



2020-21 SOUTH ASIA REGIONAL DEVELOPMENT PROGRAM PROGRESS REPORT

The *2020-21 South Asia Regional Development Program Progress Report* summarises progress for the reporting period 1 July 2020 to 30 June 2021 of implementation of the Australia – South Asia Regional COVID-19 Response Plan and program highlights.

Our development program to South Asia Regional contributes towards achieving the following Sustainable Development Goals.



Program Budget	2020-21 Budget Estimate \$m*
Bilateral	0
Regional	14.5
Global	3.7
Other Government Departments	0.3
Total ODA	18.5

*Actual expenditure is expected to be available in December 2021/ January 2022.

CONTEXT

Australia and the countries of South Asia have a long history of engagement.

The South Asia region experienced significant outbreaks of COVID-19 during 2020-21. In September 2021, official caseloads across the region had exceeded 36 million across eight countries with a total population of over 1.8 billion, according to the World Health Organisation (WHO). Health care infrastructure was placed under pressure, with shortages of hospital beds, personal protective equipment, oxygen and other medical supplies widely reported. The lack of access to reliable and safe water in the region’s mega-cities also contributed to poor health outcomes.

The impact on the economies across South Asia was significant. Prior to the pandemic, the Asian Development Bank (ADB) reported that the region was the fastest growing in the world (2014-2019). In 2020 however, the South Asian region reversed these gains and contracted by -5.6 per cent, although this is forecast to rebound to 8.8 per cent growth in 2021. The contraction in gross domestic product reflected the impact of the pandemic on the health of populations as well as government restrictions placed on businesses and people movement as a means of controlling the spread of COVID-19.

The contracting economies and lockdowns across the region resulted in **steep increases in unemployment**. The ADB reports the highest annual unemployment rates were in India (7.1 per cent) and the tourism-dependent Maldives (7.2 per cent). However, the loss of employment was felt across the region, especially for women. In addition, South Asia’s large **migrant workforce suffered large scale job losses**. The International Organisation for Migration reported that large numbers of South Asian migrant workers became unemployed and returned to their countries of origin.

Remittances, an important source of income across the region, remained robust. Countering this, the United Nations Economic and Social Commission for Asia and the Pacific reported trade in goods and services contracted significantly in 2020, with exports expected to record a fall of 23 per cent in India and 21 per cent in Bangladesh.

Economic contractions, increasing unemployment, and falling exports all contributed to **increasing fiscal deficits across the region**. This in turn constrained the ability of government to use spending to respond to the social impacts of COVID-19, and to growing humanitarian needs including in Afghanistan, Bangladesh, and Pakistan. Recent conflict and insecurity in Afghanistan are also likely to drive irregular people movement into the broader region.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Despite a difficult operating environment, most investments were able to adapt their activities to suit the COVID-19 context, while still making progress towards expected outcomes.

Health Security

Australia continued to support the South Asia region's immediate health needs, with a focus on responses to countries experiencing high COVID-19 case numbers and maintaining longer-term assistance for health security.

In May 2021, Australia provided \$17.5 million to Bangladesh, Nepal and Sri Lanka to support the response to increasing COVID-19 case numbers. Through local partners, Australia provided essential medical equipment and supplies to frontline workers, and assisted hospitals and health clinics build their capacity, including through training, to respond to critical needs. This assistance was in addition to the personal protective equipment, oxygen concentrators, ventilators, and other equipment provided to India in response to the significant need experienced by the Indian medical system in the first half of 2021.

The longer-term response to COVID-19 focusses on ensuring populations around the globe are vaccinated. **Australia contributed \$130 million to the COVAX Advanced Market Commitment (COVAX AMC)** and is a strong supporter of the AMC mandate to support equitable and safe access to effective COVID-19 vaccines. **At 30 June 2021, COVAX AMC had delivered over 12.5 million COVID-19 vaccine doses to South Asia.**

Maintaining broader health security beyond COVID-19 remained a priority for Australia. As an active member of Gavi, the Vaccine Alliance (Gavi) we remain a significant donor for routine immunisation programs that provided vaccines to 64 million children in at least 77 countries against 17 infectious diseases. In 2020, Gavi provided almost USD300 million for South Asia. The Global Polio Eradication Initiative to which Australia contributes, resumed polio vaccine campaigns in late 2020, including in Afghanistan and Pakistan, the only remaining polio-endemic countries. In addition, we are working with the Coalition for Epidemic Preparedness Innovations (CEPI) to develop new vaccines for emerging infectious diseases. In 2020-21 CEPI established laboratories in Bangladesh and India.

The fight against AIDS, Tuberculosis (TB) and Malaria was boosted with Australia pledging to provide \$242 million to the Global Fund for 2020-2022. In 2020-21, Australia's funding under the Asia Pacific Leaders Malaria Alliance and the Asia Pacific Malaria Elimination Network included assisting the Indian National Vector Borne Disease Control Program address challenges posed by COVID-19 on malaria service delivery and fostered cross-border cooperation between India and Bhutan on strategies for eliminating malaria.

South Asia continues to bear the largest burden of TB across the globe. **Australia's \$18.75 million (2018-2023) contribution to the Tuberculosis Alliance (TBA) is helping develop new drugs for treatment.** In 2020-21, TBA developed a new treatment regime for drug-resistant TB, and new TBA-developed medicines were approved in India.

Stability

To maintain people-to-people linkages in the face of country and regional lockdowns, **Australia adopted digital technologies and online collaboration platforms to facilitate the implementations of the Australia Awards scholarship scheme.** This approach minimised disruptions across the region and supported 381 Australia Award scholarship holders and short course participants from across South Asia – 59 per cent women and 4 per cent people with disabilities – to undertake study delivered by Australian providers.

In 2020-21, the Australian Water Partnership (AWP) supported the South Asia region manage water resources. The AWP, with the International Centre for Integrated Mountain Development, supported river basin governance and inter-basin cooperation between eight countries of the Hindu Kush Himalaya region, including through training. AWP worked with state governments in India to train villagers to monitor, manage, and use groundwater incorporating gender-sensitive approaches, as part of the World Bank's \$1 billion 5-year national groundwater improvement project.

In Pakistan AWP has focussed on mapping opportunities to improve water investment, management, and use in the cities of Karachi and Lahore. This work will be extended by Australia's newly launched South Asia Water Security Initiative, with two "water-sensitive cities" demonstration projects being developed for India and Pakistan.

Complementing these efforts, **Australia's Water for Women Fund** has 20 projects across the Indo-Pacific to improve the health, equality, and wellbeing of people through socially inclusive and sustainable water, sanitation, and hygiene projects. In South Asia, the Fund implements projects in Bangladesh, Bhutan, India, Nepal, and Pakistan. Across these five countries, Water for Women have facilitated **an increase in women representation on 318 water, sanitation, and hygiene (WASH) committees and supported 2,290 women to take on WASH leadership positions.**

Successfully reintegrating migrants forced to return to their home countries due to the global COVID-19 pandemic was a focus of regional governments in 2020-21. The South Asia Regional Trade Facilitation Program (SARTFP) prepared analysis to support the Governments of Bangladesh and Nepal manage the economic reintegration of these migrants. The analysis included an examination of high debt burdens faced by the premature return of migrants and will facilitate intra-regional knowledge exchange on delivery of social protection. Utilising these studies, Bangladesh has identified factors that contribute to the persistent over-indebtedness of migrant-sending households.

Australia Assists continued to provide technical expertise to assist governments across South Asia. In 2020-21 assistance was provided to India, Bangladesh and Pakistan and involved deploying 10 individuals (40 per cent women) for a total of 43 cumulative months. Assignments included assistance with COVID-19 responses, waste management, disaster risk reduction, and flood management.

Economic recovery

Australia's has worked with the governments of South Asia to identify and break down barriers to trade, and to help prepare quality transport and energy infrastructure investments that involve the region's private sector and have lasting economic impact across the region.

In 2020-21, the South Asia Regional Infrastructure Connectivity (SARIC) Program, working through the World Bank and International Finance Corporation (IFC), **supported projects to improve electricity trading and generation.** A study of power demand and supply, and barriers to trade across India, Nepal, and Bangladesh was commenced to facilitate future investment projects. SARIC commenced assistance to the Government of Bhutan to undertake preparatory work for the Dorjilung Hydropower Project and associated transmission lines. This work included geotechnical investigations; preliminary engineering designs; environmental and social impact assessments; and establishing a dam safety panel of experts and an environmental and social risk management panel of experts.

Preparation for a major privately financed port terminal in Bangladesh also commenced. SARIC, through the IFC, commenced an Environment and Safeguards scoping study; a critical habitat screening study; a gap analysis of land acquisition and livelihood impacts review; shoreline change modelling and assessment of impacts on areas of high biodiversity value; a dredging impact assessment; and a climate change resilience assessment.

SARTFP continued to support the identification of barriers to regional integration and trade, and the promotion of gender-sensitive outcomes. In 2020-21 activities included supporting the World Bank's Nepal Trade Competitiveness work to increase regional integration of Nepal in terms of trade of goods and services. A SARTFP funded study identified key policy barriers to regional integration and will inform how technology and innovation can be harnessed to further reduce trade costs.

SARTFP continued to promote the role of women in trade. **In 2020-21 SARTFP undertook analysis to improve understanding of women entrepreneurship in India and rural Bangladesh.** This analysis was used by the World Bank in developing a USD500 million project to strengthen performance of micro, small and medium enterprises in India. SARTFP also funded the World Bank in a first-of-its-kind women-led enterprise inside the Lumbini World Heritage Site in Nepal and providing existing women-led enterprises in the area with business development and market linkages support.

ANNEX 1: PROGRESS AGAINST COVID-19 RESPONSE PLAN RESULTS INDICATORS

Health Security

Key Results Indicators	Progress/Result
Number of people immunised with Australia's support	COVAX delivered 12,543,490 COVID-19 vaccines to countries in South Asia.
South Asian children are better protected against deadly diseases	Australian funding to Gavi supported routine immunisation to children in South Asia.
Number of people provided with emergency health assistance	<p>In Nepal: Through local health experts, supported government officials, and civil society organisations, to increase public health messaging to over 8.8 million people, using print, radio and online programs. Supported delivery of 3,760 cubic metres of health supplies. Supported United Nations Population Fund to distribute 44 emergency reproductive health kits to 14 health centres across the country.</p> <p>In Sri Lanka, provided: 5,000 hygiene kits for vulnerable women and girls; 15,000 sanitary napkin packs for women and girls in quarantine centres and home quarantine; and 2,698 sexual and reproductive health counselling services, including 367 gender-based violence counselling services.</p> <p>In Bangladesh, supported: 691,653 instances of life-saving assistance to vulnerable Rohingya and host communities (50 per cent women; 22 per cent children). Interactive health promotion activities which reached over 118,443 people including refugees and host community.</p>

Stability

Key Results Indicators	Progress/Result
Four communities implement climate-sensitive approaches to urban water management	<p>AWP supported the mapping of opportunities to improve water investment, management and use in the cities of Karachi and Lahore.</p> <p>SAWASI commenced a design for a demonstration project in India and Pakistan technical assistance is scheduled to commence in 2022.</p>
Evidence of women and girls and people with disabilities participating in water planning	<p>The Water for Women programs supported:</p> <ul style="list-style-type: none"> - An estimated 2,290 women to take on WASH leadership positions in five countries (Pakistan 1,291; Bhutan 120; Nepal 16; Bangladesh 370; and India 493). - Increased women's participation in 318 WASH committees across 5 countries (Pakistan 75; Bhutan 1; Nepal 8; Bangladesh 168; India 66). - The participation of 105 women in knowledge sharing activities in Gujarat and Rajasthan states in India.

Key Results Indicators	Progress/Result
Evidence of women and girls and people with disabilities participating in water planning (<i>continued.</i>)	<ul style="list-style-type: none"> - Engagement with Disabled People's organisations in water planning (Bhutan) - Diversification of WASH committee representation in rural municipalities in Nepal to include women health workers and people with a disability. - People with a disability to advocate for their rights in planning water services (Bangladesh).
New or improved social protection programs	<p>The Water for Women programs supported an estimated 163,000 people across South Asia with social protection measures including COVID-19 crisis relief, food aid and hygiene support.</p> <p>Through studies under SARTF, supported Bangladesh to identify factors that contribute to debt levels of migrant-sending households.</p>
Improved urban water resource governance at the community level for four communities	<p>SAWASI commenced a design for a demonstration project in India.</p> <p>This indicator will be reviewed with a view to combining it with indicator 1 above.</p>

Economic Recovery

Key Results Indicators	Progress/Result
Number of Australian supported projects that enhance low carbon and climate change resilience	Through the SARIC program, commenced environmental studies to support World Bank and IFC projects in Bhutan and Bangladesh.
Value of World Bank linked investment in energy and transport	SARIC supports the preparation of infrastructure pipelines. Following completion of the SARIC activities, the World Bank intend to provide investments to allow host governments to implement these pipelines. With SARIC pipelines still be developed, it is too early to report on investments by the World Bank. This indicator will be reviewed and amended if necessary, for 2021-22.
Value of private financing facilitated	SARIC supports the preparation of infrastructure pipelines. Following completion of the SARIC activities, the IFC intend to facilitate private sector investments to allow companies to participate in the implementation of these pipelines. With SARIC pipelines still being developed, it is too early to report on the value of private financing facilitated. This indicator will be reviewed and amended if necessary, for 2021-22.
Projects reported by IFC and WB to be at implementation or post concept stage	SARIC supports the preparation of infrastructure pipelines. The outcome of SARIC activities will inform World Bank and IFC design processes. It is too early to report on IFC and World Bank implementation. This indicator will be reviewed and amended if necessary, for 2021-22.

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
RCI: Trade Facilitation and Infrastructure Investment duration: 2013-23; Budget: \$39.3m	2021	4	5	4
	2020	4	4	5
South Asia Regional Infrastructure Connectivity Investment duration: 2019-25; Budget: \$32.0m	2021	4	4	4
	2020	n/a	n/a	n/a

FINAL INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
Australia Awards in South and West Asia Investment duration: 2015-21; Budget: \$45.5m	2021 FIMR	5	5	5
	2020 IMR	6	5	5
Sustainable Development Investment Portfolio Phase 2 Investment duration: 2016-21; Budget: \$47.9m	2021 FIMR	3	3	3
	2020 IMR	3	3	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

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

Less than satisfactory (1, 2 and 3)

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

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

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