in the form of grants, sovereign loans, private-sector loans, guarantees or a combination of financing. Grants remain critical for infrastructure project delivery in the Pacific due to debt sustainability and relatively fewer opportunities for private-sector infrastructure financing in the region.

### Program performance

Since its establishment on 1 July 2019, the AIFFP has agreed more than \$1.2 billion in investment, including approximately \$900 million in lending/guarantees, for 13 projects across eight countries: Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Solomon Islands and Timor-Leste. Five projects were approved by the AIFFP Board in 2022–23 (refer to Annex D).

Notable progress of the AIFFP portfolio to 30 June 2023 includes:

- 98 per cent completion of the construction of the Palau solar farm on Babeldoab, with testing and commissioning work ongoing
- maintenance of the Wau Highway in Papua New Guinea, with 18.3 per cent completed
- on-time and on-budget completion of all project civil works and cable laying for Palau submarine cable and completion of the construction of the branch cable to Palau
- works on track for the Fiji roads and bridges project, with road renewals work almost exclusively completed by local Fijian contractors
- commencement of work to manufacture and lay the East Micronesia Cable.

To date, the AIFFP has focused on the preparation and origination of quality infrastructure projects. This will shift because much of the AIFFP's portfolio will move from project preparation to implementation over the next 12 to 18 months. The Pacific region is a complex operating environment and the AIFFP and Pacific partners will need to manage significant safeguards and implementation challenges as it moves to project delivery. AIFFP will continue to focus on providing tailored financing packages that ensure debt sustainability and deliver projects that are high quality, responsive to the needs of the Pacific, and optimise local involvement and capacity building. The AIFFP's rigorous review and approvals process, including through an expert board of internal and external senior advisers, helps to ensure AIFFP projects can operate within regional and global financing and supply chain constraints.

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Since its establishment on 1 July 2019, the AIFFP has agreed more than \$1.2 billion in investment, including approximately \$900 million in lending/guarantees, for 13 projects across eight countries

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## Evaluation case study 6:

### Australian Infrastructure Financing Facility for the Pacific two-year system-wide review

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The AIFFP was established in 2019 to respond to the Pacific's infrastructure deficit and to support Australia's strategic interests in the region.

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The AIFFP was established in 2019 to respond to the Pacific's infrastructure deficit and to support Australia's strategic interests in the region. The \$4 billion financing mechanism provides loans and grants to construct high-quality, inclusive and climate-resilient infrastructure across the Pacific and Timor-Leste.

An independent review of the first two years of the program was commissioned in 2022 to examine AIFFP's achievements, assess whether it was well positioned to achieve its long-term objectives, and identify areas for improvement. The review recognised AIFFP's effective selection and execution of investments and its strong relationships with Pacific partners, ensuring AIFFP is well placed to deliver its long-term outcomes.

The review identified that an investment management system would be a critical tool in the project management of AIFFP investments and found the absence of such a system had created challenges and inefficiencies. Staff reported it was challenging to obtain consistent and up-to-date data. The review recommended that the AIFFP finalise its investment management system as a matter of priority. A bespoke system was subsequently identified and rollout commenced in early 2023.

### Climate resilience

AIFFP supports the design of climate-informed, resilient infrastructure. The Pacific Climate Infrastructure Financing Partnership was established in October 2022, with \$100 million in dedicated funding. The partnership will expand AIFFP's already strong climate focus and existing investments.

The Palau solar farm is the country's first utility-scale solar and battery energy storage facility and is anticipated to deliver up to 23,000 megawatt hours (MWh) per year to the grid network. The project has supported local employment, with 42 Palauan workers employed and 10 Palauan companies contracted during construction. When fully operational, the solar and battery facility will provide approximately 20 per cent of Palau's power needs, reducing the country's energy sector emissions in line with its self-determined commitment of achieving 22 per cent below 2005 levels by 2025. The facility will also contribute to Palau's efforts to meet its targets of 45 per cent renewable energy, and 35 per cent energy efficiency by 2025.

### Gender equality and women's economic empowerment

AIFFP infrastructure investments contribute to gender equality and women's economic empowerment by supporting partners to mainstream gender equality and disability equity across the project life cycle, distributing the benefits of improved infrastructure access more equally and contributing to narrowing gender gaps. AIFFP also implements a 'do no harm' approach to ensure that gender inequalities are not exacerbated and women are not disadvantaged by the design and construction of infrastructure.

The AIFFP is implementing its gender, equality, disability and social inclusion (GEDSI) approach in several ways including establishing GEDSI-specific outcomes, integrating GEDSI across the monitoring,

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Through the Laitim Hauslain project, AIFFP and PNG Power Limited are connecting an additional 30,000–40,000 households, schools and health clinics to the electricity grid for the first time.

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evaluation and learning system and requiring all projects to produce and update a comprehensive gender action plan. A strong focus on women's economic empowerment in the Palau solar farm gender action plan has meant more than 20 per cent of the workforce are women, of whom nearly half are local Palauan women. Women are employed in key leadership roles such as project managers, regulatory officers, legal counsel, engineers and investment officers. In fact, the majority of managers and engineers engaged on the Palau solar farm are women.

Through the Laitim Hauslain project, AIFFP and PNG Power Limited are connecting an additional 30,000–40,000 households, schools and health clinics to the electricity grid for the first time. The project offers a low-interest, no-collateral credit scheme for women-headed households and households with people with disabilities to ensure they have affordable and reliable access to electricity. Access to electricity is key to improving GEDSI outcomes because the lack of access to electricity disproportionately impacts women, particularly affecting their economic empowerment.

### Case study 11:

#### Expanding digital connectivity in Palau via a submarine cable system

Australia's support of Palau's second submarine information and communications cable strengthens internet reliability and enables further innovation and transformation in the economy and society, bringing both opportunities and risks. Given the geographic remoteness of Palau, improving connectivity and internet access will create opportunities to boost tourism, business and investment, and provide better government services, including health and education. There is clear potential for increased women's economic empowerment and entrepreneurship, increased economic opportunities for people living with a disability and increased opportunities for inclusive decision-making and leadership.

GEDSI risks can include threats to online safety for women and girls and people living with a disability, concerns about the exacerbation of a gendered digital divide, and social protection issues such as online gambling.

To address these risk and opportunities, the AIFFP commissioned the Digital Palau Gender and Social Inclusion Assessment (2020) and Gender and Social Inclusion Policy Brief (2022), which focused on the factors affecting the development of safe, gender-sensitive, coherent digital norms of the Palauan economy and society. This assessment was then distilled into a program of support to Palau on digital infrastructure to address harmful digital communication, social protection and cyber safety. The proposed program of AIFFP technical assistance will prioritise efforts to strengthen the regulatory environment and increase awareness of these risks, including through a close partnership with the Palau Bureau of Communication.

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Given the geographic remoteness of Palau, improving connectivity and internet access will create opportunities to boost tourism, business and investment, and provide better government services, including health and education.

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## Blended finance

Blended finance catalyses private-sector financing for development impact, contributing to economic growth, poverty reduction and a stable and prosperous region. Blended finance uses innovative financial instruments to develop private-sector markets and mobilise private resources to

help achieve the UN Sustainable Development Goals. Blended finance is concessional development funding that sits alongside private-sector investor capital and allows for investments with higher levels of financial risk, typically associated with lower-income and frontier markets where returns are more uncertain or have not yet been demonstrated. DFAT's blended finance investments must demonstrate additionality; that is, they are expected to catalyse additional private-sector investment and development outcomes that would not have been realised without DFAT's investment.

### Portfolio performance and development impact

DFAT's blended finance portfolio consists of six programs: Australian Development Investments (ADI), Private Infrastructure Development Group (PIDG), Australian Climate Finance Partnership (ACFP), the Business Partnerships Platform (BPP), Convergence, and Investing in Women. DFAT also invests in several NGO- or civil society organisation (CSO)-managed blended finance initiatives. Collectively, the portfolio consists of commitments worth around \$235 million with a total finance cap of \$500 million. These programs prioritise women's economic empowerment and climate change mitigation and adaptation. Investment monitoring report results for 2022–23 for investments within the blended finance portfolio are presented in Table 5.

Table 5: Blended finance portfolio investment monitoring results

	Effectiveness	Efficiency	Gender equality	Disability equity
ADI <sup>a</sup>	5	6	5	1
PIDG <sup>b</sup>	n/a	n/a	n/a	n/a
ACFP	3	3	4	3
BPP	4	5	4	4
Convergence Phase 1	4	4	4	1
Investing in Women	5	5	5	1

ADI = Australian Development Investments; PIDG = Private Infrastructure Development Group; ACFP = Australian Climate Finance Partnership; BPP = Business Partnerships Platform; n/a: Not applicable.

<sup>a</sup>Formerly Emerging Markets Impact Investment Fund.

<sup>b</sup>Exempt from IMR in 2023. FIMR to be completed in 2024 round.

Ratings: 6 (very good), 5 (good), 4 (adequate), 3 (less than adequate), 2 (poor), 1 (very poor).

Development impact across the blended finance portfolio is measured across three main categories: inclusive development outcomes; gender equality; and climate change mitigation and adaptation.



## Increased private-sector investment into projects that enhance inclusive development outcomes

Between 2012 and 2022, DFAT's blended financing mechanisms (ACFP, EMIF,<sup>16</sup> PIDG, Investing in Women) invested \$101 million in impact-focused deals, and directly mobilised \$302 million in private capital. At the portfolio level, DFAT's blended finance programs have been mobilising \$3 of private capital for every \$1 invested. Comparative benchmarks find an average mobilisation ratio of 2.4:1 for projects led by development agencies. This means DFAT's blended finance performance to mobilise private capital is in line with comparable donor programs.

Since 2012, these investments have delivered sizeable development impact. This includes supporting 700 small and medium enterprises to gain access to affordable finance to help them grow and innovate. Through the portfolio's project finance, more than 4.5 million people now have access to new or improved infrastructure. The blended finance portfolio's investments have created more than 23,000 jobs – of which 63 per cent went to women.

In 2022–23, the blended finance portfolio invested \$36 million and mobilised \$30 million in private capital, albeit a lower than usual level of private-sector finance mobilisation.

## Gender equality and women's economic empowerment

Through landmark programs such as Investing in Women, DFAT continues to be a leader in supporting gender-lens investing through its blended finance portfolio. Through the Development Finance Review, the Australian Government committed to 80 per cent of new development finance investments effectively addressing gender equality in implementation. Currently all programs within the blended finance portfolio meet this threshold and include gender equality considerations and gender mainstreaming. In addition, Investing in Women and ADI make gender-specific investments. To date, both have invested \$30 million in gender-focused deals, mobilising \$58 million in private finance. In 2023, the government also committed to joining 2X Global, an initiative to support gender-lens investing by sharing practices, pipeline opportunities and co-investment opportunities at scale.

Vanuatu Business Resilience Council (VBRC) is an organisation that makes a unique and significant contribution to the future of the country by providing effective business development services across the country. Credit: Arlene Bax

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Through landmark programs such as Investing in Women, DFAT continues to be a leader in supporting gender-lens investing through its blended finance portfolio.

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16 Now ADI.

## Case study 12:

### **Southeast Asia Women's Economic Empowerment Fund**

In November 2022, ADI (then Emerging Markets Impact Investment Fund) closed a \$6 million investment into the Southeast Asian Women's Economic Empowerment Fund. This private equity fund applies a market-leading gender-lens strategy to identify enterprises with significant growth potential where impact is integral to the way that the company is led and operated.

Through ADI, the Australian Government mobilised more than \$22 million of private investment. Importantly, this was the first time DFAT's blended finance portfolio had directly mobilised finance from both private and philanthropic Australian investors for development outcomes.

Southeast Asia Women's Economic Empowerment Fund has invested in TEKY, a prominent science, technology, engineering, arts and mathematics academy in Vietnam. With a team that is 77 per cent women, TEKY is a leader in promoting gender equality in the education sector and uplifting the technological knowledge of Vietnamese children. The fund has also invested in the women-led USM Healthcare, a leading medical manufacturer in Vietnam.

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Through ADI, the Australian Government mobilised more than \$22 million of private investment.

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### **Climate change mitigation and adaptation**

Between 2012 and 2022, DFAT's blended finance portfolio invested \$41 million into climate projects (40 per cent of the portfolio) and has mobilised \$171 million from the private sector (4:1 mobilisation ratio). These investments have delivered 126.1 megawatts of clean and sustainable energy capacity and helped 178,000 people gain access to clean power. The sectoral focus of investments has ranged from supporting climate technologies and clean energy generation to sustainable agriculture and forestry.

In 2022–23, DFAT's blended finance portfolio invested \$31 million into climate finance projects. The portfolio will increasingly expand in the climate finance space. A majority of ADI's \$250 million worth of financing will focus on climate projects. In addition, the Australian Government recently announced development of the Indo-Pacific Net-Zero Transition Bond series, in partnership with the United States. This project will aim to mobilise finance for SMEs with a focus on clean energy transition and will be the first bond of its kind in the Indo-Pacific region.

The Australian Climate Finance Partnership supports countries in the Pacific and Southeast Asia meet the challenges of climate change by mobilising private-sector investment in low-emission, climate-resilient solutions. The onset of COVID slowed the investment deal pipelines across the private sector, including multilateral banks. As a result, ACFP recorded a finalisation of investment deals that was lower than expected. DFAT is working with ADB on the pipeline of deals and developing plans to improve investment finalisation in the future.

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The Australian Climate Finance Partnership supports countries in the Pacific and Southeast Asia meet the challenges of climate change by mobilising private-sector investment in low-emission, climate-resilient solutions.

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## Case study 13:

### **Good Return's Impact Investment Fund supports women-led SMEs across the Indo-Pacific**

In 2020, Good Return launched a blended impact investment fund to address the critical investment gap among Asia-Pacific small enterprises requiring \$5,000 to \$100,000 growth capital, focusing on agricultural value chains and women-led businesses. The \$1 million fund enables investors to contribute to a pool of funds that target this investment gap, supporting enterprise and employment growth in low-income communities.

DFAT funded a 20 per cent first-loss tranche to crowd-in and protect other investors, using loan guarantees to mitigate risk by covering a portion of loan losses. To support the fund's social objectives and achieve systemic change, DFAT also funded training and technical assistance to local partner financial service providers in gender-lens investing and gender equality, disability and social inclusion mainstreaming.

By 2022–23, the Good Return Impact Fund exceeded its original targets, proving to be a low-risk, high-impact and catalytic investment that stimulates inclusive financing and improves lender confidence.

In Cambodia and Indonesia, 505 small agribusinesses have accessed \$4.43 million in loans from local financial service provider partners, 89 per cent of which was disbursed to women, women-run enterprises, and businesses that support women. This has supported jobs and income for 3,963 people. There have been no losses incurred on the portfolio, with investors earning a bank deposit rate of return.

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DFAT funded a 20 per cent first-loss tranche to crowd-in and protect other investors, using loan guarantees to mitigate risk by covering a portion of loan losses.

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Credit: Oxfam Pacific

## Chapter 5

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# Sector performance

This chapter reports on the performance of the following sectors: agriculture, trade and other production services; economic infrastructure and services; education; governance; health; humanitarian assistance and disaster risk reduction; multisector and general support (refer to Figures 4 and 5). Case studies illustrating selected brief outlines of development results have been included. From 2020–21, development sectors replaced investment priorities as the basis for aggregated ODA reporting in the Australian Statistical Summary. The attribution of Development Assistance Committee codes to sectors for reporting in this publication has been defined by DFAT, based on sector reporting approaches used by donors and the OECD. It is consistent with the approach used to determine sectors for reporting in [Australian Official Development Assistance: Statistical summary: 2022–23](#).

Performance ratings for gender equality and disability equity are discussed as part of the relevant Tier 3 indicators in Chapter 1 of this report. From 2023–24, DFAT will also include climate change as a portfolio for performance reporting. This reporting will be based on a new climate change performance criterion that has been included in IMR templates to be completed by investments with a climate change objective.

Aggregate FIMR effectiveness and efficiency ratings and detail on relevant investments are included in the narrative for each sector. These aggregate ratings do not necessarily reflect the overall quality of the sectoral portfolio, because there are often a small number of FIMRs completed for a sector, leading to volatility in overall percentage outcomes. Some sectoral groupings, such as multisector and general support, can comprise relatively disparate investments which can make it challenging to generalise performance trends or lessons.

Figure 4: Australian Official Development Assistance by sector group, 2022–23

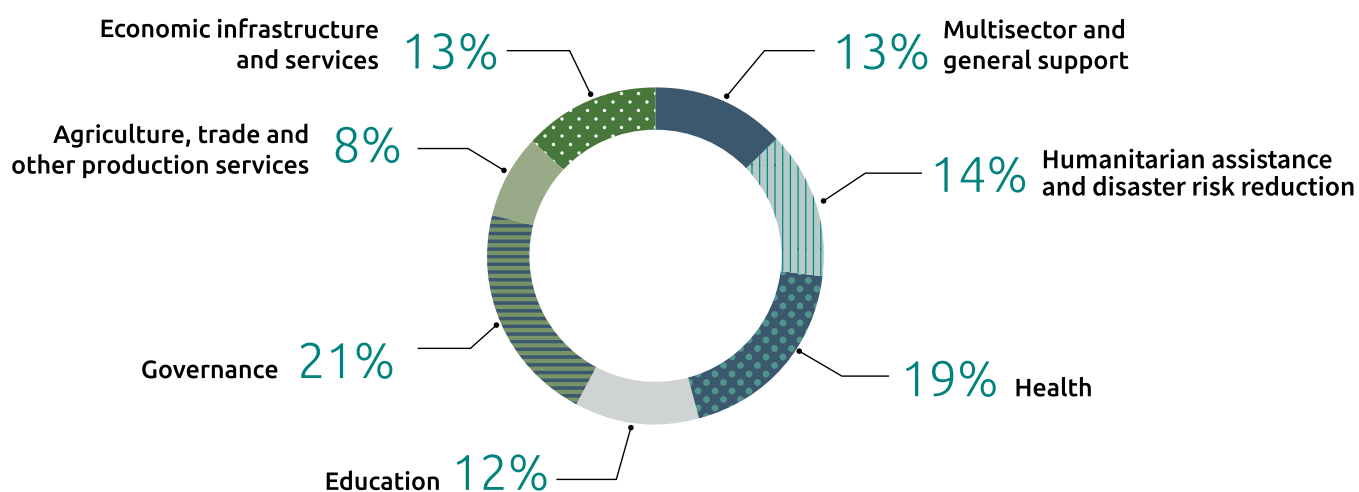
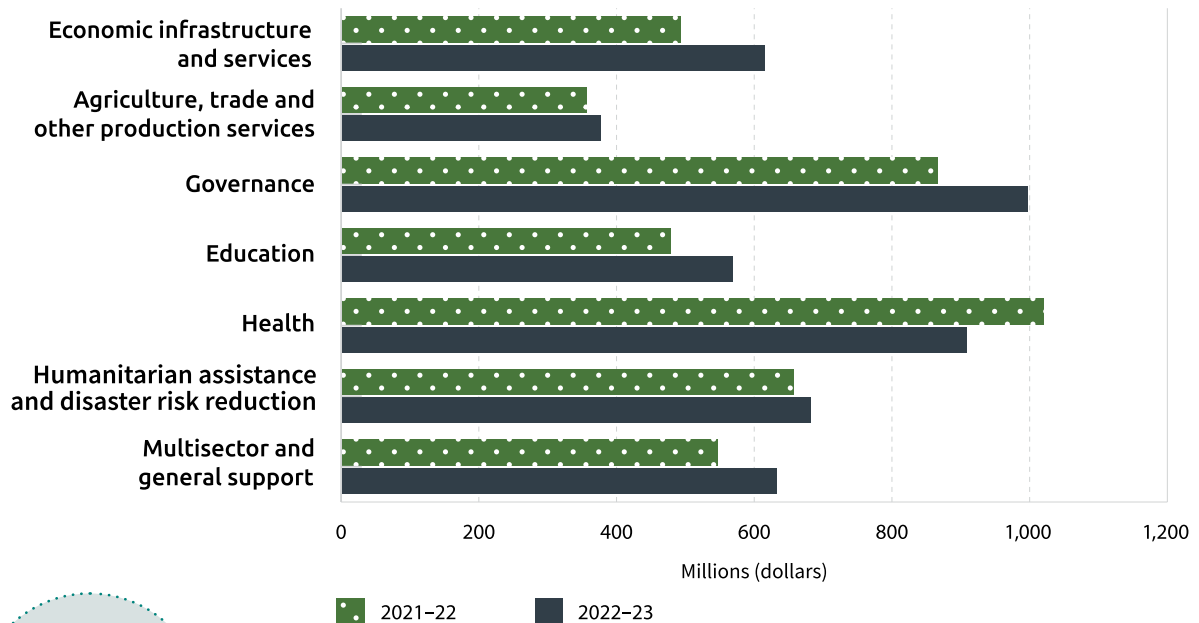


Figure 5: Australian Official Development Assistance by sector group, 2021–22 to 2022–23



91% Effective and efficient IMRs



73% Gender equality



43% Disability equity

## Economic infrastructure and services

### Context

#### \$615.1 million total Australian ODA

Our investments in economic infrastructure and services focus on providing assistance for networks, utilities and services that facilitate economic activities. Economic activities include production and distribution of energy; equipment or infrastructure for road, rail, water and air transport; banking and financial services; and business and other services. Our support aims to improve regional connectivity, as well as public transport, ports and airports. This assistance includes providing policy and project preparation support, and grants and loans to build physical assets. In 2022–23, we supported 36 countries with policy and technical advice on stimulus measures and support for longer-term economic recovery. Australia's investments in this sector are aligned with the UN Sustainable Development Goals (SDGs), including Affordable and Clean Energy (SDG7), Decent Work and Economic Growth (SDG8), Industry, Innovation and Infrastructure (SDG9), and Sustainable Cities and Communities (SDG11).

### Investment performance

In 2022–23, 43 annual IMRs and six FIMRs were completed for economic, infrastructure and services sector investments. The proportion of investments rated satisfactory or higher for effectiveness and efficiency (excluding FIMRs) was 91 per cent, higher than the whole-of-program outcome of 86 per cent and just below the three-year sector average of 92 per cent. The aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 73 per cent, just under the three-year sector average of 74 per cent and the whole-of-program outcome of 75 per cent. The aggregate disability equity rating was 43 per cent, higher than the three-year sector average of 39 per cent, but lower than the whole-of-program outcome of 50 per cent.



## Case study 14:

### Supporting access to financial services in Fiji

The DFAT-International Finance Corporation Fiji Partnership supported the Government of Fiji through the Reserve Bank of Fiji with technical assistance to implement a significant upgrade to its National Payment System. The upgrade established two new systems: the Real Time Gross Settlement System, which supports electronic transfers without manual intervention providing faster interbank payments; and the Central Securities Depository, which enables the digitalisation of securities issuances and trading for Fijian capital markets. The digitalisation of Fiji's payment infrastructure creates a secure, affordable and accessible payment system, improving Fiji's national investment climate.

The percentage of completed investments (FIMRs) assessed as effective and efficient was 67 per cent (noting that the small number of FIMRs each year can lead to volatility in overall percentage outcomes). Four of six completed investments were assessed as effective and efficient. Two investments were assessed as not meeting end of program outcomes or not meeting these outcomes efficiently:

- Private Sector Development Partnerships (\$4.5 million; 2014–23) – a global program investment comprising a collection of small-scale grant funding agreements between DFAT, multilateral and other organisations. At commencement, the investment was less than \$3 million in value and therefore was not required to develop an overall design. The absence of an overall design, clearly articulated end of program outcomes and a structured results framework made it challenging to determine the extent to which the outputs (achieved by various implementing partners) enhanced private-sector engagement or development.
- Pacific Connect (\$4.1 million; 2019–23) – an investment that focused predominantly on micro project development and developing leadership and entrepreneurial qualities among small-scale entrepreneurs. The absence of clearly defined outcomes at the commencement of the investment and during implementation, compounded by weak monitoring and evaluation systems, limited the extent to which investment achievements could be assessed.

### Evaluation and learning

In 2022, six evaluations covering programs in the economic, infrastructure and services sector were completed and five were published on the DFAT website with a management response.

## Evaluation case study 7:

### ASEAN–Australia Digital Trade Standards Initiative midterm review

The review found that Australia is viewed as a trusted partner by ASEAN with respect to digital trade standards.

This initiative, formally agreed by leaders during the ASEAN–Australia Special Summit in 2018, supports ASEAN to set strong digital trade standards to build trust around digital trade and boost trade flows for regional prosperity and security.

A midterm review was completed in 2022, assessing program performance against initial objectives. The review found that Australia is viewed as a trusted partner by ASEAN with respect to digital trade standards. It confirmed digital trade standards remained a key strategic area for growth in trade and development in the region and found positive outcomes from the program for ASEAN member states. This evidence significantly contributed to the initiative receiving formal ASEAN program recognition, a lengthy and detailed process. Formal recognition brings benefits including:

- supporting ASEAN member states, the ASEAN Secretariat, the Digital Trade Standards and Conformance Working Group and Australia to identify program priorities and jointly manage the delivery of the activities, including digital economy and digital trade standard development
- strengthening ASEAN member state agencies and national standards bodies through hands-on joint activities and improving the effectiveness of support through alignment, harmonisation and ownership
- enabling greater trust and mutual accountability between the Australian Government and ASEAN.

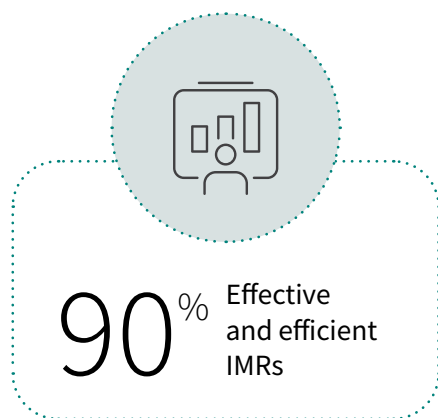
The review also identified areas for improvement including a strengthened governance framework and more effective monitoring, evaluation and learning capacity to provide clearer insights into good practice. Recommendations are being applied as a part of the initiative's ongoing implementation.

## Agriculture, trade and other production services

### Context

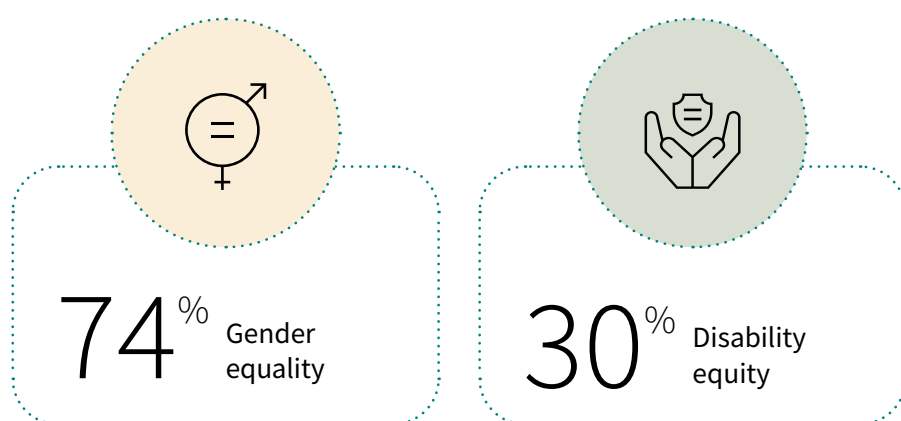
**\$377.3 million total Australian ODA**

This sector comprises a range of investments that support: agriculture, fishing and forestry; extractive and manufacturing industries; processing of food and other agricultural products; cottage industry and handicrafts; and trade and tourism. Australia's investments are directly supporting several of the SDGs including No Poverty (SDG1), Zero Hunger (SDG2), Responsible Consumption and Production (SDG12), Climate Action (SDG13) and Life on Land (SDG15). Australia advocates a comprehensive approach to agriculture and food security that targets the immediate needs of the poorest while also improving agricultural productivity and opening markets. In 2022–23, Australia supported 42 countries with policy and technical advice and capacity-building support for food security.



## Investment performance

In 2022–23, 39 annual IMRs and four FIMRs were completed for agriculture, trade and other production services sector. The proportion of investments rated satisfactory or higher for effectiveness and efficiency (excluding FIMRs) was 90 per cent, higher than the whole-of-program outcome of 86 per cent and just below the three-year sector average of 91 per cent. Aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 74 per cent, lower than the three-year sector average of 76 per cent and slightly lower than the whole-of-program outcome of 75 per cent. The aggregate disability equity rating was 30 per cent, lower than the three-year sector average of 32 per cent and lower than the whole-of-program outcome of 50 per cent.



### Case study 15:

#### Australian Government Department of Agriculture, Fisheries and Forestry biosecurity cooperation

Under the strategic guidance of the Pacific Biosecurity Strategy (2022–2027), the Department of Agriculture, Fisheries and Forestry is enhancing biosecurity partnerships across the Indo-Pacific region. Multiple strategic partnerships and technical programs are being undertaken under the leadership of the Australian Chief Plant Protection Officer, Chief Veterinary Officer and Chief Environmental Biosecurity Officer. These programs strengthen biosecurity systems in Australia's immediate neighbours, such as Papua New Guinea, Timor-Leste, Solomon Islands and Indonesia.

The International Plant Health Surveillance Program plays a critical role in pre-border early warning and preparedness for exotic and emerging plant pest risks in Timor-Leste, Papua New Guinea and Solomon Islands. For over two decades, the program has worked jointly with plant biosecurity officials across these three countries to improve capacity and capability by building technical skills in field surveillance, diagnostics, preparedness and response.

The Pacific Biosecurity Partnership Program is enhancing Australia's contribution to Pacific agricultural sector growth and improving food security through better biosecurity outcomes and market access. The program was established in 2020 to enhance biosecurity and trade partnerships between Australia and Pacific island countries and territories. This program is crucial to the coordination and implementation of regionally harmonised biosecurity and trade facilitation initiatives.

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The Pacific Biosecurity Partnership Program is enhancing Australia's contribution to Pacific agricultural sector growth and improving food security through better biosecurity outcomes and market access.

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Australia assisted the Timor-Leste Animal Health Service to improve surveillance, diagnosis and management of serious animal health diseases such as African swine fever, avian influenza and rabies.

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#### Case study 16:

##### Animal health in Timor-Leste

Australia assisted the Timor-Leste Animal Health Service to improve surveillance, diagnosis and management of serious animal health diseases such as African swine fever, avian influenza and rabies. Livestock have high cultural and economic value for farmers in Timor-Leste. The Office of the Chief Veterinary Officer (in the Australian Government Department of Agriculture, Fisheries and Forestry) continues to provide support to Timor-Leste to build the capacity of the animal health workforce and mitigate the risk of exotic animal disease entry and spread. In addition, over the past four years a team from Agriculture Victoria has trained and supported staff from the Timor-Leste Animal Health Service in livestock disease diagnostics and surveillance. These initiatives have helped Timor-Leste to control African swine fever and prepare for potential outbreaks of disease that have impacted Timor-Leste's neighbours.

#### Case study 17:

##### Improving the business environment in Laos through the Competitiveness and Trade Project

In Laos, the Competitiveness and Trade Project is improving the business environment in Laos and advancing trade facilitation with neighbouring countries by making it easier to start a business and by reducing the time, cost and documentation requirements of trading across borders. Through simplifications to the business registration process, the project has helped reduce the time needed to start a business from 173 days in 2019 to 30 days in 2023. The revised Enterprise Law was approved by the National Assembly in December 2022 to support online business registration. The project also helps to reduce trade barriers. For example, a 2023 time-release study showed that the average time to clear imports at border checkpoints dropped to 4.85 hours from a baseline of 9.40 hours in 2018.

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In 2022, three evaluations covering programs in the agriculture, trade and other production services sector were completed and published

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The percentage of completed investments (FIMRs) assessed as effective and efficient was 50 per cent (noting that the small number of FIMRs each year can lead to volatility in overall percentage outcomes). Two of four completed investments were assessed as effective and efficient. The two investments assessed as unsatisfactory were global program investments:

- Global Extractives Transparency and Governance (\$14.8 million; 2015–23)
- Other Extractive Governance Assistance (\$9.6 million; 2012–23).

Both investments were global extractives programs and comprised multiple smaller activities. The investments did not have overarching designs, comprehensive monitoring and evaluation frameworks or systematic data collection.

##### Evaluation and learning

In 2022, three evaluations covering programs in the agriculture, trade and other production services sector were completed and published on the DFAT website with a management response.



## Evaluation case study 8:

### Australia–Mongolia Extractives Program (AMEP) II midterm review

AMEP II works to promote the enabling environment for investment in the extractives sector in Mongolia, which is essential to the sector's future growth. In 2022, DFAT completed an independent midterm review of the program which found AMEP II is highly relevant and largely effective. It also found there was an opportunity for greater engagement with civil society and highlighted the importance of collaboration with communities to achieve AMEP II's goal – that Mongolia's citizens experience equitable and sustainable growth from their mineral resources. Recognising that empowered CSOs can advocate on behalf of communities, build capacity, and strengthen ties between relevant subnational and national stakeholders, the review recommended strengthening engagement with CSOs to ensure the program's objectives are met.

In response, AMEP II implemented a grassroots community activity, 'Making Minerals Valuable', which built local communities' understanding of mining opportunities and the social, environmental and cultural considerations of the mine life cycle. It strengthened relations between companies, communities, local government and CSOs, and was an important foundation for a key activity for the AMEP II workplan for 2023–24, 'Strengthening the civic space in Mongolia's mining sector'. This activity is expected to activate engagement in meaningful dialogue with key sector CSOs, strengthen their capacity, and empower them to navigate a sector in which the civic space has become constrained and challenged by energy transition.

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MEP II implemented a grassroots community activity, 'Making Minerals Valuable', which built local communities' understanding.

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## Governance

### Context

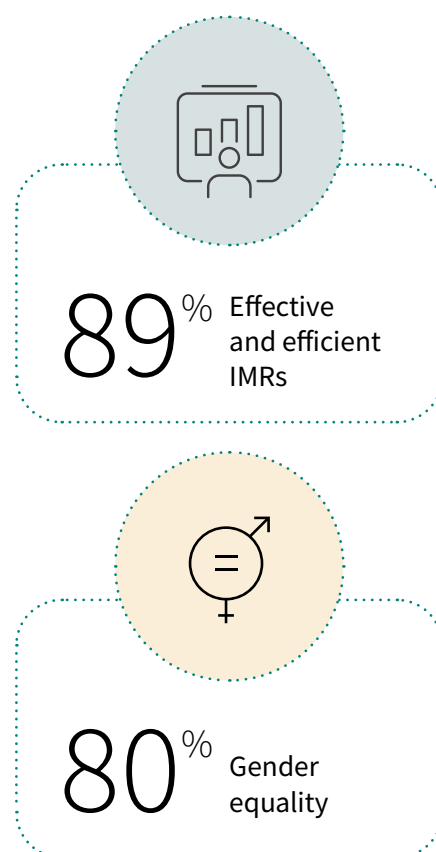
#### ■ \$996.9 million total Australian ODA

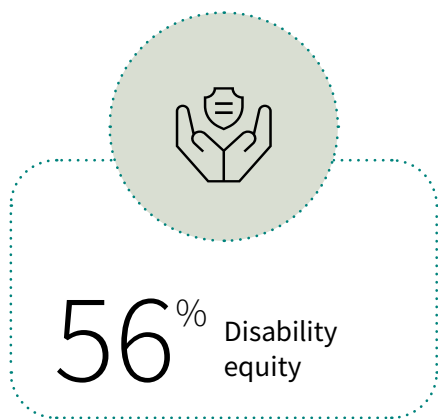
Australia supports partner countries to strengthen systems, build institutional capability, develop accountability arrangements and promote inclusiveness. Australia's assistance has a direct impact on several SDGs including Achieve Gender Equality and Empower all Women and Girls (SDG5), Decent Work and Economic Growth (SDG8), Reduced Inequalities (SDG10), Peace, Justice and Strong Institutions (SDG16) and Partnerships for the Goals (SDG17).

In 2022–23, Australia supported 34 countries to strengthen their governance systems. Australia's bilateral and regional investments supported public sector policy and management; public financial management; domestic revenue mobilisation; legal and judicial development; elections; media and free flow of information; human rights; ending violence against women and girls; social protection; employment creation; and housing policy.

### Investment performance

Governance sector investments account for the largest number of investments across all sectors that complete annual Investment





Performance Reporting. In 2022–23, 94 annual IMRs and 19 FIMRs were completed for governance sector investments. The proportion of investments rated satisfactory for effectiveness and efficiency (excluding FIMRs) was 89 per cent, higher than the whole-of-program outcome of 86 per cent and just under the three-year governance sector average of 90 per cent. The aggregate investment ratings (IMR, HIMR and FIMR) for gender equality and disability equity were 80 per cent and 56 per cent, respectively, lower than the three-year averages of 82 per cent and 60 per cent, but higher than the whole-of-program outcomes of 75 per cent and 50 per cent, respectively.

### Case study 18:

#### Thailand's new Counter Trafficking in Persons Centre of Excellence

In November 2022, the Governments of Thailand and Australia signed a memorandum of understanding to establish Thailand's new Counter Trafficking in Persons Centre of Excellence, the first facility in Southeast Asia with a dedicated focus on combating human trafficking. The Australian Government, through the Australia–ASEAN Counter Trafficking Program provided technical support to help Thailand design and operationalise the Centre of Excellence, including through the development of a new national curriculum for counter-trafficking actors with a focus on gender-sensitive, victim-centred approaches.

The percentage of completed investments (FIMRs) assessed as effective and efficient was 74 per cent (noting that the small number of FIMRs each year can lead to volatility in overall percentage outcomes). Of the 19 completed investments, 14 were assessed as satisfactorily meeting end of program outcomes and five investments were assessed as not meeting end of program outcomes or not meeting these outcomes efficiently. The five investments were:

- Solomon Islands Governance Program (\$62.9 million, 2017–22) – Following good progress in the early years of implementation, this investment was significantly impacted by changes in the operating environment including the impact of the COVID-19 pandemic. Stronger alignment between intermediate and end of program outcomes was needed as well as better linking of inputs to outcomes.
- Samoa Women in Leadership (\$3 million, 2018–22) – While most intended results on gender equality and women's and girls' empowerment were achieved, framing of two of the four end of program outcomes needed to be strengthened, as did the quality of evidence on gender equality results.
- Timor-Leste Police Development Program (\$29.7 million, 2018–24) – Program implementation was significantly affected by the outbreak of COVID-19 in 2020 and the related states of emergency (which were in almost constant effect between March 2020 and November 2021), and by significant flooding in Dili in April 2021. Positive outputs were still delivered despite these challenging circumstances, shifts in operational priorities and limited data availability for monitoring and evaluation. The design for the next phase of the program (2023–28) has built on the lessons learned from previous phases, including the need to invest more resources in quality performance data.

- Ending Violence against Women in Afghanistan (\$22.4 million, 2017–22)  
– Although the investment delivered positive outputs under increasingly challenging circumstances, it is difficult to clearly demonstrate the extent of progress towards achieving the end of program outcomes due to a lack of reporting against outcomes and a lack of good-quality performance data.
- Development Leadership Program Phase 3 (\$3.6 million, 2018–23) – Although the investment delivered strong locally led, peer-reviewed research papers, the program faced challenges during the pandemic to deliver agreed objectives that included outreach, stakeholder engagement and influencing DFAT policy-making.

## Evaluation and learning

In 2022, 16 evaluations covering programs in the governance sector were completed and 15 were published on the DFAT website with a management response.

### Evaluation case study 9:

#### **Australia's COVID-19 Response Package for the Pacific and Timor-Leste independent review 2020–22**

The Pacific Fiscal and Budget Support Package provided \$499 million over 2020–23 to assist Pacific island countries and Timor-Leste to weather the economic impacts of the COVID-19 pandemic and better position the region for recovery. The package primarily provided general budget support and direct financing to partner governments, with a small amount of funding also channelled through trusted development partners to support vulnerable people.

An independent midterm review of the program was conducted in early 2022, which assessed its relevance, efficiency and effectiveness. The terms of reference were intentionally broad to enable a wider discussion on budget support generally to help inform DFAT's department-wide Budget Support Framework. Findings from the review confirmed the value of budget support as an important component in emergency response and supported consideration of its use more broadly, in addition to identifying lessons and key considerations for future implementation of budget support programming.

Lessons learned in the review have informed the development of DFAT's Budget Support Framework in 2023. The framework is intended to support DFAT officers deciding whether and how to use budget support as a component of their development investment portfolios, providing a principles-based approach to realising the potential benefits of budget support while managing risks. The framework has informed best-practice approaches in the design of the next phase of the Pacific Fiscal and Budget Support program.

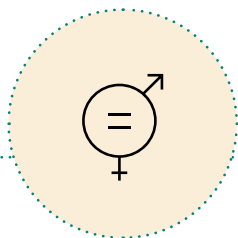
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The framework has informed best-practice approaches in the design of the next phase of the Pacific Fiscal and Budget Support program.

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85% Effective and efficient IMRs



75% Gender equality



68% Disability equity

## Education

### Context

#### \$567.8 million total Australian ODA

Australian investments in education directly support SDG4 on Quality Education and contribute to the achievement of other SDGs, including Achieve Gender Equality and Empower all Women and Girls (SDG5). In 2022–23, Australia’s development assistance enabled more than 248,000 additional children and adolescents to enrol in school.

Basic education is the critical foundation on which secondary and tertiary education, skilled employment and economic development is built. Long-term investment in literacy and numeracy initiatives will reduce disadvantage, accelerate economic growth and support prosperity, stability and security.

Scholarships to undertake tertiary education in Australia and the region build human capital and support shared development priorities in partner countries. Facilitating greater linkages between education systems, including through scholarships, will enhance development outcomes by supporting a new generation of local leaders with strong links to Australia.

### Investment performance

In 2022–23, 47 IMRs and six FIMRs were completed for education sector investments. The proportion of investments rated satisfactory or higher for effectiveness and efficiency (excluding FIMRs) was 85 per cent, slightly lower than the whole-of-program outcome of 86 per cent and lower than the three-year sector average of 89 per cent. The aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 75 per cent, lower than the three-year sector trend of 81 per cent and on par with the whole-of-program outcome. The aggregate disability equity rating was 68 per cent, also lower than the three-year sector average of 78 per cent but higher than the whole-of-program outcome of 50 per cent.

### Case study 19:

#### Australia’s support for education in Papua New Guinea, the Philippines and Bangladesh

In Papua New Guinea, the Partnerships for Improving Education Program is supporting the Government of Papua New Guinea to improve early-age education in four provinces. In its first year, the program provided textbooks for 109,162 students (48 per cent girls); teacher training for 3,132 teachers (52 per cent women); and specialised training to 255 school inspectors (34 per cent women). The program supported education management systems including teacher registration, financial management and the development of GEDSI policies in schools. Additionally, a nationwide ‘Back-to-School’ communication campaign in January 2023 used texts and media messages to encourage students to return to school. The campaign reached about 4 million people.

Australia’s Education Pathways to Peace in Mindanao program helped 8,546 children access kindergarten to grade 2 education in communities without schools in the Bangsamoro Autonomous Region in Muslim Mindanao (in the Philippines). For the 2022–23 school year, Australia supported community learning centre operations in 109 of 210 communities

The program supported education management systems including teacher registration, financial management and the development of GEDSI policies in schools.



without schools. Of the children, 1,426 were Indigenous peoples, 132 were affected by local armed conflicts, and 30 were children with disabilities. Some 49 per cent (4,180) of the children were girls, 1,298 of whom were in kindergarten.

In 2022, Australia assisted 51,439 disadvantaged girls and boys to receive a quality education through the BRAC Education Program in Bangladesh. Addressing learning losses caused by the extended shut-down of schools during the COVID-19 pandemic remains a key focus of the program. The program includes an accelerated model for children who have dropped out of school by teaching ‘must know’ competencies to cover a two-year syllabus in 10 months. Remedial plans, diverse supplementary materials and detailed teachers guides were updated this year to incorporate lessons learned and new research.

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In 2022, Australia assisted 51,439 disadvantaged girls and boys to receive a quality education through the BRAC Education Program in Bangladesh.

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The proportion of completed investments (FIMRs) assessed as effective and efficient was 67 per cent (noting that the small number of FIMRs each year can lead to volatility in overall percentage outcomes). Four of six completed investments were assessed as effective and efficient. The two investments assessed as not meeting end of program outcomes or not meeting these outcomes efficiently were:

- Pakistan Khyber Pakhtunkhwa Education Sector Program (\$57.5 million, 2012–21) – The efficiency of this investment was impacted by delays in the school infrastructure component, which resulted in under-achievement of the associated end of program outcome.
- Cambodia Knowledge Sector Program (\$5.9 million, 2019–23) – While the investment made progress towards achieving its objectives, weak implementation of the program’s MEL system and weak outcome-level targets resulted in limited evidence of progress against some end of program outcomes.

## Evaluation and learning

In 2022, seven evaluations covering programs in the education sector were completed and published on the DFAT website with a management response.

### Evaluation case study 10:

#### **Independent strategic review of Innovation for Indonesia’s School Children (INOVASI) Phase 2 and Rural and Remote Education Initiative for Papua Provinces (UNICEF Papua) Phase 3**

An independent strategic review of two of Australia’s longest-running education investments in Indonesia was conducted in 2022. The combined review was beneficial because while both programs aim to improve children’s learning outcomes in basic literacy and numeracy, they use different modalities and operate in different regional contexts.

The review found both programs were performing effectively and would benefit from enhanced lesson sharing. While DFAT has constantly fostered knowledge sharing and coordination between both programs, information exchanged at the national level did not necessarily feed through to the subnational level, and staff from each program had very limited knowledge of the other. The review recommended potentially valuable areas in which the programs could learn from each other.

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The framework has informed best-practice approaches in the design of the next phase of the Pacific Fiscal and Budget Support program.

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DFAT responded to this finding by enabling cross-learning visits to sites by program staff where both programs could learn most from each other, including joint monitoring visits in 2023. The visits successfully enhanced knowledge sharing between the two programs and greater appreciation of their activities, challenges and approaches. The UNICEF Papua program learned from INOVASI's 'problem-driven iterative approach' in working with local government, and learned how the government's new child-centred curriculum could be smoothly implemented in schools. The INOVASI team learned how UNICEF partnered with local CSOs in establishing collaboration between the local government and the CSOs for education improvement. DFAT will continue these cross-learning efforts through the next iteration of both programs from 2024.

## Health

### Context

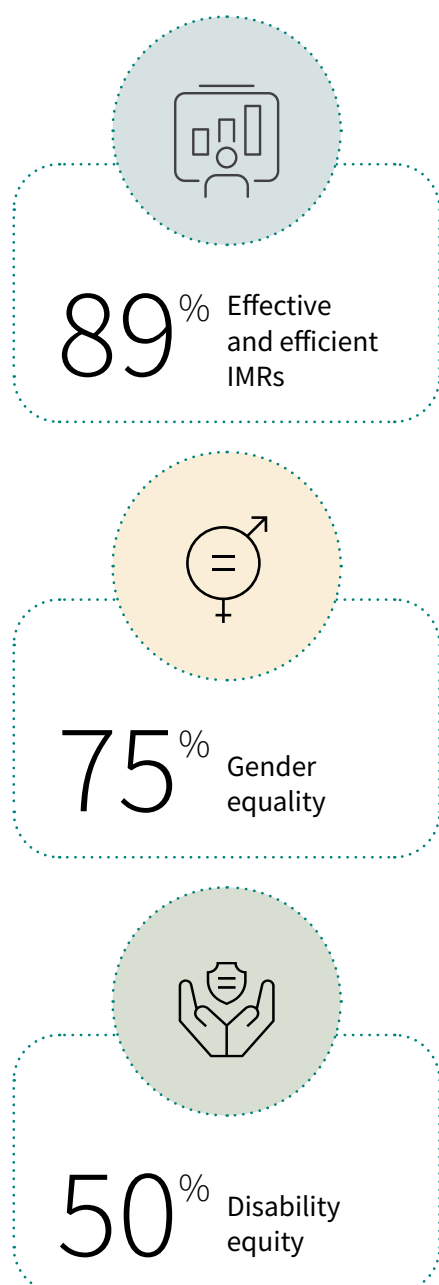
#### **\$908 million total Australian ODA**

As the region continued to recover from the COVID-19 pandemic, Australia supported governments in their efforts to strengthen their health systems and bolster the delivery of key services, including quality sexual and reproductive health services to protect the health and wellbeing of women and girls. We helped partner countries to build their own capacity to prevent, detect and respond to infectious disease outbreaks and health emergencies, and supported regional coordination. Australia continues to support global efforts to address endemic diseases such as HIV, tuberculosis and malaria, and to ensure the world is better prepared to prevent and manage future disease outbreaks. Australia's health sector investments directly support SDG3 (Health and Wellbeing) and contribute to other SDGs including Achieve Gender Equality and Empower all Women and Girls (SDG5).

In 2022–23, Australia's development assistance enabled the immunisation of more than 10.1 million people. We made a meaningful contribution to strengthening the health systems of 36 partner countries, including their preparedness for health emergencies. With Australian support, 39 of our partner countries improved their responses to health security threats such as infectious diseases. Australia's support to global health organisations in 2022 enabled 24.5 million people to receive antiretroviral therapy for HIV; 6.7 million people to receive treatment for tuberculosis; and 165 million people to receive treatment for malaria.

### Investment performance

In 2022–23, 43 annual IMRs, four HIMRs and five FIMRs were completed for health sector investments completed. The proportion of investments rated satisfactory or higher for effectiveness and efficiency (excluding FIMRs) was 89 per cent, against the whole-of-program outcome of 86 per cent and the three-year sector average of 89 per cent. The aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 75 per cent, less than the three-year sector trend of 77 per cent and on par with the whole-of-program outcome. The aggregate disability equity rating was 50 per cent, lower than the three-year sector average of 56 per cent and on par with the whole-of-program outcome.



### Case study 20:

#### **Strengthening health systems in Papua New Guinea with the Health Services Sector Development Program**

In September 2022, the Health Services Sector Development Program completed the national rollout of Papua New Guinea's electronic National Health Information System across all 22 provinces. The system facilitates real-time reporting of primary and public health activity data from 846 health facilities, supporting early identification of outbreaks of communicable diseases such as measles, pertussis, tuberculosis and HIV. Between 2020 and 2022, provinces with the system in place were able to track outbreaks of COVID-19-like symptoms. By the end of 2022, 95.7 per cent of registered health facilities were reporting activity each month.

### Case study 21:

#### **Improving health access and quality in Cambodia with the Health Equity and Quality Improvement Program**

The Health Equity and Quality Improvement Program has improved access to, and reduced the cost of, quality health services for poor and vulnerable Cambodians. Based on national quality assessment results, the average scores for service and quality increased from 45 per cent to 81 per cent for health centres, 27 per cent to 80 per cent for referral hospitals and 29 per cent to 86 per cent for provincial hospitals. The program supported approximately 18 million outpatients to access health care services financed by the Health Equity Fund for the poor, which pays for healthcare and related costs for poor Cambodians.

The proportion of completed investments (FIMRs) assessed as effective and efficient was 80 per cent (noting that the small number of FIMRs each year can lead to volatility in overall percentage outcomes). Four of five completed investments were assessed as effective and efficient. The Samoa Health Program (\$7.7 million, 2013–2023) was assessed as less than adequate for the effectiveness criteria. While there was adequate evidence of activity-level results, there was insufficient evidence of the achievement of the end of program outcomes because the monitoring and evaluation framework was not fully operationalised due to understaffing and the impacts of the COVID-19 pandemic.

#### **Evaluation and learning**

In 2022, three evaluations covering programs in the health sector were completed and published on the DFAT website with a management response.

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Australia's support to global health organisations in 2022 enabled 24.5 million people to receive antiretroviral therapy for HIV; 6.7 million people to receive treatment for tuberculosis; and 165 million people to receive treatment for malaria.

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## Evaluation case study 11:

### Independent Strategic Review of the Fiji Health Program

The Fiji Health Program works in partnership with the Ministry of Health and Medical Services to support strengthened health services in Fiji.

In 2022, DFAT completed an independent strategic review to capture lessons from Phase 1 (2017–21) and provide advice for Phase 2 (2022–24), including recommendations for further policy and program focus areas. The review found the program was successful, responsive through the COVID-19 pandemic, and working well overall. It recommended the program transition some existing programs to the Fiji Ministry of Health and Medical Services over the longer term to build ownership and sustainability. This included midwifery education, which had largely been funded by the program. Building on the positive relationship between DFAT and the Ministry, the program advocated for the Ministry to cover at least 10 per cent of the funding required for midwifery education in the next budget. The support for midwifery education has now fully transitioned to the Ministry of Health and Medical Services, to be fully funded in the 2024 budget.



GeneXpert cartridges supplied to Fiji by World Health Organization Western Pacific and DFAT during COVID-19 response. Credit: DFAT

## Humanitarian assistance and disaster risk reduction

### Context

#### ■ \$682.1 million total Australian ODA

In 2022–23, Australia provided \$682 million or 14 per cent of ODA in humanitarian assistance and disaster risk reduction (DRR) efforts. During the reporting period, Australia received and responded rapidly to requests for emergency and humanitarian assistance, including tropical cyclones, floods, droughts, earthquakes, food shortages and outbreaks of violence. Australia responded to all rapid onset emergency assistance requests in the region within 48 hours and provided life-saving assistance to more than 23.8 million marginalised women, men, girls and boys in crisis and conflict situations. Australia deployed over 246 tonnes of humanitarian relief supplies and, through support to our international and nongovernment partners, we provided crisis-affected communities with emergency services such as medical care, maternal and child health care, sexual and reproductive health services, search and rescue expertise, humanitarian cash transfers, education interventions and protection services.

Australia's humanitarian assistance aims to strengthen preparedness and reduce risks in countries susceptible to climate change impacts and natural hazards, and we continue to contribute to global efforts on DRR. Our humanitarian assistance and DRR investments delivered outcomes in support of several SDGs, including No Poverty (SDG1), Zero Hunger (SDG2), Good Health and Well-being (SDG3), Resilient Infrastructure (SDG9), Reduced Inequalities (SDG10) and Sustainable Cities (SDG11). Through these investments, Australia is supporting bilateral partners to meet their commitments under the Sendai Framework for Disaster Risk Reduction 2015–2030 to limit economic and development losses and build the resilience of communities and institutions to hazards. Investments in these

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Australia's humanitarian assistance aims to strengthen preparedness and reduce risks in countries susceptible to climate change impacts and natural hazards, and we continue to contribute to global efforts on DRR.

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areas also support Australia's commitments under the 2030 Agenda to achieve risk-informed sustainable development, the Agenda for Humanity (2016) and the Grand Bargain (2016) to save lives and protect human dignity through improved effectiveness and efficiency of humanitarian action.

## Investment performance

In 2022–23, 22 HIMRs, 18 IMRs and two FIMRs were completed for humanitarian assistance and DRR investments. The proportion of IMRs/HIMRs assessed as effective and efficient was 85 per cent, which is almost on par with the three-year average of 86 per cent. Responses to protracted and sudden onset crises often reached more people than planned with essential emergency supplies and services. Longer-term international and nongovernment partnerships that focused on DRR and preparedness in the Indo-Pacific region also performed strongly.

Most investments were assessed as effective. The highly complex and challenging environments for humanitarian response were found to impact operations for some investments, while others found efficiencies due to longstanding relationships with delivery partners and the use of flexible funding modalities.

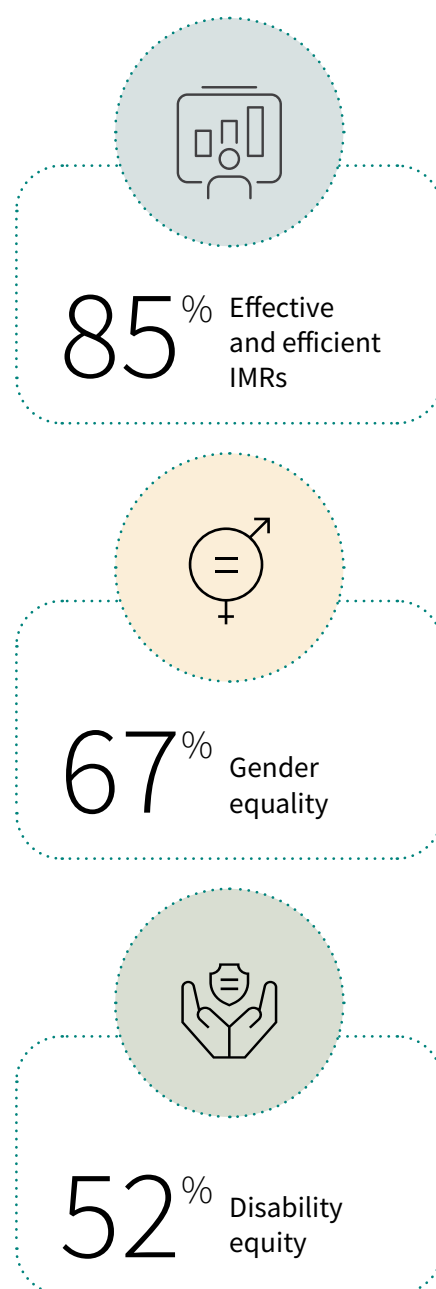
All humanitarian response investments were assessed as satisfactory or higher in the 'connectedness' criterion.<sup>17</sup> 'Connectedness' refers to the extent to which investments are delivered in a way that supports recovery, resilience, long-term development, and coordination, supporting our Grand Bargain commitments. Australia's regional prepositioning initiative, delivered by the United Nations Population Fund (UNFPA), demonstrated proactive connectedness to local populations through consultations that led to customised dignity kits for women and girls, people with disabilities and other marginalised groups.

Most investments (74 per cent) were satisfactory or higher in the 'humanitarian protection' criterion. This criterion captures the extent to which investments protect the safety, dignity and rights of affected populations. Protection was stronger in investments where affected populations helped to tailor emergency response items and where there was sustained and integrated protection programming.

Two investments completed FIMRs in the reporting period. In both FIMRs, the investments were assessed as not effectively meeting end of program outcomes or not meeting these outcomes efficiently. The two investments were:

- Pakistan Humanitarian Assistance and Disaster Risk Reduction (\$10.5 million, 2014–22) – The efficiency of this investment was impacted by extended leadership and staffing vacancies in counterpart agencies.
- Global Facility for Disaster Reduction and Recovery (\$12.3 million, 2017–22) – Although the investment delivered high-quality disaster risk management activities as part of a single-donor trust fund focused on Indo-Pacific countries, evidence of the impact of these activities was limited.

FIMRs provide important qualitative information and lessons learned to inform future investments, but do not necessarily reflect the overall quality of the portfolio. Only a small number of FIMRs are completed each year for humanitarian assistance and DRR as FIMRs are not required for emergency



<sup>17</sup> In addition to the standard IMR criteria, HIMRs also assess performance against two additional criteria: connectedness and humanitarian protection.

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DFAT is working with Australian Red Cross and the International Federation of Red Cross and Red Crescent Societies to improve the analysis of data on gender equality, disability and other social inclusion programming.

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response investments. This can lead to volatility in overall percentage outcomes. For example, in the 2021–22 reporting period, all FIMRs were assessed as satisfactory.

Gender equality ratings dropped slightly, with 67 per cent of investments rated satisfactory for gender equality, lower than the three-year sector average of 75 per cent. While there were challenges, insights from 2022 reporting suggest that gender outcomes can be strengthened by implementing gender strategies, selecting partners with strong experience in gender equality programming, and providing targeted technical support. The disability equity outcome of 52 per cent was also lower than the three-year sector average of 57 per cent. This was attributed to a greater understanding of the evidence and rigour needed to rate the questions as satisfactory.

We have taken steps to address performance results for gender equality and disability inclusion in humanitarian response investments. For example, DFAT is working with Australian Red Cross and the International Federation of Red Cross and Red Crescent Societies to improve the analysis of data on gender equality, disability and other social inclusion programming. This includes requesting gender equality, disability inclusion and other safeguarding risk management approaches when responding to disasters and crises. It also involves addressing these issues in activity proposals and implementation with formalised and strengthened gender equality, disability, and social inclusion analysis, reporting and disaggregated data.

### Evaluation and learning

In 2022, two evaluations covering humanitarian investments were completed and published on the DFAT website with corresponding management responses. Implementing partners also carried out comprehensive evaluative processes to inform future programs and design. For example, the Australian Humanitarian Partnership encouraged learning for continual improvement across the partnership, including through real-time reviews and ‘learning events’ with national and local partners as well as the broader humanitarian sector. A real-time review of the Australian Humanitarian Partnership Ukraine response was completed in 2022–23 to collect information from mental health and psychosocial support activities in Ukraine, Moldova and Romania, which enabled early and well-informed decisions, involving local partners in adapting the response as needed.

## Multisector and general support

### Context

**\$631.9 million total Australian ODA**

This sector includes general environment protection, action relating to debt and other multisector activities including administrative costs, research and scientific institutions.

### Investment performance

In 2022–23, 24 IMRs and five FIMRs were completed for multisector and general support investments. The proportion of investments rated satisfactory or higher for effectiveness and efficiency (excluding FIMRs) was 83 per cent, lower than the whole-of-program outcome of 86 per

cent and lower than the three-year sector average of 91 per cent. The aggregate investment rating (IMR, HIMR and FIMR) for gender equality was 66 per cent, lower than the three-year average of 72 per cent and lower than the whole-of-program outcome of 75 per cent. The aggregate disability equity rating was 34 per cent, lower than the three-year sector average of 35 per cent and lower than the whole-of-program outcome of 50 per cent.

## Case study 22:

### CSIRO partnerships

CSIRO has drawn on non-ODA funding, capabilities, expertise and diverse partners to amplify the scope and impact of Australia's ODA-funded programs in the Indo-Pacific.

CSIRO with support from DFAT, and working with industry and government partners in Indonesia, Thailand and Vietnam, has developed the Indo-Pacific Plastics Innovation Network to support national and regional efforts to translate science, technology and innovation into real-world solutions to plastic pollution.

The Australian Government–CSIRO–Google partnership announced in November 2022 leveraged budget (non-ODA), expertise and technologies, as part of Google's Digital Future Initiative, to more than double the scale of ODA funding from DFAT's Science and Technology for Climate Partnerships (SciTech4Climate). This collaboration brings Google's world-leading artificial intelligence and platform technology and CSIRO's climate, digital and AI expertise together to work with partners in the region to better understand and utilise blue carbon ecosystems.

The proportion of completed investments (FIMRs) assessed as effective and efficient was 100 per cent (noting that the small number of FIMRs each year can lead to volatility in overall percentage outcomes). These five investments were:

- Indonesia Research Project (\$14.6 million, 2008–2022)
- Support to the Economic Research Institute for ASEAN and East Asia Phase 2 (\$6.7 million, 2014–23)
- Papua New Guinea Incentive Fund Phase 4 (\$101.9 million, 2015–23)
- Pacific Research Program (\$25.3 million, 2017–22)
- Botswana – Exporting Australian Traditional Fire Management (\$3.5 million, 2018–21).

### Evaluation and learning

In 2022, three evaluations covering programs in the multisector and general support sector were completed and published on the DFAT website with a management response.



83% Effective and efficient IMRs



66% Gender equality



34% Disability equity

## Evaluation case study 12:

### Aus4Innovation midterm review

Aus4Innovation (A4I) is a program delivered in partnership with CSIRO that aims to strengthen Vietnam's innovation system. In 2022, a midterm review of the program was completed. The review assessed progress towards the program's expected outcomes and provided lessons to help shape the design of Phase 2.

The review validated the development need and value of A4I and found its flexibility and responsiveness were valued by the Government of Vietnam, but that fragmentation had been a challenge. A key finding of the review was that the program logic was not explicit in linking the different components of A4I, which led to challenges in delivering outcomes. As a result, the Phase 2 design more clearly frames the task of innovation support and has revised the program logic to promote a more integrated approach across the components, with a stronger thematic focus on agriculture. DFAT has worked closely with CSIRO to ensure the review recommendations are reflected in the Phase 2 design.





Funafuti, Tuvalu. Credit: DFAT

# Annexes

# Annex A: Partnerships for Recovery

This section reports the results under the performance framework for Partnerships for Recovery.

## Tier 1: Indo-Pacific development context

### Stability

Indicator	Measure	Data source	2020–21	2021–22	2022–23	Trend
Fragility in the region	Proportion of fragile and conflict-affected countries in the region (percentage)	<a href="https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations">https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations</a>	Pacific 43% (07/2020)	Pacific 36% (2022)	Pacific 36% (2023)	Fragility in the region has been relatively stable with little improvement or deterioration over time. Most countries in the region are affected by institutional and social fragility. Only Myanmar is affected by conflict.
Political rights and civil liberties	Scores for countries in the region on the Freedom House Index (range; 100 represents most free)	<a href="https://freedomhouse.org/countries/freedom-world/scores">https://freedomhouse.org/countries/freedom-world/scores</a>	Pacific 60 and 93 (2020)	Pacific 58 and 93 (2022)	Pacific 59 and 93 (2023)	Freedom scores for the region have decreased slightly during this period, which means countries are less free. According to the index, the Pacific is more free than Southeast Asia, where political rights and civil liberties are significantly compromised.
Fiscal sustainability	Number of countries at high risk of debt distress	<a href="https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative">https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative</a>	Pacific 7 (2018–21)	Pacific 7 (2018–22)	Pacific 7 (As of Jun 2023)	Half of all countries in the Pacific continue to be affected by a high risk of debt distress. Laos, which was at high risk of debt distress previously, is now in debt distress. Not all countries are eligible to access the Poverty Reduction and Growth Trust, which provides concessional funding to low-income countries.
			SE Asia 1 (2018–21)	SE Asia 1 (2018–22)	SE Asia 1 (as of Jun 2023)	

### Prosperity

Indicator	Measure	Data source	2020–21	2021–22	2022–23	Trend
Poverty in the region	Proportion of the population living on less than USD3.20 per day (range)	<a href="http://iresearch.worldbank.org/PovcalNet/povDuplicateWB.aspx">http://iresearch.worldbank.org/PovcalNet/povDuplicateWB.aspx</a>	Pacific 4–57%	Pacific 4–56%	Pacific 6–68%	Poverty in the region has increased slightly as a result of the COVID-19 pandemic. Expansion of social protection systems is likely to have helped contain increases in poverty. Poverty data is difficult to update; thus, these numbers include new data for only a few countries.
Export volumes	Value of exports in the region (USD)	<a href="https://data.worldbank.org/indicator/NE.EXP.GNFS.CD">https://data.worldbank.org/indicator/NE.EXP.GNFS.CD</a> Combined value of trade in goods and services	Pacific 2.4 bn (2020)	Pacific 2.1 bn (2021)	Pacific 3.1 bn (2022)	Exports in the region show mixed results during this period. Southeast Asia has already reached exports comparable to pre-pandemic levels. The Pacific exports saw a USD1 billion increase but remain approximately 25% below their 2019 level.
			SE Asia 1,716 bn (2020)	SE Asia 2,084 bn (2021)	SE Asia 1,994 bn (2022)	

Indicator	Measure	Data source	2020–21	2021–22	2022–23	Trend
Economic growth in the region	GDP per capita (range, current USD)	<a href="https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?view=chart">https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?view=chart</a>	Pacific 1,655–14,902 (2020)	Pacific 1,515–12,083 (2021)	Pacific 1,701–11,913 (2022)	GDP per capita levels in the region are complex to analyse because of the large differences between rich and poor countries. Excluding the richest countries in the Indo-Pacific (Nauru, Palau, Brunei Darussalam, Malaysia and Singapore) most countries' GDP per capita is lower in 2023 than in 2019. GDP per capita in rich countries appears to have recovered more quickly from the pandemic, with Brunei Darussalam and Singapore showing GDP per capita more than 20% above their 2019 levels.
			SE Asia 1,408–65,233 (2020)	SE Asia 1,187–77,710 (2021)	SE Asia 1,096–82,807 (2022)	
Education	Primary school enrolment rate (range)	<a href="https://data.worldbank.org/indicator/SE.PRM.NENR">https://data.worldbank.org/indicator/SE.PRM.NENR</a> . NENR	Pacific n/a	Pacific n/a	Pacific n/a	An assessment of this indicator is not possible because it was not updated during this period.
		Proportion of all children of the relevant age who are enrolled in school, covering reporting years 2009 to 2018	SE Asia n/a	SE Asia n/a	SE Asia n/a	
Remittances	Variation in remittances received by Pacific and Southeast Asian countries	<a href="https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT">https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT</a> Data for the previous year are estimates until finalised (2018 baseline)	Pacific 0.7%	Pacific 41.9%	Pacific –1.8%	Remittance data show a strong recovery in the Pacific. In contrast, remittances to Southeast Asian countries appear uneven. This may reflect the long-term impact of a large population of migrant workers returning to their own country or not finding stable work overseas after the pandemic.
			SE Asia 2.8%	SE Asia 5.7%	SE Asia –32.4%	
Tourism	International tourism receipts as a proportion of GDP	<a href="https://tcd360.worldbank.org/indicators/tnt.tot.contrib.gdp">https://tcd360.worldbank.org/indicators/tnt.tot.contrib.gdp</a>	Pacific 2–46%	Pacific 2–46%	Pacific 2–46%	Tourism receipts for the region have remained steady as a proportion of the GDP of the countries in the region. In the Pacific and Southeast Asia, income from tourism as a proportion of GDP is highest in Vanuatu and Cambodia.
			SE Asia 6–32%	SE Asia 6–32%	SE Asia 6–31%	

## Resilience

Indicator	Measure	Data source	2020–21	2021–22	2022–23	Trend
Pandemic spread	Cumulative cases notified to World Health Organization	<a href="https://data.who.int/dashboards/covid19/cases">https://data.who.int/dashboards/covid19/cases</a>	Pacific 1,826 cases	Pacific 224,794 cases (as of Oct 2022)	Pacific 253,444 cases (as of Aug 2023)	COVID-19 cases continued increasing during this period. However, by the end of 2023, the pandemic, including the number of new cases and deaths, appears to have been controlled.
			SE Asia 2.55 m. cases	SE Asia 34.42 m. cases (as of Oct 2022)	SE Asia 36.36 m. cases (as of Aug 2023)	



Indicator	Measure	Data source	2020–21	2021–22	2022–23	Trend
Health	Coverage of essential services including those essential for health security (universal health coverage index of service coverage rating, range, where 100 represents the most health service coverage)	<a href="https://apps.who.int/gho/data/view.main.INDEXOFESSENTIAL-SERVICE-COVERAGEv?lang=en">https://apps.who.int/gho/data/view.main.INDEXOFESSENTIAL-SERVICE-COVERAGEv?lang=en</a>	Pacific 40–64  SE Asia 51–86	Pacific 33–62  SE Asia 50–86	Pacific 30–65  SE Asia 52–89	Universal health coverage in the region has not changed significantly in the region during this period. However, health coverage in Pacific countries appears to have worsened marginally due to the diversion of health assistance towards COVID-19 responses. There was no significant change in health coverage in Southeast Asia countries.
Disaster risk reduction	Proportion of countries in the region implementing national and subnational disaster risk reduction strategies or plans	UNDRR analysis of reporting against Sendai Target E.1, May 2020, covering countries reporting at least moderate progress with implementation in reporting year 2019 <a href="https://sendaimonitor.undrr.org/">https://sendaimonitor.undrr.org/</a>	Pacific 7%  SE Asia 9%	Pacific 57%  SE Asia 45%	Pacific 9%  SE Asia 18%	Most countries in the region reported little progress in implementing national and subnational DRR strategies. However, Southeast Asia countries reported slightly higher progress compared with their Pacific counterparts.
Climate change adaptation	Countries in the region reducing vulnerability to climate change (Notre Dame Index scores, where 100 represents least climate vulnerability and more adaptation readiness to the negative effects of climate change)	<a href="https://gain.nd.edu/our-work/country-index/">https://gain.nd.edu/our-work/country-index/</a> Notre Dame Vulnerability Index, comparing data for countries in the regions between 2012 and 2018	Pacific 5  SE Asia 8	Pacific 6  SE Asia 8	Pacific 1  SE Asia 6	More than half of countries in Southeast Asia were able to reduce their vulnerability to climate change during this period. Pacific countries were significantly less successful in reducing their vulnerability.
Violence against women	Proportion of women and girls experiencing intimate partner violence in past 12 months (range in countries in the region) <sup>a</sup>	<i>Link no longer available.</i> The most recent 12-month period is defined by the year in which the World Bank has creditable data	Pacific 10–44%  SE Asia 6–35%	Pacific 10–44%  SE Asia 6–35%	Pacific <sup>b</sup> n/a  SE Asia <sup>c</sup> n/a	This indicator cannot be assessed because the World Bank stopped producing the statistics required.

DRR = disaster risk reduction; GDP = gross domestic product; SE Asia = Southeast Asia; UNDRR = United Nations Office for Disaster Risk Reduction; n/a = not applicable.

<sup>a</sup> Data for this indicator are no longer published.

<sup>b</sup> Data for Pacific countries do not include French Polynesia, New Caledonia, Cook Islands, Wallis and Futuna, and Guam.

<sup>c</sup> Southeast Asia region encompasses ASEAN countries and Timor-Leste.

## Tier 2: Australia's Contribution to Development

### Health security

Indicator	Measure	2020–21	2021–22	2022–23
Health systems and preparedness	Number of partner countries where Australia has contributed to strengthened health systems including preparedness for health emergencies (with examples)	24	49	36
Infectious disease outbreak response	Evidence that partner countries have improved responses to health security threats	22	40	39
Medical products	Number of new or improved therapeutics, diagnostics, vaccines and additional equipment to which Australia has contributed that are accessible in partner countries	11.00 m	109.24 m	31.56 m
Immunisation	Number of people immunised with Australian support	3.00 m	30.32 m	10.12 m
Sexual and reproductive health	Contraceptive protection from unplanned pregnancies made available through Australian support	3.00 m	3.03 m	3.02 m
Emergency assistance	Number of vulnerable women, men, girls and boys provided with emergency assistance in conflict and crisis situations	11.00 m	23.31 m	23.82 m

m = million

### Stability

Indicator	Measure	2020–21	2021–22	2022–23
Improved governance	Countries Australia has supported in last 12 months to strengthen governance systems (by type) (including examples of assistance provided and significant policy change achieved)	32	41	34
Social protection measures	Numbers reached with new or improved social protection programs, including remote communities	156 m	157.9 m	165.4 m
Violence against women	Number of women and girls survivors of violence receiving services such as counselling	282,534	212,688	248,879
School enrolments	Number of additional girls and boys enrolled in school	0.64 m	1 m	0.25 m
Food security	Countries Australia has supported in the last 12 months with policy and technical advice and support on building capacity for food security (including examples of assistance provided and results achieved)	57	53	42
Emergency assistance	Number of vulnerable women, men, girls and boys provided with emergency assistance in conflict and crisis situations	11.00 m	23.31 m	23.82 m

m = million

### Economic recovery

Indicator	Measure	2020–21	2021–22	2022–23
Economic policy support	Countries Australia has supported in the last 12 months with policy and technical advice on stimulus measures and support for longer-term economic recovery (including examples of assistance provided and results achieved)	29	28	36



Indicator	Measure	2020–21	2021–22	2022–23
Economic empowerment	Number of female entrepreneurs provided with financial and/or business development services	196,000	222,391	488,942
Supply chain support	Examples of partnering with the private sector and other partners to ensure supply lines are open	25	389	330
Budget support	Australian budget support in response to COVID-19 pandemic	\$361.1 m	\$297.9 m	\$422.2 m

m = million

## Tier 3: Operational and organisational effectiveness

Indicator	Measure	2020–21 (Priority 4.2) <sup>a</sup>   2021–22 (Priority 4.1 and 4.3)   2022–23 (Priority 4.3)
Planning	Development of COVID-19 Development Response Plans	The Department published up to 27 COVID-19 development response plans annually during this period. These plans outlined Australia's COVID-19 response at the country, regional and global level.
Effectiveness <sup>b</sup>	Percentage of completed investments assessed as satisfactory against both effectiveness and efficiency quality criteria	Effectiveness and efficiency during this period increased, but several investments were affected by changes in partner government policies or priorities that impacted program efficiency. Many of the implemented investments were in challenging development contexts (including in Papua New Guinea, Solomon Islands and Afghanistan) where increased pressure on government systems, travel restrictions and capacity constraints because of COVID-19 hampered effectiveness.
Responsiveness	Australia's development response valued by partner governments	Australia's COVID 19 development response was highly regarded by partner governments and seen as responsive to emerging needs.
Gender equality <sup>c</sup> and social inclusion	Percentage of investments effectively addressing gender issues and percentage of investments effectively addressing disability inclusive development	Although there was not a gender target, across the 3-year period, on average, 78% of investments in the development program were effective in addressing gender equality.
Transparency	Improved transparency aligned with the ANU Development Policy Centre's aid transparency audit methodology	<i>Partnerships for Recovery</i> outlined the Government's commitment to high standards of transparency and accountability in managing the development program to respond to COVID-19. We improved the availability of data and ensure consistency across country, thematic and sectoral pages on our website. The department continued to manage Australia's international development program reporting obligations to the OECD Development Assistance Committee and provided comprehensive performance and financial information through the annual report and ODA statistical and budget summaries published on DFAT's website. Further, AusTender continued to provide centralised publication of Australian Government business opportunities, annual procurement plans, multi-use lists and contracts awarded. To improve the transparency and accountability of development information, the department participated in external evaluations by the OECD Development Assistance Committee, the ANU Development Policy Centre (Australian Aid Transparency Audit), the International Aid Transparency Initiative and the Centre for Global Development annual index.

ANU = Australian National University; ODA = Official Development Assistance; OECD = Organisation for Economic Co-operation and Development

<sup>a</sup> The priorities refer to [DFAT's corporate plan](#).

<sup>b</sup> For 2022–23, the indicator was changed to 'Ongoing effective and efficient implementation of investments'.

<sup>c</sup> The Australian Government removed the gender target during this period. From 2023–24, a target of '80% of investments being effective in addressing gender equality' will be part of Tier 3 indicators.

# Annex B: Contribution by other government departments and agencies to Australia's Development Cooperation

Australia's development program reflects a whole-of-nation effort, including delivery by DFAT and other government departments and agencies. Examples of some departments' and agencies' programs and projects delivered in 2022–23 have been highlighted throughout the report. This annex provides further examples that contribute to Australia's development cooperation.

The budget provided for each government department or agency are ODA direct appropriation figures and do not include non-ODA funding or funding provided by DFAT to other government departments to deliver activities.<sup>18</sup> However, the description of activities may include reference to activities funded by non-ODA or DFAT funding.

## Attorney-General's Department

### ODA direct appropriation: \$2.1 million

The AGD and portfolio, including the AFP who report separately, work to achieve a just and secure society through the maintenance and improvement of Australia's law, justice, security and integrity frameworks. The Attorney-General's portfolio also delivers targeted programs and activities that support international and regional partners to develop their law and justice and policing sectors, including in the Pacific. In addition, AGD delivers capacity building and technical assistance that supports Indo-Pacific partner governments to strengthen and implement legal and policy responses to human trafficking and other forms of modern slavery, as outlined in case study 7.

The AGD Pacific Law and Justice Program, largely funded under the Pacific Police Development Program, which is delivered in partnership with the AFP, provides technical assistance on law reform projects to build capacity to develop and implement legislation and policies on policing and criminal law in the Pacific. Over the reporting period, the program:

- Delivered the two-week intensive Pacific Legal Policy Champions Program for 15 law and justice and police officers from six Pacific island countries to build capacity in developing rigorous public policy proposals.

- Delivered the six-week intensive Pacific Legal Policy Twinning Program, supporting a participant who developed a proposal to amend Solomon Islands' Evidence Act 2009 to enable the admission of pre-recorded video evidence in sexual offences, and a participant who developed a proposal to establish bail legislation in Kiribati.
- Supported Australia's contribution to the [Pacific Islands Law Officers' Network](#) (PILON), a regional network of senior Pacific law and justice officials promoting justice and the rule of law. This includes provision of strategic, administrative and logistics support on activities delivered under PILON's Strategic Plan, which currently prioritises cybercrime, sexual and gender-based violence and corruption.
- Assisted, in partnership with the Council of Europe and the Government of Fiji, the PILON Cybercrime Working Group to hold the fourth and final PILON Cybercrime Workshop. The workshop had 61 in-person and 44 online attendees, funded through the DFAT Cyber and Critical Tech Cooperation Program.
- Developed a manual and delivered a two-day training for Solomon Islands on mutual assistance processes for government-to-government assistance with criminal investigations and prosecutions.
- Supported a Pacific-led collaborative drafting process to develop regional guidelines for prosecutors and witness support officers to support vulnerable witnesses in sexual and gender-based violence prosecutions. These guidelines are being piloted in Cook Islands, Samoa, Solomon Islands, Nauru and Papua New Guinea.

AGD's Indo-Pacific Child Protection Program works with Pacific and Southeast Asian partners to strengthen measures to combat child sexual exploitation and abuse (CSEA) in the region. During the reporting period, the Indo-Pacific Child Protection Program trained prosecutors in Thailand and supported three Southeast Asian dialogues to improve cross-border networks, develop expertise and raise awareness of the factors needed to effectively combat CSEA.

In December 2022, Australian Government Solicitor (AGS) lawyers delivered five days of pro bono training on

<sup>18</sup> ODA direct appropriation figures are at <https://www.dfat.gov.au/publications/development/australias-official-development-assistance-statistical-summary-2022-23>

legal reasoning and legal writing in Port Vila, Vanuatu, to approximately 20 officers from the Government of Vanuatu's Office of Public Prosecutor, Public Solicitor's Office and State Law Office and the Vanuatu Law Reform Commission. In the same month, AGS lawyers also delivered five days of pro bono training on statutory interpretation and legal reasoning and writing to government lawyers in Papua New Guinea.

## Australian Centre for International Agricultural Research

### ODA direct appropriation: \$102 million

As Australia's specialist agricultural research-for-development agency, ACIAR has a mission to achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia. ACIAR actively contributes to Australia's overall development cooperation objectives by facilitating and funding international agricultural research partnerships that improve the productivity and profitability of agricultural systems in eastern and southern Africa, East Asia, South and West Asia and the Pacific.

This work supports economic and public diplomacy by improving agricultural competitiveness and sustainability, increasing value chain efficiency and effectiveness, alleviating regulatory impediments in relation to domestic and international markets and building research and agricultural capacity in the regions. ACIAR manages research partnerships in the areas of crops, livestock, fisheries, forestry, agribusiness, climate change, horticulture, soil and land management, social systems and water that generate new technologies and systems, innovation at the farm level and greater capacity in research and production.

A few examples highlight ACIAR's contributions in 2022–23:

- Research from an ACIAR project with University of Adelaide in Laos and Cambodia has shown that sulfur is the most limiting nutrient to fodder production. Despite the availability of sulfur fertiliser, farmers do not realise its importance and thus are not applying it to their fodder crops. Researchers are working with farmers to introduce new fodder varieties and increase the use of fertilisers, including sulfur-based products.
- ACIAR research in Pakistan, part of a project led by Centre for Agriculture and Bioscience International, has shown that engaging women in unique extension methods leads to direct sales of produce.

The project involved women through a whole-family extension model and employed female social mobilisers to gain villagers' trust. The project showed over a three-year period that raising tomato seedlings in a tunnel, using nursery best practice, can improve seedling productivity and efficiency and provide a viable business opportunity, especially for females and youth in smallholder families.

- In Fiji, Papua New Guinea and Solomon Islands, an ACIAR project with Southern Cross University is improving the productivity and profitability of smallholder beekeeping production and creating opportunities for the participation of women and families across the Pacific region.

## Australian Federal Police

### ODA direct appropriation: \$54 million

The AFP contributes to Australia's international development efforts, in particular to the strengthening of peace, security and prosperity in the Indo-Pacific region, through longstanding bilateral police partnerships and a suite of regional mechanisms, networks and development programs.

The AFP has a large presence in the Pacific region, with more than 100 personnel located across bilateral police partnership programs in Solomon Islands, Papua New Guinea, Vanuatu, Tonga, Samoa, Timor-Leste and Nauru. These programs aim to improve the provision of policing to local communities and facilitate capability development and operational support to combat transnational serious and organised crime, terrorism and violent extremism, and human and drug trafficking.

The Pacific Police Development Program – Regional, established in 2008, delivers on the AFP's commitment to the Pacific Islands Chiefs of Police (PICP) and includes a focus on law enforcement, cyber safety, police training, forensics and transnational crime. Initiatives promote the safety and security of Pacific island communities through a coordinated and Pacific-led approach to police capability development in PICP priority areas. In 2022–23, the program facilitated specialist capability development programs to 18 countries on diverse topics, such as cyber safety, cybercrime investigations, victim identification and digital evidence extraction, and provided small grants that funded 14 applications from Pacific police organisations for training and equipment. These investments are underpinned by the AFP's enduring relationships with Pacific island police organisations, which have positioned the AFP as a trusted policing partner of choice in the Pacific and Timor-Leste.

During the 2022–23 reporting period, the Timor-Leste Police Development Program (TLPDP) delivered 24 different training and professional development courses to more than 500 Timor-Leste police force (PNTL) participants on topics including close personal protection, cybercrime, maritime law and human trafficking. Executive development for senior PNTL women officers and training on gender equality and ethical leadership for all officers was highly valued. TLPDP's training and support for PNTL's Vulnerable Persons Unit is enabling better outcomes for vulnerable women and children. In February 2023, TLPDP responded to a PNTL priority infrastructure by handing over a training facility in the Dili region, including equipment storage facilities, water tanks, toilets and a solar-powered electrical system. The next phase of TLPDP (2024–28) will draw on lessons from previous phases.

The AFP's worldwide liaison network and partnerships with international agencies such as Interpol and Europol are an increasingly integral part of the global architecture for the investigation of serious transnational crime. The AFP's International Liaison Officer Network is represented in 20 development partner countries, including Cambodia, Colombia, Laos, Serbia, Lebanon, Philippines, Jordan and Türkiye.

## **Australian Government Department of Agriculture, Fisheries and Forestry**

### **ODA direct appropriation: \$15.9 million**

Under the strategic guidance of the Pacific Biosecurity Strategy (2022–2027), DAFF is enhancing biosecurity partnerships across the Indo-Pacific region. This includes strengthening the biosecurity capacity and capability of our regional and near-neighbour biosecurity counterparts, building on longstanding bilateral relationships, technical exchange and regional collaboration.

Through the Office of the Australian Chief Veterinary Officer (OCVO), DAFF continued to support Pacific island countries and territories, Timor-Leste and Indonesia to build the capacity of the animal health workforce and mitigate the risk of exotic animal disease entry and spread.

Activities included quarantine capacity building, provision of technical expertise, enhancing preparedness for key animal diseases including lumpy skin disease and foot-and-mouth disease. There was also support to animal disease outbreak investigations,

including a response to African swine fever, and building animal disease surveillance and testing capacity by working side by side with counterparts to build practical skills and capabilities. The department procured and gifted 500,000 lumpy skin disease vaccines to the Government of Indonesia to support control of this disease. These activities were planned and delivered with the agriculture agencies of partner countries working in close collaboration with DFAT. The OCVO also played a key role in facilitating collaboration between other Australian organisations working in this area. Through the World Organisation for Animal Health, OCVO has invested in the prevention and control of rabies in Southeast Asia. These efforts have focused on Indonesia and supported the mass vaccination of dog populations.

Other examples of biosecurity cooperation are presented in case study 15.

## **Australian Government Department of Climate Change, Energy, the Environment and Water**

### **ODA direct appropriation: \$2 million**

DCCEEW drives Australian climate action; transforms Australia's energy system to support net-zero emissions while maintaining its affordability, security and reliability; conserves, protects and sustainably manages our environment and water resources through a nature-positive approach; protects our cultural heritage; and contributes to international progress on these issues. DCCEEW actively contributed to the overall development objectives through support for Pacific island country engagement in multilateral environment agreements and on-ground blue carbon ecosystem projects in Indonesia and Papua New Guinea.

### **Kokoda Initiative**

DCCEEW maintains a strong friendship with the Government of Papua New Guinea and the Conservation and Environment Protection Authority (CEPA). More than 13 years ago, DCCEEW and CEPA established the flagship Kokoda Initiative bilateral program. The program has benefited Papua New Guinea's Kokoda Track people, the trekking industry and the environment. DCCEEW carries the program's environment pillar and works closely with CEPA to support Track communities in their management for sustainable livelihood development and conservation



of their customary land, much of which has global biodiversity significance as well as cultural and military heritage values.

### **Pacific Ocean Litter Project**

DCCEEW works closely with the Secretariat of the Pacific Regional Environment Programme to deliver the \$16 million, 9-year Pacific Ocean Litter Project, which is aimed at the refusal, reduction and replacement of single-use plastic.

### **Arafura and Timor Seas Ecosystem Action Programme (ATSEA)**

DCCEEW is the focal point for Australia's support of ATSEA, a program that recognises the importance of transboundary cooperation between Australia, Indonesia, Timor-Leste and Papua New Guinea to build the health of the Arafura and Timor Seas. Livelihoods are a strong focus of the investments under ATSEA.

### **Torres Strait Treaty Environmental Management Committee**

DCCEEW carries the secretariat for the Torres Strait Treaty Environmental Management Committee, which oversees the protection of the environment within and around the Torres Strait Protected Zone, in turn helping to protect the traditional ways of life and livelihoods of Torres Strait Islanders and coastal Papua New Guinea people.

### **Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)**

DCCEEW contributed to the core budget of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), an international agreement between governments that aims to ensure that international trade in animals and plants (and products made from them) does not threaten the survival of wild species.

### **World Heritage**

DCCEEW is partnering with the United Nations Educational, Scientific and Cultural Organization (UNESCO) Pacific field office to explore the role of World Heritage in helping to meet the High Ambition Coalition for Nature and People's 30x30 target to protect 30 per cent of the world's land and ocean by 2030. DCCEEW provided funding to UNESCO to host a regional workshop for Pacific Small Island Developing States. The project will also provide targeted support such

as mentoring and/or access to experts to help Pacific nations develop World Heritage Tentative Lists, develop a curated and simplified version of the Regional Work Plan for World Heritage for the Pacific 2021–25, and carry out advocacy and awareness raising on the World Heritage Convention.

DCCEEW supported a delegate from Vanuatu to attend and present at the World Heritage Forum in Canberra on 16–18 November 2022. Funding was designed to build capacity of Indo-Pacific site managers in the nomination, conservation, protection and management of UNESCO World Heritage sites. Initially conceived as part of a larger project with 26 participants, time and availability constraints of invited Pacific site managers reduced the scope to largely online participation. Outcomes included strengthened networks, academic exchange and showcase of Australia's leading site management practice.

DCCEEW supported a cultural heritage expert to advise and support the Cook Islands to build government and community capacity for developing World Heritage submissions. The aim is to assist in the tentative listing of Cook Island's first World Heritage property, Maungaroa Valley, and the creation of a tentative list framework which can be applied by other Pacific nations to identify and assess World Heritage properties for inscription. The Pacific Islands is the most underrepresented UNESCO geo-cultural region on the World Heritage List. The capacity-building project includes site visits from a cultural heritage expert, capacity-building workshops and assistance to finalise the tentative list submission for Maungaroa Valley.

DCCEEW is also supporting the objectives of Australia's recent term on the World Heritage Committee, which include climate change, funding pressures, policy reform and capacity building in the World Heritage system.

## **Australian Government Department of Employment and Workplace Relations**

### **ODA direct appropriation: \$33.8 million<sup>19</sup>**

DEWR jointly manages the PALM scheme with DFAT. Other agencies, including Fair Work Ombudsman, Australian Border Force and Australian Taxation Office, also contribute to implementing and safeguarding the integrity of the scheme. The PALM scheme is an important temporary migration program providing employment opportunities for workers from Fiji, Kiribati,

<sup>19</sup> The listed ODA direct appropriation is not exclusive to the PALM scheme, but is also used to implement other DEWR activities.

Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu. PALM scheme workers are employed in unskilled, low-skilled and semiskilled jobs across rural and regional Australia, and nationally for agriculture and select agriculture-related food product manufacturing sectors.

The PALM scheme supports the economic growth of Pacific island countries and Timor-Leste by providing workers from participating countries with jobs in Australia, enabling them to develop skills, earn income and support their families and communities back home. Since 2018, PALM scheme workers have sent over \$200 million in remittances home. PALM scheme settings align with the aspirations of participating countries.

The PALM scheme also supports the Australian economy in sectors experiencing labour shortages by providing a productive, reliable workforce, particularly in rural and regional Australia.

The PALM scheme has experienced rapid growth in worker numbers in Australia, achieving the government's target of 35,000 workers six months early in December 2022, and increasing to more than 39,644 by June 2023, representing a total expansion of 58 per cent in 2022–23.

## Australian Government Department of Health and Aged Care

### ODA direct appropriation: \$89.7 million

The Department of Health and Aged Care's activities include support to the Coalition for Epidemic Preparedness Innovations (CEPI). CEPI's mandate is to fund development of vaccines for diseases of pandemic potential and support access to such vaccines for low- and lower-middle-income countries. CEPI's strategy focuses on ending the acute phase of the COVID-19 pandemic and reducing the risk of further coronavirus pandemics; developing vaccines for known high-risk pathogens; building vaccine prototypes and platforms to prepare for novel threats; investing in regional vaccine manufacturing; and strengthening global collaboration for epidemic preparedness and response.

Australia is a member of CEPI's Investor Council but is not on the Board. The Board has 12 voting members, including four investors, two of which are sovereign investors. Australia is the eighth-largest sovereign donor to CEPI during the replenishment period 2022–26.

The pledge contributes to the Australian Government's priorities for strengthening global health security and providing leadership in global health. CEPI directly invested in the three major COVID-19 vaccines used in Australia and was instrumental in establishing COVAX, the global initiative aimed at equitable access to COVID vaccines.

## Australian Government Department of Industry, Science and Resources

### ODA direct appropriation: n/a<sup>20</sup>

Although DISR is not responsible for distribution of ODA, DISR and portfolio agencies contribute strongly to international science, innovation, industry and resources cooperation in the Indo-Pacific region through partnerships aimed at boosting collaboration, commercialisation and use of Australian research and development. They are outcomes-oriented programs that aim to facilitate investment in science and technology, grow innovative and competitive businesses, industries and regions, and support a strong resources sector. DISR works directly and through its portfolio agencies, including the Australian Nuclear Science and Technology Organisation (ANSTO), Australian Space Agency (ASA), CSIRO (reported separately), Geoscience Australia, IP Australia and National Measurement Institute (NMI). DISR's non-ODA initiatives include the following:

- ANSTO manages regional programs to build capacity among Forum for Nuclear Cooperation in Asia member states in combating food fraud using nuclear technology. It delivers training courses with regional partners in cancer care to strengthen regional capability to produce cyclotron-based radiopharmaceuticals. ANSTO has supported accurate reporting and understanding of topics related to nuclear science and uplifted women in science, technology, engineering, mathematics and nuclear-related careers through its regional delivery of the International Atomic Energy Agency Supporting Women for Nuclear Science Education and Communications training course and other lectures to Pacific partners on the role of nuclear science and technology in addressing agriculture, climate change and human health objectives. As an International Atomic Energy Agency Collaborating Centre, ANSTO seeks to tackle provenance and the authentication of products of illicit trade; the use of isotopes to study water and climate change; the use

<sup>20</sup> No ODA direct appropriation was provided; however, non-ODA or ODA funding from other agencies such as DFAT was used to implement activities.

of nuclear techniques to understand the impact of environmental and atmospheric pollutants; and the use of nuclear and isotopic techniques to investigate art, archaeology and cultural heritage materials.

- NMI helps build the metrological capabilities of regional partners through the Asia Pacific Metrology Programme (APMP) and the Asia Pacific Legal Metrology Forum (APLMF). These bring together national metrology institutes and legal metrology authorities, respectively, from the Asia-Pacific to improve regional scientific measurement capabilities, achieve international recognition of these capabilities and support regional harmonisation of regulatory frameworks in measurement. This delivers on the Australian Government's commitment to strengthen scientific capabilities of Indo-Pacific partners, reduce technical barriers to trade, support the importation of goods and products into Australia, and facilitate Australian business and industry to work in regional markets. NMI's leadership in APMP and APLMF have given Australia a strong and enviable reputation for effective capacity building and strong advocacy in the interests of developing economies.
- The Earth Observation for Climate Smart Innovation initiative launched by Geoscience Australia and CSIRO strengthens regional collaboration between Australia and Southeast Asian scientists, students and innovators to build market interest for products and services that use geospatial technology and Earth observation to address the impacts of climate change. Geoscience Australia is also working with counterparts in Timor-Leste to support capability building in management of the geophysical and geological data and samples.
- IP Australia has a memorandum of understanding with Papua New Guinea to carry out patent application searches and examinations.

## Commonwealth Scientific and Industrial Research Organisation

### ODA direct appropriation: n/a<sup>21</sup>

CSIRO, Australia's national science agency, works closely with Australian Government departments and agencies, as well as other government, business, research and local community partners to develop innovative, science-based responses to the region's priority

challenges and boost the science, technology and innovation capabilities needed to build future resilience and sustainable growth.

CSIRO leads a range of ODA programs that are funded through other Australian agencies' ODA appropriations, including climate change, blue economy, plastic waste, health, food and water security, and energy transition. CSIRO also draws on its non-ODA budget to maintain and build relationships with key national and regional institutions and collaborate on regional and international initiatives and events. CSIRO develops its non-ODA-funded partnerships with long-term development impact in mind and seeks to leverage and connect non-ODA and/or domestic partnerships to boost the impact of ODA-funded initiatives.

CSIRO and Geosciences Australia co-lead the Group on Earth Observation's Pacific Islands Advisory Group, working with regional and international partners, including the Oceania Geospatial Symposium and Pacific Community (SPC), to strengthen the technical capacities of regional institutions.

In 2022–23 reporting period:

- CSIRO deepened its longstanding partnership with the Secretariat of the Pacific Regional Environment Programme (SPREP), signing a memorandum of understanding at COP27 (the 27th United Nations Climate Change Conference) to extend CSIRO–SPREP collaboration on impactful, sustainable, science-based responses to priority challenges identified by Pacific partners.
- The CSIRO–India partnerships announced as part of the 2022 updated India Economic Strategy are fast-tracking cutting-edge research and technology to have impact in a range of areas aligned with the region's development objectives, including in circular economy, the energy transition and food system resilience.

## Treasury

### ODA expenditure: \$65.5 million

Treasury supports multilateral development banks that contribute to development outcomes. In 2022–2023, Treasury paid previously agreed capital increases to the International Bank for Reconstruction and Development and the International Finance Corporation.

21 No ODA direct appropriation was provided; however, non-ODA or ODA funding from other agencies such as DFAT was used to implement activities.

# Annex C: 2022 Development Evaluation Plan summary outcome

In 2022, 40 evaluations were completed and 38 published on the [DFAT website](#) with a management response.

## Pacific

Country/region	Evaluation
Papua New Guinea	<a href="#">Final Review of PNG-Australia Governance Partnership</a>
Papua New Guinea	<a href="#">Education Emergency Response and Recovery Plan Independent Evaluation</a>
Papua New Guinea	<a href="#">Independent Review of South Fly Resilience Plan</a>
Papua New Guinea	<a href="#">Review of the Markets, Economic Recovery, and Inclusion Program (Phase One)</a>
Papua New Guinea	<a href="#">Review of the PNG-Australia Transport Sector Support Program Phase 2</a>
Papua New Guinea	<a href="#">Australia, New Zealand, International Finance Corporation: Papua New Guinea Partnership Midterm Evaluation</a>
Papua New Guinea	<a href="#">Justice Services and Stability for Development Program Mid-Term Review</a>
Pacific regional	<a href="#">Australia-SPC Partnership Evaluation</a>
Pacific regional	<a href="#">Australian Infrastructure Financing Facility for the Pacific Two-Year System-Wide Review</a>
Pacific regional	<a href="#">Australia's COVID-19 Response Package for the Pacific and Timor-Leste Independent Review 2020-2022</a>
Pacific regional	<a href="#">Mid-Term Review Report of the Pacific Insurance and Climate Adaptation Programme</a>
Pacific regional	<a href="#">End of Investment Evaluation: Pacific IUU Fishing</a>
Pacific regional	<a href="#">Pacific Digital Economy Programme Mid-Term Review</a>
Solomon Islands	<a href="#">Ombudsman Twinning Support Independent Review</a>
Solomon Islands	<a href="#">Review and Evaluation of the Performance of Sustainable Transport Infrastructure Improvement Program and the National Transport Fund in the Solomon Islands</a>
Fiji	<a href="#">Strategic Review of the Fiji Health Program</a>
Nauru	<a href="#">Every Life Matters: Review of DFAT Health Investments to Nauru</a>



## Southeast and East Asia

Country/region	Evaluation
Indonesia	<a href="#">Independent Strategic Review of Innovation for Indonesia's School Children Phase 2 and Rural and Remote Education Initiative for Papua Provinces Phase 3</a>
Indonesia	<a href="#">Penyediaan Air Minum dan Sanitasi Berbasis Masyarakat Final Independent Evaluation</a>
Indonesia	<a href="#">Australia-World Bank Indonesia Partnership Independent Mid-Term Review</a>
Timor-Leste	<a href="#">Joint Independent Evaluation - Timor-Leste Police Development Program</a>
Timor-Leste	<a href="#">Partnership for Human Development Mid-Term Review</a>
Vietnam	<a href="#">Aus4Reform Review</a>
Vietnam	<a href="#">Aus4Innovation Mid-term Review</a>
Cambodia	<a href="#">Australia-Cambodia Cooperation for Equitable Sustainable Services End of program evaluation</a>
Cambodia	<a href="#">Ponlok Chomnes Independent Strategic Review</a>
Laos	<a href="#">BEQUAL Phase 1 Independent End of Program Review</a>
ASEAN and Mekong	<a href="#">ASEAN-Australia Digital Trade Standards Initiative Mid-Term Review</a>
ASEAN and Mekong	<a href="#">Mid-Term Review: ASEAN Australia Smart Cities Trust Fund</a>
ASEAN and Mekong	<a href="#">ASEAN-Australia Counter-Trafficking Program Mid-Term Review</a>
Mongolia	<a href="#">Australia Mongolia Extractives Program (AMEP) II Mid - Term Review</a>

## South Asia, Africa and Middle East

Country/region	Evaluation
Bangladesh	<a href="#">Program Completion Review of the Strategic Partnership Arrangement (SPA) Phase 2 in Bangladesh between DFAT, FCDO and BRAC</a>
Sri Lanka	<a href="#">Independent Evaluation of Women in Work Program, Sri Lanka</a>

## Global, sector and thematic

Program	Evaluation
Humanitarian	<a href="#">Australia Assists End of Program Evaluation</a>
Humanitarian	<a href="#">Review of the Humanitarian Logistics Capability</a>
Australia-NGO Cooperation Program	<a href="#">Independent Evaluation of the Australian NGO Cooperation Program</a>
Health	<a href="#">Evaluation and Forward Scoping for the Therapeutic Goods Administration's Regulatory Strengthening Program and the Australian Expert Technical Assistance Program- Regulatory Support and Safety Monitoring</a>
Education	<a href="#">Mid-term evaluation of the Global Education Monitoring Centre Phase 3</a>

# Annex D: Development finance data

This annex provides data supporting the development finance information presented in Chapter 4.

## AIFFP approved projects

### Airports Fiji Ltd

An AIFFP loan is enabling essential maintenance and capital works at Nadi International Airport and several outer island airports across Fiji. The works include upgrades to air traffic management systems and offgate aprons to improve capacity for plane parking. Upon completion, the airports will facilitate improved serviceability, passenger capacity and safety as well as greater air connectivity for the entire South Pacific.

**Country:** Fiji

**Sovereign Partner:** n/a

**Project Partner:** Airports Fiji Pty Ltd and ANZ Fiji

**Sector:** Airports

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
6.5	61.9	-	-	68.4	4.25%	5 years	n/a	February 2021

### Connecting the Federated States of Micronesia, Kiribati and Nauru to the internet via submarine cable

Through the AIFFP, Australia has partnered with Japan and the United States to provide a grant to the Federated States of Micronesia, Kiribati and Nauru to improve internet connectivity via a new submarine cable and supporting infrastructure. The cable will provide faster, higher quality and more reliable internet to more than 100,000 people across the three nations. While internet access is currently available through satellite connectivity, capacity, speed, cost and reliability fall short of the countries' needs and limit economic and development opportunities. The new cable will help increase the availability of digital government services and enable increased trade and employment opportunities through better access to services, information and worldwide markets. It marks an important step in supporting increased economic growth and improved living standards as the region continues to recover from the severe impacts of the COVID-19 pandemic.

**Country:** Federated States of Micronesia, Nauru, and Kiribati

**Sovereign Partner:** Government of the Federated States of Micronesia, Government of the Republic of Nauru, Government of the Republic of Kiribati

**Project Partner:** FSM Telecommunications Cable Corporation, BwebwerikiNET Limited of Kiribati, Nauru Fibre Cable Corporation, Japan Government and United States Government

**Sector:** Telecommunications

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
-	-	58.2	-	58.2	n/a	n/a	n/a	December 2021

## Fiji Transport Infrastructure

An AIFFP loan and grant package is enabling upgrades to more than 1.5 million square metres of road surface and 9 bridges across Fiji. Climate data are integrated into all the bridge designs, helping to improve resilience to shocks and stresses. As a result, the bridges will have up to a 100-year design life, with the ability to withstand a one in 100-year rainfall event. Upon completion, the roads and bridges will improve safety and protect against increased travel time and costs.

**Country:** Fiji

**Sovereign Partner:** Republic of Fiji Government

**Project Partner:** Fiji Roads Authority

**Sector:** Transport and urban infrastructure

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
57.1	-	14.7	-	71.8	SOFR + 0.93%	15 years	3 years	August 2022

## Nadi Flood Alleviation Project

The Fiji Government is seeking to mitigate future damage from floods in the commercial centre of Nadi and on the Nadi River flood plain. An AIFFP grant of \$5m is supporting project preparation for structural investments to reduce flooding in the Nadi Basin, and watershed management and institutional strengthening work.

**Country:** Fiji

**Sovereign Partner:** Republic of Fiji Government

**Project Partner:** Republic of Fiji Government

**Sector:** Transport and urban infrastructure

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
-	-	5.0	-	5.0	n/a	n/a	n/a	November 2019

## Nauru Airport and Road Rehabilitation

An AIFFP grant is funding upgrades to Nauru International Airport and sections of the Nauru ring road. The works include resurfacing of the runway and upgrading critical air traffic control equipment, ensuring the airport continues to meet international standards.

**Country:** Nauru

**Sovereign Partner:** Nauru Department of Transport

**Project Partner:** To be advised

**Sector:** Infrastructure/ Airports

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
-	-	30.0	10.0	30.0	n/a	n/a	n/a	February 2022

## Palau Solar Pacific

An AIFFP funding package is enabling the construction of a solar facility and battery storage system at Ngatpang on Babeldaob island in Palau. The plant is expected to deliver 23,000 MWh per year to the grid network, or up to 20% of Palau's power needs. Upon completion, this will help to reduce Palau's dependency on imported diesel for power generation and move towards greater energy self-sufficiency through renewable sources.

**Country:** Palau

**Sovereign Partner:** n/a

**Project Partner:** Solar Pacific Pristine Power Inc.

**Sector:** Energy

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million))	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
25.7	-	5.7	-	31.4	4.75%	17 years	2 years	September 2020

## Palau Submarine Cable Branch System Project (PC2)

Through the AIFFP, Australia has partnered with the Republic of Palau, the United States and Japan to construct a fibre-optic submarine cable system for Palau. The second submarine cable will build on the bandwidth capacity afforded by Palau's first submarine cable, constructed in 2017. The cable will provide increased reliable, secure digital connectivity in Palau.

**Country:** Palau

**Sovereign Partner:** Republic of Palau

**Project Partner:** Belau Submarine Cable Corporation, Japan Government and United States Government

**Sector:** Telecommunications

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million))	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
12.6	-	2.1	0.8	14.7	Loan Tranche 1: 1.836%  Loan Tranche 2: 2.55%	Loan Tranche 1: 10 years  Loan Tranche 2: 19 years	5 years	August 2020

## PNG Laitim Hauslain

An AIFFP loan and grant package is enabling the expansion of the electricity distribution grid in Papua New Guinea's Morobe and East New Britain provinces. The works cover medium- and low-voltage powerlines, transformers and household meter connections. Through the Laitim Hauslain project, AIFFP and PNG Power Limited are connecting an additional 30,000–40,000 households, schools, and health clinics to the electricity grid for the first time.

**Country:** Papua New Guinea

**Sovereign Partner:** Government of Papua New Guinea

**Project Partner:** PNG Power Ltd

**Sector:** Energy

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million))	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
73.6	-	18.3	-	91.9	Variable interest rate: LIBOR + 0.8%	24 years	5 years	April 2021

## PNG Ports Development

An AIFFP loan and grant package is enabling improvements to selected ports across Papua New Guinea, including upgrading Lae Port to be the key deepwater port servicing the highlands. Upon completion, the ports will support better access to goods, trade and services as well as connectivity across the region.

**Country:** Papua New Guinea

**Sovereign Partner:** Government of Papua New Guinea

**Project Partner:** Papua New Guinea Ports Corporation Ltd

**Sector:** Maritime

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
521.4	-	100.0	-	621.4	Variable interest rate: LIBOR + 0.8%	24 years	7 years	November 2021

## PNG Roads (Wau and Sepik Highways)

An AIFFP loan and grant package is facilitating long-term rehabilitation and maintenance to approximately 359 kilometres of the Wau and Sepik Highways in Papua New Guinea. The project is also contributing to designs for the proposed Trans-National Highway. Upon completion, the roads will provide improved safety and increased connectivity to domestic and export markets.

**Country:** Papua New Guinea

**Sovereign Partner:** Government of Papua New Guinea

**Project Partner:** Papua New Guinea Department of Works

**Sector:** Transport and urban infrastructure

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
61.6	-	14.7	-	76.3	LIBOR + 0.8%	23 years	6 years	April 2021

## Solomon Islands Tina River Transmission

The Tina River Hydropower Development Project, which will be constructed approximately 20 kilometres southeast of Honiara, will be the Solomon Islands Government's first large-scale public-private partnership. It is the largest renewable energy project in the country. AIFFP financing is supporting a transmission system which includes a 22-kilometre transmission line to connect the Tina River hydropower site to the electricity grid in Honiara. Upon completion, the system will be an enabler of cheaper and more reliable electricity supply in Honiara for residential, business and government customers.

**Country:** Solomon Islands

**Sovereign Partner:** Solomon Islands

**Project Partner:** Solomon Islands Electricity Authority

**Sector:** Energy

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
15.1	-	17.3	-	32.4	3.05%	24 years	4 years	March 2020



## Timor-Leste Airport Facilities Project

The Tina River Hydropower Development Project, which will be constructed approximately 20 kilometres southeast of Honiara, will be the Solomon Islands Government's first large-scale public-private partnership. It is the largest renewable energy project in the country. AIFFP financing is supporting a transmission system which includes a 22-kilometre transmission line to connect the Tina River hydropower site to the electricity grid in Honiara. Upon completion, the system will be an enabler of cheaper and more reliable electricity supply in Honiara for residential, business and government customers.

**Country:** Timor-Leste

**Sovereign Partner:** Government of Timor-Leste

**Project Partner:** Asian Development Bank, International Finance Corporation, Japan International Cooperation Agency and Partnerships for Infrastructure

**Sector:** Transport and urban infrastructure

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
57.1	-	32.7	7.9	89.8	SOFR + 1.23%	25 years	5 years	September 2022

## Timor-Leste submarine cable

The AIFFP is financing advisory support for the Government of Timor-Leste to deliver the country's first submarine telecommunications cable. Upon completion, the cable will provide faster, cheaper and more reliable internet connectivity to Timor-Leste.

**Country:** Timor-Leste

**Sovereign Partner:** Government of Timor-Leste

**Project Partner:** Vocus Group

**Sector:** Telecommunications

Loan (AUD million)	Guarantee (AUD million)	AIFFP Grant (AUD million)	Bilateral grant (AUD million)	Total AIFFP (AUD million)	Interest rate	Tenor (years)	Grace period	Board review
-	-	7.2	-	7.2	n/a	n/a	n/a	February 2021

## Total

Loan (\$Am)	Guarantee (\$Am)	AIFFP Grant (\$Am)	Total AIFFP (\$Am)
830.7	61.9	305.9	1198.5

LIBOR: London Inter-Bank Offered Rate; SOFR: Secured Overnight Financing Rate.

## IMA Act loans

Loan	Loan amount (AUD million)	Estimated loan outstanding amount (AUD million) (as at 30 June 2023)	Entered into	Borrower	Interest rate <sup>22</sup>	Term
Loan Agreement between the Australian Government and the Government of Indonesia	1,500	1,250	November 2020	Government of Indonesia	Australian Government cost of borrowing + margin	15 years
2020 Loan Agreement to the Government of Papua New Guinea	557.5	497.8	November 2020	Government of Papua New Guinea	Australian Government cost of borrowing + margin	15 years
2021 Loan Agreement between the Australian Government and the Government of Papua New Guinea	650	601.3	December 2021	Government of Papua New Guinea	Australian Government cost of borrowing + margin	20 years
2022 Loan Agreement between the Australian Government and the Government of Papua New Guinea	750	750	December 2022	Government of Papua New Guinea	Australian Government cost of borrowing	20 years

Source: Budget paper 1 2023–24 statement of risks

<sup>22</sup> At the time of drawdown as determined by the daily yield on Australian Government bonds with a 10-year maturity.

## Blended finance

Mechanism	Capital expensed into mechanism FY 22/23 (AUD million)	Investment commitments FY 22/23 (AUD million)	Total mechanism size (AUD million)	Private finance mobilised FY 22/23 (AUD million)	Instruments used (loans, grants, equity, TA, project prep)	Number of deals FY 22/23	Geographic focus	Real-world use (Assets)	Investments with a climate focus FY 22/23 (%)	Investments with a primary gender focus FY 22/23 (%)
<b>PIDG</b> Funded since 2012	4.8	2	66	5.6	Project guarantees, equity and technical assistance	5	South and Southeast Asia	Infrastructure project financing	100	100
<b>ADI</b> (formerly EMIIIF) Funded since 2020	9.6	6	250	22.4	Technical assistance, equity	1	Indo-Pacific	SME financing (through funds)	0	100
<b>ACFP</b> Funded since 2020	45	30	140	2.1	Equity, debt, technical assistance, grants	1	Indo-Pacific	Infrastructure project finance Corporate finance	100	0
<b>BPP</b> Funded since 2018	7.17	3.3	Private Sector \$28.9 Phase 1 Co-contribution \$4.7 Phase 2	3.7	Business matched grants	6	Indo-Pacific	SME Finance, Financial Market Innovation	100	0

TA = technical assistance

# Acronyms and abbreviations

ACFP	Australian Climate Finance Partnership
ACIAR	Australian Centre for International Agriculture Research
ADB	Asian Development Bank
ADF	Asiana Development Fund
ADI	Australian Development Investments
AFP	Australian Federal Police
AGD	Attorney-General's Department
AHP	Australian Humanitarian Partnership
AIFFP	Australian Infrastructure Financing Facility for the Pacific
ANCP	Australian NGO Cooperation Program
APLMF	Asia Pacific Legal Metrology Forum
APMP	Asia Pacific Metrology Programme
ARC	Australian Red Cross
ASEAN	Association of Southeast Asian Nations
BPP	Business Partnership Platform
BRAC	Building Resources Across Communities (Bangladesh-based development organisation)
CDRP	COVID-19 Response Plan
CGD	Centre for Global Development
COP	Conference of Parties
CSEA	Child Sexual Exploitation and Abuse
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSO	civil society organisation
DAFF	Australian Government Department of Agriculture Fisheries and Forestry
DCCEEW	Australian Government Department of Climate Change, Energy, Environment and Water
DEWR	Australian Government Department of Employment and Workplace Relations
DISR	Australian Government Department of Industry, Science and Resources
DPP	Development Partnership Plan
DRR	disaster risk reduction
EFA	Export Finance Australia
EMIIF	Emerging Markets Impact Investment Fund
FCDO	Foreign Commonwealth Development Office
FIF	Financial Intermediary Fund
FIMR	Final Investment Monitoring Report
GDP	Gross Domestic Product
GEDSI	Gender Equality Disability and Social Inclusion

HIMR	Humanitarian Investment Monitoring Report
HIV	Human Immunodeficiency Virus
IATI	International Aid Transparency Initiative
IDA	International Development Association
IMA	International Monetary Agreements
IMF	International Monetary Fund
IMR	Investment Monitoring Report
ISR	Independent Strategic Review
MDB	Multilateral Development Bank
MDRI	Multilateral Debt Relief Initiative
MEL	monitoring evaluation and learning
MOU	memorandum of understanding
NGO	nongovernment organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PADC	Performance of Australian Development Cooperation Report
PERFORMS	Projects Electronic Recording of Financial and Operational Reports Management Systems
PIDG	Private Infrastructure Development Group
SDG	United Nations Sustainable Development Goal
UNDRR	United Nations Office for Disaster Risk Reduction
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
VET	vocational education and training
WHO	World Health Organization



