

Global funds and multilateral organisations

Multilateral organisations achieve significant development results and are important partners for the Australian aid program. Their reach, leverage, specialisation and other strengths play a critical role in helping Australia to meet its international development objectives. Around one-third of the aid budget is channelled through multilateral organisations.

In 2017–18, Australia will continue to work in partnership with global funds and multilateral organisations to reduce poverty and promote sustainable development, prepare for and respond to humanitarian emergencies and ensure that aid meets the development needs of countries in the Indo-Pacific region, including developing countries where we do not have a bilateral presence. These partners include:

- » multi-stakeholder health and education funds that bring together donors, developing countries, civil society, philanthropic foundations and the private sector, including:
 - the Global Fund to Fight AIDS, Tuberculosis and Malaria, which, since its inception has contributed to saving over 20 million lives globally;
 - Gavi, the Global Vaccine Alliance, a successful public-private partnership that helps reduce childhood deaths by ensuring poor countries can procure critical vaccines at globally low prices and supporting strengthening of immunisation systems; and
 - The Global Partnership for Education, which has supported 22 million children to enter primary and lower secondary school since 2011 (8.1 million of whom are girls).
- » climate change and environment focused organisations including:
 - the Green Climate Fund, which supports global efforts to combat climate change by assisting developing countries to limit or reduce their greenhouse gas emissions. In 2017, Australia is serving as the Co-Chair of the Green Climate Fund for a second term alongside Saudi Arabia. The Fund is working to build on its US\$1.5 billion project portfolio, with a key focus on disbursements this year;
 - the Global Green Growth Institute (GGGI), which partners with developing countries to embed economic growth pathways that use natural resources sustainably, are less carbon intensive and more resilient to climate change. In 2017, the GGGI is continuing to help countries develop and implement green growth policies, including implementing their climate commitments and sharing lessons learnt; and
 - the Global Environment Facility and the Montreal Protocol which, respectively, help to improve agricultural productivity, sustainable fisheries and water management of poor communities dependent on the natural environment; and support developing countries phase-out ozone-depleting substances from industry practices.

2017–18 Global Fund Partners:



GLOBAL FUND TO
FIGHT AIDS, TB AND
MALARIA

\$220.0m

(2016–17 TO 2018–19)



Gavi—GLOBAL
VACCINE ALLIANCE

\$250.0m

(2016–17 TO 2019–20)



GLOBAL PARTNERSHIP
FOR EDUCATION

\$140.0m

(2015–16 TO 2017–18)



GREEN CLIMATE FUND

\$200.0m

(2014–15 TO 2017–18)



GLOBAL GREEN
GROWTH INSTITUTE

US\$15.0m

(2017–18 TO 2018–19)



GLOBAL
ENVIRONMENT
FACILITY

\$93.0m

(2014–15 TO 2017–18)



MONTREAL
PROTOCOL

\$1.3m

(2017–18)



- » multilateral development banks such as the World Bank Group and ADB:
 - over the next three years, Australia’s support to the World Bank Group’s International Development Association (IDA) will significantly increase assistance for the 20 Indo-Pacific countries eligible for IDA financing, including to promote private sector development, boost women’s economic empowerment, strengthen effective governance, support fragile states and tackle climate change. For example, Pacific countries will receive an almost fourfold increase in minimum annual allocations to around US\$18 million per year, with Pacific regional allocations increasing to around US\$900 million per year. The World Bank Group provided US\$11.4 billion in funds to the East Asia Pacific region in 2015–16;
 - Over the next four years, Australia’ support to the ADB’s Asian Development Fund will leverage about US\$3.8 billion for the Asia-Pacific region’s poorest and most vulnerable countries to strengthen governance, mainstream gender in operations, promote food security, support private sector development and respond to climate change and natural disasters. Australia is currently the second largest donor to the Asian Development Fund;
 - Australia will continue to support the Public Private Infrastructure Advisory Facility (\$2 million, 2017–18), a global facility led by the World Bank, promoting government reforms to increase private sector financing and delivery of infrastructure in developing countries; and
 - The World Bank-Australia Safeguards Partnership (WASP) helps ensure that infrastructure supported by major donors in the Indo-Pacific region does not harm either the environment or the lives of people living in communities impacted directly by these projects.
- » The Private Infrastructure Development Group (PIDG) uses donor funds to leverage private financing into priority infrastructure projects in developing countries and emerging economies. As the current chair of the PIDG, Australia will continue to help expand its footprint in Asia.

Climate change

Australia will spend over \$200 million on climate change in 2017–18, with significant investments across country, regional and global programs. At the 21st Conference of the Parties (COP21), Australia committed \$1 billion over five years (2016–2021) to address climate change challenges.

The impacts of global warming are already being felt and many of Australia’s neighbours in the Indo-Pacific are highly vulnerable to the impacts of climate change. A substantial proportion of our climate change funding will flow to these countries, including \$300 million to Pacific countries over four years (2016–2020) to help them build climate resilience, reduce emissions and support implementation of commitments under the Paris Agreement, including on adaptation and mitigation.

Australia’s funding will build on existing investments that support effective, evidence-based adaptation and that strengthen governance across key sectors, including finance, infrastructure, planning, education, water and food security. Australia’s support will also build the capacity of PICs and Least Developed Countries in our region to access climate change financing to attract investment.

Australia's support is assisting the Pacific to better understand climate impacts through investment in science and adaptation planning and support to national weather and climate services in 14 PICs (\$39.8 million, until June 2018). Our funding will improve forecasting and reporting on climate, tides and the ocean and deliver practical information on drought conditions, water storages and malaria and other health risks.

Australia is also supporting the increased participation of Pacific women in climate-related decision-making processes (\$0.6 million, 2015–2017). Australia will also contribute to the Climate Risk Early Warning System, a global initiative to help protect lives and livelihoods in Small Island and Least Developed Countries (\$5 million, 2016–2020).

In 2017–18, Australian development support for multilateral efforts addressing climate change will focus on:

- » commitment to the Green Climate Fund (\$200 million, 2015 to 2018); and
- » a proportion of core contributions to multilateral agencies (including ADB, World Bank, the GGGI and UN agencies) will provide climate change assistance to developing countries (it is estimated \$95 million was proportioned in 2016–17).

Case Study: Green Climate Fund

Established in 2010, the Green Climate Fund is the world's largest multilateral fund for supporting developing countries to address climate change. It is a unique global initiative, investing in low-emission and climate-resilient development.

As part of our commitment to support action to combat climate change, Australia is providing \$200 million to the Green Climate Fund over four years (2014–15 to 2017–18). In 2017, we will co-chair the Fund for a third time.

Since November 2015, the Green Climate Fund has committed US\$2.2 billion for 43 projects and programs. The Fund's portfolio includes US\$251 million for six projects in the Pacific, where countries are especially vulnerable to the impacts of climate change.

Additional funding will also be provided to seven PICs (Cook Islands, Federated States of Micronesia, Kiribati, Niue, Palau, Samoa, Tonga and Vanuatu) to help build their capacity to access the Fund's resources.

In 2016, under Australia's leadership, the Fund made important progress on its core business, approving US\$1.3 billion in funding for 27 projects and programmes. This included US\$725 million for proposals from the private sector.

Australian leadership of the Green Climate Fund in 2017 aims to support:

- » increasing the flow of funding to projects and programs, including to vulnerable populations and small island developing states;
- » increasing staffing at the Fund headquarters in Songdo, Republic of South Korea;
- » simplifying approval process for access to funding;
- » better defining how the Fund works with other climate finance institutions, and reducing duplication of effort; and
- » adoption of a policy on climate change and gender.

Case Study: Climate Change — UNDP Small Grants Programme

As well as acting on climate change domestically, the Australian Government is working with other countries to share direct, practical and innovative approaches to tackling climate change.

Australia will provide \$12 million over nine years to support the UNDP to implement small-scale community-based climate change adaptation activities through the Global Environment Facility Small Grants Programme.

The investment is implementing projects across 42 countries in communities that are highly exposed to climate risks, supporting inhabitants who are highly dependent on nature-based resources for economic activities and subsistence. The investment addresses key development challenges in these communities, covering a range of sectors, including agriculture and food security, coastal zone management, land degradation and water resource management; in line with partner country plans and objectives.

In 2016, the investment completed over 1,000 grant projects working with communities and civil society. The results across these grants are far-reaching and included providing low carbon solutions to 323 projects, assisting 15 developing countries in the implementation of national plans and policies on chemicals and waste and bringing 900,000 hectares of land under improved management practices. Across the investment, communities are exploring how gender, age, disability and environmental stressors impact climate change and disaster vulnerabilities and access to resources. The program is producing a strong evidence base for best practice in community-based adaptation support. By adding a climate lens to agriculture, education, infrastructure and water projects, communities are increasing resilience and decreasing vulnerability to climate impacts.

Cyber co-operation program

In 2017–18, the Australian Government will invest \$1 million to assist partner governments in the Indo-Pacific region to develop the institutional capacity required to address cyber security threats and to combat cybercrime, including through public-private partnerships. This forms part of a four year Cyber Security Strategy (\$4 million, 2016–17 to 2020–21) to address cyber security challenges in our region.

The security and openness of the internet is an enabler of economic growth and development for the countries of the Indo-Pacific, including Australia. Building the level of cyber security awareness and capability across the Indo-Pacific will raise the capacity of countries as well as reducing risks to Australian interests.

Innovative approaches to building cyber capacity will continue to be a key desirable for the projects funded, as will projects that promote the participation and economic empowerment of women and girls. In 2017–18, Australia will build on successful public-private sector partnerships established in 2016–17 — the program's inaugural year — and seek new proposals from businesses, think tanks, universities and the private sector.

In 2017–18, Australian development support for the cyber co-operation program will focus on:

- » a coordinated whole-of-government approach to cyber capacity building in our region;
- » private sector expertise and innovation are an established part of our cyber capacity building efforts in our region; and
- » enhanced cooperation with likeminded partners, including the United States of America, Japan, New Zealand and Singapore, on cyber capacity building as a force multiplier of our efforts in the region.

Non-government organisations and volunteers

2017–18 Budget Estimate: \$183.4 million

Australian, international and local NGOs have been key partners in the aid program for more than 40 years, working jointly to support sustainable economic growth and reduce poverty.

Australia works with NGOs as they have strong connections to local communities; access to remote, fragile and conflict affected areas; and deep development expertise. Sharing ideas, expertise and finance maximises the impact of our development activities. The policy framework, *DFAT and NGOs: Effective Development Partners*, provides guidance on how to strengthen aid efforts with the NGO sector.

Australia's trusted NGO partners deliver results. More than 50 Australian NGOs have been accredited through the Australian NGO Cooperation Program, after meeting comprehensive due diligence requirements. This program offers NGOs flexibility to trial new approaches and maximise their comparative advantage, delivers quality results and extends the reach of the Australian aid program. In 2017–18, we expect to work with more than 50 accredited Australian NGOs, who will deliver around 500 projects in over 50 countries. These projects will support families to have better access to clean water and better sanitation, build confidence and incomes for women and men and enable communities to be more resilient to natural disasters.

Australia is committed to working closely with the Australian NGO community. The strategic partnership between DFAT and the Australian Council for International Development further leverages NGO expertise to achieve Australia's development objectives.

The AVID program provides opportunities for skilled Australians to undertake assignments that foster people-to-people linkages and build capacity in host organisations. Volunteers work in sectors such as health, education, rural development, governance and law and justice. Volunteers contribute to Australia's public diplomacy efforts by raising awareness of the Government's aid program overseas and in Australia and contributing to Australia's positive reputation in the region.

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In 2017–18, the volunteers program has been allocated a budget of \$42.6 million and will:

- » support approximately 950 volunteers in 26 countries;
- » place 97 per cent of volunteers in the Indo-Pacific region; and
- » expand the recently Returned Australian Volunteer Network.

The AVID program is funded by DFAT and delivered by AVI and Scope Global.

The current Australian Volunteers for International Development (AVID) program will end 31 December 2017. The Australian Volunteers program will commence on 1 January 2018.

Case Study: AVID program — Supporting tourism development in PNG

Central to PNG's economic growth is development of its tourism sector, contributing around \$110 million per year (or 0.7 per cent of GDP), with increases forecasted. A recent World Bank report, *Pacific Possible*, identifies tourism as vital to the transformation and sustainable growth of PNG's economy.

AVID delivery partner AVI has been strengthening the capacity of the tourism sector in PNG by collaborating with provincial government agencies, guesthouses, tour operators and the Port Moresby Nature Park. At the request of local providers, AVI has been working with small to medium village and small town-based enterprises to develop quality services and products to capture existing and burgeoning markets.

AVI's early interventions saw Australian volunteers placed with provincial tourism boards, however, due to the challenging local environment, these yielded low results. Greater success has resulted from working directly with the Port Moresby Nature Park. With support from Australian volunteers and Zoos Victoria, the Port Moresby Nature Park has grown to become a key tourist attraction. Now linked to all major guesthouses and with new educational initiatives, business and the retail income of the Port Moresby Nature Park has increased.



Australian volunteer working with staff of the Port Moresby Nature Park to improve the tourism sector in PNG. Photo: Harjono Djoyobisono, AVI