



AUSTRALIA'S INTERNATIONAL RESPONSE TO COVID-19

PRE-BUDGET SUBMISSION: 28 JANUARY 2022

Overview

- In 2020-21, Australia responded decisively to a rapidly deteriorating strategic environment through **a new suite of defence, diplomatic and development investments** designed to alter this trajectory, “using all the elements of statecraft to shape the world that we want to see”.
- This included additional several “temporary and targeted” development initiatives designed to **save lives and support livelihoods in the Pacific and Southeast Asia**
 - Two of these measures, the \$304m “Pacific Response Package” and the \$523m “Vaccine Access and Health Security Initiative” (VAHSI), are scheduled to terminate in mid-2022 and mid-2023, respectively.
- Given the accelerated deterioration in our strategic environment as a result of the pandemic and the expectation from partners and allies that our assistance will not decline during this crisis, it is **critical that Australia continues to work with partners to strengthen regional resilience and contribute to an effective multilateral response** over the medium term.
 - This can be achieved through the inclusion of several practical measures in the upcoming 2022-23 Federal Budget focused on: global vaccine access to prevent further variants of COVID-19; extending our regional health and economic support; and responding to worsening protracted humanitarian crises in Afghanistan and Myanmar.

Budget 2022-23: strategic investments

Invest \$1.8b in regional health security, economic recovery and stability between 2022/23 - 2025/26.

Health Security

Extend the Vaccine Access and Health Security Initiative to 2025-26.

Commit at least 10% of this extended initiative to addressing vaccine hesitancy in our region through strengthened partnerships with trusted, community-led organisations.

Contribute our fair share to the global pandemic response effort with an additional \$350m to purchase vaccines and support pandemic preparedness in low and middle-income countries.

Share at least 20 million domestically produced vaccines through the COVAX facility to support equitable global vaccine access.

Economic Recovery

Extend the Pacific Response Package to 2025-26 with a focus on an inclusive and climate-resilient economic recovery, social protection, gender equality and disability inclusion.

Enhance the concessionality of Australia's infrastructure loans in the Pacific to finance vital health infrastructure, climate resilience and kick start pro-poor economic recovery.

Support measures for debt cancellation and relief in the Pacific, including Pacific-led debt-for-climate resilience swaps.

Stability

Increase funding to \$100m a year to stabilise the escalating humanitarian crisis in Afghanistan and to protect vulnerable groups.

Prioritise local civil society organisations to support the people of Myanmar and prevent further instability.

Budget implications

AUD billions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
ODA "Base" (inc. indexation from 2022-23)	4	4	4.1	4.202	4.307	4.415	
Enhanced Partnerships in SE Asia	0.02	0.055	0.061	0.079	0.055	0.055	0.11
Australia ASEAN Comprehensive Strategic Partnership*			0.007	0.02	0.01	0.02 (est.)	
Pacific Response Package	0.2	0.1	0.15	0.15	0.15	0.15	0.6
Vaccine Access and Health Security Initiative	0.239	0.163	0.098	0.175	0.175	0.175	0.525
India COVID-19 Humanitarian Response	0.2	0.016					
Afghanistan Protracted Crisis Response			0.05	0.05	0.05	0.05	0.2
Global Vaccine Access (COVAX, CEPI)			0.175	0.175			0.35
Total ODA without ACFID additional measures	4.497	4.355	4.266	4.301	4.317	4.435	
Total ODA with ACFID additional measures			4.641	4.851	4.747	4.865	1.785

* Included in 2021-22 MYEFO: proportion ODA eligible TBC

Outcomes

→ **Strengthened relationships with our region:**

Extending and enhancing the flexibility of our existing programs would be a very strong signal to the region of Australia's long-term, practical support for our Indo-Pacific neighbours and partners as the shockwaves from the pandemic continue. It would also avoid the risk to our regional relationships by Australia withdrawing this important support from mid-2022.

→ **Accelerated global and vaccination to prevent new strains of COVID-19 and support economic recovery:**

Achieving global vaccination targets is critical to the recovery of the Australian economy and that of the region. KPMG modelling projects a smooth international rollout could have a \$17 billion economic benefit to Australia and generate nearly 40,000 jobs. By leveraging the power of joint purchasing arrangements, global platforms such as the COVAX Advanced Market Commitment (AMC) have benefited the vaccination effort globally and in our region enormously.

→ **Prevention of wider regional instability and insecurity emanating from protracted crises:**

Given Australia's military engagement and in-country diplomatic presence in Afghanistan has ended, our humanitarian and development program is our only remaining avenue to engage directly on the country's future, both for the betterment of its people and for improved regional and international security. In Myanmar, the continuing presence of non-government and multilateral humanitarian and development organisations is one of the few levers available to the international community to address rising conflict, poverty and instability and to avert a wider regional crisis.

A decisive regional response

They're our family. They're our friends. They're our neighbours. They're our partners...This is in Australia's interests, and it is in our region's interests and it's incumbent on us as Australians both in securing the health of our own citizens but equally of our PNG family who are so dear to us.

— ” —

Prime Minister, Hon Scott Morrison MP

Press Conference, Parliament House, 17 March 2021

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“...the Government, from the beginning of this crisis, has taken immediate action, worked in close partnership with our Indo Pacific neighbours to deliver [a] strong response.”

Foreign Minister, Senator the Hon Marise Payne, 16 March 2021



“

“on top of our \$4 billion Development Assistance Program for 2021, we’re delivering \$1.3 billion in additional temporary, targeted initiatives to support economic recovery and deliver safe and effective vaccines in our region.”

Minister for International Development and the Pacific, Senator the Hon Zed Seselja, 23 March 2021



Delivering tangible results



Australia has provided over **17.5 million doses of COVID-19 vaccines** to Pacific nations and Timor-Leste, including over 1 million doses to Fiji, to protect lives and livelihoods.

In PNG, Australian support has helped support around **38,000 school students** access remote learning and return safely to school.

In Indonesia, we have helped expand government social assistance programs targeting those most affected by COVID-19 impacts. This has enabled a **majority (around 55 per cent) of households** to receive at least one form of assistance, with a focus on the most disadvantaged.

Our global humanitarian assistance in 2020-21 provided **over 11 million people in conflict and crisis situations** with life saving health assistance.

And diplomatic & strategic dividends

“ Bainimarama says Fiji is grateful for Australia’s efficient response in providing 320,000 doses of Australian manufactured AstraZeneca vaccines.

He says this support has been mobilised immediately after Prime Minister Morrison’s commitment to assist Fiji with 1 million doses of vaccines.

Bainimarama also acknowledged Australia’s enduring support in providing Personal Protective Equipment and deployment of Australian Medical Assistance Team (AUSMAT) officials who are working closely with Fiji’s Health care professionals to trace and contain COVID-19.



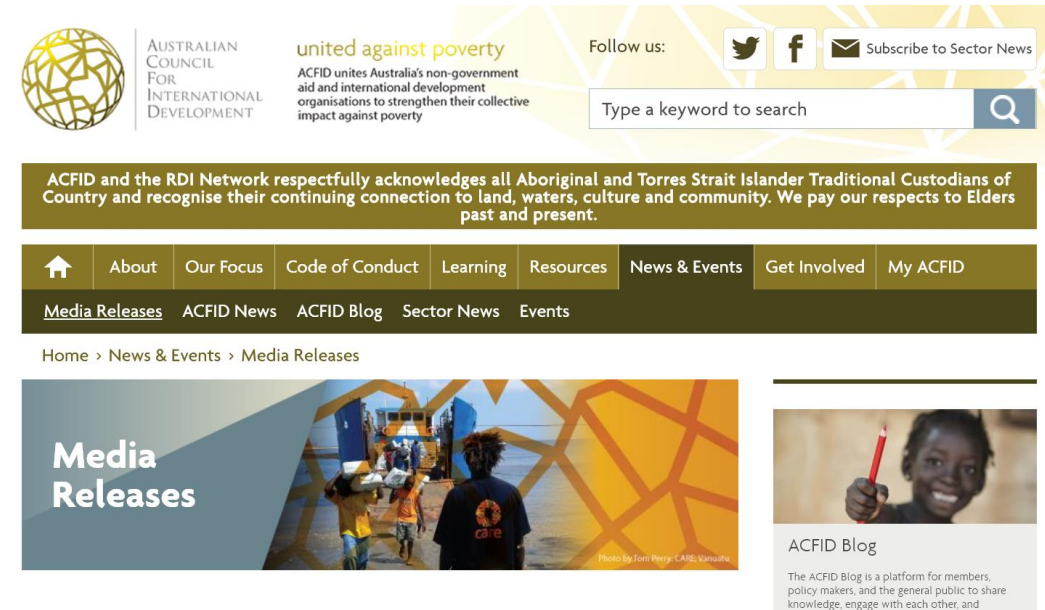
ACFID and its members have backed these investments

“ This investment is good for our neighbours, good for regional health security and good for Australians. How our neighbourhood emerges from COVID-19 will determine Australia’s recovery.”

ACFID CEO, Marc Purcell, 31 October 2020

“ ACFID has warmly welcomed the Australian Government’s next step in responding to the PNG epidemic by providing 10,000 vaccines a week to Melanesian countries and Timor-Leste”.

ACFID Media Release, 9 April 2021



COVID and the neighbourhood: severe and worsening

NEW AND UNPREDICTABLE C-19 VARIANTS

By the end of August 2021, there were 520,000 - 1.6 million excess deaths caused by COVID-19 in Southeast Asia.

THE VACCINE DIVIDE

Only 9.8% of people in low-income countries have received at least one dose of COVID-19 vaccine. In PNG, only around 3% of the population are fully vaccinated.

FRAGILE REGIONAL ECONOMIES

As many as 1 million people in the Pacific could be thrown into extreme poverty as a result of the pandemic. Fiji's economy contracted by over 15% in 2020 and the Philippines by almost 10%.

SLUGGISH RECOVERY IN ASIA

Emerging market and developing economies in Asia are projected to be 13% smaller on average by 2025 than they would have been pre-pandemic.

And our strategic environment continues to deteriorate

Prosperity



An additional 75-80 million people in the Asia-Pacific have been pushed into extreme poverty over the last year ([ADB, 2021](#)).

Economies that are key to diversifying Australia's regional trade, investment and skilled migration relationships are being hit hard.

Stability



COVID-19, conflict and climate change all portend decreased regional stability and a weaker region.

Australia needs to use all forms of statecraft to more actively shape its regional strategic environment in order to avoid a further deterioration ([Defence Strategic Update, 2020](#)).

Resilience



COVID-19 has exposed some of the weaknesses in both formal and informal systems of service delivery, social protection and emergency response throughout our region.

This undermines trust and creates opportunities for disinformation, misinformation and foreign interference.

Strong national interest case

Health security:

The proximity of countries like PNG highlight the strong link between the health security of our neighbours and that of Australia.

Economic recovery:

Combined, the 10 ASEAN member economies are Australia's second biggest trading partner. Their growth trajectory is critical to our own recovery and trade diversification.

Stability:

Protracted humanitarian crises in Afghanistan and Myanmar risk state collapse, intensified conflict and instability and increased flows of displaced people and refugees.

But our key response measures are expiring

Supplementary Official Development Assistance measures from 2020/21 and 2021/22 Budgets

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
COVID-19 Response Package - support to the Pacific and Timor-Leste	200,000	100,000	-	-	-
COVID-19 Response Package — Australia's Indo-Pacific Engagement — enhanced partnerships in Southeast Asia	20,201	55,998	61,476	79,796	-
COVID-19 Response Package - Australian Support for COVID-19 Vaccine Access in the Pacific and Southeast Asia (a)	239,100	162,591	27,302	-	-
Contingency Reserve - balance of COVID-19 Response Package - Australian Support for COVID-19 Vaccine Access in the Pacific and Southeast Asia (b)	-	-	71,007	-	-
COVID-19 Response Package - Australian support for India	20,362	16,712	-	-	-
Total	479,663	335,301	159,785	79,796	-

Australia's regional relationships: a defining moment

“[Indonesia] is a country of the future: it will remember who was with it at its moment of greatest crisis.”

— — — — — ” —

Richard Maude

Executive Director and Senior Fellow, Asia Society Policy Institute, 7 May 2020



“

I will always remember when Australian servicemen went all out to help us during the tsunami tragedy in Aceh and Nias. It was Indonesia's darkest tragedy ever, but I was so proud to see Australian soldiers and TNI troops working together to save lives and bring relief to the suffering.

Dr Susilo Bambang Yudhoyono

Former Indonesian President
10 March 2010



“

Australia never leaves Indonesia's side during times of disaster. The people of Indonesia will always remember when Indonesia was struck by a tsunami in 2004 in Aceh... Indonesia and Australia are destined to be close neighbours. We cannot choose our neighbours. We have to choose to be friends. Australia is Indonesia's closest friend.

Joko Widodo

Indonesian President
10 February 2020

Strengthening regional alliances and partnerships

Expanded development cooperation provides a platform for deeper cooperation with key allies and partners, including the Quad and ASEAN.

“ At a time that tests us all, our commitment to realize a free and open Indo-Pacific is firm, and our vision for this partnership remains ambitious and far-reaching. With steadfast cooperation, we rise to meet this moment, together.”

Joint Statement from Quad Leaders, 24 September 2021



Echoed by foreign policy & national security experts

"We have been way too relaxed about our position in Southeast Asia, probably thinking that it is stronger than it really is, and we have been caught flat-footed with the volume of Chinese money."

Peter Jennings, Executive Director ASPI, 8 November 2021



"Growing development gaps will lead to sharper political divisions...this will present ripe pickings for states that want to play on discontent and vulnerability."

Allan Gyngell, National President AIIA, 14 January 2022

Increased public support

57%

of Australians support the Federal Government
funding of overseas aid to developing countries,
up from 52% in 2019

Polling commissioned by the Fred Hollows Foundation,
YouGov (August 2021)

Talking with constituents: health, pandemic, poverty

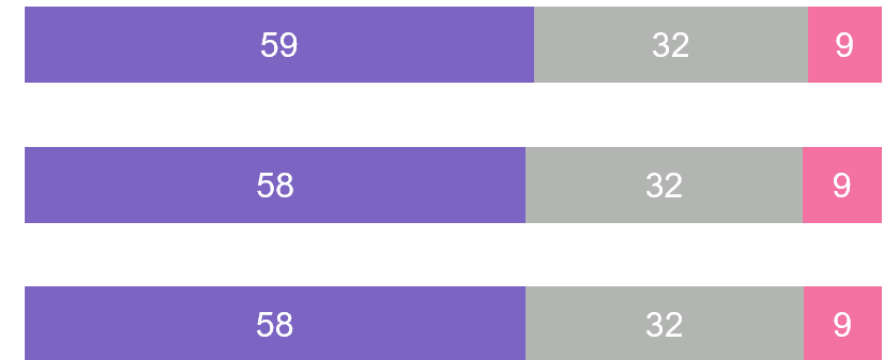
The majority of voters support most descriptions of Australia's involvement in addressing various issues in the region exasperated by the pandemic

The pandemic is a global emergency and a human disaster. It needs governments around the world to work together and get health resources where they are needed most. Australia must step up and support these efforts.

More than 10 million people in our region have been pushed into poverty by the pandemic, leading to disadvantage and instability in our region. Australia must do more to help these communities.

Health and hospital systems are close to collapse in many countries in our region, meaning they are unable to cope with COVID-19, new variants or future pandemics. Australia must provide funding for critical health services and health workers in our region.

Do the following statements make you more or less likely to support the Australian Government funding international aid?



■ More likely to support ■ Neither more or less likely ■ Less likely to support

2022 Federal Election: “Australian development cooperation and humanitarian assistance for a changed world”

- Elevating development to the heart of foreign policy
- Health security and resilient health systems
- Combating climate change
- Effective and inclusive development (gender equality, disability inclusion, children and adolescents)
- Civil society as a cornerstone of effective and inclusive development
- Humanitarian assistance based on need
- Harnessing new forms of finance for development impact



<https://acfid.asn.au/content/federal-election-2022>




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