



Pacific Friends of Global Health 2021-22 Federal Pre-Budget Submission

January 2021

An initiative of the:



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ACKNOWLEDGEMENTS

Pacific Friends of Global Health acknowledges Aboriginal and Torres Strait Islander peoples as the traditional owners and custodians on the land on which we work. We pay our respect to elders past, present and emerging.

PACIFIC FRIENDS OF GLOBAL HEALTH

[Pacific Friends of Global Health](#) (“Pacific Friends”) is a key advocacy partner for three of the world’s most significant global health organisations; the [Global Fund to Fight AIDS, Tuberculosis and Malaria](#) (“the Global Fund”), [Gavi](#), the Vaccine Alliance (“Gavi”) and [Unitaid](#). We promote a greater understanding of the three organisations and aim to mobilise political and financial support in the Indo-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 Indo-Pacific region and engage with key leaders and decision makers in the government, the media, private sector, academia, civil society organisations, including communities and foundations, in Australia.

Pacific Friends is an initiative of the [Global Health Alliance Australia](#).

EXECUTIVE SUMMARY

Pacific Friends of Global Health welcome the opportunity to provide a submission for the 2021-22 Federal Budget.

2020 has highlighted the importance of a robust, fully-funded global health ecosystem in Australia and regionally. The rapid research, development and rollout of COVID-19 vaccines has shown what can be achieved when the sector receives sufficient resourcing and investment, and at the same time has shone a spotlight on the fragility of underfunded health systems in our region to withstand unexpected crises. It has exposed millions across the globe to the threat of food shortages and exacerbated health, poverty and security challenges.

The three global health organisations that Pacific Friends 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, and to protect the hard-won global health gains from the past two decades.

They're also leading organisations of the Access to COVID-19 Tools (ACT) Accelerator – a global partnership to speed up an end to the pandemic by supporting the development and equitable distribution of the tests, treatments and vaccines the world needs to reduce mortality and severe disease, restoring full societal and economic activity globally in the near term, and facilitating high-level control of COVID-19 disease in the medium term. Launched at the end of April 2020, by the Director-General of the World Health Organization, the Access to COVID-19 Tools (ACT) Accelerator brings together governments, scientists, businesses, civil society, and philanthropists and other global health organizations including the Bill & Melinda Gates Foundation, CEPI, FIND, Wellcome, the WHO, and the World Bank.

Pacific Friends has been proud to see the Australian Government step-up their international support during this pandemic, after seven years of consistent cuts to the Official Development Assistance budget. This includes the \$523 million Regional Vaccine Access and Health Security Initiative, and a \$304.7 Response and Recovery Package for the Pacific and Timor-Leste. Australia was also one of the early supporters of the COVAX Advanced Market Commitment¹, hosted by Gavi within the ACT Accelerator's Vaccines Pillar, with an \$80m contribution to support equitable distribution of COVID-19 vaccines to the most vulnerable populations in 92 low- and middle- income countries across the globe.

But the pandemic is far from over, and the promise of a rapid, and equitable response remains at risk due to significant underfunding. This submission urges further strong leadership from the Australian Government towards the international COVID-19 response, via allocations made in, and in addition to, the existing Official Development Assistance (ODA) expenditure. We support investments towards the immediate COVID-19 response to coordinate a fair and equitable recovery, and to prevent and mitigate the alarming rise of secondary health impacts of the pandemic. We also call for a reversal of the last seven years of ODA cuts, in order to improve our region's ability to prevent, detect and respond to current and future disease outbreaks – because no one is safe unless everyone is safe.

¹ The COVAX Facility is responsible for securing 2 billion doses of safe, efficacious COVID19 vaccines by the end of 2021, for use by the >190 participating countries, including 13 countries from the Pacific region, to vaccinate the most vulnerable 20% of their populations. At least 1.3 billion donor-funded doses will be made available to 92 economies eligible for the Gavi COVAX Advanced Market Commitment by the end of the year.

The following recommendations are thus suggested, and detailed in the following pages:

Recommendation 1: Consistent with our G20 commitments, and our regional and multilateral interests, increase Australia’s contribution to the ACT Accelerator’s global COVID-19 response and recovery collaboration by at least \$500 million in the 2021-22 Federal Budget. This increase should be in addition to the existing ODA budget and the new measures announced in 2020-21.

Recommendation 2: To adapt and maintain the delivery of vital global health programs, and to mitigate the secondary health impacts of COVID-19, the Australian Government should contribute at least \$72.6 million to the Global Fund to Fight AIDS, TB and Malaria, and \$60 million to Gavi, the Vaccine Alliance in fiscal year 2021-22, in line with pledges made in 2019 and 2020 to their respective replenishment rounds.

Recommendation 3: Australia must build our region’s resilience to health security challenges through increased and sustained Official Development Assistance spending. The Australian Government and Opposition are urged to jointly agree to a sustained increase to 0.5% of GNI by 2025/26 for ODA spending, with a view to achieving a pathway to the internationally-agreed benchmark of 0.7%.

KEY RECOMMENDATIONS

1. Increase support to the global effort to accelerate the end of the COVID-19 pandemic through equitable access to safe and effective tests, treatments and vaccines.

Speeding up the end to the acute phase of the COVID-19 pandemic will be crucial to save lives, improve livelihoods, protect hard-fought progress and to restart the global economy. But an accelerated recovery can only be achieved via significant investments from high-income countries to enable and coordinate an equitable distribution of safe and effective vaccines, tests and treatments.

Early, large-scale financial backing of vaccine research, development and manufacturing has meant that the first safe and effective vaccines are now commencing rollout. But with high-income countries prioritising coverage of their own populations, current forecasts suggest that most low-income countries will not have adequate, or even minimal, access to a vaccine before 2022-23ⁱ. The WHO has described this as an unfolding “moral catastrophe”.

Equitable distribution of vaccines is in every country’s economic interest, with the International Chamber of Commerce estimating a \$9 trillion loss to the global economy by 2025 if developing countries are shut out of the vaccine rollout in 2021ⁱⁱ. Moreover, in the absence of a fair and equitable global vaccine rollout, Australia and its Indo-Pacific neighbours will remain vulnerable to recurring outbreaks, and initiatives to kick-start tourism and labour mobility such as the proposed Trans-Tasman Travel Bubble will remain unlikely. This will undermine regional stability, economic confidence and social cohesion. It will also provide an opening for those states which may exploit the pandemic to undermine the rules-based order.

Further disparity between high income countries and low- and middle- income countries’ access to tests and treatments is also expected to exacerbate in 2021.

In April 2020, the Access to COVID-19 Tools (ACT) Accelerator was convened by the World Health Organisation, European Commission, The Bill and Melinda Gates Foundation and the French Government. ACT-A was established with a mandate to accelerate global access to tools that will end the acute phase of the COVID-19 pandemic and support the health systems needed to deliver these in order to prevent further disruption to lives and livelihoods.

Investment in the ACT Accelerator is the world’s best bet and most viable solution for ending the acute phase of the pandemic and restarting the global economy, yet it remains severely underfunded.

- The Diagnostics Pillar (led by the Global Fund and FIND) requires total funding of US\$6 billion to continue the development of more widely available, affordable and easy-to-use tests, including self-tests, as well as to fund procurement to meet the immediate testing needs of low- and middle-income countries; however, it currently has a funding gap of US\$5.3 billion (AU\$6.9 billion);
- The Therapeutics Pillar (led by Unitaid and Wellcome) requires a total of US\$6.6 billion to rapidly fund treatment research, prepare the market to produce treatments at scale, and deliver lifesaving treatments such as monoclonal antibodies in low- and middle-income countries; it currently has a funding gap of US\$6.2 billion (AU\$8.07 billion);

- The Vaccines Pillar (led by Gavi, the Vaccine Alliance and the Coalition for Epidemic Preparedness Innovations) requires a total of US\$ 11.1 billion to ensure country readiness and equitable access to vaccines for low- and middle-income countries but has an outstanding funding gap of US\$3.3 billion (AU\$4.3 billion);
- The Health Systems Connector (led by the Global Fund and the World Bank) requires US\$9.5 billion to prepare health systems and ensure access to oxygen and personal protective equipment but has a funding gap of US\$9.1 billion (AU\$11.85 billion)

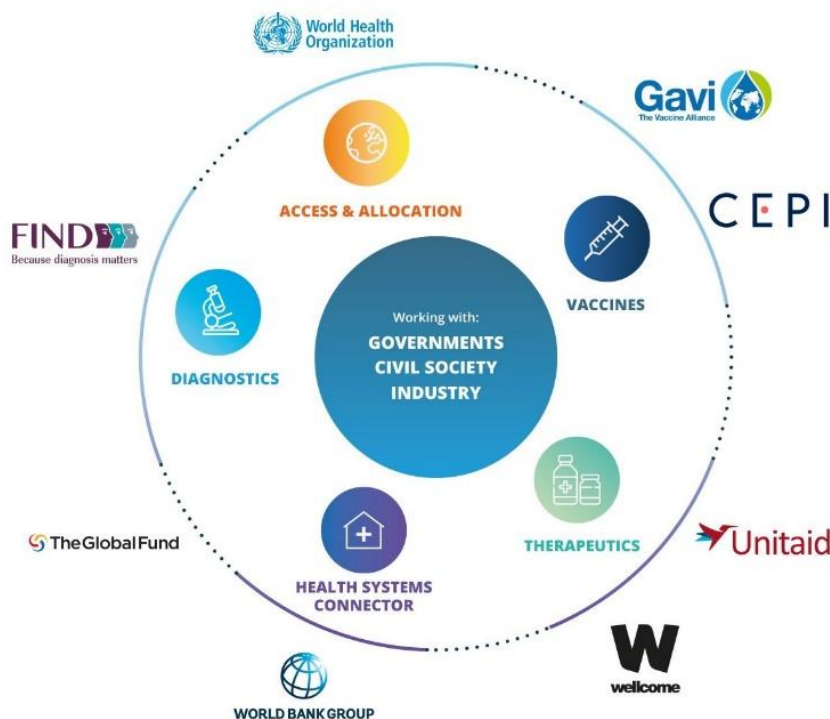


Figure 1. The ACT-Accelerator is organised into four pillars of work: diagnostics, treatment, vaccines and health system strengthening. Each pillar is vital to the overall effort and involves innovation and collaboration

In November 2020, Australia, along with other G20 nations, committed to “spare no effort to ensure that all people have affordable and equitable access to safe and effective COVID-19 diagnostics, therapeutics and vaccines”. However, while Australia has committed US\$68 million (AU\$80 million) for the Accelerator in 2021, fellow G20 nations such as Canada and the UK have committed over ten times this amount — US\$688 million (AU \$896 million) and US\$1.08 billion (AU\$1.41 billion), respectively. The US has also approved a commitment of US\$4 billion (AU\$5.21 billion) to the COVAX Advanced Market Commitment.

Whilst vaccine progress to date is promising, rapidly increasing infection and mortality rates, combined with the discovery of new, more infectious mutations of COVID-19 make it clear that more than one line of

defence is needed against the virus. Effective tests and treatments will also be vital in low- and middle-income countries to help to slow the spread of the virus and save lives as countries wait for vaccines.

This additional investment will supplement Australia's generous Regional Vaccine Access and Health Security Initiative, enhancing value-for-money through pooled purchasing arrangements.

Recommendation 1: Consistent with our G20 commitments, and our regional and multilateral interests, increase Australia's contribution to the ACT Accelerator's global COVID-19 response and recovery collaboration by at least \$500 million in the 2021-22 Federal Budget. This increase should be in addition to the existing ODA budget and the new measures announced in 2020-21.

2. Protect hard-fought progress in global health, and mitigate the secondary health impacts of COVID-19

COVID-19 threatens to reverse the extraordinary health gains made over the past two decadesⁱⁱⁱ. In many countries facing a heavy burden of communicable and non-communicable diseases, the knock-on impact of COVID-19 may outweigh the direct impact of the virus.^{iv}

Bi-monthly Global Fund surveys in more than 100 countries show that due to lockdowns, restrictions on movement, economic fallout, and the redirection of resources, around 75% of lifesaving HIV, TB and malaria prevention and treatment programs have been moderately to seriously disrupted for the greater part of 2020. Without intervention, infection rates will rise for the first time in many years, and HIV, TB and malaria deaths are predicted to increase by up to 10%, 20%, and 36% in the next 5 years, respectively, as a direct result of the COVID-19 pandemic^v. Malaria poses the most acute risk, with the risk of doubling or tripling in a single wet season if there are severe disruptions to programming^{vi}. The Global Fund has indicated that it will require US \$1 billion in the next 12 months to help countries adapt HIV, TB and malaria programs for the COVID-19 context to protect progress and momentum on the three diseases^{vii}.

In addition, the impact of the pandemic to carry out life-saving immunisation services around the world is putting more than 80 million children aged <1 year at increased risk of diseases like diphtheria, measles and polio^{viii}, according the Gavi, the Vaccine Alliance.

Many public health systems in the Pacific and South East Asia region were already fragile and nearing capacity before the pandemic and are now facing at best being overwhelmed, at worst collapse^{ix}. These diseases will not wait as we work to eliminate COVID-19^x. An inadequate response from Australia to support the mitigation and prevention of the knock-on effects of the pandemic will have grim toll, and result in a social, humanitarian and health security crisis on our doorstep.

Recommendation 2: To adapt and maintain the delivery of vital global health programs, and to mitigate the secondary health impacts of COVID-19, the Australian Government should contribute at least \$72.6 million to the Global Fund to Fight AIDS, TB and Malaria, and \$60 million to Gavi, the Vaccine Alliance in fiscal year 2021-22, in line with pledges made in 2019 and 2020 to their respective replenishment rounds.

3. Build the Indo-Pacific region’s resilience to health security challenges through increased and sustained Official Development Assistance spending.

Over the past seven years, the Federal Government’s Official Development Assistance (ODA) spending has been in continual decline – from \$5.5b^{xi} in 2012-13 to \$4.1bn in 2019-20^{xii}. That equates to an aid-to-GNI percentage of 0.21% in 2019-20, well below the agreed international benchmark of 0.7%.

In turn, the total health investment in the ODA budget has also decreased from over \$800 million to \$562.5 million in the same time period.

Whilst we welcome the additional support packages that Australia has committed to the global COVID response in 2020-21 – including the \$304.7 million recovery package for the Pacific and Timor-Leste, \$523 million Regional Vaccine Access and Health Security Initiative and the \$80 million contribution to the COVAX Advanced Market Commitment – the Department of Foreign Affairs has made it clear that this support is “targeted and temporary”^{xiii}.

Current and future pandemics and the spread of disease pose an enormous threat to the lives and livelihoods of people living in our region, and to advancing the progress of the SDGs. It also threatens Australia’s strategic and commercial interests, given our extensive trade, business, and tourism ties with the Indo-Pacific region.

Fundamental to Australia’s health security is our neighbouring countries’ capacity to effectively prevent, detect and respond to infectious diseases by having resilient and inclusive systems that provide health care for all^{xiv} and the COVID-19 pandemic has exposed the fragility of many health systems in our region and their limited capacity to address the threats they face. A sustained and significant investment in the ODA budget to strengthen health security in the region will be vital to insure against further risk to the region and to protect progress against the SDGs.

Recommendation 3: Australia must build our region’s resilience to health security challenges through increased and sustained Official Development Assistance spending. The Australian Government and Opposition are urged to jointly agree to a sustained increase to 0.5% of GNI by 2025/26 for ODA spending, with a view to achieving a pathway to the internationally-agreed benchmark of 0.7%.

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