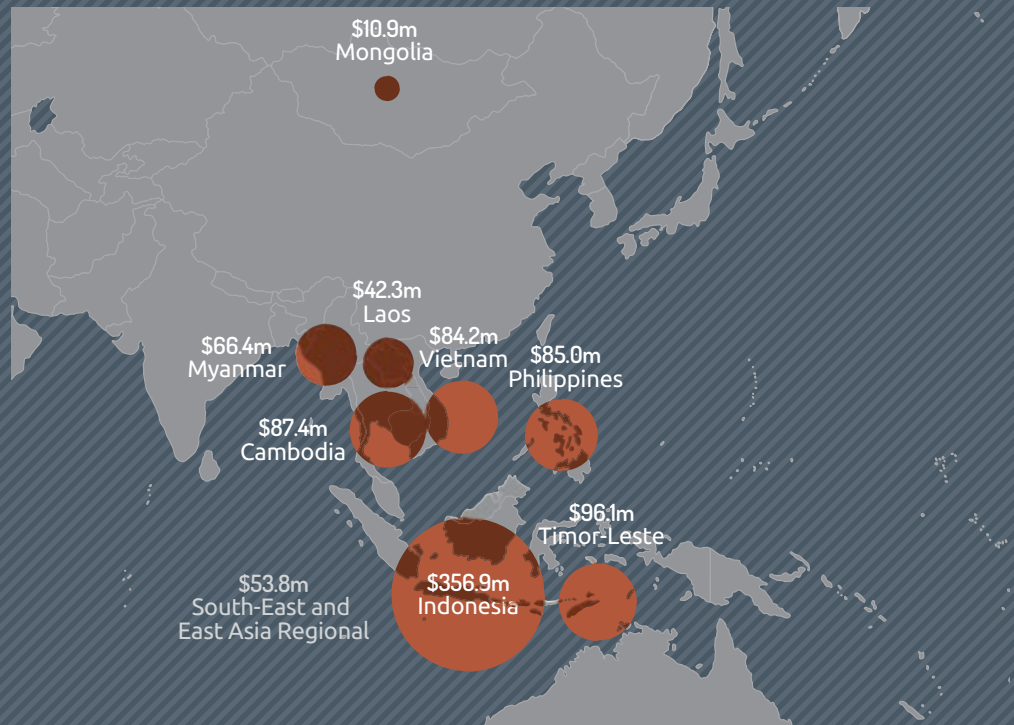
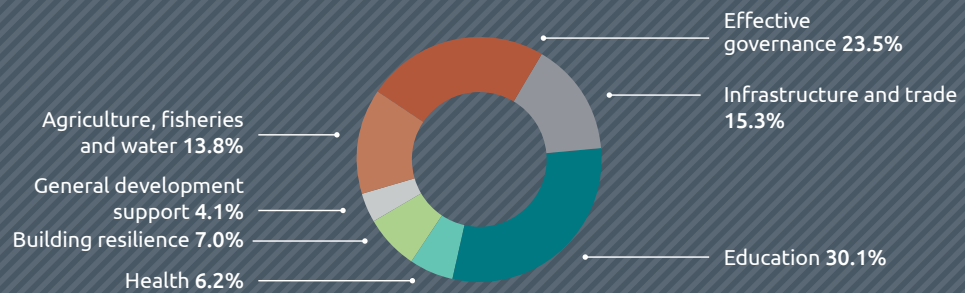


2017-18 TOTAL AUSTRALIAN ODA TO SOUTH-EAST AND EAST ASIA*

\$883.0 MILLION



Australian ODA by investment priority



Program Highlights



MYANMAR:
ADDRESSING BARRIERS
PREVENTING CHILDREN
GETTING AN EDUCATION

\$71.5m

(2017-18 TO 2020-21)



INDONESIA:
PARTNERSHIP FOR GENDER
EQUALITY AND WOMEN'S
EMPOWERMENT

\$14.6m

(2017-18)



TIMOR-LESTE:
PARTNERSHIP FOR
HUMAN DEVELOPMENT

\$120.0m

(2017-18 TO 2020-21)

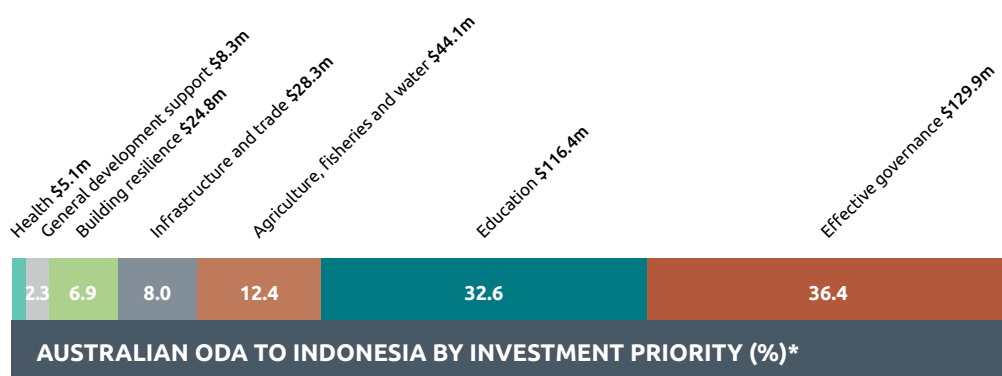
* Total Australian ODA, from all agencies and programs, attributable to partner countries and regions in South-East and East Asia. Including, flows from DFAT regional and global programs and expenditure by other government departments (OGDs).

SOUTH-EAST AND EAST ASIA

Indonesia

2017–18 Bilateral Budget Estimate: \$296.0 million

2017–18	
Program	Budget Estimate \$m
Country	296.0
Regional	39.9
Global	13.7
Other Government Departments	7.3
Total ODA to Indonesia	356.9



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

As one of Australia’s most important bilateral relationships, Australia and Indonesia have an extensive framework of cooperation spanning economic, security, trade, development, maritime and people-to-people ties.

Indonesia has experienced relatively strong economic growth in recent years and is achieving substantial development progress. Indonesia is a lower middle-income country; however, it will be more difficult for Indonesia to meet its goal of sustainable growth and to transition fully to upper-middle income status as its growth is uneven and inequality is increasing.

As part of our economic partnership, Australia supports Indonesia’s efforts to leverage its own resources to generate greater economic growth and distribute benefits to a greater number of Indonesians. Australia has long and deep experience working with Indonesia to provide policy and technical advice to address priority development challenges.

In 2017–18, Australian development support to Indonesia will focus on:

- » helping build effective economic institutions and infrastructure by boosting inclusive growth and promoting mutual benefits of international trade and investment. This includes promoting private sector growth and lowering the costs of doing business in Indonesia, particularly for infrastructure projects. We are also increasing smallholder farmers’ incomes by strengthening markets and innovations to increase productivity;

» enhancing human development for a productive and healthy society that seizes the potential of Indonesia's large and growing working-age population. Our work focuses on equipping Indonesian school teachers with the skills they need to prepare the next generation to enter the workforce. In addition, we are strengthening Indonesia's preparedness to tackle emerging health outbreaks; and



A beneficiary of the *Water and Sanitation Hibah Phase 2* program is happy to have access to clean water in his home for the first time in Wonosobo, Central Java, Indonesia.

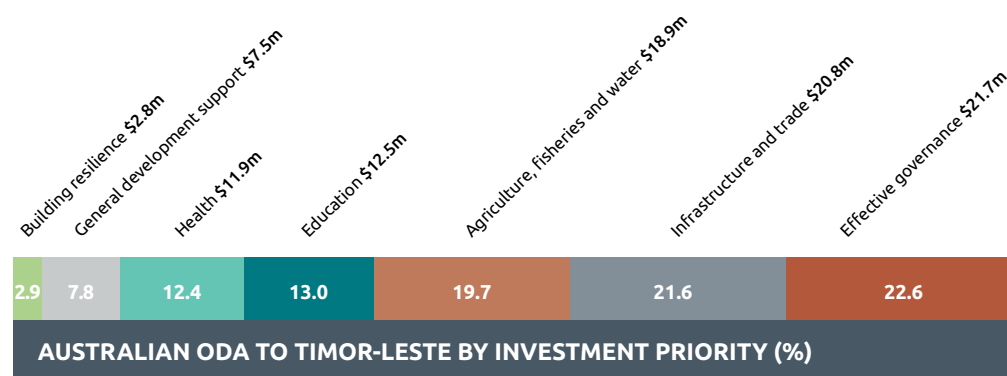
Photo: DFAT

» promoting an inclusive society through effective governance to ensure the poor and marginalised benefit from Indonesia's economic growth. This includes better targeting its poverty reduction programs and protecting the poorest Indonesians from economic shocks. Our work also focuses on increasing women and marginalised groups' participation in household, community and government decision-making.

Timor-Leste

2017–18 Bilateral Budget Estimate: \$68.0 million

2017–18	
Program	Budget Estimate \$m
Country	68.0
Regional	8.8
Global	10.9
Other Government Departments	8.4
Total ODA to Timor-Leste	96.1



Australia shares a long history of cooperation with Timor-Leste, having been its largest bilateral development partner since 2002. Despite wide-ranging development gains, Timor-Leste still faces numerous human development and economic challenges. Two thirds of its population is living on less than US\$2 per day and Timor-Leste remains one of the poorest countries in the region. Revenues are narrowly based on oil and gas and there is a real need for Timor-Leste to diversify its economy to support more sustainable growth and provide sustainable livelihoods for its growing population of young people.

In 2017–18, Australian development support to Timor-Leste will focus on:

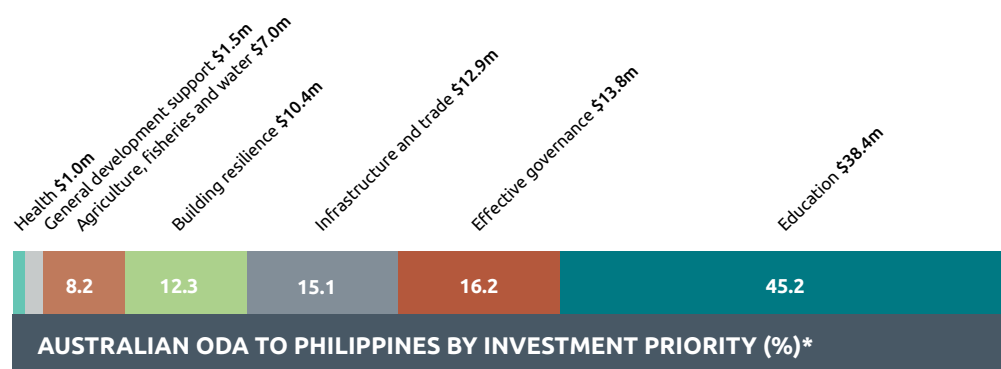
- » the Partnership for Human Development (up to \$120 million, 2016–2021) which delivers Australia's development assistance in health, education, water, sanitation, nutrition, gender equality, disability and social protection under one consolidated, multi-sector approach to support enhanced human development outcomes;
- » the Governance for Development Program (up to \$42 million, 2014–2021) which will continue to provide advisory services to Timor-Leste Government institutions to strengthen governance and financial institutions to improve service delivery and policymaking;
- » the Roads for Development Program Support Program (\$26 million, 2017–2020) which supports the Timor-Leste Government rehabilitate and maintain the country's rural roads. Better roads will make it easier for people to access health centres, schools and markets and help farmers earn sustainable incomes;

- » the Farming for Prosperity Program (up to \$25 million, 2016–2021) which will build the capacity of rural households to engage in profitable agricultural markets and establish a foundation of food security and good nutrition. This will help address Timor-Leste’s high rates of malnutrition and support improved livelihoods;
- » the Workforce Development Program (up to \$13 million, 2014 to 2019) which supports scholarship opportunities for tertiary study in Australia, access to vocational training to help young Timorese find employment and supports Timor-Leste to increase its participation in Australia’s SWP; and
- » the newly established Monitoring and Evaluation Framework (M&E House; up to \$7 million, 2017–2019) will strengthen how Australia measures and reports the impact of its investments in Timor-Leste.

Philippines

2017–18 Bilateral Budget Estimate: \$67.0 million

2017–18	
Program	Budget Estimate \$m
Country	67.0
Regional	6.2
Global	5.5
Other Government Departments	6.3
Total ODA to Philippines	85.0



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia and the Philippines have longstanding bilateral relationship and share common interests in regional security and in growing our economic partnership. The Philippines has experienced robust economic growth in recent years, reaching 6.8 per cent in 2016 — the fastest growing economy in Association of Southeast Asian Nations (ASEAN). However, this growth has been quite uneven and limited to a few sectors of the economy. Growth has disproportionately benefited the elite and urban educated population and the poverty rate remains above 20 per cent.

Australia will provide targeted advice and technical assistance through the aid program — with the aim to have a catalytic effect both on reform efforts and capacity development of the Philippine Government.

A more prosperous, inclusive and open economy will not only benefit Filipinos, but also allow both nations to pursue a mature economic partnership.

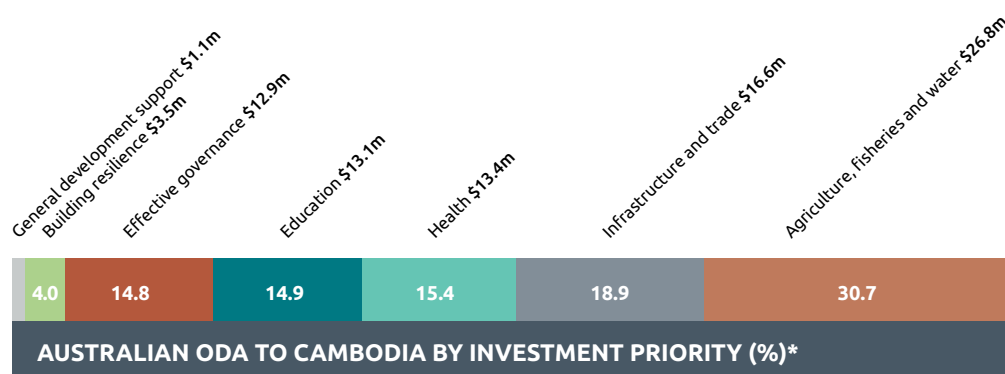
In 2017–18, Australian development support to the Philippines will focus on:

- » beginning implementation of the Trade and Inclusive Economic Growth Facility (\$80 million, 2017–2025). The Facility will work to help the Philippines achieve sustained inclusive economic growth by: reducing barriers to selected trade and investment flows; reducing the cost of doing business; empowering women and poor and vulnerable communities through improved participation in the economy; and strengthening government institutions so they can better design and implement policy and deliver services. Australia will also continue engagement in infrastructure through the Strengthening Philippines’ Public Private Partnerships program;
- » continuing to work with the Philippine Government to build capacity to implement reforms with targeted support through the Coalitions for Change Program. The program provides transformational assistance that works to improve policy development and implementation by facilitating coalitions of civil society, private sector, academia and the government. In 2017–18 the program will engage in a number of new reform areas that will support the Philippine Government’s 10-point Socio-Economic Reform Agenda; and
- » implementing the Education Pathways to Peace in Conflict-Affected Areas of Mindanao Program (\$90 million, 2017–2026). Known as ‘PATHWAYS’, this program aims to contribute to resilience, stability, peace and prosperity in Mindanao by improving the quality of the education system. It will focus on the most disadvantaged populations to address inequality in education and work with a broad range of stakeholders participation in the peace process to provide adaptable, responsive, inclusive and conflict-sensitive interventions for attainment of quality basic education by children in the Autonomous Region of Muslim Mindanao.

Cambodia

2017–18 Bilateral Budget Estimate: \$62.4 million

2017–18	
Program	Budget Estimate \$m
Country	62.4
Regional	6.9
Global	14.7
Other Government Departments	3.5
Total ODA to Cambodia*	87.4



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Over the past two decades, Cambodia has had one of the fastest growing economies in the world. While many people have escaped poverty, this has often been by a small margin. Around 8.1 million people remain near-poor — extremely vulnerable to slipping back into poverty due to incidents such as illnesses or natural disasters. Further investment is needed to improve infrastructure, increase agricultural productivity and deliver better quality health and education services.

In 2017–18, Australian development support to Cambodia will focus on:

- » a competitive small grants program — Investing in Infrastructure (2016–2021) — to small and medium-sized (SME) infrastructure enterprises to accelerate their connection of households and businesses to reliable electricity and piped, treated water;
- » working with the private sector to improve markets that provide goods, services and information to farmers, through the Cambodian Agriculture Value Chain Program Phase 2 (2016–2021);
- » establishment of performance-based funding direct to all public health facilities and reimbursement of essential health care costs for over three million extremely poor Cambodians, through Health Equity and Quality Improvement Project (2016–2021); and
- » up to 50 Australia Award Scholarships to the best and brightest Cambodian students to study in Australia, with a focus on providing equal opportunity for women and people with a disability.

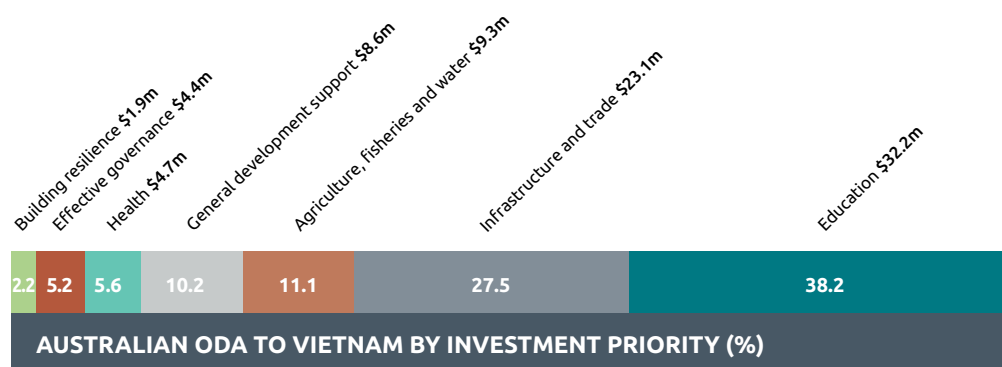


Chilli farmer in Cambodia supported through the Cambodia Agriculture Value Chain Program Phase II.
Photo: DFAT

Vietnam

2017–18 Bilateral Budget Estimate: \$58.4 million

2017–18	
Program	Budget Estimate \$m
Country	58.4
Regional	10.8
Global	9.3
Other Government Departments	5.7
Total ODA to Vietnam	84.2



Vietnam is one of Australia’s fastest growing trade partners and is central to regional security in South-East Asia. Strengthening our partnership with Vietnam and ensuring it remains a strong trade and investment partner is vital to our national interest and our region’s prosperity. In recent years, growth in Vietnam has slowed — constrained by poor infrastructure, a lack of skilled employees and an uncertain policy environment. Inequality, particularly for women and ethnic minorities, remains significant and nine million people continue to live below the national poverty line.

Australia’s partnership with Vietnam is promoting inclusive growth and reducing poverty by encouraging a dynamic private sector, up-skilling the workforce and empowering women in the economy. Australia will continue to share lessons from our own reform experiences and find innovative ways to maximise the reach of Vietnam’s public resources and leverage private investment to address these critical challenges.

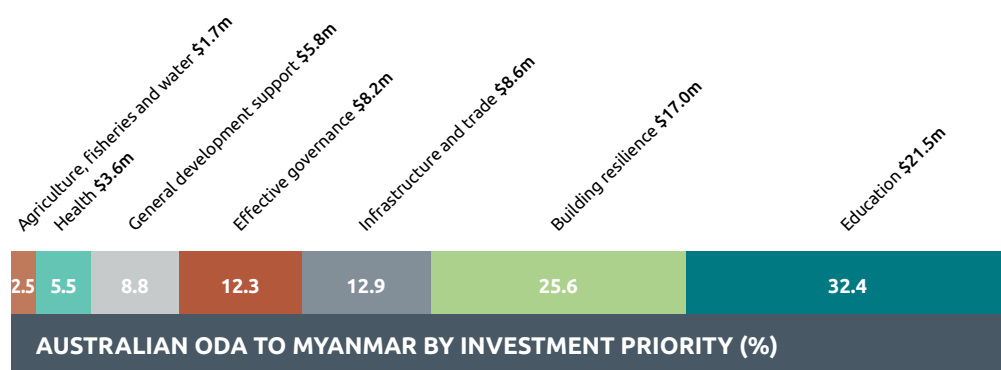
In 2017–18, Australian development support to Vietnam will focus on:

- » completion and opening of the Cao Lanh Bridge across the Mekong River which will service 170,000 road users a day, linking people and markets in the Mekong Delta to the rest of South-East Asia and beyond;
- » promoting industry linkages with Technical and Vocational Educational Training providers and improving the quality and relevance of training programs delivered by north western universities; and
- » building capacity for 1,412 farmers (of which 874 are women) in farming techniques, household economic management and negotiation and marketing skills so they can better benefit from banana, pig and cinnamon production and commercialisation.

Myanmar

2017–18 Bilateral Budget Estimate: \$42.1 million

2017–18	
Program	Budget Estimate \$m
Country	42.1
Regional	7.9
Global	15.9
Other Government Departments	0.5
Total ODA to Myanmar	66.4



The Myanmar Government is taking forward a complex and challenging set of economic and political reforms and is pursuing a nationwide peace process as a policy priority. It is in Australia's national interest for Myanmar to continue its democratic transition to move towards prosperity.

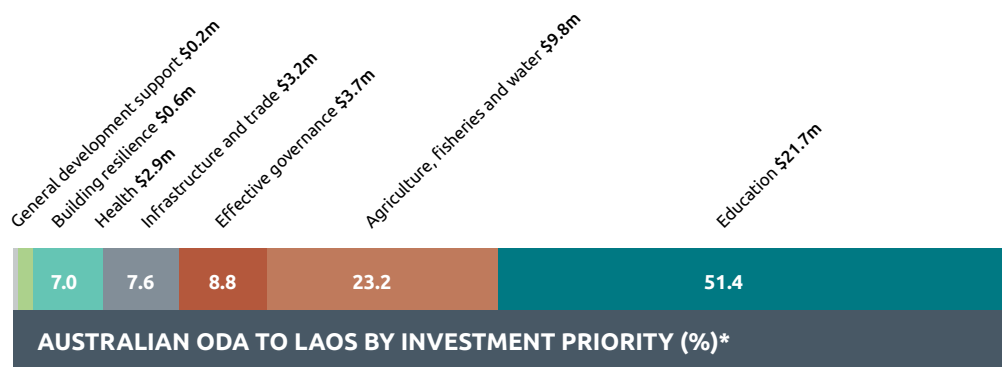
In 2017–18, Australian development support to Myanmar will focus on:

- » improving access to quality education, including through the Myanmar Education Quality Improvement Program, assisting Myanmar's Ministry of Education to better monitor education reforms and improve management across the sector;
- » promoting peace and stability through support for the peace process and democratic institutions and humanitarian assistance, including to displaced people and refugees in Rakhine State and along the Thai-Myanmar border; and
- » promoting inclusive economic growth and government management, including regulatory reform in support of investment and fiscal transparency.

Laos

2017–18 Bilateral Budget Estimate: \$20.6 million

2017–18	
Program	Budget Estimate \$m
Country	20.6
Regional	6.9
Global	8.4
Other Government Departments	6.4
Total ODA to Laos	42.3



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Despite significant economic progress since the 1980s, two-thirds of the population in Laos still live on less than US\$2 a day. Challenges include access to quality social services (including health and education), lack of qualified human resources, a constrained private sector and business environment and increasing fiscal constraints. There are opportunities for Laos to sustainably manage its considerable natural resources for hydropower development and mining, continue the momentum to tackle corruption and take advantage of its demographic dividend (around 60 per cent of the population is under the age of 25). Laos aspires to graduate from Least Developed Country status by 2020 and Australia’s aid program will support Laos to progress this goal.

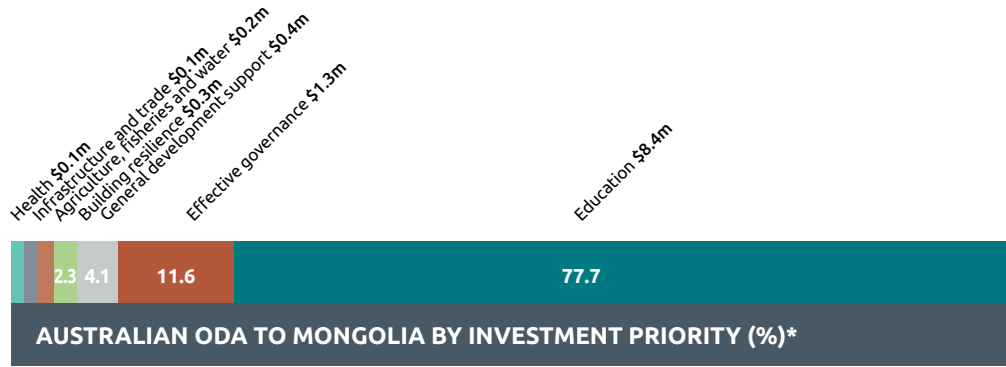
In 2017–18, Australian development support to Laos will focus on:

- » improving access to and quality of, primary education in Laos through the Basic Education Quality Access in Laos program. Activities include revising the national primary curriculum, ensuring every student in Laos has a relevant, quality textbook, training 360 teachers from remote areas and rehabilitating more than 100 classrooms; and
- » improving Laos’ human resources through the provision of 30 Australian scholarships and 70 local scholarships; provide support to central ministries to improve public service efficiency; and building a stronger trade regime and more competitive private sector. Activities will include: streamlining the regulatory environment for businesses to operate in Laos; reducing the number of non-tariff measures; and expanding access to finance through the development of village funds and digital financial services.

Mongolia

2017–18 Bilateral Budget Estimate: \$5.9 million

2017–18	
Program	Budget Estimate \$m
Country	5.9
Regional	3.6
Global	1.3
Other Government Departments	0.1
Total ODA to Mongolia	10.9



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Mongolia has experienced rapid economic growth in recent years due to the growth of the mining sector. However, fluctuating commodity prices have affected the budget deficit and Mongolia is now facing low economic growth until mining production increases and commodity prices improve. In this context, Australia’s aid program promotes well-governed, efficient public and private sectors that support Mongolian communities to benefit from resource-driven growth. The aid program supports areas where Australia has a comparative advantage and is aligned with the development objectives identified by the Mongolian Government.

In 2017–18, Australian development support to Mongolia will focus on:

- » ensuring Mongolia Government, civil society and private sector personnel have the skills and qualifications to deliver better services, with an estimated five Australia Awards to be granted to Mongolian students; and
- » ensuring Mongolians are benefitting from a well-governed mining industry, through support for a national geological survey body.

ASEAN and Mekong

2017–18 Bilateral Budget Estimate: \$32.6 million



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia has a clear national interest in a prosperous, peaceful and secure South-East Asia. With its regional focus, the ASEAN and Mekong Program assists countries with significant challenges that cannot be addressed through bilateral investments alone. This includes reducing barriers to trade; realising the vision of an integrated ASEAN Economic Community; combatting human trafficking and promoting safe labour migration, including through the Australia-Asia Program to Combat Trafficking in Persons; and better water resource management through the Greater Mekong Water Resource Program.

In 2017–18, Australia’s ASEAN and Mekong Program will, amongst other programs, support:

- » initiatives to improve safe and legal migration in the region through the *Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN* (“TRIANGLE in ASEAN”); and
- » initiatives to catalyse private sector development, with a particular focus on women and young entrepreneurs, through the Mekong Business Initiative.

Case Study: Combatting human trafficking and irregular migration in ASEAN

The Australia-Asia Program to Combat Trafficking in Persons (AAPTIP) supports effective investigations, prosecutions and cooperation between ASEAN members' criminal justice agencies to reduce incentives and opportunities for human trafficking.

In 2015, over 1,000 men from Myanmar, Cambodia and Laos were trafficked into servitude and found stranded on islands in Maluku Province in Indonesia. Australia, through AAPTIP, actioned requests by law enforcement officers from Indonesia, Myanmar and Thailand to connect to their counterparts. This helped to facilitate transnational cooperation, contributing to the conviction of traffickers, and provided a valuable model of cooperation to investigate and prosecute similar cases, and provide support for repatriated victims, in the future.

In 2017–18, Australia will provide approximately \$11.5 million to support further cross-border cooperation on trafficking cases as well as training to build the capacity of criminal justice practitioners. This will support implementation of the ASEAN Convention against Trafficking in Persons, Especially Women and Children, which entered into force on 8 March 2017.

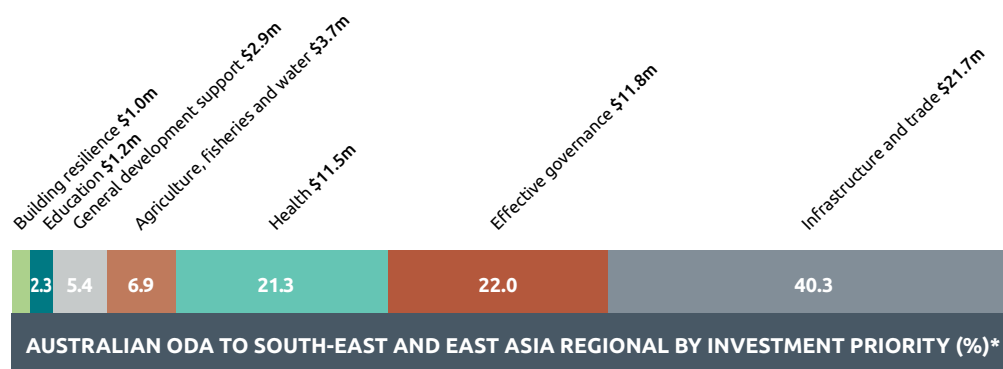
Through the Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN ("TRIANGLE in ASEAN") we aim to maximize the contribution of labour migration to equitable, inclusive and stable growth in ASEAN. Since 2010, TRIANGLE has supported 26 migrant resource centres assisted over 75,000 migrant workers. Currently in Phase II, TRIANGLE in ASEAN supports the International Labour Organization to provide demand drive specialist technical advice to ASEAN Member States, social partners and the ASEAN Secretariat to improve labour migration policies. It also provides services and information to migrant workers to enable them to exercise their rights.



Australia supports fair and decent work in ASEAN through its TRIANGLE in ASEAN program, delivered in partnership with the International Labour Organization.
Photo: P. Visitoran, UN Women

South-East and East Asia Regional

2017–18 Bilateral Budget Estimate: \$8.6 million



* Difference in values due to rounding and/or percentages below two per cent are not labelled.

Australia has a clear national interest in a prosperous, peaceful and secure South-East Asia in which countries cooperate to resolve common problems. Our regional engagement is deep and covers cooperation in development, economic integration, health security, governance, security, culture, trade and education.

Australia's South-East and East Asia Regional program works with 21 member economies of the APEC. This accounts for over half of global Gross Domestic Product and home to over 2.7 billion people. APEC partners account for over two-thirds of Australia's total trade in goods and services. Australia's prosperity depends on open trade and investment.

In 2016, APEC Leaders endorsed the Lima Declaration, which called for capacity building work to prepare APEC economies for an eventual Free Trade Area in the Asia Pacific. Leaders also agreed to the APEC Services Competitiveness Roadmap, which sets out agreed unilateral and regional action to promote liberalisation of services markets.

In 2017–18, Australian development support in the South-East and East Asia Regional Program will focus on:

- » advancing practical work towards an eventual Free Trade Area of the Asia Pacific, including through capacity building work to promote liberalisation in the following areas: tariffs, non-tariff measures, services, investment and rules of origin;
- » driving the services sector liberalisation by supporting the implementation of APEC's Services Competitiveness Roadmap, including through capacity building activities to assist developing economies implement the roadmap;
- » supporting regional economic growth and productivity by assisting and encouraging developing economies in APEC to implement structural reforms;
- » advancing initiatives that promote and support women's participation in trade and the global economy; and
- » strengthening regional responses to trafficking and the exploitation of migrant workers as detailed in the Government's *Amplifying Our Impact: Australia's International Strategy to Combat Human Trafficking and Slavery*.