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# Australia and the World Bank Group Partnership

Unlocking potential, achieving results

October 2012





Cover: Students enjoy a lunch of locally grown and purchased food under the Lao National School Meals Program in Khoua District, Phongsaly. These school lunches provide students with an incentive to attend and stay in school. The World Bank and Australia are working through the Global Partnership for Education to help the Lao Government deliver a new National School Meals Program to more than 240 schools in nine of the country's poorest districts. Photo: Bart Verweij, AusAID

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These icons symbolise the Millennium Development Goals (MDGs)—eight goals representing an agreement by world leaders to reduce poverty and enhance human development by 2015. More information about the MDGs is available online at [www.ausaid.gov.au/keyaid/mdg.cfm](http://www.ausaid.gov.au/keyaid/mdg.cfm)



Below: Australia and World Bank are working closely together to help communities across the region.  
Photo: World Bank.



# The Australia – World Bank Group partnership

With its simple and clear mission—to fight poverty—the World Bank Group is Australia’s largest multilateral development partner. As a global institution with 188 member countries, the World Bank Group is a vital source of financial and technical assistance to developing countries around the world.

Australia’s funding to the World Bank Group has increased fivefold since 2005. In 2011–12 Australia provided \$678 million to the World Bank Group’s programs to fight poverty and boost prosperity.

The collaboration between Australia and the World Bank Group is guided by the *Australia – World Bank Group Partnership Framework*. Signed in September 2011, it lays out a new and modern partnership model focusing on greater cooperation to achieve development results.

## Australia’s overseas development program

The Australian Government provides development assistance to 75 countries to help people overcome poverty. The Australian aid program was \$4.8 billion in 2011–12, with approximately \$4 billion administered through the Australian Agency for International Development (AusAID). Australia has a particular focus on helping its nearest neighbours—East Timor, Indonesia, the Pacific island nations and Papua New Guinea—but is also providing growing assistance to countries in Africa, the Middle East and South Asia.

Consistent with the Millennium Development Goals, Australia’s aid program is guided by five core strategic goals: saving lives; opportunities for all; sustainable economic development; effective governance; and humanitarian and disaster response.

## What is the World Bank Group?

The World Bank Group provides grants and low-interest or interest-free loans to developing countries. These support a wide range of investments in areas such as education, health, public administration, infrastructure, financial and private sector development, agriculture and environmental and resource management. The World Bank Group also offers support to developing countries through policy advice, research and analysis.

The World Bank Group is made up of five development institutions that work to reduce poverty:

The **International Bank for Reconstruction and Development (IBRD)** lends to governments of middle-income and creditworthy low-income countries.

The **International Development Association (IDA)** provides grants and interest-free and low-interest loans to the world’s 81 poorest countries.

The **International Finance Corporation (IFC)** provides loans, equity and technical assistance to stimulate private sector investment in developing countries.

The **Multilateral Investment Guarantee Agency (MIGA)** provides guarantees against losses caused by non-commercial risks to investors in developing countries.

The **International Centre for Settlement of Investment Disputes (ICSID)** provides facilities for conciliation and arbitration of international investment disputes.

# Why Australia and the World Bank Group work together

Australia is a middle-sized and influential donor, particularly in the Pacific and East Asia, with growing development assistance programs in Africa, the Middle East, and South and West Asia. But there are limits to what it can achieve alone.

The policy framework for Australia's aid program, *An effective aid program for Australia*, acknowledges that multilateral organisations are vital partners in the fight against poverty. Investing aid funds through organisations such as the World Bank Group means Australia benefits from their specialist expertise and can significantly increase both the geographical reach and the impact of its aid program in a cost-effective and efficient way.

Similarly, the World Bank works with Australia to take advantage of Australia's experience and skills, including in working with small and fragile states and technical expertise in key sectors such as water, dryland farming, mining and food security.

The 2012 *Australian Multilateral Assessment*, which assessed the effectiveness of 42 international development organisations, confirmed that the World Bank is a highly effective development partner. The World Bank was rated as one of the top five multilateral organisations with which Australia works and received strong scores in delivering results, its relevance in the wider development system and organisation performance.

As the Australian aid program continues to grow to meet its target of 0.5 percent of gross national income by 2016–17, the World Bank Group will continue to be an important development partner.

## Opening up development debate and sharing knowledge

An Australian and World Bank initiative is *Praxis*, a monthly televised panel discussion on development issues and policy, which was launched in April 2011. This award-winning series gets both experts (including from AusAID and the World Bank) and the public involved in serious, unedited discussion on some of the big development issues facing the Asia–Pacific region. The series is distributed to eight broadcast outlets across five countries and uploaded to YouTube and Kaltura. It attracts a live public and civil society audience every month across Australia, East Timor, Solomon Islands, and Papua New Guinea, giving the audience opportunities to pose questions to experts on the issues that matter most to them.

Below: Praxis opens up the development debate to civil society, government and the public so they can participate and contribute to the issues that most affect them.  
Photo: Aleta Moriarty, World Bank



# Priorities for the Australia – World Bank Group Partnership

Together, Australia and the World Bank Group are working to reduce poverty and boost development. Under the Australia – World Bank Group Partnership Framework, Australia and the World Bank Group will focus on 10 priorities for future engagement. These are:

To strengthen development coordination and improve development results in

1. the **Pacific**
2. **South-East Asia**, particularly in Indonesia and the Mekong
3. **South Asia**, particularly in fragile and post-conflict countries such as Afghanistan, Pakistan and Sri Lanka
4. **Sub-Saharan Africa**

and to:

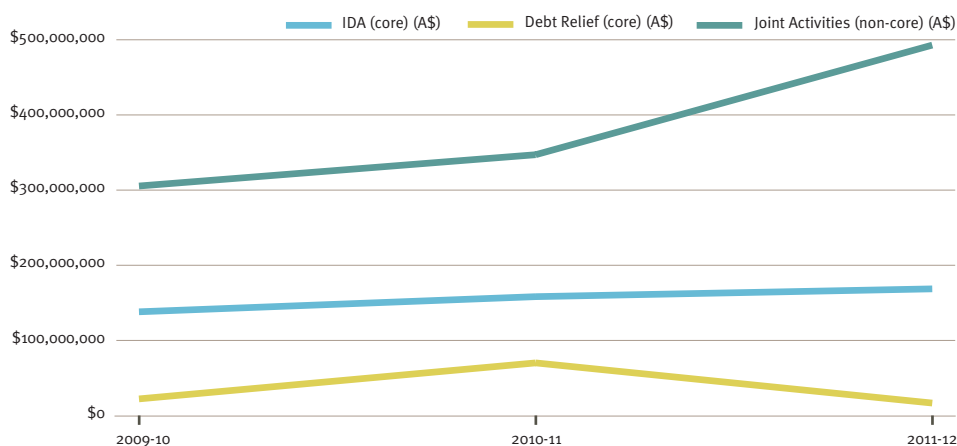
5. Increase cooperation to promote the **private sector** as a means of addressing development priorities
6. Strengthen and expand cooperation in **sustainable development** including sectoral cooperation in water, energy, transportation, disaster management, urban development, natural resources and agriculture
7. Explore further opportunities for collaboration and the exchange of experience and expertise of working in **small and fragile state environments**, including a specific focus on initiatives to promote private sector development
8. Enhance cooperation on global action on **climate change** and other environmental issues, including collaborative initiatives in the Asia and Pacific regions
9. Explore further opportunities for collaboration and sharing experience and expertise in relation to **education**, and working on joint programs
10. Ensure strengthened focus within both organisations on addressing issues relating to **gender** and **people with disabilities** in policy development and program implementation.

Right: The Australia World Bank partnership is helping to build community infrastructure across Indonesia.  
Photo: Josh Estey, AusAID





Australian funding to the World Bank Group, 2009–10 to 2011–12



Australia’s annual contributions to the World Bank ensure Australia is truly global in its reach and plays a role in helping countries throughout the world. They also allow Australia to have a strong say in how the World Bank Group’s resources are used.

Australia contributes to the World Bank’s fund for the poorest countries, the International Development Association (\$168 million in 2011–12) as well as to World Bank debt-relief funds (\$17 million in 2011–12). Australia is also the 17th largest shareholder in the International Bank of Reconstruction and Development, with a shareholding of 1.55 percent of total capital.

Australia and the World Bank Group have a growing portfolio of joint activities across the globe. In 2011–12, Australia provided \$492 million in non-core funding to more than 75 joint activities with the World Bank Group, up from \$347 million in 2010–11. The multi-year portfolio of ongoing activities is estimated at \$2.2 billion.

## Unlocking potential, achieving results

Headline results reported in 2012:

- Access to finance provided to more than 500,000 people in the Pacific
- More than 12,300 vulnerable people in Honiara, Solomon Islands benefited from training and work experience
- Improved access to running water and sanitation benefited more than 5 million Indonesians. More than a million households in the Philippines benefited from community-led projects such as new school buildings, improved water facilities and critical infrastructure
- More than 20,000 vulnerable Indonesian women benefited from empowerment activities like literacy and numeracy training
- More than one thousand Lao school principals trained in leadership and a ‘Schools of Quality approach’ and one hundred Lao pre-primary teachers received pre-primary training
- \$12 million provided in emergency cash transfers, benefiting more than 44,000 people in conflict-affected communities in Sri Lanka
- School enrolments in Afghanistan increased from around one million to more than eight million, including more than three million girls
- Antenatal care provided to more than 130,000 Afghani women ensuring 34 percent of births attended by skilled attendants
- Approximately 64,000 people in Mozambique provided with a treated water supply

## Development cooperation in the Pacific

The Pacific is central to Australia's international development objectives. A quarter of Australian aid goes to the Pacific and Australian aid is half of all assistance received in the region.

Australia and the World Bank Group are together addressing challenges for the Pacific region, including natural hazards and climate change risks; economic policy; poverty and inequality; infrastructure and urbanisation pressures; and governance. Joint engagement in the Pacific region has significantly increased over the past few years.

Through Australian support, the World Bank has been able to scale up support to the Pacific to record levels. The World Bank is now an influential player in the region, bringing its wealth of technical expertise and experience from around the globe. In 2011–12, Australia provided \$27 million to the World Bank for joint efforts in the Pacific. Australia and the World Bank work closely with other donors, particularly through the Pacific Region Infrastructure Facility, which coordinates activities for infrastructure in 12 Pacific island countries.

The partnership is bringing real improvements to the lives of Pacific islanders:

- In the past five years, more than two million people in Papua New Guinea and the Pacific have gained access to mobile telephones.
- Between 2006 and 2012, access to finance was provided to more than 500,000 people.
- More than 7,000 farmers in Solomon Islands received agricultural training between 2007 and 2011.
- In the past five years, more than 207 community projects, including schools, health clinics, solar power systems, bridges and water supply systems, have been developed in Solomon Islands.
- Since June 2010, more than 12,300 vulnerable people in Honiara have benefited from training and work experience.



Above: Solomon Islanders are benefiting from better telecommunications access and cheaper call costs thanks to support from Australia and the World Bank.  
Photo: Alison Ofotalau, World Bank

## A river runs through it

Roughly 85 percent of Solomon Islanders live in rural areas as subsistence farmers. Raising their standard of living is the focus of the Solomon Islands Rural Development Program, a joint Australia – World Bank initiative. This program focuses on improving infrastructure, providing essential agricultural support, and developing rural businesses. So far, more than 207 community projects have been completed or are under way, including building classrooms, health clinics, water supply systems and foot bridges, benefiting over 93,000 people. More than 7,000 farmers have received training, while 37 rural businesses have received finance that has led to a 30 percent increase in business turnover.

The Pirakamae River runs between the villages of Nambo and Pirakamae in Choiseul province. In the past, this has hindered access to vital services like schools, clinics, markets, and businesses, particularly during heavy rains when communities are cut off. Supported by community grants from the Rural Development Program, three footbridges have now been built. Children are now able to attend school without interruption and student numbers have tripled. Farmers, the sick, the elderly, expectant mothers, business people and the rest of the community have also benefited from this connection.

Below: Australia and the World Bank have assisted with the construction of new roads and road repairs in Samoa, which has helped connect people to key services like schools and hospitals. Photo: Corazon Alejandrino-Yap, PRIF



Below: Samasoni is a local businessman in Samoa. The rebuilding of roads in Samoa following the 2009 tsunami played a vital part in re-establishing Samasoni's business and making his life easier. Photo: World Bank

## After the disaster: rebuilding post-tsunami Samoa

Samoa is highly vulnerable to natural hazards. In September 2009, a powerful tsunami killed 143 people and destroyed thousands of homes. In the aftermath, many villages relocated further inland. A road was constructed with the help of Australia and the World Bank through the Pacific Region Infrastructure Facility, enabling communities to access services and local markets. The project also supported the construction of new sea walls along the destroyed coastline.

Samasoni is a local business owner who has relocated and rebuilt his home and business from scratch. 'The most pressing problem we faced in starting the business again in this new location was the condition of the road and no capital to start up the business again. So that's why we were looking for help', he said. 'The road to our present location has played a vital part in establishing our business and making life easier'.



## Development cooperation in East Asia

East Asia is a diverse and dynamic region that is increasingly driving global growth, investments, skills and knowledge, while at the same time facing emerging development challenges. Among the most pressing of these are climate change, infrastructure, gender equality, governance and poverty. Australia and the World Bank are focusing on helping countries take advantage of opportunities to promote development and address these core challenges.

Cooperation in the East Asia region makes up approximately 30 percent of the overall partnership. In 2011–12, Australia provided \$176 million to the World Bank for joint efforts to support the region as a whole, as well as country-specific work in Cambodia, Indonesia, Laos, Mongolia, the Philippines and Vietnam.

In February 2012, Australia and the World Bank announced a new four-year \$58 million partnership in Vietnam. The partnership will focus on improving key infrastructure, addressing climate change impacts, strengthening resilience to natural disasters, improving service delivery to vulnerable and rural communities, and supporting green growth. It will also aim to strengthen financial and private sector development and support key economic reforms.

The Australia – World Bank Group partnership is improving people’s lives in East Asia:

- Since 2008, improved access to running water and sanitation has benefited more than 5 million Indonesians.
- Since 2006, more than a million households in the Philippines have benefited from community-led-projects such as new school buildings, improved water facilities and critical infrastructure.
- Since 1998, 100,000 kilometres of roads, more than 17,000 bridges, 17,000 health posts and 28,000 schools have been built or renovated in Indonesian communities.
- More than 20,000 vulnerable Indonesian women have benefited from empowerment activities like literacy and numeracy training.
- In 2011, more than one thousand Lao school principals were trained in leadership and a ‘Schools of Quality approach’ and one hundred Lao pre-primary teachers received pre-primary training.

Below: The World Bank and Australia are working closely together to provide much-needed security to families and business owners in the Philippines by helping them secure ownership of land.

Photo: Dave Llorito, World Bank



## Securing land for families, homes and businesses in the Philippines

With ownership papers, landholders are more secure. This is a simple statement, but one that has big implications for families and communities in the Philippines, where land titling used to be a complicated and expensive process, discouraging many landowners from registering their lands. Having a title deed not only secures family homes and businesses: the secure title itself immediately increases the value of the land and allows owners to use it as collateral for a loan. This paves the way for greater investment and economic growth.

The World Bank and Australia are helping the Philippines Government to simplify the land registration process and improve land titling. By 2011, more than 109,000 titles had been provided under the joint project and processing time had been reduced. In the first municipality where the project was implemented, around 85 percent of land is now under title—providing much-needed security to families and business owners.

## Thousands of roads, bridges, schools and health posts developed in Indonesia

One of Indonesia's best known and most successful community-driven poverty reduction programs, the National Program for Community Empowerment, is supported by the World Bank and Australia. It gives power to communities by placing funds, planning and decision making directly in the hands of villagers. This Government of Indonesia initiative provides funds directly to village collectives, allowing villagers to use these grants to build infrastructure, give loans to existing groups for working capital, or make social investments in education and health.

To date the program has supported more than 60,000 villages and resulted in the creation of more than 100,000 kilometres of roads, more than 17,000 bridges and more than 20,000 sanitation units. In addition, 28,000 schools and 17,000 health posts have been built or renovated. These changes have created improved access to markets, town centres, health and education facilities, transport, business opportunities and clean water supplies in every rural village in the country.

Below: The National Program for Community Empowerment in Indonesia employs local villagers on its projects, providing an important income stream for communities.

Photo: Josh Estey, AusAID



## Development cooperation in South Asia

Australia and the World Bank are currently working together on 19 activities in South Asia, totalling \$490 million in multi-year investments. This spans every country in the region, with the largest investments in Afghanistan and Sri Lanka. The focus is on infrastructure, health, education, and conflict prevention. The partnership also includes work on trans-boundary development challenges such as climate change, particularly water management.

Australia and the World Bank work in partnership to achieve optimal effectiveness and efficiency; their joint investments have grown threefold in South Asia during 2011–12. They are working together to further strengthen partnership arrangements in the region. This enhanced cooperation will form the foundation for the next phase of the growing partnership.

In 2011–12 the partnership achieved:

- increased information sharing and knowledge building around trans-boundary water management, including development of recommendations on climate change adaptation, infrastructure development, flood control and groundwater, which affect up to 600 million people in the Ganges basin
- provision of clean water supplies and improved sanitation to around 3,000 households (benefiting an estimated 12,000 people) in the north and east of Sri Lanka
- enrolment of 55,222 additional children in school in Nepal
- provision of \$12 million for emergency cash transfers, benefiting more than 44,000 people in conflict-affected communities in Sri Lanka (2009–11)
- increased school enrolments in Afghanistan, from around one million in 2001 to more than eight million in 2011, including over three million girls, as well as the construction of 271 schools
- improvements in health care in Afghanistan, including more than 130,000 Afghanistan women receiving antenatal care and 34 percent of births attended by skilled attendants in 2011–12.



Above: A child undergoes health checks in Uruzgan Province. Thanks to Australian and World Bank support, access to basic health services in Afghanistan has seen a remarkable improvement.  
Photo: Lorrie Graham, AusAID



Right: A farmer weeds his vegetable field in Nangarhar Province as part of the AusAID-supported National Solidarity Program, which is funded through the World Bank-administered Afghanistan Reconstruction Trust Fund.  
Photo: Afghanistan Reconstruction Trust Fund

## Afghanistan Reconstruction Trust Fund

Australia is supporting stability, improving the quality of governance and strengthening institutions in Afghanistan through the World Bank-managed Afghanistan Reconstruction Trust Fund. This is the largest multi-donor fund of its kind in the world and has been instrumental in achieving significant development gains in Afghanistan since 2002.

In partnership with the World Bank, the Government of Afghanistan and other donors, the fund has achieved significant development results, including an increase in access to basic health services—from 10 percent of the population in 2001 to 85 percent today. The fund has contributed to the construction of more than 5,000 classrooms; the training of more than 90,000 teachers; the completion of more than 45,000 community projects; and to paying the salaries of around 250,000 civil servants including 150,000 teachers.

As the Afghan Government prepares to take on a greater leadership role in both security and governance, the Trust Fund will promote the reforms necessary to underpin this transition.

## Improving service delivery in South Asia

Effective delivery of services has the potential to improve living standards for millions of isolated and marginalised people in South Asia. Australia and the World Bank are working together to support governments and service providers in the region to deliver essential services to those who need them most.

In Bangladesh, they are helping communities to conduct audits of local government services. Communities in 50 local government areas used community scorecards to review the performance of their local government and agreed on social contracts to work together to improve local governance and service delivery such as health clinics and schools. The program is now being rolled out in Sri Lanka, where women will take the lead in assessing the performance of local governments.

Below: Australia and the World Bank are working with the Government of Sri Lanka to improve service delivery throughout the country. Photo: AusAID







## Development cooperation in Sub-Saharan Africa

Australia and the World Bank continue to strengthen their cooperation in Sub-Saharan Africa, with the World Bank assisting Australia as it expands its activities in the region. The World Bank partners with 48 countries in Sub-Saharan Africa and has a portfolio covering multiple sectors, from trade and transportation to agriculture, energy, education, health care, and water and sanitation.

In 2011–12 Australia provided funding of \$5.9 million to the World Bank to implement programs across a number of sectors and countries, bringing the multi-year investment to nearly \$50 million.

Throughout 2011–12, the World Bank and Australia have been working together to:

- strengthen mineral tax administration in Cameroon, Namibia and Uganda, building on initial World Bank projects in Ghana, Liberia and Mali
- support procurement reform in the mining sector in Burkina Faso and Liberia
- provide treated water supply to approximately 64,000 people in Mozambique
- help accelerate water and sanitation coverage in African towns, including developing financing strategies to scale up sanitation solutions.

Below: Ugandan mothers with their healthy babies, beneficiaries of Global Partnership on Output-Based Aid, supported by Australia and the World Bank.

Photo: Global Partnership on Output-Based Aid





Left: The partnership between Australia and the World Bank in Africa is improving the provision of maternal health and sexual health services. Photo: Kate Holt, Africa Practice for AusAID

## Award-winning health care project in Uganda

Health care, specifically maternal health care, is vital in reducing poverty. With the second highest fertility rate in the world, and the average woman undergoing seven pregnancies, maternal health is key to Uganda's national approach to health. Maternal and perinatal health conditions account for more than 20 percent of the total disease burden in the country.

Australia and the World Bank are working through the Global Partnership on Output-Based Aid, and with Marie Stopes International Uganda, to implement a program where women buy vouchers for reproductive and sexual health services and sexual health from private hospitals, clinics, nursing homes and midwives' facilities. Each voucher costs much less than families would normally pay.

Training and service provision has resulted in 59,000 safe births. It has also resulted in more than 30,000 sexually transmitted disease treatments. This project won an International Finance Corporation award in recognition of the impact that cooperative partnerships can have on achieving transformative development results.

## Decentralisation in Kenya

Devolving powers and responsibilities from central to subnational governments is always complex. Australia is working with the World Bank to help Kenya carry out this politically sensitive but popular reform.

The decentralisation and devolution reforms will improve the distribution of public finances, which will result in more equitable access to health and other services.

Australia is providing technical expertise to this process, much of it developed through its own longstanding domestic experience with cooperative federalism. This includes contributions from a former Australian Grants Commission Chair, who has provided advice on intergovernmental finance.



Above: Microfinance in East Timor helps villagers make a living from selling dried fish. Photo: Joao Vas, AusAID

## Private sector development

Australia and the World Bank Group recognise the crucial role the private sector plays in spurring growth and reducing poverty in developing countries. A strong and vibrant private sector creates vital jobs and services, providing people with the opportunity to improve their lives. Australia is working with the International Finance Corporation (IFC), the world's largest global development finance institution and a private sector arm of the World Bank Group, to promote private sector investment in emerging markets.

As a member of the World Bank Group, the IFC fosters sustainable economic growth by financing private sector investment, mobilising capital and advising businesses and governments on projects that provide lasting benefits to communities and the environment. Australia has allocated close to US\$80 million in funding to IFC Advisory Services globally since 1995, with over a third directed to projects in the Pacific region. Expanding financial services, building better business environments, improving infrastructure and creating sustainable businesses is the focus of the partnership.

In 2012, Australia released a strategy that describes its approach to the development of the private sector in partner countries. The strategy seeks to improve the focus of country programs in this space, which may underpin strengthened partnerships with key multilateral organisations such as the IFC. Complementing such efforts, Australia will increase its engagement with the business community, both in partner countries and with Australian firms.

Below: Support to telecommunications in Papua New Guinea and the Pacific is helping people and businesses connect. Photo: Richard Dellman, World Bank



Below: The Pacific Microfinance Initiative has helped women in Tonga start small businesses.  
Photo: Sara King, IFC



## Building the base for business in the Pacific

The IFC, in partnership with Australia, is stepping up its support to East Timor's private sector to help create the jobs and services that are vital for the country's future. Under the Pacific Microfinance Initiative, the IFC and Australia are helping to transform and strengthen the country's leading microfinance organisation, Moris Rasik, into a commercial entity. This will help attract new investment to expand their activities across the country. With the IFC's help, Moris Rasik aims to grow its customer base by 45 percent to 16,000 and increase deposit accounts by 5,000 over the next three years.

The IFC and Australia have also worked with the East Timor Government to introduce clearer and simpler procedures so that business registration is faster and easier, saving business owners' valuable time and money. It now takes on average 19 days to register a company, compared to the 83 days it took in 2011.

In 2011, the Pacific Microfinance Initiative also assisted a local PNG institution, Bank South Pacific, to promote innovative e-banking products—including EFTPOS, and links between mobile phones, bank accounts and tablet computers—to extend banking services to people living in remote areas. As a result, close to 35,000 people in rural villages now have access to mobile banking in rural areas.

## Linking people, creating jobs in Papua New Guinea and the Pacific

When IFC-backed telecommunications company Digicel entered the Papua New Guinea market in 2006, it brought reliable and affordable mobile phone services to millions of people. It also created new jobs for some 30,000 people who sell Digicel airtime. To help these entrepreneurs, the IFC, with the support of the Australian Government, designed a business training program that has taught business planning, sales, and customer service skills to 133 Digicel distributors, helping them grow their businesses, create jobs, and earn higher incomes.

This work with individual mobile phone providers is part of broader support that the World Bank Group and Australia have been providing to governments in the Pacific to help open up the telecommunications market and improve access. Some two million more people in Papua New Guinea and the Pacific now have mobile phones compared to a decade ago. This has reduced the cost of doing business and helped create new economic opportunities, as well as connecting households.

## Global Road Safety Facility

By 2030, global health losses from road crashes for children between the ages of 5 and 14 years are projected to rank second only to those from HIV/AIDS. These losses have already surpassed malaria and tuberculosis.

Australia's support of the World Bank's Global Road Safety Facility helped to improve safety on 3,000 kilometres of national roads in the Philippines. It was estimated that a relatively small investment—approximately \$150 million over 20 years—could prevent up to 27,000 deaths and serious injuries through targeted engineering safety measures on the road network. Local engineers and government officials gained on-the-job training and experience in surveying roads for vehicle and pedestrian safety. The second phase of the program will assess an expanded road network and provide assistance to the Philippines Government to implement the safety facilities that were identified in the first phase.

## Engagement on sustainable development

Sustainable development was established as a guiding vision for development efforts of all countries at the Rio summit in 1992, in recognition of the need for environmental, economic and social wellbeing for today and tomorrow. At the RIO+20 summit in June 2012, participants recognised the value of developing universal sustainable development goals that effectively incorporate these three dimensions.

Australia and the World Bank are committed to working closely together around the globe and across a wide range of sectors to assist countries achieve more sustainable development outcomes.

Priority is given to strengthening and expanding sectoral cooperation in water, energy, transportation, disaster management, urban development, natural resources and agriculture. In 2011–12, Australia provided more than \$65 million to the World Bank's Sustainable Development Network.

Below: The Global Agriculture and Food Security Program is helping poor rural people increase their incomes and improve long-term food security and nutrition.  
Photo: Alison Preston, AusAID



## Global Agriculture and Food Security Program

Australia is working with the World Bank to improve food security for the majority of the world's poor through the Global Agriculture and Food Security Program. Australia is the only donor to make a second pledge to this program, and has made a total commitment of \$100 million. The program will benefit more than 7.5 million poor people and has already delivered early results. In Togo, for example, the program is helping implement a national agriculture plan and improving seeds, fertiliser and training for small holder farmers to directly benefit 258,000 people.

## Improving water and sanitation services in Indonesia

Australia is working with the World Bank to improve the provision of water and sanitation services across Indonesia. Since 2008, joint efforts have assisted 5,489 villages in 110 districts and 15 provinces to have a safer water supply, improved sanitation facilities and enhanced hygiene practice.

Desy Deratna Keke is a second grade student at Naileku State Elementary School, Tokbesi village, East Nusa Tenggara—one of the villages supported by the World Bank – Australia water and sanitation program in 2011. When a public tap was installed near Desy's house, she said 'Now it's much easier to help my parents get clean water, I have more time to study and play with my friends.'

Before the program helped the Tokbesi village, it was very hard to access clean water for cooking, drinking, bathing and washing. The villagers had to walk almost a kilometre to get clean water during the rainy season and about 1–1.5 kilometres in the dry season.

The pipeline that brings clean water to her village has changed the lives of Desy and the entire community. Her parents now have more time for field work and to care for their children. Although they still need to walk a little bit to the new public tap to access clean water, it has changed their lives for the better.

Below: The World Bank – Australia partnership in Indonesia has helped increase access to a water supply for approximately 3.51 million people and helped 2.1 million people gain access to improved sanitation. The joint Water and Sanitation for Low Income Communities Project has facilitated 4,610 community organisations and 3,496 community water management groups.  
Photo: AusAid



## Small and fragile states

Fragility and conflict are priority issues for Australia's aid program. The majority of Australia's aid goes towards helping fragile states; of the top 10 recipients of Australian aid, seven are considered fragile or conflict affected. These are countries where the government has limited capacity or will to provide basic services and security to its citizens, and the relationship between the government and its citizens is weak. Australia has developed innovative, practical approaches to get the best value for its aid program and make a real difference in reducing poverty on the ground.

The World Bank also has considerable experience in delivering programs in fragile settings and has strong networks with the global development community. Since 2000, the International Development Association has provided more than US\$11.2 billion in post-conflict reconstruction assistance to fragile and conflict-affected countries. Commitments to fragile states have increased from US\$396 million in 2009–10 to US\$2.4 billion in 2010–11.

The World Bank is also leading international thinking on aid effectiveness in fragile environments, building on the 2011 World Development Report *Conflict, Security, and Development*.

In July 2011, the World Bank launched the Global Centre on Conflict, Security and Development. The centre provides support to country teams and access to the latest research and knowledge on what works in volatile environments as the World Bank puts into practice the 2011 World Development Report. A new knowledge-sharing platform will connect practitioners, researchers, policymakers, and organisations working on issues of fragility, conflict and violence.

The World Bank and Australia have prioritised cooperation to share learning and trial innovative approaches in fragile and conflict-affected states. For example, AusAID's Core Course on Fragility and Conflict, delivered to more than 70 Australian public servants in 2011–12, is based on a World Bank training package. Australia continues to engage in the State- and Peace-building Fund, the World Bank's primary vehicle for supporting state and local governance and peace-building efforts in fragile and conflict-affected regions. The fund is currently supporting 44 projects worth USD\$95.5 million. Projects include employment generation, justice and governance reform, and processes to enhance the targeting of vulnerable groups and improve conflict sensitivity in mainstream investment programs.

Priority is also given under the Australia – World Bank Partnership to small states. Australia is the largest donor to small island developing states, including East Timor and countries in the Pacific, Caribbean and Indian oceans. Australia has been successful at working with the World Bank Group to ensure its programs are accessible and relevant to even the smallest nations.

## Sharing experiences

AusAID seconded an adviser to the Fragile and Conflict-Affected Countries Group section in the World Bank from May 2008 to 2011. The adviser played a senior role engaging on policy and operational issues that affect small states and fragile and conflict-affected countries. As the principal contact for all the World Bank's Pacific activities, he provided advice and support on engagement in small states issues. The adviser also provided input to World Bank operations in Afghanistan, Liberia, Pakistan, the Philippines, Sierra Leone, Thailand and Zimbabwe.

## Improving infrastructure in conflict-affected areas

Australia is working with the World Bank and the Government of Sri Lanka to improve access to local infrastructure services in conflict-affected areas in the north and east of Sri Lanka. The program is repairing and constructing new infrastructure and will also enhance the capacity of local government authorities to design, implement and manage infrastructure development. The project supports economic activity and supply-chain improvements that will benefit around 370,000 people by supporting food production, trade in goods and services and attracting additional investment to the region.

Australia and the World Bank are working in places like Kallaru village in north Sri Lanka to repair roads and other infrastructure destroyed in past conflicts. With better roads, farmers can take their goods to market.  
Photo: AusAID





Below: Joint Australia – World Bank assistance in Kiribati is helping secure stable supplies of fresh water.  
Photo: Lorrie Graham, AusAID



## Climate change

The World Bank has been instrumental in facilitating a range of important climate change and environment funding mechanisms—including the Global Environment Facility, the Climate Investment Funds and the Forest Carbon Partnership Facility. This involvement has been in response to unprecedented demand from many countries for support in their efforts to address development and climate change challenges. Australia is contributing to these funds to ensure its support is coordinated and effective in addressing climate change issues.

The Forest Carbon Partnership Facility, in particular, will set the stage for a large-scale system of incentives for reducing emissions from deforestation and forest degradation, providing a fresh source of financing for the sustainable use of forest resources and biodiversity conservation, and for the more than 1.2 billion people who depend, to varying degrees, on forests for their livelihoods.

Engagement with the World Bank is an important part of Australia's environmental and climate change agenda. In 2011–12 environmental and climate change activities accounted for approximately 5 percent of Australia's total overseas development assistance budget, or approximately \$231 million.

## Holding back the tide—building resilience to climate change

The nation of Kiribati, a chain of small, mostly low-lying, coral islands, is one of the most vulnerable countries in the world to the effects of climate change and natural disasters. Many coastal villages are at risk of submersion by 2050. Australia and the World Bank are working together to help both the government and local communities prepare for some of the climate-related challenges.

Two of the most pressing problems being addressed by this program are the need to protect against coastal erosion and to secure stable supplies of fresh water. Tides have already flooded homes and devastated people's livelihoods, and sea-level rise is already contaminating groundwater, making it unfit for people to drink.

In an effort to combat coastal erosion and predicted sea-level changes, sea walls have been built along the main road and more than 37,000 mangrove seedlings have been planted. Improvements to the water supply have already directly benefited more than 1,200 people, and work is currently under way to increase storage capacity and water management. Together, these efforts are increasing resilience to the effects of climate change for Kiribati's 110,000 residents.

Below: More than 750 million people depend on flows from the Ganges, Brahmaputra and Indus rivers for agriculture and food security, industry and power, safe water and sanitation, and to sustain environmental ecosystems in the region. Photo: Dirk Guinan, AusAID



## Working together on water resource management

In South Asia, as water flows in the Himalayan river basins become less predictable due to the impacts of climate change, regional cooperation on water resource management is critical. More than 750 million people depend on flows from the Ganges, Brahmaputra and Indus rivers for agriculture and food security, industry and power, safe water and sanitation, and to sustain environmental ecosystems in the region.

The World Bank and Australia are working with the United Kingdom and Norway through the South Asia Water Initiative to build knowledge and institutions, and to promote information-based dialogue within countries, across basins and throughout the region.

This initiative is helping to improve the resilience to the impacts of climate change in the river basins of South Asia and has already completed activities that include:

- the first comprehensive analysis of the Ganges River system to inform policy makers that manage the river across borders in Bangladesh, India and Nepal
- social and environmental impact assessments to help management of the world's largest mangrove system, the Sundarbans, in Bangladesh and India
- integrated river basin planning in Afghanistan to support the prioritisation of resources and increase resilience to climate change.

Australian institutions, including the Commonwealth Scientific and Industrial Research Organisation (CSIRO), and Australian water experts are working closely with development partners to improve human resource capacity and program designs.

## Education

Education is one of the best development investments. It is transformational for individuals, families and societies, and is critical to the achievement of all Millennium Development Goals and other development outcomes.

As the largest external education financier for developing countries, the World Bank is a key player in global efforts to reach the Millennium Development Goal of universal primary education by 2015, and works to help countries reap the full benefits of education through learning for all.

The World Bank and Australia are active partners in the Global Partnership for Education, the only global partnership focused on basic education in developing countries. In 2011, Australia pledged \$270 million over four years (2011–15) to this partnership, the second largest commitment in this period. The Global Partnership for Education is helping to improve access to education for children in 49 low-income countries, including 11 in Asia and the Pacific. It focuses strongly on gender parity—in particular, providing more girls with better access to education at the primary and junior secondary levels—and encourages a focus on gender as a core part of government education policy.

Below: Australia and the World Bank are helping to improve girls' access to quality education in Laos. Photo: Bart Verweij, AusAID



## Supporting girls' education in Laos

A program funded by the Global Partnership for Education is improving access to and the quality of pre-primary and primary education in 60 of Laos' most educationally disadvantaged districts, where girls' enrolment in primary education has traditionally been lower. In time, the program will improve access to a quality education for more than 170,000 children.

The program builds on the Lao Government's commitment to provide a safe educational environment for girls. Overcoming the barriers girls face to attending school not only increases their quality of life but improve a nation's health, food production and economic growth.

The program will provide mobile teachers to remote villages without a school, tackling a major cause of non-attendance by primary-age children, particularly girls. Education officials and teachers will be trained and learning materials provided. More than 2,700 classrooms will be constructed in primary schools across Laos.



Above: Australia and the World Bank are helping the Government of the Philippines provide quality education to its children, including those living in conflict-affected areas in Mindanao. Photo: AusAID

## Strengthening the Philippines' education system

Australia and the World Bank are working in partnership with the Government of the Philippines to address the enormous challenges associated with fixing an education system under stress.

Since 2008, the program has helped build 559 classrooms and six learning centres, which have improved the learning environment for more than 22,000 students. The program has also helped the Department of Education to develop strategies and policies. As a result, we are now seeing improvements in teaching and learning competencies, including school-based management; competency-based standards for hiring, promotion, training and supervision of teachers; accreditation of schools; monitoring and evaluation of education products and services; and mother-tongue based multilingual education.



Above: Australian and World Bank support for the Global Partnership for Education contributes to the provision of mobile teachers to remote villages without a school in Laos, tackling a major cause of non-attendance by primary-age children, particularly girls. Photo: Sounisa Sundara, AusAID

Below: Through capacity building and microfinance programs, Australia and the World Bank are helping achieve social and economic empowerment for female heads of households in Indonesia.

Photo: Josh Estey, AusAID



## Gender and people with disabilities

Australia and the World Bank are working together to improve gender equality and to empower women in developing countries. Investments in women's and girls' education and health see some of the highest returns of all development investments, including reduced rates of maternal mortality, better educated and healthier children, and increased household incomes.

Gender equality extends beyond improving female health and education. It means better access for women to economic resources, participation and leadership in decision making, and respect for the human rights of women, including the right to a life free of violence.

Australia values the World Bank's strength in research and analysis when it comes to gender. Australia worked with the World Bank in the preparation and dissemination of the influential 2012 World Development Report *Gender Equality and Development*, as well as a companion report, *Toward Gender Equality in East Asia and the Pacific*. Both reports argue for gender equality as an important development objective in its own right, which also makes good economic sense. Australia is supporting the integration of gender equality into World Bank-funded initiatives in Indonesia, Papua New Guinea, Laos, and across the Pacific.

Enhancing the lives of people with disabilities is also an aid policy priority for Australia. The World Bank is in a strong position to support developing countries to progress their policies within broader aid programming, particularly as many have ratified or will be ratifying the UN Convention on the Rights of Persons with Disabilities. In particular, the World Bank has assisted in the development of Australia's Universal Design Guidelines, which will ensure Australia-supported infrastructure is more accessible for people with disabilities. The World Bank will play a critical role in the implementation of these guidelines.

Australia helped the World Health Organization and the World Bank develop the inaugural *World Report on Disability* (2011). This landmark resource draws on the best available evidence and makes specific recommendations for the necessary actions to improve the quality of life of people with disabilities and increase support for the Convention on the Rights of Persons with Disabilities.

## Giving women a voice and a future

In Indonesia, households headed by women generally occupy a marginal position in all aspects of life and are denied opportunities. Widows account for a significant share of the rural very poor. The Female-Headed Household Empowerment Program, supported by both the World Bank and Australia, aims to change that by overcoming widows' isolation and supporting the development of self-reliant groups. Focusing on capacity building and microfinance is helping achieve social and economic empowerment.

Through groups formed under the project, women learn to read and write, bookkeeping, and other skills. After a year with the group, women gain access to community grants or loans to help develop a business, educate their children or to fund other projects of their choosing. The program also works with women to improve their ability to access justice through the formal legal system, including supporting women to obtain birth certificates for their children so they can be registered to attend school, training village-level paralegals and raising poor and marginalised women's legal awareness, as well as encouraging courts to waive fees for the poor and hold circuit courts in remote areas.

The wide-ranging program has built and renovated houses; provided scholarships to children; trained women leaders and paralegals; opened early childhood education centres, literacy centres and community-based learning centres; established community radio stations; and created microcredit schemes. The project has 750 groups in 475 villages that have benefited around 20,000 women and approximately 52,000 of their family members.

