



## 2020-21 Budget Submission

August 2020

## Pacific Friends of Global Health 2020-21 Budget Submission

### Recommendation

For the Australian Government – and all High-Income Countries – to commit at least 1% of COVID-19 fiscal and balance sheet measures towards the international response to mitigate the regional health, economic and security challenges posed by COVID-19.

### Rationale

COVID-19 is an unprecedented health, humanitarian and economic crisis requiring a global response. Over 800,000 people have died so far from the outbreak, with more than 23 million confirmed cases<sup>1</sup>. The COVID-19 crisis has caused devastating economic impacts, triggering the deepest recession in decades. It has exposed millions across the globe to the threat of food shortages and exacerbated health, poverty and security challenges.

The three global organisations that Pacific Friends of Global Health represent – Gavi, the Vaccine Alliance, Unitaid, and The Global Fund to Fight Aids, Tuberculosis and Malaria – have responded swiftly and flexibly to ensure that the programs they fund in Low and Middle-Income Countries are supporting the fight against COVID-19. They're all also centrally engaged in the global effort to develop appropriate vaccines, diagnostics, and therapeutics through the EU sponsored ACT-Accelerator global response to COVID-19 (see Appendix 1).

Whilst High-Income Countries like Australia have reacted quickly and decisively, deploying a range of fiscal stimulus packages to mitigate COVID-19's impact on their societies and economies (over \$10 trillion in the first six months of 2020<sup>2</sup>), Low and Middle-Income Countries are struggling to respond to the virus and the rising public health, social and economic needs at the scale and speed required.

Australia's Pacific neighbours are particularly vulnerable. All Pacific countries have suffered significant losses in government revenue, income and livelihoods due to the collapse of tourism resulting from restrictions and an unwillingness to travel: The Cook Islands' economy is expected to contract from 5.3% in 2019 to -2.2% in 2020<sup>3</sup>; Vanuatu reported a 70% decrease in full time employment<sup>4</sup>; and 100,000 people

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<sup>1</sup> Case numbers as of 24<sup>th</sup> August 2020

<sup>2</sup> Estimates based on IMF Fiscal Monitor database June 2020, including both above-the-line and below-the-line measures. IMF figures are preliminary as governments are taking additional measures or finalizing the details of individual measures. <https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19>.

<sup>3</sup> <https://www.adb.org/news/tourism-driven-economies-pacific-feel-brunt-covid-19-pandemic-ADB>

<sup>4</sup> <http://www.loopvanuatu.com/coronavirus/70-decline-full-time-employment-vanuatu-tourism-industry-91839>

are out of jobs in Fiji where tourism constitutes around 40% of its GDP<sup>5</sup>. Combined with geographic isolation, reduction in remittances<sup>6</sup>, reliance on food imports, weak healthcare systems and a lack of infrastructure, equipment and personnel, COVID-19 outbreaks threaten some Pacific nations to the brink of collapse.

The Government of Papua New Guinea, Australia's closest neighbour, has acknowledged that the country does not have the capacity to deal with a widespread COVID-19 outbreak. Not only could such an outbreak collapse the health care system, have devastating impacts on child and maternal health, and disrupt routine immunisation and vital public health programs, but it is also feared that an outbreak could push the country closer to a failed state<sup>7</sup>.

Without the monetary, fiscal and administrative capacity to respond adequately, the global consequences of a combined health emergency and recession will be catastrophic. An inadequate response from Australia could result in a humanitarian, economic, social and health security crisis right on our doorstep. Infectious diseases do not respect borders, and the COVID-19 pandemic makes clear that our global health security is only as strong as the world's weakest health system.

Facing an unprecedented threat like COVID-19 requires a rethinking of how we all work together to address global crises. Whilst countries like Australia have moved rapidly to repurpose and reprioritise development assistance programs to support Low and Middle-Income Countries' responses to COVID-19, the overall level of development assistance provided has stayed broadly flat, and the amounts being deployed are insufficient to meet the rapidly emerging needs.

**As such, we call upon the Australian Government – and all High-Income countries – to commit at least 1% of national COVID-19 fiscal and balance sheet measures towards the international COVID-19 response to mitigate the regional health, economic and security challenges.**

There is a compelling case for High-Income Countries to make this additional 1% investment. Applying this principle, over the past months, High-Income Countries could have mobilised an extra \$100 billion USD for investment in global cooperation to:

- Accelerate the development and deployment of new diagnostics, therapeutics and vaccines to save lives in developing countries;
- Manage the primary and secondary health impacts of COVID-19;
- Stabilise the humanitarian situation in fragile and conflict environments; and
- Rebuild livelihoods and facilitate the resumption of regional trade, tourism and travel links to boost economic recovery.

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<sup>5</sup> <https://www.abc.net.au/news/2020-06-01/as-unemployment-soars-fijians-turn-to-bartering-to-get-by/12303252>

<sup>6</sup> The World Bank estimates that global remittances are projected to decline sharply by 20 percent in 2020 due to the economic crisis induced by COVID-19: <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>

<sup>7</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1920/Quick\\_Guides/COVID-19Region](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1920/Quick_Guides/COVID-19Region)

*Impact of a 1% investment from Australia on regional and domestic COVID-19 health and humanitarian response and economic recovery:*

<p>Regional Response and Recovery: <i>A partner of choice for our neighbours</i></p>	<ul style="list-style-type: none"> <li>- Strengthen health and frontline services through the provision of testing kits, PPE, medical equipment, WASH and public information campaigns to reduce infection rates, prevent second waves and accelerate open borders and economic recovery;</li> <li>- Prevent secondary health impacts, and excess mortality;</li> <li>- Support ongoing foundational health and social care provision in areas such as: non-communicable diseases, maternal and child health and gender-based violence prevention;</li> <li>- Strengthen the resilience, inclusiveness, and accessibility of health systems to support COVID-19 preparedness and beyond;</li> <li>- Support a COVID-safe and inclusive economic recovery that builds back better by advancing the interests of all people left behind;</li> <li>- Protect vulnerable groups who have no/limited access to social protection, social safety nets and/or food security in the wake of the economic downturn; and</li> <li>- Ensure that community-led responses play a central role in response and recovery. Civil society organisations (CSOs) are integral to effective engagement and mobilisation of local communities, and to accessing marginalised, remote and vulnerable populations who are disproportionately impacted by COVID-19.</li> </ul>
<p>Global Response: <i>Effective Multilateralism</i></p>	<ul style="list-style-type: none"> <li>- Protect the world’s most vulnerable by providing Australia’s fair share of global humanitarian funding, including increased support for crises that have escalated due to COVID-19;</li> <li>- Prevent losing years of progress in the fight against other communicable diseases and the risk of regional transmission to Australia. Estimates suggest deaths from HIV, TB and malaria could increase by up to 10%, 20%, and 36% in the next 5 years, respectively, compared with if there was no COVID-19 pandemic<sup>8</sup>, as treatment and prevention programs are disrupted, and resources are diverted. Globally, the annual death toll from the three diseases could be set back to levels not seen since the peak of the epidemics, wiping out nearly two decades of progress in the worst-hit regions. Similar setbacks and disruptions are evident in maternal health and vaccination programs.</li> <li>- Ensure equitable access and timely access to COVID-19 diagnostics, therapeutics and vaccines. Given the extraordinary human and economic costs of the pandemic, being able to bring forward the deployment of an effective vaccine or treatment, even if only by a week, would be worth hundreds of billions of dollars to the global economy. Diagnostics are essential to containing the spread of COVID-19 and will be fundamental to successful vaccine campaigns.</li> </ul>

<sup>8</sup> [https://doi.org/10.1016/S2214-109X\(20\)30288-6](https://doi.org/10.1016/S2214-109X(20)30288-6)

<p>Policy coherence: <i>Whole of government</i></p>	<ul style="list-style-type: none"> <li>- A safe, staged resumption of regional economic ties, including Pacific labour mobility, and increased support for Pacific workers in Australia to remit their income;</li> <li>- Enhance the concessionality of the Australian Infrastructure Financing Facility for the Pacific to finance vital health infrastructure and kick-start poor economic recovery; and</li> <li>- Influence G20, IMF, and Paris Club counterparts to push for permanent cancellation of all external debt payments, expected to be made in 2020 and 2021.</li> </ul>
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There is broad support among the Australian public for the provision of expertise and increased financial support to the poorest nations to help tackle the pandemic, with a YouGov poll (1,044 people 18+ between 21-24 May 2020) showing 72% in favor.

**This doesn't end for anyone until it ends for everyone. With 1% of what has already been deployed, we could dramatically change humanity's future.**



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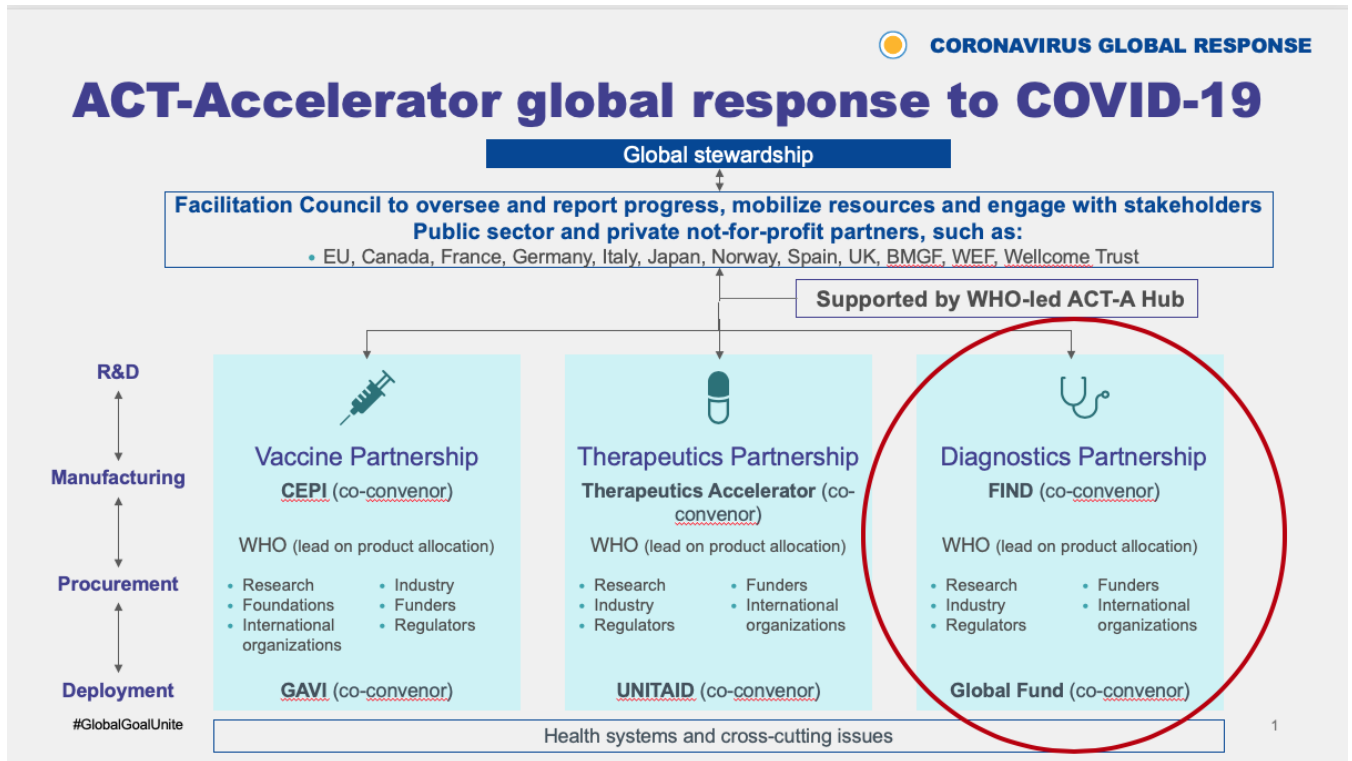
### **About Pacific Friends of Global Health**

Pacific Friends of Global Health serves three of the world's most significant global health organisations: the Global Fund to Fight AIDS, Tuberculosis and Malaria; Gavi, the Vaccine Alliance; and Unitaid. We promote a greater understanding of the three organisations and aim to mobilise political and financial support for the Pacific region.

Our mission is to increase the profile of the three organisations, increase understanding of their distinct and complementary roles in the global health response, showcase synergies between the organisations, raise awareness of the global health issues in the context of the Pacific region and engage with key leaders and decision makers in the government, the media, private sector, academia, and civil society organisations, including communities and foundations, in Australia and in due course, in New Zealand.

Pacific Friends of Global Health is hosted by the Global Health Alliance Australia.

Appendix 1:



*The Global Fund to Fight AIDS, Tuberculosis and Malaria on behalf of the ACT Accelerator Diagnostics Partnership (2020)*