



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT SUMMARY 2018-19

South and West Asia Regional Program
September 2019



SOUTH AND WEST ASIA REGIONAL AID PROGRAM PERFORMANCE INFORMATION 2018-19

SUMMARY

This report summarises the performance of Australia's South Asia regional aid program from July 2018 to June 2019 against the *South Asia Regional Aid Investment Plan* (AIP) 2015-16 to 2018-19.

Australia's South Asia regional aid program reflects the development priorities of both Australian and South Asian governments, and our shared commitment to inclusive economic growth and poverty reduction. The objectives in the AIP support South Asian efforts to improve regional infrastructure connectivity, and manage water, food and energy resources sustainably. The two strategic objectives align with three of the five investment priorities of the Australian aid program, including infrastructure, trade facilitation and international competitiveness, agriculture and water, gender equality, and empowering women and girls. Opportunities to integrate climate change objectives are considered across all investments.

Poor availability and accessibility of safe and reliable water, food and energy resources is impacting South Asia's progress towards prosperity and stability. The ongoing lack of domestic and transboundary cooperation around shared resources is exacerbating these existing challenges. Forecast climate change impacts will further reduce available resources. Marginalised groups including women are likely to be disproportionately impacted by increasing climate variability. As women comprise of up to 70 per cent of the agricultural labour force across the region, ensuring safe access to resources is critical to their sustainable livelihoods.

Combined, South Asia economies have the fastest growth rate of any region, with growth set to reach 7.0 per cent in 2019.¹ Despite this, the region remains the least integrated, with rates of intra-regional trade at less than five per cent, compared to 25 per cent for the Association of Southeast Asian Nations. While the region's economic outlook is positive, it also faces complex political, social and environmental challenges. As the world's most populous region (1.8 billion people), South Asia has more than 300 million people living on less than US\$2 a day, which is 30 per cent of the world's poor. Many people, particularly women, live just above the poverty line.

In line with the 2017 Foreign Policy White Paper, the regional program is contributing to stability and prosperity by addressing cross-border challenges to sustainable development and improving regional connectivity. Performance frameworks under both the connectivity and environmental objectives include a strong focus on gender and women's economic empowerment.


Objective 1: Increased water, food and energy security in South Asia to facilitate economic growth and improve the livelihoods of the poor and vulnerable (particularly women and girls)

This objective is advanced by DFAT's Sustainable Development Investment Portfolio (SDIP, 2016-2020) which aims to enhance water, energy and food security through seven Australian and international partners,² with a particular focus on women and girls.

SDIP activities are geographically spread across all major transboundary Himalayan river basins - the Indus, Ganges and Brahmaputra - covering parts of India, Pakistan, Nepal, Bangladesh, Bhutan and Afghanistan. In 2018-19, activities included: support for improvements in conservation agriculture, energy efficiency, political economy analysis, capacity building and regional dialogue. These activities were found to have made good progress towards their objectives.

¹ The World Bank, 2019. *The World Bank in South Asia*. <http://www.worldbank.org/en/region/sar>

² The Australian Centre for International Agricultural Research (ACIAR), the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the International Centre of Excellence in Water Resources Management (ICEWaRM), the International Centre for Integrated Mountain Development (ICIMOD), the International Finance Corporation (IFC), the World Bank's South Asia Water Initiative (SAWI) and The Asia Foundation.



Australia remains committed to supporting water, food and energy security and has made good progress against investment level monitoring and evaluation frameworks. An independent evaluation is scheduled for completion in late 2019, which will confirm SDIP performance and inform future programming. In the next reporting period, the regional program's objective is likely to shift to align with changes to South Asia partner country and Australian government priorities. A new regional strategy, together with the independent evaluation report, will inform the development of a new regional AIP for the 2020-24 period.

Objective 2: Increased regional connectivity through trade facilitation and infrastructure connectivity

During the reporting period, Australia contributed to preparatory work for World Bank loan projects in Bangladesh, Bhutan, India and Nepal (BBIN) through two World Bank-led programs – Infrastructure for Growth (IFG, 2012-2018) and the South Asia Regional Trade Facilitation Program (SARTFP, 2015-2020). The Infrastructure for Growth (IFG) program (concluded during the reporting period) aimed to improve connectivity and integration in South Asia's energy and transport sectors. SARTFP aims to provide analytical and technical advisory, capacity building and support for regional trade facilitation dialogue. SARTFP's objective is to improve cross-border trade and connectivity, particularly where these activities benefit women.

Overall assessment

Overall, programs under both objectives performed well in 2018-19. Through SDIP, the water, food and energy pillar is rated green (performing as expected). Both SARTFP and IFG generated knowledge and analysis that demonstrably informed partner country policies in the areas of energy, transport and climate change, and improved the quality of World Bank investments. The connectivity pillar has been rated amber this year, reflecting the need for closer attention to governance, reporting and public diplomacy.

As the current AIP expired in the reporting period, in 2019-20 we will establish a new version. This will explore ways to become more focused on investments in areas of clear comparative advantage. We will look increasingly to how we can use innovative modalities to leverage available funding. While our focus on environment and connectivity will remain, we will endeavour to become even more targeted, with a reduced breadth of sectors and partners.

In 2019-20, we will build on the successes and lessons of SDIP, IFG and SARTFP, to complete design and commence implementation of the new South Asia Regional Infrastructure Connectivity program (SARIC, \$30 million, 2019-23). This three-layered program will fund preparation of regional investment plans across energy and transport infrastructure sectors. It will work with South Asian governments to enhance capacity for delivering high-quality infrastructure projects and embed best practice. This aims to improve access to private sector or multilateral development bank finance. A design process is underway, shaping performance benchmarks, which will be built into investment level monitoring and reporting. The first project preparation work is scheduled to commence in early 2020.

EXPENDITURE

Total Estimated ODA Expenditure in 2018-19 was \$24.3 million.

Table 1 Total ODA Expenditure in FY 2018-19

Objective	\$ million	% of total ODA
1: Increased water, food and energy security in South Asia to facilitate economic growth and improve the livelihoods of the poor and vulnerable.	10.2	26.2
2: Increased regional connectivity through trade facilitation and infrastructure.	6.4	42.0
Sub-Total	16.6	68.2
Other Commitments	7.7	31.8
Total ODA Expenditure	24.3	100.0

PERFORMANCE TOWARDS AIP OBJECTIVES

Table 1 Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating	Current Rating
1: Increased water, food and energy security in South Asia to facilitate economic growth and improve the livelihoods of the poor and vulnerable.	Green	Green
2: Increased regional connectivity through trade facilitation and infrastructure.	Green	Amber

Note:

- Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.
- Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
- Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1: INCREASED WATER, FOOD AND ENERGY SECURITY IN SOUTH ASIA TO FACILITATE ECONOMIC GROWTH AND IMPROVE THE LIVELIHOODS OF THE POOR AND VULNERABLE



The Sustainable Development Investment Portfolio (SDIP) contributes to the Sustainable Development Goals for poverty, zero hunger, gender equality, clean water and sanitation, affordable and clean energy, climate action and partnerships. The SDIP is the only program under this objective. It is rated green, as it has mostly met the performance benchmarks outlined in its Performance Assessment Framework (PAF). Benchmark indicators are grouped into six key focus areas:

1. Institutional capacity in water resource management;
2. Cross-border management of floods and other water-related disasters;
3. Improved understanding of water-energy-food systems and the linkages between them;
4. Uptake and scaling of sustainable food systems; and
5. Innovative investment in renewable energy and resource efficiency measures.

The basis for measuring performance was progress against the six performance indicators using an adaptive management approach. This approach allows performance benchmarks to be revised during implementation in response to complex operating environments. During the reporting period, progress was particularly strong against indicators related to strengthened capacity for water resource management, renewable energy access and efficiency and the development of climate change research.

Key achievements recorded in 2018-19 include:

- The International Finance Corporation (IFC) is supporting India to progress towards its renewable energy generation targets. SDIP helped the IFC to mobilise US\$570 million in private investment for the world's largest grid-connected solar power facility by efficiently creating a market. The model stimulated an additional 1500 megawatts (MW) in other projects that leveraged US\$900 million.
- Australia is contributing to strengthened water resource management in South Asia. In Pakistan, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) worked with central and provincial governments to develop an accurate Indus River water allocation and modelling system. It is now available to be used by the Pakistan Government.
- Across the Eastern Gangetic Plains, support to the Australian Centre for International Agricultural Research (ACIAR) demonstrated the effectiveness of Conservation Agriculture-based System Intensification (CASI) approaches. These have improved the productivity and profitability of farming systems for 91,000 farmers (25 per cent women) while also reducing greenhouse gas emissions.
- The Asia Foundation (TAF) completed political economy analyses to inform policy dialogue in electricity trade, and hydropower, water and conflict and fragility sectors.

- In Bhutan, SAWI supported the development of *Guidelines for the Development of Hydropower*, which will enhance the likelihood sustainable development of hydropower in that country over the next decade.
- ICIMOD progressed a five-year baseline assessment of the Hindu Kush Himalaya. The assessment has been used by South Asian nations to support action on climate change.

Efforts to integrate gender equality and women's empowerment considerations across the portfolio were satisfactory, although Aid Quality Check (AQC) highlighted areas for continued improvement, especially monitoring and contributions to changes in social norms. There is evidence of partners' improved understanding of gender equality, reflected in project designs, implementation, and gender disaggregated data. New policy documents differentiate needs based on gender and make recommendations to enhance the participation of women in water resource management and planning. Evidence of this includes the environmental and social systems assessment for national groundwater management in India by South Asia Water Initiative (SAWI), and the draft National Water Policy for Nepal, supported by the International Centre of Excellence in Water Resource Management (ICEWaRM).

Strong climate change results have been reported across the program. An example is SDIP support for IFC's private-sector resource efficiency program in Bangladesh, India, Nepal and Pakistan which has saved 21.5 million cubic metre of water and 2.5 million MW per year. This has led to a reduction in greenhouse gas emissions by an estimated 106,036 metric tons over the reporting period.

Challenges remain in promoting formal government-to-government transboundary cooperation, given ongoing sensitivities in inter-country relationships. Translating dialogue into formal cooperation remains difficult due to the complex operating environment in South Asia. Collaboration and dialogue is increasingly observed at the sub-regional level in South Asia, particularly within river basins.

OBJECTIVE 2: INCREASED REGIONAL CONNECTIVITY THROUGH TRADE FACILITATION AND INFRASTRUCTURE



Australia's support for increased regional connectivity through trade facilitation and infrastructure contributes to the Sustainable Development Goals for gender equality, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, sustainable cities and communities, and climate action. There were two active programs under this objective during the reporting period; IFG and SARTFP. The objective was rated amber, due to public diplomacy and information management hurdles in SARTFP. These have been addressed in this year's management responses, and ongoing discussion with partners.

The final AQC for IFG found it had met performance benchmarks. Investment level monitoring of SARTFP made good progress against key milestones despite the aforementioned areas requiring improvement. Notwithstanding the challenges of elections in three of the four Bangladesh, Bhutan, India and Nepal (BBIN) countries, the regional connectivity and trade facilitation pillar delivered stable contributions to improving demand for gender design and analytical work in delivering regional connectivity infrastructure activities across South Asia. With the approaching conclusion of SARTFP and IFG, emerging lessons and successes of the connectivity, infrastructure and gender ambitions are informing the design of SARIC.



Infrastructure For Growth

The IFG program evaluation occurred during the reporting period. It found good evidence the program achieved its goals, based on the outcomes of its 57 activities (US\$60.9 million). IFG funded research and analysis was found to have effectively addressed knowledge gaps in energy, transport and climate change, and contributed to overall improvement in the quality of World Bank loans. Although not initially a pillar of IFG, gender equality and social inclusion became increasingly embedded throughout the program from 2016, and IFG activities paralleled DFAT and World Bank initiatives focusing on gender across the region.

Key achievements recorded in 2018-19 included:

- IFG's analytical work generated the first assessment of South Asian container ports. This became the most downloaded World Bank transport report and has been drawn on extensively by a wide range of South Asian Stakeholders.
- The Eastern Corridor Intermodal Transport and Logistics activity introduced new thinking on multi-modal transport and logistics in India. Insights were used by the Indian Ministry of Railways for long-term strategic planning and prioritising investment projects.
- IFG built institutional capacity within the agency responsible for the Government of India's ambitious program to clean and conserve the Ganga, enabling the agency to move ahead with 33 contracts worth US\$626 million.
- The study on the *Cost of Distortions in the Power Sector* for Bangladesh, India and Pakistan helped define priorities for power sector reform. The reliability and rigor of the analysis in the report compared favourably to previous analysis. This demonstrated to governments the importance of undertaking improvements, and removing price distortions.


The reasonable flexibility of the trust fund mechanism enabled selection and emphasis of program activities to reflect changes to DFAT's development priorities. This allowed IFG programs to work across eight countries which would not have been possible under a more conventional trust fund structure. IFG successfully informed and contributed to some US\$2.26 billion of World Bank investment projects in South Asia by undertaking in-depth design and technical analytical work.

South Asia Regional Trade Facilitation Program

SARTFP underwent an external evaluation during the reporting period. It found the program is achieving value for money and made positive projections for the final phase of the program. The evaluation identified opportunities for strengthening the World Bank's approach to gender integration across its investments. At least nine SARTFP activities contributed to more robust consideration of gender - linked to 19 investments, of which the World Bank share is estimated at US\$3.379 billion. The evaluation also suggested DFAT improve visibility through a stronger emphasis on public diplomacy. Regional awareness of SARTFP is increasing, evidenced by strong participation in its 42 outreach events, and dissemination of 35 knowledge products in the reporting period.

Key achievements in 2018-19, included:

- A standalone SARTFP Gender Platform was established. The platform provides technical support, knowledge generation and information sharing on gender and trade, focusing on women's economic empowerment.
- SARTFP supported an activity to map women-led small and medium enterprises (SMEs) in border regions of India and Bangladesh. The activity analyses impediments to growth in transport, storage and distribution systems, including examining supply chains for gender-specific issues. Outcomes of the study (due October 2019) will be used by the World Bank to guide new synergies between



relevant ministries and private sector partners, and project future freight flows along the Eastern Corridors.

- SARTFP extended its capacity building and regional dissemination events, to reach broader audiences, generate awareness of SARTFP and build regional consensus. For example, a week long regional capacity building workshop on tax policy was held in August 2018.
- SARTFP funded training and networking supported honey producers in Nepal benefitted from with increase in profits and volumes sold.

In 2019-20 DFAT will seek to strengthen public diplomacy through the SARTFP program. Consistent resourcing of attendance at operational meetings, and increased engagement with Posts, will improve DFAT's management of SARTFP's performance. We will also seek more frequent engagement with Posts. For reporting, there is room for improvement on data collection and utilisation.

Australia Awards

The Australia Awards South and West Asia program is on track to reach all of its long-term objectives. In 2018, 758 (50 per cent female, 50 per cent male) Australia Awards Scholarships and Short Course recipients undertook tertiary education and training programs delivered by Australian providers - an increase of 29 recipients from 2017. In 2019, 191 new Australia Awards long-term scholarships have been offered for studies in Australia (55 per cent female). The Alumni Tracer Study (September 2018) found that of 119 respondents across Bangladesh, Bhutan, India and Nepal (BBIN) countries, 97 per cent indicated they had passed on new skills and knowledge to others and 96 per cent introduced improved practices and innovations into their work following their award. The program continues to meet gender equality and social inclusion targets.


MUTUAL OBLIGATIONS

The South Asia Regional program is aligned with the priorities of partner governments and Australia's national interest and expertise. We do not have formalised mutual obligations or shared priorities in the same way as a large single-country bilateral program. Instead we deliver programs in line with the objectives in our Regional Strategy. Over the next reporting period a new AIP will be created. It will set out clear performance benchmarks for the South Asia Regional Program's objectives, informed by lessons learnt from previous programs, ongoing design activities and consideration of Australia's comparative advantage. The Regional program will focus on performance linkages that support partner countries that show the greatest interest in reform in water resource management and infrastructure connectivity.

Australia works closely with key donors in the region including the United Kingdom, and through multilateral development banks, including the World Bank, to ensure efficient implementation, monitoring and evaluation of jointly funded investments. This reporting period saw a challenging operating environment with multiple elections across the region, and subsequent shifting of focus towards domestic priorities. Despite this, Australia's regional programs managed to continue to contribute to improved connectivity and resource security. As partner governments continue to seek more sophisticated and trade-focused development support, Australia will continue to recalibrate areas of focus and modalities through which it provides aid to the South and West Asia Region.

PROGRAM QUALITY

During the reporting period, overall AQC performance for the South Asia Regional program was consistent with the previous year, not including SARTFP's gaps in communication management and public diplomacy (see Annex D). The SDIP program continues to be well aligned with our foreign policy, economic and regional objectives and its strong public diplomacy focus. The most recent Annual Review (released 2018-19) confirmed strong achievements were made and partners have progressed key deliverables to support the



three outcome areas. The review confirms partners are deepening engagement and relationships with Government, the private sector and non-government actors to make meaningful contributions to water, food, and energy security decisions in South Asia. The AQC rated SDIP 'good' on effectiveness and efficiency, with particularly strong examples of progress under climate change, water resource management and energy efficiency and access. Gender equality was rated 'adequate', recognising that while the adoption and embedding of gender considerations has shown positive results in partner investments and institutions, there is further work to be done.

Ratings for the South Asia Regional program's regional connectivity objectives between 2018-19 shifted from green to amber. In July 2018, the World Bank and DFAT revised the theory of change and progress indicators during the life of SARTFP in response to the AQC and independent evaluation. Changes were finalised mid-August and have guided 2018 management and reporting. Communication challenges (including no action on developing a communications plan), remain which is inhibiting effective reporting. Improvement will require active program management from DFAT Canberra and Post, to support the World Bank (see Annex D). There remains room for improvement in public diplomacy opportunities, a challenge exacerbated by the regional nature of the program and constraints on the ability of DFAT staff to travel to certain locations.

The World Bank's approach to gender equality has changed significantly since the start of SARTFP, and continues to evolve. Significantly, the introduction of gender tagging requires robust analysis of gender issues and integration of operational responses to reduce gender gaps. South Asia Regional management in the World Bank has placed a target of 100 per cent of all operations to be gender tagged. This has driven demand for analytical work early in design, specific gender skills throughout and improved dialogue with governments on gender equality. SARTFP's gender tagging has applied pressure to the World Bank to increase gender related analytical work, tools and skills.

SARTFP has proven ideally placed to help BBIN countries respond to the new World Bank gender and trade facilitation requirements. Moreover, by developing broadly applicable tools, and building experience and country level knowledge bases, SARTFP is helping grow institutional capacity to embed gender good practice in the longer term. The SARTFP-funded Gender Platform activity has been a core contributor to this work. This is supported by records of conversation from recent technical level meetings with the World Bank, recent discussion at the Donor Steering Committee and mission report to the World Bank headquarters by the SARTFP Gender Adviser (2019).


MANAGEMENT ACTIONS

New Objective 1 management actions:

1. DFAT Canberra to complete an independent evaluation of SDIP during 2019.
2. DFAT SDIP Program Manager to continue to work on enhancing the quality and flow of communication between SDIP, bilateral programs and thematic areas on results, including linking to departmental and whole-of-government priorities. This includes finalising an internal communication strategy, and the development and sharing of country/portfolio knowledge products produced by SDIP partners to a wider audience. This will be undertaken throughout 2019-20.
3. DFAT SDIP Program Manager to focus partners on efforts to strengthen gender equity, including completion and integration of learning from the 'gender project' and support to partner-specific institutionalisation efforts. This will be undertaken throughout 2019-20.

New Objective 2 management actions:

1. DFAT (Canberra with support from New Delhi Post) will work with the World Bank to more routinely communicate and utilise data on activities across the next reporting period.

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2. DFAT Canberra will reassess the required resources to effectively manage the investment and achieve expected outcomes, including those relating to public diplomacy, and influence and dissemination of knowledge within DFAT. An assessment will be provided to senior management with recommendations by the end of 2019.
 3. DFAT Canberra will maintain the current technical advisory facility until the end of 2019, while the assessment of management resource requirements (above) is conducted.
 4. DFAT SARTFP Program Manager will undertake routine operational level meetings - in South Asia - twice a year preceding the steering committee meeting for 2019-20.

DFAT (South Asia Regional in collaboration with posts) will finalise the next phase of the South Asia Regional Aid Investment Plan by October 2019 in alignment with Australia's Foreign Policy White Paper.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Management responses identified in 2017-18 APPR	Rating	Progress made in 2018-19
Pursue increased whole-of-Government engagement on water, food and energy issues in South Asia to improve program outcomes and realise green business opportunities.	Partly achieved	Whole of Government partners ACIAR and CSIRO are SDIP partners. Effort is being made, especially at the New Delhi Post, to engage with Department of Agriculture and Water Resources, Austrade and the Department of Industry, Innovation and Science.
Consider ways to further embed gender mainstreaming and social inclusion into SDIP investments, including by convening a Gender Technical Working Group for partners.	Partly achieved	In 2018, a partner-initiated 'gender project' was established to understand how gender issues can be better integrated across SDIP. Five case studies are being researched to identify lessons, successes and challenges to gender mainstreaming into SDIP investments. Strong examples include ACIAR's research into the feminisation of agriculture in the Eastern Gangetic Plains, Nepal's adoption of IFC's work to strengthen environmental, gender and social impact assessments into hydropower project designs and ICIMOD's establishment of a dedicated gender team.
Continue the focus on promoting and embedding gender equality in regional economic connectivity work. DFAT will continue to enforce SARTFP governance arrangements to ensure all activities demonstrate a benefit to women. Lessons from IFG and SARTFP on integrating gender in trade facilitation and connectivity will be shared across DFAT.	Achieved	DFAT (Canberra with support from New Delhi Post) has continued to maintain the emphasis on gender equality in SARTFP, despite concerns that this may be leading to reduced interest in SARTFP funding. Changes within the World Bank regarding gender equality are now driving increased demand, and SARTFP's gender adviser has been re-engaged to continue this work. The 100 per cent gender tagged benchmark for SARTFP linked activities continues to set the benchmark for good practice and gender in trade facilitation and connectivity. Reporting on these lessons is embedded in briefing and talking points.
Continue the focus on improving reporting, monitoring and evaluation across SARTFP including by agreeing on a protocol for financial reporting and more frequent feedback by DFAT	Partly achieved	Over 2018-19, turnover made it difficult to maintain continuous monitoring and engagement with SARTFP. This resulted in a loss of momentum in addressing management responses, particularly in managing reporting and communications strategies. The independent evaluation revealed inefficiencies of the communications elements of the program with more effort being necessary to ensure dissemination of knowledge products.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B – PERFORMANCE BENCHMARKS

1 Progress towards Performance Benchmarks in 2018-19

Aid objective	Performance Benchmark	Rating	Progress in 2018-19
Increased water, food and energy security in South Asia to facilitate economic growth and improve the livelihoods of the poor and vulnerable (particularly women and girls).	Improvements in the region's agriculture, energy and water management capabilities, that include considerations of climate change impacts through SDIP efforts.	Achieved	<p>Initiatives by SDIP partners have contributed to improvements in the region's agriculture, energy and water management capabilities as evidenced by:</p> <ol style="list-style-type: none"> 1. SDIP partners are supporting localised examples of regional cooperation through successful disaster risk reduction (DRR) and community-based flood early warning systems in the Indus and Ganges river basins. 2. New models and approaches by IFC to support uptake and investment in resource efficiency in Bangladesh, India, Nepal and Pakistan, saving 21.5 million cubic metres of water and 2.5 million MW per year. 3. ACIAR is contributing to an improved enabling environment for scaling sustainable food systems in the Eastern Gangetic Plains. Conservation Agriculture-based System Intensification approaches to increase carbon storage in soils and reduce the amount of water, fuel, labour and greenhouse gas emissions, benefitted over 75,000 farmers. 4. ICIMOD's HIMAP, a comprehensive analysis of the Hindu Kush Himalayan mountain region, environments and livelihoods, was published in 2018-19, receiving global media attention and positive support from South Asian governments and donors. 5. IFC supported India to progress renewable energy generation targets, Australia was the sole financier of a new model that mobilised US\$570 million in private investment during the reporting period. 6. Bhutan has finalised 'Guidelines for the Development of Hydropower' with support from SAWI (World Bank). 7. IFC's Lighting Asia program provided an additional 5.3 million people in India access to affordable off-grid solar energy lanterns. 8. CSIRO, ICEWaRM and ICIMOD introduced evidence-based research and training that is informing agricultural and water resource management policy making in Afghanistan, Bangladesh, Nepal, Pakistan and India.
Increased regional connectivity through trade facilitation and infrastructure connectivity.	Integration of gender equality and women's economic empowerment in SARTFP activities.	Achieved	<ol style="list-style-type: none"> 1. The introduction of 100 per cent gender tagging has been significant. This has driven the demand for analytical work early in design, specific gender skills during design and dialogue with government on gender equality. 2. Areas for improvement include enhanced public diplomacy around these activities. 3. In its initial phase, the Strengthening Cross-Border Value Chains Report produced new knowledge and analysis on cross-border value chains in NEI, and enhancing efficient and gender-friendly infrastructure for border haats (official markets of small value trade between cross-border communities) along the India-Bangladesh border.

Aid objective	Performance Benchmark	Rating	Progress in 2018-19
	Activities contribute to improvements in cross-border trade and connectivity.		<ol style="list-style-type: none"> The Better Tax Policies for Enhancing Economic Growth and Regional Trade activity is an example of analytical work that has enabled the Government of India to model the distributional impact of tax policies on women. The success of this work will be leveraged to create a bigger dataset, and study the broader gender implications of tax policy options. The <i>Report on Women's and Children's Risks from Enhanced Connectivity</i>, includes background studies (not yet available), practical tools and guidance notes, and the project has built the capacity of Bank staff and government counterparts to identify and address these risks.
		Achieved	<ol style="list-style-type: none"> The <i>Strengthening Cross-Border Value Chains</i> report reflects the World Bank's focus on developing more efficient and gender-friendly infrastructure along the India-Bangladesh border. Through subsequent analytical and policy work (and interest in a similar project for the Pakistan-India border), the next phase of will deepen understanding of gender within government agencies and support them to implement the findings in their cross-border work. IFG contributed towards US\$2.26 billion of World Bank investment projects in South Asia. Eastern Corridor Intermodal Transport and Logistics activity mapped trade and freight patterns of SMEs along the eastern corridor of India, informing a US\$40 million World Bank project to develop the Varanasi Freight logistics hub. Kolkata Urban Transport Integration strategy developed a freight demand model to improve the mobility of passengers and freight in one of the largest metropolises in India. The State Transport Cooperation secured Government of India funding to procure 40 electric buses as a pilot project as a result of mapping work.
Cross-cutting performance benchmark.	SDIP and SARTFP advance public diplomacy and economic diplomacy objectives.	Partly Achieved	<p>SDIP advanced public diplomacy and economic diplomacy objectives, including by:</p> <ol style="list-style-type: none"> Engagement by HOMs and DHOMs in multi-stakeholder dialogues. The Upper Indus Basin Network, led by ICIMOD, is fostering science-based cooperation between Afghanistan, China, India and Pakistan on water availability. TAF co-hosted the South Asia Power Summit, an annual platform to discuss issues facing India's power sector. It was attended by 100 of India's largest power sector companies/financiers and addressed by HOM Delhi. A side event hosted the heads of utilities and government agencies engaged in cross-border power trade in Bangladesh, Bhutan, India and Nepal. DFAT anticipated SARTFP would have greater visibility in South Asia. While there were some opportunities for public diplomacy in 2018 these have not been strong. There have often been short lead times for events, and DFAT has not always taken up invitations when offered.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

2 Performance Benchmarks for 2019-20

Aid objective	Performance Benchmark	2019-20	2020-21
Increased water, food and energy security in South Asia to facilitate economic growth and improve the livelihoods of the poor and vulnerable.	Institutional capacity in data management and modelling to promote collaboration for sustainable water resource management, accommodating gender and climate change considerations.	New tools and approaches for inclusive and sustainable water resource management have been collaboratively developed and endorsed by key institutions in Nepal.	<i>To be informed by the new Aid Investment Plan 2020-24.</i>
	Improved understanding of water-energy-food systems, and their interaction, accommodating gender and climate change considerations.	New knowledge raises awareness of the impacts of climate change on water-energy-food security and is beginning to be incorporated into policy and practice in Pakistan.	<i>To be informed by the new Aid Investment Plan 2020-24.</i>
	Development of new models and approaches to support uptake and investment in renewable energy initiatives (may include Private Public Partnerships (PPPs)), accommodating gender and climate change considerations.	Private sector finance is increasingly being mobilised for both large-scale grid connected and rooftop solar projects (may include PPPs) in India.	<i>To be informed by the new Aid Investment Plan 2020-24.</i>
	Development of new models and approaches to support uptake and investment in resource efficiency initiatives, accommodating gender and climate change considerations.	Private firms have improved understanding and technical capacity to implement resource efficiency measures that accommodate gender and/or climate change considerations in Bangladesh.	<i>To be informed by the new Aid Investment Plan 2020-24.</i>
	Integrated practice (proven at scale) for cross-border management of floods and other water-related disasters, accommodating gender and climate change considerations.	Gender-responsive tools and approaches for cross-border management of floods and other water-related disasters (including from the impacts of climate change) have been developed in Nepal.	<i>To be informed by the new Aid Investment Plan 2020-24.</i>

Increased regional connectivity through trade facilitation and infrastructure connectivity.

Enabling environment for scaling of sustainable food systems in the Eastern Gangetic Plains, accommodating gender and climate change considerations.

New technical knowledge and approaches generated by IFG strengthen the quality of the development and implementation of Government of India's transport projects.

SARTFP analysis contributes to improved inland waterway connectivity across India and Bangladesh with increased benefits to women.

Small-holder farmers (25 per cent women) utilising sustainable agricultural practices (including CASI) to increase resource efficiency and improve climate resilience in the Eastern Gangetic Plains.

New knowledge and approaches adopted by Government of India to strengthen transport projects and policies.

Knowledge generated influences the World Bank to integrate gender in its larger inland waterways projects with the Governments of India and Bangladesh.

To be informed by the new Aid Investment Plan 2020-24.

A positive assessment of concluding programs, and full disbursement of funds by the World Bank is on track for closing in 2020-21.

IFG and SARTFP have reached 100 per cent disbursement and learnings have been built into the finalised SARIC Program design, for which implementation has commenced.

ANNEX C- EVALUATION PLANNING

1 LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INL093 Trade Facilitation and Infrastructure	Independent Evaluation of Regional Connectivity Programs – IFG and SARTFP	July 2018	30 July 2018	30 July 2018	30 July 2018

2 LIST OF PROGRAM PRIORITISED EVALUATIONS PLANNED FOR THE NEXT 12 MONTHS

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Independent evaluation of the Sustainable Development Investment Portfolio	INL594 Sustainable Development Investment Portfolio	June 2019	December 2019	Performance of the SDIP program to inform future investments	Independent evaluation

ANNEX D- AID QUALITY CHECK RATINGS AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings.

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INL093: Regional Connectivity and Integration: Trade Facilitation and Infrastructure	\$34.5m	2019 AQC	n/a	4	4	n/a	n/a	4	n/a
	2013-20	2018 AQC	n/a	4	4	n/a	n/a	4	n/a
INL594: Sustainable Development Investment Portfolio (SDIP)	\$47.8m	2019 AQC	n/a	5	5	n/a	n/a	4	n/a
	2016-20	2018 FAQC	n/a	5	5	n/a	n/a	4	n/a

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.