The development context

South Asia is one of the most water scarce regions of the world. The Himalayan river basins that supply much of the region’s water traverse national boundaries and are under increasing pressure due to industrialisation, urbanisation and a rapidly growing population. The region also faces critical energy security challenges and energy is a large water user, requiring enhanced regional cooperation and trade to meet projected demand. Building capacity to manage water at the regional scale will be critical to sustainably managing this resource to meet competing uses. However, there is limited regional cooperation on these important shared resources, which threatens the region’s long-term economic growth and stability.

The sustainable management of these resources depends on taking an integrated regional scale (river basin) management approach that considers competing demands for water, including energy and food production and the environment. Climate risks are also a critical consideration; climate change is projected to significantly increase risks to water, energy and food security for South Asian countries. The issues will disproportionately affect the poorest and most vulnerable people, including women and girls.

What is DFAT investing in?

This investment design is for the second phase of the South Asia Sustainable Development Investment Portfolio (SDIP2), valued at $42 million over four years (2016-17 to 2019-20). SDIP2 seeks to improve the integrated management of water, food and energy in South Asia, especially addressing climate risks and the interests of women and girls.

The investment focuses on the three major transboundary Himalayan river basins – the Indus, Ganges and Brahmaputra – covering parts of India, Pakistan, Nepal, Bangladesh and Bhutan. SDIP2 is part of an intended 12 year engagement, which recognises that many of the critical interventions required for improving the integrated management of the water, energy and food at the basin level will require sustained engagement to build regional cooperation and capacity over time.

What does the investment aim to achieve?

SDIP2 aims to provide the key national and sub-national building blocks that are essential for long-term, regional cooperation. The expected end-of-investment (June 2020) outcomes are:

1. Strengthened practices for regional cooperation (operating at a regional (basin), national or sub-national level in the region)
2. Critical new knowledge generated and used for regional cooperation: within the priorities acknowledged by regional forums, governments and national bodies and addressing said knowledge gaps through science and/or well evidenced and reflective practice; and
3. Improved regional enabling environment including for private sector engagement: within the policies, regulations, market systems and investment conditions for cross border management of shared water, food and energy resources.

Through SDIP2, Australia can demonstrate a commitment to addressing key economic and development challenges in South Asia and establishing stronger institutional and people-to-people links. SDIP2 will provide a sound foundation on which to strengthen bilateral relationships and provide commercial opportunities for Australian entities.
How will the investment be delivered?

DFAT will provide earmarked core funding to six delivery partners (a mix of Australian and South Asian organisations) that have expertise relating to Australia’s areas of comparative advantage and/or have proven experience and credibility in the region. A seventh partner, the World Bank (South Asia Water Initiative), will engage in SDIP2 through a no-cost extension.

Delivery organisations will work as a portfolio of partners to progress the SDIP2 objectives and end-of-investment outcomes and, where appropriate, streamline efforts and collaborate to influence long-term systemic change. Partners will be required to demonstrate that investment choices: are demand-driven; address issues constraining regional cooperation in the integrated management of water, energy and food; advance gender equality and women’s economic empowerment; and are cost-conscious and seek to maximise Australia’s yield on the investment.

Partnering with seven organisations allows Australia to engage in a breadth and depth of dialogue, build relationships and rapport with key government ministries, organisations and the private sector. In addition to the seven formal partnerships, SDIP2 will actively engage and cooperate with other Australian entities working in the region in these sectors, helping to position Australia as a trusted partner and a preferred supplier of goods and services.

C: Analysis and Strategic Context

The development problem

- The economies and livelihoods of South Asian countries are heavily dependent on the shared water resources that emanate from the Himalayas. The region’s three major river systems – the Ganges, Indus and Brahmaputra – traverse national boundaries and indirectly support over 700 million people (see Table 1).

Table 1: Characteristics of the Ganges, Indus and Brahmaputra River Basins

<table>
<thead>
<tr>
<th>Basin</th>
<th>Population</th>
<th>Total area (km²)</th>
<th>Countries included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ganges</td>
<td>410 million</td>
<td>1,087,300</td>
<td>India, China, Nepal, Bangladesh</td>
</tr>
<tr>
<td>Indus</td>
<td>180 million</td>
<td>1,120,000</td>
<td>Pakistan, India, China, Afghanistan</td>
</tr>
<tr>
<td>Brahmaputra</td>
<td>120 million</td>
<td>543,400</td>
<td>India, China, Bangladesh, Bhutan</td>
</tr>
</tbody>
</table>

- **South Asia is one of the most water scarce regions of the world**, constraining the region’s economic growth and long-term stability. Around a quarter of the world’s population (including the highest concentration of poor people) live in South Asia, but the region has less than 5 per cent of the global annual renewable water resources. The situation is worsening with a growing population – water availability per capita has declined by nearly 70 per cent since 1950. With India, Pakistan, Bangladesh and neighbouring China all striving for rapid economic growth and development, the demand for water will escalate.

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Managing and balancing competing water needs will present many challenges for the region and an integrated approach at the regional scale is required. Demand for water resources is increasing from a range of productive uses including agriculture, growing urban centres, industry, power, transport and the environment. Agriculture currently accounts for around 90 per cent of freshwater withdrawals in South Asia (compared with the global average of 70 per cent). With a rapidly growing population (and around 50 per cent of the region’s population currently food deficient), the demand for water for food production will continue to grow in the absence of effective management responses. Energy production is forecast to take up a growing proportion of South Asia’s water usage as the region looks to expand electricity supply, and its reliability. Demand for water for energy generation across Asia is forecast to rise by 70 per cent by 2030. A range of energy-related social and environmental challenges (such as energy access and reliability, air pollution and climate change) will further drive demand. An estimated 500 million people in the region still do not have access to modern energy services and energy consumption is projected to double and electricity demand to triple over this period.

Enhanced regional cooperation and trade in the energy sector will be vital to the region’s future economic growth and energy security. Harnessing the significant untapped hydropower potential of the Himalaya/Hindu Kush and integrating large scale grid connected wind and solar power facilities are viewed as key building blocks for the emerging regional electricity trading market.

Climate change will exacerbate water, energy and food security challenges. Increased intensity and frequency of extreme weather events (droughts, floods and heatwaves), changes to the regional monsoon, and retreating glaciers and ice pack in the Himalayas will change hydrological regimes and, subsequently, impact on energy and food production. The projected rapid population and economic growth in South Asia over the coming years will also significantly increase energy and food consumption and result in a large increase in the region’s greenhouse gas emissions. There is mounting public pressure to address South Asia’s chronic air quality and move towards a less carbon intensive development path. Regional cooperation to harmonise standards and regulatory regimes, promote water and energy efficiency, harness the region’s large renewable energy resource base (especially hydropower) and increased cross border energy trade and connectivity will be important elements for improving regional air quality and limiting emissions growth.

Women and girls are particularly vulnerable to the impacts of water scarcity and related energy and food insecurity (see Box 1).

Despite the importance of these transboundary river basins to the region’s food and energy needs, there is limited regional cooperation on these shared natural resources. While there are bilateral treaties and agreements governing water sharing and infrastructure development between India and Pakistan, India and Nepal, and Bangladesh and India, there are ongoing issues with their implementation. Disputes have arisen around the management of flows and the control and damming of rivers without considering the impact beyond their borders. Without significant action,
these disputes will hinder economic growth and have the potential to be a source of growing tensions in the region.10

- South Asia’s key regional cooperation mechanism, the South Asian Association for Regional Cooperation (SAARC), has facilitated some progress on these issues particularly the signing in 2014 of the SAARC Regional Electricity Trade Agreement. However, SAARC’s effectiveness in forging regional cooperation on water, energy and food security has been undermined by political tension, which has weakened its authority and mandate. There is emerging cooperation at a sub-regional level between Bangladesh, Bhutan, India and Nepal (BBIN).

Box 1: Gender dimensions of water, energy and food insecurity

**Water:** Women and girls are most often the primary users, providers and managers of water in their households and are responsible for health, hygiene and sanitation. In Bangladesh, for example, 89 per cent of water carriers are women.11 Water-related disasters such as floods also have a disproportionate impact on women and girls. Despite this, women have inadequate access, control and voice and agency in relation to water management, including in design and training of new technologies and policies.12 There is a need to move from considering gender equality as a ‘downstream’ issue (ensuring we do no harm), to an upstream issue where activity proactively considers benefitting women – including to allow women to participate in policy dialogue, along with practical actions that improve their lives, their households and their communities.

**Energy:** Women and girls bear the brunt of biomass collection (relied on by 58-89 per cent of the population in the region13) taking time away from education, training and other income generation opportunities, and resulting in negative health effects from indoor pollution from fires and inefficient cook stoves. Energy needs are also linked to gender roles, restricted access to credit and information, place women at a disadvantage in terms of energy access and use.14

**Agriculture:** South Asia is experiencing a ‘feminisation of agriculture’ with an increasing number of women responsible for agricultural production, a result of men leaving rural areas for urban employment opportunities. Women comprise up to 70 per cent of the agricultural labour force in the region, but are 20-30 per cent less productive than male farmers, globally. Access to the productive resources, decision-making and opportunities needed to redress this balance – including extension support and markets – remains disproportionately restricted.15

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13International Energy Agency (2014) World Energy Outlook. The report indicates the percentage of population relying on traditional use of biomass in countries invested in through SDIP as follows: Bangladesh (89%), India (67%), Nepal (80%) and Pakistan (58%). The proportion is greater in rural as compared with urban areas.
14UNDP (2013) Gender and Energy, Gender and Climate Change Capacity Development Series, Asia and the Pacific, Training Module 4
Rationale for Australian engagement

Australia can use its internationally recognised expertise in water basin management, hydropower, and agriculture to provide the building blocks for sustainable regional resource management – through creating new knowledge, building capacity in the region, and encouraging and facilitating evidence based policy and practice.

Few donors support trans-boundary water resource management in South Asia. Focusing at the basin scale leverages Australia’s internationally recognised Murray Darling Basin expertise. Countries in the region, which are increasingly under pressure to address water security issues, are interested in the Australian experience, technical tools and approaches.

Australia also has considerable energy sector knowledge and experience (particularly in photovoltaic power systems and technologies, solar water pumping technology, large-scale grid connected wind and solar power, energy efficiency, and small to medium scale hydropower) and there are commercial opportunities for Australian businesses.

While the South Asia Water Initiative (SAWI, managed by The World Bank and financially supported by the UK, Norway and Australia) does support river basin approaches, including the interlinkages between water, energy and agriculture, it remains strongly focused on water management and does not provide the same opportunity to profile Australia’s expertise. The same assessment applies to the UK’s South Asia Water Governance Program (SAWGP).

Alignment with policies and priorities and other Australian engagement in the region

SDIP2 aligns with DFAT policies and the priorities of the Australian aid program, including:

- The South Asia Regional Development Program Aid Investment Plan 2015-19, which reaffirmed Australia’s commitment to contributing to increased water, food and energy security in South Asia through SDIP over the next four years, focusing on the eastern sub-region of South Asia (Ganges and Brahmaputra river basins).

- The Pakistan Aid Investment Plan 2015-19, which aims to support sustainable economic growth, including through improved water resources management and by addressing energy constraints. SDIP2’s work in the Indus basin will support this objective.

- The Australia Water Partnership, launched in 2015, which brings together public and private organisations from the Australian water sector with development partners in the Indo-Pacific.16

- SDIP2 aligns with Australia’s economic diplomacy agenda and combines our aid and foreign policy objectives. Australia has recognised skills and experience in the focus sectors and, in particular, integrated water management at a basin scale. This provides Australia with both a comparative advantage and valuable entry points to engage with the region and contribute to strengthened practice.

- Addressing region-wide barriers to sustainable economic development will also draw in the overarching priorities of the Australian aid program, including science and innovation-based diplomacy, gender equality and empowering women and girls and facilitating private (water and energy) sector engagement in Australian aid.

- Australia’s Prime Minister was recently announced as one of 10 Heads of State and Government to the United Nations High-Level Panel on Water. Australia’s work under SDIP2 will be a key example of Australia’s efforts to advance the implementation of Sustainable Development Goal 6

(SDG6), which focuses on ensuring the availability and sustainable management of water and sanitation for all.

- The $42 million SDIP2 investment will contribute to the Australian Government’s commitment to spend $200 million annually through the aid program, to build climate change resilience and reduce emissions in developing countries. Addressing climate change is a key cross-cutting objective of SDIP2. SDIP2 capitalises on Australia’s water and agriculture-related climate change expertise through two delivery partners, CSIRO and ACIAR.

**Lessons learned from SDIP1**

As the foundational phase of an intended 12 year investment, SDIP1 focused on establishing systems, processes and relationships. There were many valuable lessons for DFAT and delivery partners in SDIP1 that can be used to inform SDIP2, including:

- Framing SDIP as a 12 year strategy was realistic for the change sought and enabled partners to focus on sustainable change.
- The portfolio approach (including providing earmarked core funding to delivery partners) enabled flexibility and promoted cooperation and collaboration between partners to further make a difference, increasing the yield of the investment beyond individual partner programs.
- Working at basin-scale aligns with Australia’s value add (particularly Australia’s experience in the Murray Darling Basin). The scale and mix of partners supported a focus on the water-energy-food nexus and ensured the forecasting, assessment and modelling of different trade-off scenarios between water-for-energy and water-for-food support a shared (basin scale) evidence base.
- The M&E system was a suitable approach for dealing with complexity but did not always provide the level or timeliness of information needed to inform DFAT and partners. SDIP2 would benefit from more emphasis on partner reporting (focused on results and impact) and strengthening the linkages between partner and portfolio level monitoring, and better reports that meet DFA’s needs.
- Better mechanisms for engaging within DFAT would enhance opportunities for public and economic diplomacy. SDIP delivered some building blocks for longer-term national and regional engagement and cooperation for water, food and energy security offering strategic entry points to advance Australia’s foreign policy and economic diplomacy interests but DFAT could better capitalise on these opportunities.

**Design approach and relevant approvals**

SDIP2 is the second phase of investment under the 12-year Sustainable Development Investment Strategy (SDIS), approved in April 2013. A separate investment concept document was not developed for SDIP2, as the SDIS serves this purpose.

An independent review of SDIP1 (the “SDIP1 Review”) was undertaken in 2015 to inform the design of SDIP2. Annex A outlines how the recommendations of the SDIP Review have been incorporated in this SDIP2 design.

In February 2016, FAS SWD approved the design approach and core parameters for SDIP2, namely:

- The funding arrangements (funding levels from South Asia Regional and Pakistan programs; indicative allocations for partners and the technical advisory team)

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17 Announced at the 21st Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris (30 November to 12 December 2015).

18 Approval to Commence Investment Design and Approach the Market for Phase 2 of the South Asia Sustainable Development Investment Portfolio (SDIP), endorsed 22 February 2016.
• The delivery partners (including approval to conduct a direct grants process based on delivery partners in SDIP1); and
• The SDIP2 program framework, including expected investment outcomes.

Program consolidation was an important consideration in the design of SDIP2, driven by the smaller SDIP2 funding envelope ($42 million, compared with $49 million for SDIP1). The SDIP1 Review assessed four options for consolidation: reducing (i) the number of sectors, (ii) the number of partners, (iii) the geographic footprint, and (iv) the scope of activities undertaken by partners. It concluded that the most viable option would be to narrow the focus of partner activities. The program framework for SDIP2 narrows the investment to focus where there is a concentration of partner activity and evidence of a momentum for change.

Delivery partners were advised of their indicative funding allocations and tasked to develop four-year investment strategies that describe their intended work programs and how these will support SDIP2’s end-of-investment outcomes. The development of the strategies was an iterative process involving engagement from DFAT and SDIP technical advisers. The strategies detail:

• The organisation’s vision and expected results, including the systemic change they are seeking to effect through SDIP2, their proposed work program, and expected results over the four years
• The planned delivery approach, including the type of interventions proposed against the three SDIP2 outcome areas and theory of change
• How the proposed work program will meet the SDIP2 Investment Selection Criteria (which include gender equality and value for money)
• The proposed monitoring and evaluation arrangements
• How Australia’s diplomatic presence could be leveraged to deliver and enhance SDIP investments and, where relevant, progress Australia’s national interest in the region; and
• Key risks to the proposed work program.

DFAT and the technical advisers assessed the final strategies and found them to be appropriate for proceeding to implementation.
**D: Investment Description**

**Expected outcomes**

Australia’s engagement in the region through SDIP seeks to influence long-term strategic improvements in the region’s approach to the integrated management of water, food and energy resources in South Asia, considering climate change and benefitting women and girls.

The SDIP2 Program Framework is summarised in **Table 2** and further detailed in **Annex B**.

<table>
<thead>
<tr>
<th>SDIP Goal</th>
<th>Higher order, broader and long-term impact beyond the 12 year SDIP Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increased water, food and energy security in South Asia to support climate resilient livelihoods and economic growth, benefiting the poor and vulnerable, particularly women and girls.</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SDIP Objective</th>
<th>End-of-strategy (2024)</th>
<th>Improved integrated management of water, food and energy in the major Himalayan river basins – especially addressing climate risks and the interests of women and girls.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SDIP2 Objective</strong></td>
<td>End-of-investment (2020)</td>
<td>Key actors are using and sharing evidence, and facilitating private sector engagement, to improve the integrated management of water, energy and food across two or more countries – addressing gender and climate change impacts.</td>
</tr>
</tbody>
</table>
| **SDIP2 Outcomes** | End-of-investment (2020) | 1. Strengthened practices for regional cooperation  
2. Critical new knowledge generated and used for regional cooperation  
3. Improved regional enabling environment including for private sector engagement. |

**Delivery approach**

DFAT will provide earmarked core funding to delivery partner organisations to progress the overarching goal, objectives and outcomes of SDIP2. Delivery partners are a mix of Australian, South Asian and multilateral organisations; each brings a valuable mix of expertise, experience and credibility in the region. Six out of the seven partners from SDIP1 will be maintained based on strong performance and one new organisation will be added. The seven SDIP2 delivery partners are:

1. Australian Centre for International Agricultural Research (ACIAR)  
2. Commonwealth Scientific and Industrial Research Organisation (CSIRO)  
3. International Centre of Excellence in Water Resources Management (ICE WaRM)  
4. International Centre for Integrated Mountain Development (ICIMOD)  
5. International Finance Corporation (IFC)  
6. World Bank South Asia Water Initiative (SAWI)  
7. The Asia Foundation (TAF) will join SDIP2, replacing CUTS International as the civil society analysis and advocacy partner.

A comprehensive institutional (due diligence) assessment was conducted for partner organisations at the start of SDIP1 to give DFAT confidence that partners (and the overall investment) will deliver as
intended. A due diligence assessment of TAF’s systems and policies has been conducted as part of the DFAT-TAF global partnership.

Delivery partners\(^{19}\) each developed a four-year investment strategy that describes their intended work program and how these will support SDIP2’s end-of-investment outcomes. A summary of partners’ four-year investment strategies is included at Table 3 below and described in more detail (by SDIP2 outcome area) at Annex C.

**Table 3: Summary of SDIP2 partner investment strategies**

<table>
<thead>
<tr>
<th>Partner</th>
<th>Focus of SDIP2 investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ACIAR</td>
<td>Will work towards removing the key constraints preventing the adoption of sustainable intensification/conservation agriculture technologies; specifically focusing on state and national policies on agricultural mechanisation, farm level water use efficiency and green energy.</td>
</tr>
<tr>
<td>2 CSIRO</td>
<td>Will use repeatable, quality assured, evidence-based approaches (modelling and multi-issue analysis) to improve policy development and planning around water and its intersection with issues concerning energy and food security. This will build institutional capacity and support improved regional cooperation.</td>
</tr>
<tr>
<td>3 ICE WaRM</td>
<td>Will design and deliver technical and policy level capacity building programs (including sharing and promoting Australia’s integrated water resources management experience) to strengthen essential skills and knowledge and provide a platform for improved cross-agency/border relationships between current and emerging decision-makers and institutions in the region.</td>
</tr>
<tr>
<td>4 ICIMOD</td>
<td>Will focus on coordinating science, policy and practice to overcome the critical knowledge gaps required for sustainable development of mountain regions; specifically considering upstream-downstream relationships, climate change impacts and adaptation, gender transformative change and the food-water-energy nexus.</td>
</tr>
<tr>
<td>5 TAF</td>
<td>Will contribute to improved regional cooperation on water, energy and food security in South Asia by expanding stakeholder engagements among state, civil society and market actors; providing them with alternative dialogue spaces.</td>
</tr>
<tr>
<td>6 IFC</td>
<td>Will use its technical and transaction expertise to: improve Government process and regulatory requirements for energy sector project development &amp; approval whilst working with the private sector to build capacity to identify and accurately appraise energy and water related projects.</td>
</tr>
<tr>
<td>7 SAWI</td>
<td>Will increase regional cooperation in the management of the major Himalayan river systems in South Asia by (i) informing new or existing bilateral or multilateral governance processes and (ii) facilitating investments secured through bilateral or multilateral governance processes, and improving the quality of planning processes leading to new investments.</td>
</tr>
</tbody>
</table>

\(^{19}\) With the exception of SAWI, which will continue their approved work program from SDIP1 (through a no-cost extension).
Key features and expected benefits of the delivery approach

- Flexible funding allows partners to work where they see the greatest opportunities and momentum for change. DFAT can also leverage their expertise, networks and funding. The approach aims to maximise Australia’s development impact in a region where it is a small contributor relative to other actors.

- Focusing at the river basin scale ensures that the forecasting, assessment and modelling of trade-off scenarios (between water-for-energy security and water-for-food security) captures all upstream/downstream considerations, supporting more sustainable resource allocation. Countries in the sub-region are increasingly engaging with the concept of a basin scale approach, but this has not yet translated into policy practice. SDIP2 will continue work on the shared production of basin scale models and scenario planning to increase the transparency of data and support robust policy development.

- Interventions target the national and sub-national building blocks that can influence and facilitate long-term regional cooperation.

- Working in genuine partnership with delivery organisations mitigates risks, promotes strong collaborative relationships, and supports institutional strengthening of partner organisations. Existing partnership agreements with delivery partners will be reviewed and updated and a new partnership agreement will be developed to support the relationship between DFAT and TAF on SDIP2.

- The approach enables Australia to engage with the region by deploying technical expertise, and creating opportunities for Australia to work with coalitions to influence the region’s approach to integrated water, energy and food resource management.

- Working as a portfolio of partners fosters collaboration between partners in delivery of SDIP2 outcomes – thereby potentially enhancing the program’s achievements and impact. SDIP2 partners in their four year investment strategies were asked to specify collaboration plans and opportunities. The portfolio M&E will capture the difference made/value-add of working as a portfolio of partners.

SDIP related public and economic diplomacy efforts

SDIP2 will have a greater focus on realising public and economic diplomacy outcomes. SDIP1 provided significant engagement with relevant water and energy Ministries, particularly for Kathmandu, New Delhi and Islamabad Posts, including through keynote addresses at government and public events and Ministerial level meetings. While the primary objective of SDIP is to improve the management of regional resources to support sustainable development and economic growth, SDIP1’s engagement of Australian expertise in the region has also served to build Australia's profile, particularly in the water sector, increasing the opportunity for commercial outcomes for Australian entities. DFAT will continue to work closely with Austrade in SDIP2 to support commercial outcomes for the Australian private sector.

SDIP2 provides an opportunity to deepen existing relationships as well as providing for greater engagement by Dhaka Post (particularly with some partners proposing to expand their engagement in Bangladesh under SDIP2). The SDIP2 management team will support Posts to enhance their engagement on food, water, energy policy issues.

Financial resources

SDIP2’s proposed funding (by Program Fund and by delivery partner) for SDIP2 is outlined in Table 4 and Table 5. These funding allocations were endorsed by FAS SWD in February 2016 and take into account factors including: the program outcomes; Australia’s comparative advantage; the performance of partners in SDIP1 (including value for money); the type of work the organisation undertakes and the value they can add to SDIP2 including for economic diplomacy; the geographic focus of partner work programs; absorptive capacity; and other DFAT investments.

As for SDIP1, the largest share of SDIP2 funding is directed to the water sector, as this is where Australia has the greatest comparative advantage. In SDIP2, the focus on the energy sector has increased due to the growing importance of energy as a regional issue in South Asia, close links to
water resources (e.g. in hydropower generation), and strong performance by IFC in SDIP1. Based on the recommendations of the Independent Review, the agriculture sector work has been repositioned in SDIP2 to focus on food systems policy work, rather than large-scale field research and agricultural extension work; this work will require less funding than the agriculture sector work in SDIP1.

To ensure SDIP2 engagement in Pakistan is proportional to the Pakistan program’s co-funding of the investment, partners will be directed to spend around one-third of their funding in the Indus Basin (focusing on Pakistan). This funding split has been built into partner investment strategies. The exception is ACIAR, as the Pakistan program separately funds an ACIAR investment.

The remaining two-thirds of funding will target the eastern sub-region of South Asia (i.e. Ganges and Brahmaputra basins) consistent with the geographic focus of the South Asia Regional program, as described in the program’s AIP.

### Table 4: SDIP2 funding sources

<table>
<thead>
<tr>
<th>Program Fund</th>
<th>Available funding (AU$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016-17</td>
</tr>
<tr>
<td>RS1</td>
<td>8.75*</td>
</tr>
<tr>
<td>PK1</td>
<td>2.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10.75</td>
</tr>
</tbody>
</table>

* $3 million will come from a transfer of unspent funds from the Bangladesh Climate Change Resilience Fund, a multi-donor trust fund with the World Bank. This will be considered IFC’s first (2016-17) tranche under SDIP2.

### Table 5: Proposed funding allocations

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Funding (AU$ million) 2016-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICIMOD</td>
<td>7.0</td>
</tr>
<tr>
<td>SAWI**</td>
<td>0.5</td>
</tr>
<tr>
<td>IFC</td>
<td>12.0</td>
</tr>
<tr>
<td>TAF</td>
<td>1.5</td>
</tr>
<tr>
<td>ICE WaRM</td>
<td>2.0</td>
</tr>
<tr>
<td>ACIAR</td>
<td>6.0</td>
</tr>
<tr>
<td>CSIRO</td>
<td>9.0</td>
</tr>
<tr>
<td>Technical assistance &amp; program management</td>
<td>4.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>42.0</strong></td>
</tr>
</tbody>
</table>

** SAWI engagement will be maintained through a no-cost extension based on SDIP1 funding. A small level of funding has been allocated in 2019-20, to ensure Australia can engage should a third phase of SAWI eventuate.
SDIP management and governance arrangements

SDIP2 will be led by the South Asia Regional section (SRG) in Canberra, supported by New Delhi and Islamabad Posts. DFAT will also be supported by a technical advisory team. SDIP2 will require SES1 oversight from Canberra and senior engagement from New Delhi and Islamabad posts to ensure that Australia optimises economic and public diplomacy opportunities.

The Pakistan Bilateral Program is investing $11 million in SDIP2 and is accorded a special role in program governance arrangements. The Pakistan Program will work collaboratively with the South Asia Regional section (SRG) in shaping the strategic direction and assessment of SDIP2. While not co-investing in SDIP2, the Nepal and Bangladesh programs and posts see SDIP providing public and economic diplomacy opportunities which could be capitalised on. Kathmandu and Dhaka posts will action these opportunities and support SDIP implementation as able within resources.

SRG Canberra is accountable for overall SDIP2 strategic direction and program management. SRG will be the SDIP coordination and communication point for DFAT and lead on M&E, partner and adviser contracts, work plans and performance, and any in-Australia SDIP-related representative work (except when it relates to Pakistan).

New Delhi Post is the in-region liaison point for SDIP and supports strategy and provides SDIP-related analytical reporting and communications to Canberra and advisers. It also leads on SDIP representational matters in-region, keeping India, Bhutan, Nepal and Bangladesh Posts appropriately briefed (it does not engage in representational matters related to Pakistan).

Islamabad Post will lead Pakistan and Indus-level engagement with SDIP2 partners and advisers; be the primary point of contact with Government of Pakistan and undertake all representational matters; and identify public and economic diplomacy opportunities for Australia in Pakistan. The Pakistan Program can draw on SDIP adviser support commensurate with its financial contribution. Islamabad Post will also provide regular analytical reporting and communications to SRG/advisers/New Delhi Post on SDIP2 issues and themes to inform overall SDIP program strategy and assessment.

These governance arrangements will be reviewed by SRG and the Pakistan program in December 2016 to ensure they are fit-for-purpose.

Specific staffing requirements to manage SDIP2 are expected to be:

- Canberra (South Asia Regional): 1.8 FTE
- Canberra (Pakistan): EL1 0.25 FTE
- New Delhi: EL1 0.25 FTE; LES6 0.5 FTE
- Islamabad: EL1 0.1 FTE

Posts are aware that DFAT’s engagement on SDIP economic and public diplomacy activities is likely to go beyond this core staffing profile at certain points.
**Technical advisers**

Technical Advisers, working to a Lead Adviser, will support DFAT’s implementation of SDIP2. The technical advisers will be sought through the Aid Advisory Services Panel to provide expert inputs in the areas of gender; water resources management; energy and climate change; food security; monitoring and evaluation; and partnerships. DFAT’s Senior Water Resources Specialist will also be a key source of technical support to the SDIP.

Technical advisers will have the following responsibilities:

- Keep abreast of sector issues in the region through: liaison with SDIP partners and other key (related) actors on partners’ work and its positioning in the region, in the context of where the momentum for change is most active. This work will identify opportunities for streamlining, linkages and/or collaboration; will guide and support partners; and identify/shape policy influencing and economic/public diplomacy opportunities for DFAT.
- Support DFAT’s engagement with partner governments and the economic and public diplomacy opportunities arising from SDIP partners’ work and/or related to it. This includes the provision of regular updates to relevant Posts and analytical, policy and technical support to both Desk and Post both in response to requests but also proactively to build capacity and seize opportunities.

A set of protocols to guide engagement between the technical advisers and DFAT Posts will be developed in the first three months of SDIP2. A similar set of protocols will be established to guide partner engagement with Posts.

**Annual Dialogue**

DFAT will host an Annual Dialogue for the following purposes:

- to support the information needs of the portfolio-level M&E system;
- to allow for partner dialogue and knowledge exchange to advance partner cooperation; and
- to provide a knowledge/promotional event for DFAT to identify diplomacy opportunities.

**Relationship with other Australian water engagement in the region**

The South Asia water space is complex and the needs are substantial. Australian water expertise is deployed in the region in multiple, diverse endeavours, and through three main ways: SDIP; state government/university/NGO/private sector arrangements; and since 2015 via the Australian Water Partnership (AWP).

The AWP provides partner governments and agencies the opportunity to access Australian water expertise via a single point. Two SDIP partners (ICE WaRM and CSIRO) are also AWP members. Given there are various ways that generate opportunities (via SDIP or AWP), three SDIP-AWP operating protocols have been developed to ensure effective coordination:

1. SDIP partners will inform AWP when undertaking activities that may benefit from broader Australian engagement such as facilitating technical or high level policy visits to Australia and seek AWP comment or input as required. Any adjustments to the proposed activity would be at the discretion of the SDIP partner. As appropriate, SDIP partners would work with AWP to communicate with the broader Australian water sector.

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20 Advisers will each work with specific partners to ensure a constant flow of information and understanding of partner activities. All advisers will be responsible for promoting the nexus; the integration of gender equality and women’s economic empowerment; and for seeking out Australian eco/public diplomacy and policy influencing opportunities.
2. Where AWP identifies an existing, new and emerging opportunity that strongly aligns with SDIP partner activities and agendas, AWP would inform the SDIP partner, as well as relevant country posts and desks, with a view to responding to the opportunity through SDIP activity, with or without supplementary AWP support.

3. Where SDIP partners identify new and emerging opportunities outside of their SDIP mandate, the SDIP partner would be free to pursue, but encouraged to inform AWP, including to seek support as an AWP member and to ensure other Australian interests are able to participate appropriately.

**Monitoring and Evaluation (M&E)**

The SDIP2 M&E system tracks performance against the SDIP2 Framework (goal and objective, expected outcomes, and cross cutting issues (as captured in the Investment Selection Criteria)). It does this at two interacting levels – partner and whole-of-investment (portfolio) levels. The core components of the M&E system are as follows:

**At Partner Level:**

1. Partners are responsible for monitoring their own SDIP2 supported work programs with an increasing emphasis on outcomes-level monitoring.

2. Partners will report annually on progress against the three SDIP2 outcomes as per their four year investment strategies. In these reports partners will also be required to evidence:
   - The extent to which they have incorporated the cross cutting considerations articulated in the investment selection criteria; and
   - The extent of their institutional strengthening as per key agreement conditions (e.g. addressing gender in their own institutions, systems and processes).

3. Partner systems and reporting will also contribute data and information to the M&E Adviser for portfolio-level monitoring.

**At Portfolio Level:**

4. The portfolio level monitoring and reporting (Annual Review Report) assesses whether there has been change at the SDIP objective (and goal) level and whether the portfolio can reasonably attest contribution and the extent of the value add from the partnership and portfolio approaches.
   - It monitors a set of specific areas of change (“domains of change”) that partners, DFAT and the M&E Adviser have collectively identified as preconditions to progressing the goal, objective and outcomes of SDIP2.
   - Nine of these domains, reflecting a concentration of partner activity and engagement were selected for the focus of portfolio monitoring in SDIP1. Each domain has four indicators of change, one of which will address gender equality or women’s economic empowerment considerations ensuring a consistent focus on gender outcomes across SDIP2.
   - The M&E Adviser will also monitor and report (at the aggregate level):
     - The extent of institutional strengthening and organisational change in implementing partner agencies as per their agreement conditions and beyond;
     - The extent to which the investment selection criteria have been demonstrated; and
     - The extent to which DFAT as an implementing partner has reoriented from activity level management and focus to more upstream considerations - such as leveraging the entry points provided by the partner interventions for public and economic diplomacy opportunities and policy influencing.

5. Finally, a biennial tri-Basin-level ‘snapshot’ report that assesses and describes the overall change, informed by the macro-level trends and political economy of the sectors (water, energy, agriculture) will be produced as a learning and orienting tool for partners.
Monitoring & learning approaches

6. The contribution to the domains of change and the value-add of the partnership and portfolio approaches are captured through:
   - The Annual Dialogue;
   - Annual partnership health check processes;
   - The SDIP2 results framework monitoring by the M&E Adviser
   - Partners’ annual reports; and
   - Partners’ own M&E systems.

These processes also seek to enhance learning and performance as they provoke reflection on where and how change is happening in relation to the SDIP goal and objective. This helps partners more effectively (individually and collectively) position themselves to the context.

Implementation Approach and Resourcing

Early in SDIP2, DFAT, the M&E Adviser, other technical advisory team members and partners will review the selected domains from SDIP1 to recalibrate the domains (if required), confirm the baseline for each domain and develop the SDIP2 results framework. This will also include measures for tracking the extent of the value-add of the partnership and portfolio processes.

The cost of monitoring inputs for SDIP2 is estimated at around 1 per cent of investment costs. This does not take into account the time implementing partners spend on their own (activity level) approach to M&E, or the time partners spend in participating in portfolio M&E processes.

Evaluation

The monitoring system will provide a platform for evaluation activities to be designed (on a needs basis) and resourced during SDIP2. The system will also support an end of phase (summative) evaluation in 2020 as well as continuing to build the evidence base to support a final impact assessment of the 12 year strategy. Opportunities for shared learning through evaluation with SAWGP and other externally funded interventions will be identified and pursued in SDIP2.

Gender equality and women’s economic empowerment

Gender equality will be promoted through partners’ programs against SDIP2 outcome areas and through continued institutional strengthening of partner organisations.

Gender equality and women’s economic empowerment are integrated into partners’ four-year investment strategies and proposed activities. Partners are engaging at different levels (national, sub national, regional) and multiple entry points (policy, technical support, institutional capacity building). This offers many different points at which to engage on gender issues and is itself a risk mitigation strategy by DFAT given we are operating a region where gendered discrimination and disempowerment are deeply embedded in many aspects of society. Gender analysis, advocacy and engagement with civil society will also be strengthened by the inclusion of TAF as the civil society partner for SDIP2.

Against each of the SDIP2 outcomes, DFAT expects to see activities that integrate a gender responsive perspective and progress in gender equality and economic empowerment. Some examples would be:

Outcome 1: Strengthen mechanisms for regional cooperation

1. Increased participation by women in key forums and the differing impacts in respect of gender factored into policy discussions
2. Increased opportunities for civil society, including women’s groups, to engage in policy dialogue
3. Regional disaster risk reduction strategies and early warning flood systems increasingly accommodate and directly address the differential impacts and needs of women and men
Outcome 2: Critical new knowledge

4. A gender lens is applied to knowledge products generated by partners
5. Progress in addressing gender related gaps in current knowledge and approaches e.g. developing basin-wide knowledge systems that are gender responsive and can provide development solutions for empowering women and disadvantaged groups
6. Ensuring the collection of sex disaggregated data, helping to address the paucity of such data in the region

Outcome 3: Improved enabling environment

7. Improved resource management contexts from national through to municipal levels increasingly address women’s unique needs in terms of access to water and energy especially for agricultural (food) purposes
8. Gender is meaningfully considered and increasingly incorporated in the development of water, food systems and energy policies and regulations at sub-national, national and regional levels.

In SDIP2, gender equality and economic empowerment will also be prosecuted through partners’ influence and capacity to innovate and share learning. Building on the significant progress under SDIP1, we expect to see a deepening of the institutional uptake of gender issues in partner organisations and for this to translate to influence on their own partners and networks. SDIP partners are respected and well connected in the region, engaging with decision makers, planners and policy influencers. As confidence and capacity increases, partners will increasingly use the opportunities these relationships provide to find entry points to engage on gender, e.g. integrating gender into science and management tools, pathways for inclusion in technical and policy forums.

These issues are indicative examples of expected efforts on gender, and in SDIP2 partners will be directed to consider how to shape their work to support women’s voice and agency. A focus on gender equality will be maintained in SDIP2 through: partners’ grant agreement conditions; the work of the technical advisers; discussions on gender equality at the Annual Dialogue; and seeking information on progress through annual reporting.

Sustainability

SDIP’s overarching 12 year timeframe enables sustainability by supporting partners to address long-term complex issues.

Beyond Australia’s funding, SDIP outcomes will be sustained by investing in local partners, aligning investments with local development priorities, and further strengthening partner systems. SDIP is building the capacity of technical and political cohorts of relevant agencies in the region stemming from requests by governments, and these requests are often embedded in formal government-to-government agreements. This ensures sustainability through the accumulation of technical knowledge, capacity building and decision-making capability for senior technocrats who will be familiar with and understand the value of river basin scale models and scenarios for policy making. To further ensure buy-in from partner governments in SDIP2, partners have been required to demonstrate they have the necessary government support and permissions to implement their four-year strategic investment proposals.

TAF’s engagement in SDIP2 will bring a deeper political economy focus to SDIP2, enhancing partners (particularly Australian) understanding of the local context so as to achieve greater regional ownership of SDIP outcomes, which in turn will advance more effective interventions by SDIP2 partners.

Furthermore, SDIP2 outcomes will be sustained by increasing engagement with the private sector. IFC will continue to seek to draw significant international finance to Nepal and Pakistan’s hydropower sector. In agriculture, ACIAR’s scaling out of SDIP1 outcomes will include greater private sector engagement as well as being supplemented by new policy work on value chains and barriers to greater private sector engagement.

Climate change will continue to be a key cross cutting aspect of the work of all SDIP2 partners, helping to ensure benefits achieved as a result of this investment are resilient to the impacts of changing climatic conditions. For example, climate variability will be considered in ACIAR agriculture field trials and CSIRO water modelling scenarios, while ICIMOD and SAWI work on flood warning systems will directly improve the resilience of men and women.
Disability inclusiveness
Through the up-front due diligence process at the start of SDIP1, DFAT determined that delivery partners had appropriate policies and frameworks in place in relation to disability-inclusiveness. In SDIP2, DFAT will share the disability strategy for the aid program with all SDIP partners and remind partners of their obligation to address disability inclusion. Partners will also be required to report annually on the extent to which their work programs have identified and addressed barriers to inclusion for people with disabilities.

Private sector engagement and innovation
Private sector engagement is an important element of SDIP2’s delivery strategy and several partners are using the private sector to deliver elements of their programs. The private sector has always had a high level of engagement in the South Asian agriculture sector; but traditionally, this has not been the case in the water and energy sectors. In these sectors, government owned entities have generally dominated the supply, distribution and marketing of water and energy. While water is expected to remain a largely government dominated sector for the foreseeable future, the private sector will play a more significant role in the production and distribution of energy.

SDIP2 is specifically targeting an increased role for the private sector in improving energy security and enhancing regional cooperation in energy. Around 80 per cent of IFC’s investment portfolio under SDIP is specifically directed at increasing private sector engagement in the energy sector. A key focus of the investment in Nepal and Pakistan is to assist corporate hydropower developers to bring new capacity and capital into the sector that will strengthen the emerging cross-border electricity trading market with India and Bangladesh. IFC is:

- working as the interface between the Nepal energy authorities and private sector developers to ensure that sound investment proposals are developed and planned projects meet world’s best practice in terms of social and environmental standards (essential for attracting international finance).
- working with the private sector to develop equipment supply chains and service support capabilities to provide basic energy services to poor rural households independent of government schemes and subsidies.
- working across the textile and cement industries to assist producers to increase their economic competitiveness through more efficient use of both energy and water.

In the agriculture sector, ACIAR is developing innovation platforms that link private sector equipment and service providers to farmers as a means of developing more productive and modern farming systems that can assist in maintaining regional food security. The level of private sector engagement in the water sector is less evident, but SDIP partners (CSIRO, SAWI and ICE WaRM) do use private sector service and equipment suppliers to deliver aspects of their work programs.

SDIP is an innovative approach to development in a large and complex region in which Australia is a relatively small player. Supporting a portfolio of partners, engaging at multiple levels, provides a variety of entry points for DFAT to engage in the region. Flexible funding allows partners to trial new approaches and to collaborate with other SDIP partners, creating opportunities to share learning and enhance creative thinking and innovation through the exchange of ideas and joint projects. The success of these previous collaborations will encourage further exchanges and collaboration between partners in SDIP2, fostering innovation in programs and institutions.

Partner government approvals
Partner government endorsement for interventions will be sought as needed at the individual partner activity level. In some cases, this endorsement already exists: such as through the Australia-India MOU on Water Resources Management. Partners have described the permissions they have (or plan to obtain) in their four-year strategic investment proposals.
Risk management plan

Investing in South Asia involves a significant amount of risk. The region is prone to natural disasters, political tensions; conflict-affected areas (e.g. North-East India), and longstanding border-based disputes. SDIP2 partners will need to tread carefully in their engagement with both the private sector and local communities. SDIP is seeking to make progress against some challenging and long term issues, in a complex operating environment where many different factors (not under DFAT’s control) have the potential to influence change. The key risks identified for SDIP2 are (i) the operating environment and (ii) that the Australian investment will not achieve its intended results.

These risks will be addressed by continuing to invest in SDIP1 partners experienced in the operating environment and with established relationships and platforms with governments and key stakeholders. Partners will continue to receive targeted core funding giving them the flexibility to adapt and reorient programs in response to changes in context. A revised program framework has been developed, articulating a realistic set of SDIP2 outcomes based on areas where partners have been active and making progress under SDIP1 and there is momentum for change. Partners have been tasked to develop four year investment strategies, outlining expected end of SDIP2 outcomes and their proposed approach. Risk will be monitored and managed at the portfolio level through the Annual Dialogue, technical advisory team and partnership agreements. The partnership approach adopted under SDIP1&2 also supports high levels of trust and communication between partners and DFAT, so that any realised risks are identified early and dealt with collaboratively. At the activity level, partners will continue to maintain risk registers for their individual programs.

A full risk matrix is included at Annex E. In accordance with the DFAT Guide to Better Risk Management, the risk matrix will be reviewed and updated quarterly.

Safeguards

Through the up-front due diligence process at the start of SDIP1, it was determined that all delivery partners have appropriate policies and safeguards relating to environment, gender, child protection and displacement. New SDIP partner, TAF, had a similar due diligence assessment performed as part of the DFAT-TAF global funding agreement.

The development of hydropower in support of SDIP2’s energy sector objective could raise safeguard risks relating to potential displacement and resettlement and environmental impact. The risk is low, but would have major consequences. SDIP’s energy partner, IFC, is well placed to mitigate this risk. A focus of IFC’s support to the Nepal and Pakistan governments in bringing medium-scale hydropower to fruition is the revision of the regulatory framework, including Environmental Impact Assessment guidelines and the development of robust environmental and social regulatory standards. In addition, ICIMOD is planning research on the impact of climate change on hydrological regimes and potential risks for hydropower and how these could be factored into current environmental assessment norms.

F: Annexes

A. SDIP1 Review: Summary of findings and recommendations
B. SDIP2 Program Framework
C. Summary of expected partner investments by SDIP2 Outcome area
D. M&E Framework
E. Risk Matrix
Annex A

Independent review of the Sustainable Development Investment Portfolio (SDIP):
Summary of key findings & recommendations, November 2015

Background
The following summary outlines the key findings and recommendations of the independent review of the first phase of the Sustainable Development Investment Portfolio (SDIP). The review was conducted by Dr Jim Woodhill, DFAT’s Principal Sector Specialist for Food Security and Rural Development, from May-November 2015. Dr Woodhill has an extensive background in applying systems thinking and participatory learning approaches to complex development issues and a background in multi-stakeholder and dialogue processes, facilitation, institutional development, value chain analysis, monitoring and evaluation, capacity development, complexity and systems thinking. The review comprised a review of key documents; interviews with partners, advisers and key stakeholders and participating in the 2015 Annual Dialogue. The review was also informed by a separate appraisal of the monitoring and evaluation system by an independent specialist, John Winter.

The review considered:
1. The achievements of the program against expectations for the end of SDIP1 and SDIP’s objectives for longer term systemic change at regional scale
2. Assessment of the utility of the portfolio approach
3. How to deliver the SDIP with a smaller financial footprint in the future years in reference to sectors, partners, geographic zones or areas of engagement
4. Possible efficiencies and enhancements to program governance; and
5. The value-add of SDIP to bilateral activities/programs and how this could be improved.

Key findings and recommendations of the Review

Scope and focus

- The review found SDIP is well established and is delivering on expectations for its first two years of implementation.
- SDIP partners’ have established substantial programs of work across the three basins and there is clear evidence of partners delivering outputs aimed at contributing to the overall SDIP objectives.
- The goals and objectives of SDIP continue to align well with the regional context, Australia’s new aid policy, regional bilateral engagement objectives and an integrated approach to Australia’s diplomatic, development and trade interests. However, in the context of a reduced budget for the South Asia Regional program, the scope of the SDIP’s objectives and the breadth of partner activities may need to be reassessed for Phase 2.
- Interviews with DFAT’s Heads of Mission and posts revealed strong support for SDIP’s strategic intent. It is seen to be a good example of how Australia’s diplomatic; aid and trade agendas can be integrated. In Phase 2, better mechanisms need to be developed for engaging and informing bilateral programs and overseas missions to foster ownership and commitment.
- The regional nature of water, food and energy interactions and the implications for policy and the longer term efforts of SDIP need to be more explicit in Phase 2. A distinction between “transborder resource management” and “regional cooperation” should be made to sharpen the focus of SDIP and ensure a sound underlying theory of change to guide the portfolio and partners.
- To accommodate a smaller SDIP funding envelope in Phase 2, options include reducing the number of sectors, the number of partners, the geographic footprint and the scope of activities undertaken by partners.
  - SDIP is premised on the linkages (nexus) between water, energy and food that affect regional security and trade relations and have consequences for poverty alleviation. While partners’ understanding of, and work on “nexus” issues is just starting to emerge, partners and all consulted in the review retain strong support for the principle. The review therefore concluded that there is no sound rationale for cutting sectors.
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- SDIP gains its strategic regional value by engaging in all three basins and SDIP partners have established substantial programs of work in each of the basins. The review recommends maintaining the current geographic scope.

- Considering the above, the most viable option is to cease funding partner activities that are less aligned with regional cross-border cooperation objectives of SDIP. DFAT will also need to lower expectations about the scale and pace of the impact from SDIP.

- The review found that partners have valued the emphasis on integrating gender into their activities and that active consideration of gender in all aspects of SDIP’s work is evident. The strong focus on gender should continue in Phase 2, with consideration of gender issues incorporated into all aspects of the program: adviser terms of reference, partner health checks, Annual Dialogue, partner and portfolio monitoring and evaluation processes.

- The long term success of SDIP will hinge on the degree to which it is owned by regional partners and stakeholders. Consideration needs to be given to ensuring SDIP is not too outsider/Australian driven. The annual dialogue is a valuable mechanism for partner sharing, learning and fostering an SDIP ‘community’. Rather than focusing on ‘big’ picture issues, the Annual Dialogue could be more shaped around the direct work of partners and used as an opportunity to maximise participation and ownership from regional partners.

**Monitoring and evaluation**

- The program and the context in which it is operating is complex and considerable thought and effort has gone into the monitoring and evaluation (M&E) system. The strategy of an overall portfolio approach combined with partner reporting is sound.

- The current M&E system is complex and adjustments will need to be made to ensure the system is well connected to partners and can provide information that is useful to key users including DFAT and SDIP partners. Given the limited scale of SDIP relative to other activities in the basins and the region and the likelihood of reduced funding for the next phase, assessing change in the wider system to trace the impact of SDIP may be less relevant. Rather, capturing changes that flow from the direct work of partners may be sufficient.

- There is a need to review, simplify and more clearly articulate the change pathway framework, complemented by an explicit theory of change for SDIP. Currently, the articulation of the linkages between food, energy and water is limited and many commonalities across sub domains could be (but have not been) clustered. The causal/influence linkages between the different levels of the framework are not well developed. A program theory of change that sits between the theory of engagement maps and the portfolio goals and objectives would help simplify and improve the overall framing and explanation of SDIP.

- Seven areas of focus could be drawn from the current sub-domains of change and overall objectives of SDIP:
  
  i. **Knowledge**: scientific knowledge base about the status and trends in water, food and energy and the sharing of data.

  ii. **Dialogue**: effective formal and informal forums for all stakeholders

  iii. **Policy**: the implications/problems of existing national and local policy for improved resource management and feasible alternatives.

  iv. **Voice**: ensure all stakeholder groups, particularly the poor and vulnerable have the means to express their needs and concerns

  v. **Markets**: creation of innovative market mechanisms that can drive growth and appropriately value natural resources.

  vi. **Capability**: of government agencies, research institutions, civil society groups and businesses to understand/engage in the scientific, political, economic and policy aspects of cross-border resource management.

  vii. **Trans-boundary mechanisms**: formalised mechanisms will be needed to underpin negotiations and agreements on cross-border resource management.

- It is not always clear what is being delivered with SDIP resources and to what extent planned activities have been delivered. Without undermining the partnership and portfolio approach, the M&E system needs to place a greater emphasis on what partners are doing, delivering and influencing. There needs to be more rigour in how partners plan their SDIP-supported work to align with SDIP objectives, and how they report on achievements and outcomes (particularly on the influence of partners’ work (outcome, impact mapping)). To
support this, the annual cover briefs should clearly outline the activities undertaken with SDIP resources and how these contribute to the overall objectives of SDIP. Partners should also consider developing their own theory of change as to how their work is contributing to SDIP’s objectives.

- The results portal should be trialled for the remainder of SDIP1 and, in close consultation with partners, its usefulness assessed before continuing in SDIP2.
- The achievements of SDIP should be more actively publicised and promoted in SDIP2.

**Governance**

- The governance and management arrangements (DFAT, supported by technical advisers) are working well and have been effective in mobilising the program.
- The adviser network and partnership process has been key to the effectiveness of SDIP’s approach.
- There will be an increased need to respond strategically to emerging issues and opportunities that influence the direction and effectiveness of partners’ work and the overall portfolio. This will require a more in-depth understanding of the full portfolio of activities undertaken by partners. A lead adviser role is recommended to coordinate the work of the advisers and draw together their collective knowledge of the portfolio and provide strategic guidance to DFAT and partners. Given the prominence of the water sector, Phase 2 would benefit from a clearer definition of roles for the water adviser. Adviser support for the agricultural sector should also be considered.

**Alignment of partner work programs with SDIP objectives**

The review provided a general assessment of the alignment of partner work programs with the current and likely SDIP Phase 2 objectives. This assessment was based on interviews and information available in the cover briefs. Recommendations were given for consideration in the design of Phase 2, taking into account the reduced funding situation.

For individual partners, the specific implications of the review and the design parameters for Phase 2 will be discussed on a bilateral basis in the context of the design for SDIP Phase 2.

In broad terms, the review’s recommendations for enhancing partner performance in Phase 2 covered the following:

- Better aligning activities with the cross-border objectives of the SDIP
- Increasing the focus of work on strategic policy and institutional issues and working closely with regional players on multi-stakeholder dialogue processes
- Developing a clear theory of change for how the work of partners contributes to the SDIP goal and objectives
- Clearly articulating investment priorities and refining these over the program duration, including a clear strategy and explanation of how partner activities are contributing to long-term change
- Ensuring full engagement by all partners in the partnering and portfolio approaches
- Ensuring work is demand-driven and tailored to the needs and capacities of regional partners
- Ensuring there is a full understanding of geo-political processes sensitivities around cross-border management of resources and the implications for partnerships and policy dialogue processes
- Being explicit about how SDIP funding is being directed, including articulating how the activities are providing value for money
- Strengthening emerging linkages between SDIP partners
- Checking and demonstrating that modes for engaging the private sector are effective and articulating how activities are creating the conditions for new markets and investments; and
- Clarifying the role of advocacy work in the SDIP and how this can enhance the work of SDIP partners.
### Key recommendations

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<th>Key recommendations</th>
<th>How incorporated in SDIP2 design</th>
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<td>1. Retain the integrity of SDIP 1 (three basins, three interlinked sectors of water, energy &amp; food security) but ensure a stronger focus by partners on interventions that are more clearly aligned with the regional cross-border cooperation objectives of SDIP.</td>
<td>Partners have been tasked to develop four year investment strategies, outlining their proposed approach and end of SDIP2 outcomes. The strategies are guided by a set of investment selection criteria including a requirement to focus on issues constraining regional cooperation in the management of water, energy and food resources.</td>
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<td>2. Review, simplify and more clearly articulate the change pathway framework, and complement with an explicit theory of change for SDIP.</td>
<td>A revised program framework has been developed, articulating a realistic set of SDIP2 outcomes based on areas where partners have been active and making progress under SDIP1 and there is momentum for change.</td>
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<td>3. Ensure DFAT takes advantage of the strategic entry points generated by SDIP2 to advance Australia’s foreign policy and economic diplomacy.</td>
<td>SRG &amp; New Delhi Post will support Posts to engage on policy issues relating to water, energy and food. Pakistan program will deepen its engagement, with Islamabad post leveraging SDIP in its foreign and public diplomacy efforts. SDIP partners investment strategies also considered public diplomacy opportunities.</td>
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<td>4. Place a greater emphasis on what partners are doing, delivering and influencing and capturing the changes that flow directly from partners’ investments.</td>
<td>Partner investment strategies provide an outline of proposed approaches and investment. A revised annual report template will ensure a greater level of detail is captured and partner level and portfolio level monitoring will be more strongly linked.</td>
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<td>5. Clarify the role of advocacy work in the SDIP and how this can enhance SDIP and the work of SDIP partners.</td>
<td>A new civil society analysis and advocacy partner, the Asia Foundation (TAF), has been selected. TAF has an existing body of work in the region supported by the DFAT-TAF global partnership.</td>
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<td>6. Maintain but restructure the adviser model with a lead adviser and additional technical support for water and food security.</td>
<td>A lead adviser will be appointed to coordinate the work of the advisers (including a food security adviser) and provide strategic guidance to DFAT and partners. SDIP2 will also draw on the expertise of DFAT’s Asia-based Senior Water Resources specialist.</td>
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### SDIP2 Program Framework (Revised Post Peer Review at M&E Design Workshop on 5 July)

#### SDIP Goal:
Increased water, food and energy security in South Asia to support climate resilient livelihoods and economic growth, benefiting the poor and vulnerable, particularly women and girls.

NB: The SDIP Goal relates to a higher order, broader and longer term impact beyond the 12 year SDIP Strategy 2012-2024. It anchors the SDIP within the overall development goals of the countries/region and the political/policy setting of Australian engagement.

#### SDIP Objective - End-of-Strategy (2024):
Improved integrated management of water, energy and food in the major Himalayan river basins – especially addressing climate risks and the interests of women and girls.

#### SDIP Objective - End-of-Investment (2020):
Key actors are using and sharing evidence, and facilitating private sector engagement, to improve the integrated management of water, energy and food across two or more countries - addressing gender and climate change impacts.

#### SDIP2 Outcomes (2020)

1. **Strengthened practices for regional cooperation:** operating at a regional, national and/or sub-national level in the sub region.

2. **Critical new knowledge generated and used for regional cooperation:** within the priorities acknowledged by regional forums, governments and national bodies and addressing said knowledge gaps through science and/or well evidenced and reflective practice.

3. **Improved regional enabling environment including for private sector engagement:** within the policies, regulations, market systems and investment conditions for cross border management of shared water, food and energy resources.

Evidence of outcome level change and SDIP’s contribution to this will be principally assessed through the domains of change where the portfolio is invested/ is investing in SDIP2 detailed below:

- [proven at scale] Practice models for cross-border water resource management
- Information Management Systems [within and between mandated organisations] for effective climate change responses.
- Data and modelling capacity to facilitate Integrated water resource management (IWRM)
- Public Private Partnership (PPP) Capacity: for energy generation
- Collaborative structures for sustainable agriculture
- [increasing] Knowledge base: grid and off grid approaches to energy access.
- [increasing] Knowledge base: Water needs for agricultural production and energy generation
- [increasing] Knowledge base: energy efficiency standards
- Enabling environment: IWRM investment
- Enabling environment: Energy investment (production and efficiency)
- Enabling environment: food systems knowledge and extension
- Market supply chain: inputs/products
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<th><strong>SDIP2 Investment Selection Criteria</strong></th>
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<td>DFAT invests in Partners that have capabilities aligned to SDIP Goal, Objective and Outcomes. SDIP Partners must ensure that their investment choices meet the selection criteria. All Partner investment choices must demonstrate:</td>
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<td><strong>1.</strong> That they address:</td>
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<td>• The Phase 2 objective and outcomes and the overall SDIP objective and goal;</td>
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<td>• Demand and are not supply-driven (i.e. are in response to a national or sub national need within a regional cooperation context); and</td>
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<td>• An issue constraining regional cooperation in the management of water, food and energy resources <strong>across two or more countries</strong> in the sub region</td>
</tr>
<tr>
<td><strong>2.</strong> That they incorporate gender as a key aspect of the intervention strategy in a way that advances gender equality and women’s empowerment at a national, sub national or regional level</td>
</tr>
<tr>
<td><strong>3.</strong> Cost consciousness and a commitment to maximise Australia’s yield on investment, through showing how the intervention:</td>
</tr>
<tr>
<td>• Builds on Phase 1 and extends and/or deepens the initiatives and lessons learned</td>
</tr>
<tr>
<td>• Leverages existing relevant work and/or seeks collaborative opportunities, so as to ensure that the work complements other existing work in the region</td>
</tr>
<tr>
<td>• Uses effective and efficient approaches in the use of SDIP resources to ensure value for money streamlining administrative overheads and margins relative to other similar providers in the region</td>
</tr>
<tr>
<td>• Focuses on progressing outcomes and the “so what”, “why” and “for whom” factors of their investment choices</td>
</tr>
<tr>
<td>Across their investment choices Partners should outline:</td>
</tr>
<tr>
<td><strong>4.</strong> A rationale/possible positioning for how Australia’s diplomatic presence in the region could be leveraged to both achieve and value add to the SDIP investment and further Australia’s public and economic diplomacy outcomes in the region.</td>
</tr>
</tbody>
</table>

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**Regional cooperation**

The term ‘regional cooperation’ relates to both a broad set of regional institutional arrangements (common structures and rules) and/or country level policies, capabilities and practices, reflecting a system wide response to trans-border challenges on water management, access to modern energy (energy generation and efficiency) and food systems. This recognises that the starting point for improvement may be within a country and include the way that a country manages/ utilises internal (sub-national) resources within the three river basins.
## Summary of SDIP2 Partner Investment Strategies (2016-17 to 2019-20)

### SDIP Outcome Summary

<table>
<thead>
<tr>
<th>Partner</th>
<th>Outcome 1: Strengthened practices for regional cooperation</th>
<th>Outcome 2: Critical new knowledge generated and used for regional cooperation</th>
<th>Outcome 3: Improved regional enabling environment including for private sector engagement</th>
</tr>
</thead>
</table>
| 1 **ACIAR** | ACIAR will use regional organisations, joint training and cross-visits to improve:  
• knowledge/data exchange for policy planning and development;  
• stakeholder collaboration; and  
• coordinated regional responses. | ACIAR will focus on:  
• generating new knowledge on water efficiency in food production and farm mechanisation;  
• improved understanding of the policy and institutional requirements for managing food, energy and water linkages (at the local, basin and regional level); and  
• using multiple scenario analysis to assess the impact of investments, commodity selection, technology, marketing and trade efficiency. | ACIAR will:  
• help identify appropriate policies and regulatory reform;  
• train and empower national and state policymakers to improve key cross-border policy constraints/coordination issues that affect food, energy and water security; and  
• increase private sector awareness of business development opportunities. |
| 2 **CSIRO** | CSIRO will:  
• work with water managers and policymakers to improve their understanding of water resources and available options for sustainable water use; and  
• engage with SDIP partners to facilitate policy exchange, stakeholder mapping and develop technical capacity building. | CSIRO will:  
• develop a quality assured knowledge base relating to climate, river flow, groundwater and agriculture production to improve the understanding of sustainable transboundary water use/sharing/allocations/trade-offs between competing users; and  
• disseminate knowledge on the links between water management/policy and: energy, food security and climate change. |CSIRO will focus on enhanced technical capacity to improve the quality of decisions regarding:  
• domestic and transboundary water management;  
• investment in water-related infrastructure development; and  
• integrated water management that incorporates: energy, gender and climate issues. |
| 3 **IFC** | IFC will provide technical and transaction advisory services that:  
• develop resource efficiency solutions in the textile and agri-business industries;  
• improve private sector understanding of cross-border commercial opportunities (especially in the energy sector); and  
• support government in developing and implementing PPP projects. | IFC will focus on:  
• producing technical studies that improve the understanding of the environmental and social constraints to sustainable hydropower;  
• producing replicable and standardised competitive bidding processes for energy projects; and  
• creating energy efficient solutions for the textile industry and the development of a scalable virtual database to benchmark current technology. | IFC will work with the government, the energy sector and the financial sector to improve:  
• governance in the hydro sector;  
• the quality of project appraisal and evaluation by financial institutions; and  
• access to local financing for energy efficiency technologies. |
<table>
<thead>
<tr>
<th>Partner</th>
<th>Outcome 1: Strengthened practices for regional cooperation</th>
<th>Outcome 2: Critical new knowledge generated and used for regional cooperation</th>
<th>Outcome 3: Improved regional enabling environment including for private sector engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 ICE WaRM</td>
<td>ICE WaRM will work with provincial, regional and national governments, regulators and universities to ensure water managers and institutions gain a broad: • repertoire of technical skills; and • understanding of transboundary cooperation, by participating in Australian structured programmes or with SDIP partners to bring together regional and basin officials.</td>
<td>ICE WaRM will focus on: • engaging senior water managers in best practice training, study programmes, scenario building workshops and short-courses; and • bringing together senior decision-makers from across the basin to foster regional cooperation.</td>
<td>ICE WaRM will: • help senior water managers and institutions to improve their knowledge and understanding of transboundary water management from both a technical and social perspective; • help improve the quality of decision making and cross-border information exchange; and • facilitate transboundary management by building cross-border relationships between senior water managers.</td>
</tr>
<tr>
<td>5 ICIMOD</td>
<td>ICIMOD will bring together scientists and policymakers via multi-stakeholder knowledge forums and web-based research platforms to: • overcome the current data fragmentation and establish knowledge hubs; • enhance regional scientific collaboration; and • develop science based solutions for policymakers.</td>
<td>ICIMOD will focus on: • developing climate scenarios (at the basin, sub-basin and catchment scale) to produce better impact assessments; • streamlining, harmonizing and coordinating ground-based basin monitoring systems and community based early warning systems; and • web-enabled information systems with multi-hazard forecast models (floods, droughts, earthquakes, climate change) to improve planning, and energy and infrastructure development.</td>
<td>ICIMOD will improve the quality of available scientific data and analysis to generate dialogue that will: • improve the region’s understanding of the opportunities and challenges for integrated water management; • drive capacity and consensus building at the local, national and regional level; and • facilitate better planning and coordinated responses.</td>
</tr>
<tr>
<td>6 TAF</td>
<td>TAF will use seminars, dialogue facilitation training and cross-border journalism fellowships to: • improve engagement with key issues (contested upstream usage, hydro projects, flood risks); and • re-shape the current discourse and capitalise on BBIN momentum by advocating cross-border cooperation.</td>
<td>TAF will focus on addressing the low uptake of policy knowledge (especially around nexus linkages and gender) and the level of constructive engagement by: • conducting local level forums; • state-civil society regional practice-sharing workshops; and • policy communication training.</td>
<td>TAF’s use of inter-disciplinary dialogue forums and political economy analysis on water and food security will aim to: • integrate nexus approaches to water management; and • reduce sectoral resistance and stakeholder confrontation whilst boosting constructive engagement.</td>
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</table>
**Annex D**

**SDIP2 M&E Framework: Key interpretations, working assumptions and related aspects of the approach to monitoring and evaluation**

| SDIP Goal: relates to a higher order, broader and longer term impact beyond the 12 year SDIP Strategy 2012 – 2024  | Increased water, food and energy security in South Asia to support climate resilient livelihoods and economic growth, benefitting the poor and vulnerable, particularly women and girls.  
As used above the term ‘benefitting’ relates to a direction / an aim to guide the SDIP. In ultimately assessing the impact of SDIP. The extent to which the wider changes to which SDIP has contributed are considered favourable for the poor and vulnerable will be an important measure. It doesn’t necessarily mean that the portfolio should focus its investments on direct measures affecting the poor or vulnerable given that the greatest potential impact (benefits for these groups) may come from a wider set of changes. |
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<tr>
<td>This anchors the SDIP within the overall development goals of the countries/ region and the political/ policy setting of Australian engagement.</td>
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</table>

| SDIP Objective: [end of strategy objective – 2024]  | Improved integrated management of water, food and energy in the major Himalayan river basins – especially addressing climate risks and the interests of women and girls.  
The sub-region is bounded by the three major river basins of the Himalaya: Indus, Ganges and Brahmaputra.  
The term ‘regional cooperation’ relates to both a broad set of regional institutional arrangements (common structures and rules) and/or country level policies, capabilities and practices, reflecting a system wide response to trans-border challenges on water management, access to modern energy (energy generation and efficiency) and food systems. This recognises that the starting point for improvement may be within a country and for example include the way that a country manages/ utilises internal (sub-national) transboundary water resources.  
The SDIP focus on improved integrated management of food, water and energy resources to meet increasing demands recognises the interdependencies and trade-offs between resources and competing resource use at different scales found across the three river basins. This space is marked by the policy and practice nexus between water, energy and food which is further challenged by the effects of climate change.  
A key measure of the success of SDIP is the way in which throughout SDIP1 & SDIP2 the investments are centred on making a difference to the interests of women and girls through addressing both strategic and practical gender needs.  |
SDIP Outcome(s):
[end of SDIP2 Outcomes investment period – 2020]
Provides a source for APPR reporting on cases of SDIP contribution to a wider change recognising how the portfolio works through the different entry points offered (singularly/collectively) by Partner engagement.

1. **Strengthened practices for regional cooperation**: within the institutional arrangements (the ‘system’) operating at a regional, national and/or sub-national level in the sub-region. Assumption that critical factors for a change of this nature will include; increased capacity within the organisations with mandated responsibility, more effective dialogue between organisations, partnering behaviour and an ability and confidence to act between key organisations, voice and lobbying from stakeholder groups including civil society, effective accountability measures.

2. **Critical new knowledge generated and used for regional cooperation**: within the priorities acknowledged by regional forums, governments and national bodies and addressing said knowledge gaps through science and/or well evidenced and reflective practice. Assumption that critical factors to generate new knowledge for and within the system will include; scientific cooperation, monitoring and evaluation by and/or with governments, technical exchange from outside the region.

3. **Improved regional enabling environment including for private sector engagement**: within the policies, regulations, market systems and investment conditions for cross border management of shared water, food and energy resources. Assumption that critical factors to bring about a shift in the enabling environment will include an effective voice for the poor in policy advocacy, policy making and regulatory capacity within government, effective forums for dialogue between stakeholders, governance and accountability mechanisms.

This captures three broad and interlocking, tangible outcome areas in which the portfolio of investments seeks to make a difference to systemic change (dependent on gender equality) on the management practice of transboundary resources.

We will look for the evidence of outcome level change and SDIP’s contribution to this through the lens of the domains of change where the portfolio is invested/is investing in SDIP2:

<table>
<thead>
<tr>
<th>Strengthened mechanisms of cross-organisational collaboration</th>
<th>More critical new knowledge</th>
<th>Improved enabling environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• [proven at scale] Practice models for cross-border water resource management</td>
<td>• [increasing] Knowledge base: grid and off grid approaches to energy access.</td>
<td>• Enabling environment: IWRM investment</td>
</tr>
<tr>
<td>• Information Management Systems [within and between mandated organisations] for effective climate change responses.</td>
<td>• [increasing] Knowledge base: Water needs for agricultural production and energy generation</td>
<td>• Enabling environment: Energy investment (production and efficiency)</td>
</tr>
<tr>
<td>• Data and modelling capacity to facilitate Integrated water resource management (IWRM)</td>
<td>• [increasing] Knowledge base: energy efficiency standards</td>
<td>• Enabling environment: food systems knowledge and extension</td>
</tr>
<tr>
<td>• Public Private Partnership (PPP) Capacity: for energy generation</td>
<td></td>
<td>• Market supply chain: inputs/products</td>
</tr>
<tr>
<td>• Collaborative structures for sustainable agriculture</td>
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</tbody>
</table>

In each (basin specific) case, shifts in the overall macro status for a change domain are tracked (SDIP2 Snapshot – understanding context) and the evidence base for assessing SDIP contribution is developed (SDIP2 change path monitoring – which draws on Partner outcome monitoring). Together this provides a solid basis for portfolio evaluation activity (formative, thematic and overall impact).
# Risk matrix

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th>Consequence</th>
<th>Risk</th>
<th>Risk treatment strategy</th>
<th>Residual risk rating</th>
</tr>
</thead>
</table>
| South Asia remains prone to natural disasters and the potential for political instability in the region continues to be a factor, coupled with increasing domestic security concerns. | Possible | Major | High | • Continue to invest in SDIP1 partners who understand the context and will build on good relationships and platforms established in SDIP1  
• Targeted core funding enabling partners to adapt & reorient programs in response to changes in context  
• Partners will engage at multiple entry points & levels, providing alternative pathways to progress outcomes | Moderate |
| There is a risk the investment will not achieve its intended results. SDIP is seeking to address some challenging and long term issues, in a complex operating environment where many different factors (not under DFAT’s control) have the potential to influence change. | Unlikely | Moderate | Moderate | • Revised program framework with realistic end of SDIP2 outcomes  
• Partners will develop 4 year investment strategies outlining expected end of SDIP2 outcomes & proposed approach  
• Improved civil society engagement through new partner, TAF  
• Strengthened technical advisory team, coordinated by a lead adviser | Low |
| Relations with SDIP partners may be affected by the structural changes in SDIP2 (e.g. introduction of 4 year investment strategies, greater engagement & scrutiny by Posts/advisers) | Possible | Major | High | • Partnership arrangements will be renewed, providing an opportunity for partners to raise issues/concerns  
• DFAT will ensure communication with partners is open and prompt  
• Training/briefing in the partnerships approach will be offered, where required | Moderate |
There is a risk to outcomes and Australia’s reputation if significant budget cuts during SDIP2 lead to further scaling down (or withdrawal from some areas/regions) as this may be seen as a lack of commitment to the region.

- Possible
- Major
- High

- As in SDIP1, partners will be consulted in the development of a strategy for managing any further reductions to the budget for SDIP2

Weak regional mechanisms (such as SAARC) could hinder progress.

- Possible
- Moderate
- High

- Work through effective regional delivery partners such as ICIMOD, an intergovernmental organisation with eight member countries
- Target the national and sub-national building blocks (“binding constraints”) to regional cooperation
- Work with emerging cooperative mechanisms, such as the BBIN sub-group

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negligible</td>
<td>Minor</td>
</tr>
<tr>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Major</td>
<td>Very High</td>
</tr>
<tr>
<td>Severe</td>
<td></td>
</tr>
<tr>
<td>Almost Certain</td>
<td>Moderate</td>
</tr>
<tr>
<td>Likely</td>
<td>High</td>
</tr>
<tr>
<td>Possible</td>
<td>High</td>
</tr>
<tr>
<td>Unlikely</td>
<td>High</td>
</tr>
<tr>
<td>Rare</td>
<td>High</td>
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