

# **Australian Government**

# GLOBAL COVID-19 DEVELOPMENT RESPONSE PLAN

- The COVID-19 pandemic is a shared crisis which can only be solved through international cooperation. Effective and accountable international organisations are essential to marshal collective efforts and maintain rules and norms.
- The pandemic presents a global threat to economic development and human well-being. Multilateral institutions have maintained a substantial operational footprint, meet rigorous accountability and performance standards, and have mobilized rapidly and at scale to respond to the crisis.
- Australia's engagement in international organisations aims to shape the global response, direct attention and resources to the Indo-Pacific region, promote our values and protect our interests in a rules-based order.

Australia has strengths to bring to the international table, not least our values and a strong record of constructive multilateral engagement. COVID-19 has shown that our international order is as important as ever. While there is a need for reform in several areas, the pandemic has brought into stark relief the major role of international organisations in addressing and coordinating a global response to a global problem. Australians will not be safe until others are safe. Australia's open economy will struggle to recover without a global recovery.

# **COVID-19 SITUATION ANALYSIS**

The COVID-19 pandemic presents a profound threat to economic development and human well-being. It threatens lives and livelihoods, disrupting economies, exacerbating existing inequalities and vulnerabilities. It will test social cohesion and may undermine political stability. Its impacts are unfolding, with the magnitude and duration still highly uncertain. While health outcomes vary across countries, few countries have escaped severe economic contraction, with the World Bank's baseline forecasts envisioning the deepest global recession since World War II. In many countries, government efforts to contain health impacts and maintain livelihoods are severely constrained by falling revenues. Countries with high debt vulnerabilities are even more financially constrained in their response.

The pandemic is jeopardizing decades of progress. The proportion of the world's population facing extreme poverty is increasing for the first time in more than two decades, presenting long-term risks to human capital. The pandemic could push up to 400 million people into extreme poverty. The poor and most vulnerable have been hardest hit by the pandemic – through

illness, job and income losses, food supply disruptions, school closures and lower remittance flows.

The gender impacts of the pandemic have been extensive and profound - women are more likely to be exposed to COVID-19 as front line health workers, work in affected sectors (tourism, services, garments), and bear the brunt of rapid increases in gender based violence. People with disabilities are among the most marginalised groups in developing countries and particularly vulnerable to the pandemic's health, economic and social impacts.

Looking ahead, the pathway out of the economic crisis for many developing countries will depend on the trajectory of the pandemic and growth trends in their major trading partners. This depends in part on how well countries work together to address both the health and economic impacts.

Effective, accountable multilateral institutions can respond at scale to this global challenge. They enhance information sharing and transparency between states and uphold rules and norms. They meet international accountability and performance standards, helping to minimise fraud and corruption risks, particularly in locations that are not easily accessible.

Multilateral institutions have maintained substantial operational capacity across the globe during the pandemic. This makes them important partners in a context where implementation capacity is diminished by travel restrictions and the health risks of the pandemic. Agencies of the United Nations (UN) and the Red Cross movement can access conflict zones, support refugees, provide logistics and bolster supply chains where no commercial options exist.



International financial institutions – including the World Bank, International Monetary Fund (IMF) and Asian Development Bank (ADB) – are playing a critical role in stabilising countries and economies. The World Bank responded with the largest and fastest crisis package in its history, with USD14 billion for emergency operations, part of a pledge to make USD160 billion available in grants and financing over 15 months for dealing with health, social and economic impacts. Regional development banks mobilised, including the ADB with a USDS20 billion package. With USD1 trillion resources at its disposal, the IMF doubled access to its emergency facilities -- the Rapid Credit Facility and Rapid Financing Instrument -- for countries facing urgent balance of payments needs. It increased the size of the Poverty Reduction and Growth Trust Fund, which provides concessional financial support to low income countries, to meet expected demand. The IMF has approved over USD80 billion in funding since the start of the pandemic.

The coming decade is likely to be one of instability within and among states. The economic and social impacts of the crisis are likely to generate new types of 'global bads' in illicit activity and transnational crime, and an acceleration of existing patterns of poor governance, authoritarianism and illiberalism. Climate change and disaster risks could exacerbate health and economic shocks and undermine longer-term recovery.

Coming into the pandemic, multilateral institutions were experiencing an unprecedented strain in a new era of great power rivalry, technological disruption, rising protectionism and a breakdown in the decades-long consensus on a variety of economic and security challenges. Nevertheless, these institutions have

responded swiftly to the pandemic and have demonstrated their importance in managing health outcomes, restoring economic prosperity and managing longer-term social and political impacts.

This plan outlines Australia's whole-of-government efforts in responding to COVID-19 at the global level, in alignment with our development strategy, *Partnerships for Recovery*. It encompasses Official Development Assistance (ODA) and Australia's other economic, diplomatic, trade and security levers.

### **AUSTRALIA'S RESPONSE**

Australia's engagement in international organisations in the wake of COVID-19 has three principal objectives. We aim to shape the nature of the global response to the health, economic and humanitarian dimensions of the crisis. Australia will direct attention and resources to the Indo-Pacific region, while also promoting our values and protecting our interests in a rules-based order.

Australia's support to international organisations through the ODA budget includes contributions to funding replenishments to multilateral development banks, core payments to UN agencies, as well as dedicated program funding and contributions to international institutions like Gavi. Our funding gives us a strong voice on agencies' strategic direction and programs, including through our participation on their Executive Boards.

Australia's response to COVID-19 aligns with the findings of Australia's audit of multilateral institutions, targeting funding to effective institutions that are best equipped to provide health, economic and stability outcomes, particularly in the Indo-Pacific. We will retain support for multilateral institutions working directly to mitigate the health impacts of the pandemic, including WHO, the Joint UN Programme on HIV/AIDS (UNAIDS), UN Population Fund (UNFPA), UN Children's Fund (UNICEF), UN Development Programme (UNDP) and UN Women. We will continue to support organisations dealing with the humanitarian and stability impacts of the pandemic and those underpinning global economic recovery.

Our long history of cooperation with traditional OECD-DAC development partners will be extended to new Indo-Pacific partners in order to promote rules and norms, direct resources to shared priorities, and ensure an effective response to the pandemic and its aftermath. We do this with an awareness that the durability of the existing multilateral system depends on its effectiveness in responding to this crisis. We have a stake in its success, and in the system of rules and norms that it upholds.

### Health Security

Investments made before the pandemic have given Australia a 'seat at the table' on the governing bodies of key agencies shaping the global health response. Australia will continue to play a leadership role at the WHO Executive Board and the World Health Assembly (WHA). Led by the Prime Minister, Foreign Minister and Health Minister, we secured an independent evaluation into lessons learned from the international health response to COVID-19, as well as to identify the zoonotic source of the virus, adopted by a record 145 co-sponsors in May 2020. Australia will fully support the Independent Panel into Pandemic Preparedness and Response, which has been established to take forward the evaluation. We will also continue to work closely with the multi-country Global Health Security Agenda, which drives in-country compliance with International Health Regulations, fundamental to controlling outbreaks and reducing outbreak risk.

Australia's efforts aim to ensure that our partners respond effectively, and enables us to influence their strategic direction, financial allocations, and the strengthening of systems. We have supported the operational response to COVID-19 through the World Health Emergencies Programme. This is bolstered with regional support to the Global Outbreak Alert and Response Network co-ordination, which plays an important role in deploying WHO expertise to member states in a health emergency.

Australia will play an important role in the COVID-19 vaccine response, particularly as an advocate for the needs of the Indo-Pacific region. We will increase our contributions to Gavi. Our longstanding engagement with Gavi has enabled us to secure access to affordable vaccines for vulnerable Pacific countries that would otherwise be ineligible. Over five years from 2021, Gavi will invest USD800 million to provide vaccines for 140 million children in the region, and co-ordinate 'catch up' immunisation campaigns once conditions allow. Gavi will also play a critical role in ensuring any future COVID-19 vaccine is safe, effective, affordable and accessible to all countries.

Australia is a strong supporter of new global initiatives for universal access to a COVID-19 vaccine, including through a contribution to the COVAX Advance Market Commitment. This will allow developing countries access to safe and affordable COVID-19 vaccines for up to 20 per cent of their population until the end of 2021, benefiting high risk groups such as health workers and the elderly. Australia, as the Vice Chair of the Gavi Board, advocated to expand the eligibility criteria to benefit

several Pacific island countries, as well as the Philippines.

Australia is providing support to global research into COVID-19 vaccines, treatments and diagnostics, as well as significant ongoing support for research on infectious diseases. In 2020, we provided additional support to CEPI for COVID-19 vaccine research and development, and to FIND for the development of diagnostics.

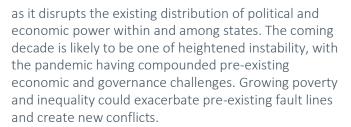
Longstanding global health partners have responded flexibly to the pandemic, and continue to support the battle to end epidemics of infectious diseases. We are contributing to the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) and support its USD1 billion effort to help countries fight COVID-19 and other infectious diseases. Australia's Ambassador for Regional Health Security was appointed as an Alternate Member on the Global Fund Board, where she will advocate for the Indo-Pacific region. The Global Fund is a founding partner of the Access to COVID-19 Tools Accelerator, to accelerate development, production and equitable access to new COVID-19 technologies.

Australia's partners have helped to influence financing responses globally and in our region. We have influenced investments made by the World Bank's Pandemic Emergency Financing Facility, to ensure that the Indo-Pacific received one-third of the available funding, fragile states are given preference, and small states were not disproportionately disadvantaged. Our support to the World Bank's Advance Universal Health Coverage trust fund protects essential health services and supports governments to prioritise plans and budgets (including significant new financing for the COVID-19 response). The International Finance Corporation approved a USD4 billion Global Health Platform, to support private companies in delivering health products and services, including vaccines, to developing countries.

Supporting the continuation of essential health services, particularly to women and girls, is critical to help avoid dramatic increases of morbidity and mortality beyond the COVID-19 pandemic. Existing challenges with communicable disease and maternal and child health could deepen, and gains made on high child stunting rates could be reversed. Apart from support to WHO, our core funding and investments with UNAIDS support HIV elimination in the region. Our core contributions to UNFPA, complemented by advocacy for the Indo-Pacific, support a strong approach to sexual and reproductive health services and supplies, maternal health, gender equality and gender-based violence.

## Stability

The pandemic is straining the global rules-based order,



Australia closely monitors the human rights-related implications of COVID-19 globally, and advocates for human rights and civic space through international institutions. The reshaping of law enforcement mandates, tightening of surveillance and a resurgence of military involvement in civilian affairs may exacerbate pre-existing trends towards authoritarianism and illiberalism in some countries. Australia has joined UN resolutions and statements voicing concern about the targeting of minorities, internet freedoms and disinformation. We have sought to uphold international norms on gender equality at a time when these are at risk of regression.

Australia's core funding for the International Committee of the Red Cross (ICRC) supports its vital mission of ensuring adherence to international humanitarian law and universal humanitarian principles, and has influenced its robust effort in the Indo-Pacific. ICRC promotes and protects civilians affected by armed conflict and delivers health services and emergency medical assistance to detainees and displaced people.

Australia's core support to WHO, UNDP, UNICEF, UN Women, UNFPA and UNAIDS enables states to deliver essential services in the midst of economic and health crises, enhance food security and manage the socioeconomic and gender impacts of the pandemic. The World Food Programme (WFP) provides food security analysis and monitoring in the Pacific and provides logistics support for the timely movement of personnel and vital medical equipment. Australian support to the UN peacebuilding architecture targets political, security and development activities focused on sustainable peace and preventing countries' relapse into conflict.

The pandemic has created the largest disruption of education systems in history, affecting nearly 1.6 billion learners, posing a serious threat to human capital accumulation. Australia is an influential board member and contributor to the Global Partnership for Education leveraging around \$1 billion to Indo-Pacific countries in previous replenishments. GPE's response to COVID-19 has been rapid and substantive, funding grants to support continuity of learning and safe, healthy school re-openings.

Australia's core contributions to multilateral humanitarian

agencies have ensured that they respond to emerging humanitarian needs from the pandemic, including where displacement has resulted from active conflict, climate change and disasters. Australia's longstanding and flexible funding partnerships with UNOCHA, the UN High Commissioner for Refugees (UNHCR), WFP, UNICEF, UNFPA and ICRC enable Australia to contribute to the global effort and support agencies as they respond to the pandemic in our region. We will provide targeted humanitarian assistance to protracted crises of importance to Australia, such as the Rohingya crisis. We work in a way that strengthens the international system's effectiveness in humanitarian response.

Many countries in the Indo-Pacific are highly exposed to natural hazards and extreme weather events, which could compound the effects of the pandemic. The UN Agency for Disaster Risk Reduction (UNDRR) has shifted quickly, encouraging governments to better understand the systemic nature of disaster risk through investment in preparedness and evidence-informed policy and action. Australia will host the next Asia-Pacific Ministerial Conference on disaster risk reduction with UNDRR.

Through our support for UN Women, we seek to ensure there is a strong voice for the Indo-Pacific region and that issues of common concern such as the rise in gender-based violence during the pandemic receive the appropriate focus. Our partnership with UN Women helps continued provision of services to survivors of gender-based violence. We are steadfast in our pursuit of practical activities to promote the Women, Peace and Security agenda, emphasising women's engagement in conflict prevention and as peace mediators and negotiators in a region at risk of growing instability.

### Economic Recovery

Australia's work with the international financial institutions leverages their global expertise, convening power, scale and reach to deliver development outcomes in our partner countries. Our contributions to the concessional arms of the World Bank and ADB enable us to drive funding to priorities in our region, and encourage policy change to overcome the disadvantages faced by small states. At the country level, they are a vital source of policy advice and capacity development, and are key partners for the Australian development program.

The World Bank is Australia's largest multilateral development partner, a source of development finance, the premier global convenor and source of knowledge on development, with a central role in setting standards on procurement, environmental and social safeguards and debt sustainability. Australia's previous advocacy for



our region at the World Bank Board, especially in relation to concessional finance allocations for the Pacific, have left these countries well-positioned to avail themselves of COVID-19 assistance. Pacific countries in 2019-2020 received three times Australia's contributions to the International Development Association (IDA), the World Bank's fund providing zero or low interest loans and grants. Australia has also ensured that the World Bank's new debt sustainability policy recognises the inherent vulnerabilities and fragility of small island economies and countries with thin administrative capacity.

Australia supported the World Bank's response to the pandemic, as it scaled up resources with a Fast Track COVID-19 Facility (totalling USD14 billion) for emergency financing, policy advice and technical assistance. Existing private sector clients of the IFC (the World Bank's private sector arm) that were impacted by COVID-19 also had access to finance and liquidity. As at early September 2020, over 60 per cent of these projects had been supported by IDA and just over USD3 billion had been allocated for Indo-Pacific countries. The World Bank's second phase response to 2023 totals USD350 billion.

The ability of the IMF to support global economic and financial stability and to maintain international financial flows during times of crisis gives markets confidence, crucial for economic development. At the centre of the global financial safety net, the IMF can help countries navigate the crisis and path to recovery. Australia is an active member in the IMF, committing over \$25 billion in resources. The Australian Government recently committed to provide around \$1 billion to the Poverty Reduction and Growth Trust Fund, reflecting the value we place on the IMF supporting vulnerable low-income countries, including in our region.

International financial institutions remain vital in providing policy advice and capacity development. Australia's support for technical assistance through the World Bank and IMF will strengthen countries' ability to assess investments and offers of assistance in aid of a recovery. This remains key to partners' independence and sovereignty, and making well-informed policy decisions.

Australia supported the ADB in establishing a USD20 billion package of assistance to the Indo-Pacific for the health crisis, as well as budget support and technical assistance. As at August 2020, USD11.8 billion has been committed to our region, including sovereign loans and grants. As the second largest contributor to the Asian Development Fund (the ADB's grants-based fund), Australia successfully advocated for robust allocations to small island states during the recent replenishment of

the ADF (ADF13, 2021-24). We also secured a greater field presence in the Pacific.

In April 2020, Australia supported the Asian Infrastructure Investment Bank in launching a short term USD10 billion COVID-19 Crisis Response Facility (CRF). The CRF has provided emergency support for health care infrastructure and helped to preserve supply chains in a wide range of member countries. As of September 2020, USD6.3 billion of financing and 21 projects had been approved.

Australia has a firm commitment to open trade, and adherence to a predictable, transparent, rules-based trading system, to help stimulate a shared economic recovery. The World Trade Organization (WTO) is at the centre of these efforts. Since the onset of the pandemic, Australia has been an active advocate at the WTO for the flow of vital medical supplies and essential services across borders; the maintenance of agriculture supply chains to ensure food security; and the minimisation of new trade restrictions, to avoid protectionism and support sustainable economic recovery. Our advocacy is complemented by a range of aid for trade investments that help developing countries continue trading during the pandemic. Australia is pursuing WTO reform, and actively leads and participates in current negotiations to assist the economic recovery and long-term development aspirations of our partners. These include ensuring fair trade rules on services, effective domestic regulation and establishing new rules to encourage electronic commerce.

In the G20, Australia has called for support for developing countries to address the impacts of COVID-19, including on issues of debt. Australia supported the establishment of the Debt Service Suspension Initiative

(DSSI) to create fiscal space for development partners by deferring official bilateral debt payments. As a responsible creditor in our region, Australia has implemented the DSSI for its USD300 million loan to Papua New Guinea (Australia's only sovereign loan in the Pacific). The G20 also has a critical role in restoring confidence to markets and revitalising trade.

We recognise the importance of gender equality and the vital role of women in 'building back better' in the wake of COVID-19, as well as the risk that the pandemic presents to advances in human capital that have underpinned women's social and economic advancement. We use our close relationship with the multilateral development banks and our position as shareholders to advocate for economic recovery in our region to have a strong gender equality and social



achieve the Brisbane target of closing the workforce participation gender gap by 25 per cent by 2025.

The scale of the COVID-19 crisis will defy conventional approaches to development. Private finance is a significant source of capital, which will play an important role in our region's economic recovery. However, private finance does not always flow where it is needed, especially in the Indo-Pacific, leaving gaps in critical infrastructure and undersupply of quality goods and services. Australia has a growing track record in catalysing private finance for development particularly in the areas of women's economic empowerment. For maximum impact, Australia will continue to explore global programs and partnerships designed to catalyse private finance for development in the Indo-Pacific.

## Protecting the Most Vulnerable

Australia will advocate across all international organisations for a strong emphasis on protecting the most vulnerable, including people with disabilities, women and girls, and those in poverty. Protecting the vulnerable is also central to the objectives of many of our partners. The World Bank has poverty reduction and reducing inequality at the centre of its mandate. UN Women supports partner governments, NGOs and grassroots associations to progress gender equality. The International Disability Alliance and the Disability Rights Advocacy Fund aim to improve awareness and rights for

individuals with disabilities around the globe.

We use our global relationships to promote a strong focus on gender equality and women's rights in COVID-19 responses, through key multilateral fora including the Human Rights Council, the UN General Assembly, the UN Security Council, the G20, APEC, OECD-DAC, the Commonwealth, and MIKTA - Mexico, Indonesia, South Korea, Turkey and Australia. Given the extensive gender impacts of the pandemic, Australia's partnerships with UN Women and UNFPA provide us with opportunities to ensure coherence between our strong global advocacy to progress normative debates on gender equality and our practical support to programming on women's and girls' empowerment. The Australian-supported gender data program Women Count, implemented by UN Women, has been at the forefront of efforts to shed light on the gender impacts of COVID-19 responses in the Indo-Pacific region and facilitate evidence-based policymaking.

Australia has used its position as an international leader in disability-inclusion to support a disability-inclusive COVID-19 response and recovery. Australia has renewed its support to key international partners, including the UN Partners of the Rights of Persons with Disabilities, to support disability-inclusive responses by the UN system. Australia is a vocal advocate for the Charter for Disability Inclusion in Humanitarian Action.



Table 1: COVID-19 Response Plan Performance Framework

	Health Security	Stability	Economic Recovery
Expected Outcomes	<ul> <li>Improved health system preparedness and health security response capacity in the Indo-Pacific</li> <li>Equitable access for the countries of the Indo-Pacific to a safe, affordable and effective vaccine, once one becomes available</li> </ul>	<ul> <li>Improved capacity in Indo-Pacific countries to improve food security and strengthen response to gender based-violence</li> <li>Vulnerable women, girls, men and boys in crisis situations have improved access to emergency assistance</li> </ul>	<ul> <li>Enhanced access to emergency and crisis response finance from the international financial institutions for the countries of the Indo-Pacific</li> <li>Improved policy response from affected countries, including in the design and implementation of fiscal stimulus and social protection measures</li> </ul>
Key Results	<ul> <li>Number of partner countries where health systems have been strengthened, including preparedness for health emergencies, including the ability to continue provision of essential health services such as SRHR (with examples)</li> <li>Evidence that partner countries have improved responses to health security threats</li> <li>Number of new or improved therapeutics, diagnostics, vaccines and additional equipment to that are accessible in partner countries</li> <li>Australian success in leveraging international organisation response activity into the Indo-Pacific</li> </ul>	<ul> <li>Countries supported in last 12 months to strengthen governance systems (by type) (including examples of assistance provided and significant policy change achieved)</li> <li>Countries supported in the last 12 months with policy and technical advice on building capacity for food security (including examples of assistance provided and results achieved)</li> <li>Countries supported in last 12 months to strengthen responses to gender based violence</li> <li>Numbers of vulnerable women, men and girls provided with emergency assistance in conflict and crisis situations</li> <li>Australian success in leveraging international organisation response activity into the Indo-Pacific</li> </ul>	<ul> <li>Countries supported in the last 12 months with policy and technical advice on stimulus measures and long term economic recovery.</li> <li>Levels of economic and fiscal support provided to Indo-Pacific countries.</li> <li>Australian success in leveraging international organisation response activity into the Indo-Pacific.</li> </ul>
Supporting Investments	<ul> <li>World Bank (IDA)</li> <li>Asian Development Bank</li> <li>Disability Rights Advocacy Fund</li> <li>The Global Fund (core contribution)</li> <li>GAVI (core contribution)</li> <li>UNCERF (core contribution)</li> <li>UNFPA (core contribution)</li> <li>World Health Organization</li> <li>UNFPA</li> <li>UNICEF</li> <li>Global Partnership for Education (core contribution)</li> </ul>	<ul> <li>World Bank (IDA)</li> <li>Asian Development Bank</li> <li>UNCERF (core contribution)</li> <li>UNHCR (core contribution)</li> <li>World Food Programme</li> <li>UNDP</li> <li>PBSO, DPPA</li> <li>UN Women</li> </ul>	<ul> <li>World Bank (IDA)</li> <li>Asian Development Bank</li> <li>Asia Investment Infrastructure Bank</li> <li>World Trade Organization</li> <li>G20</li> <li>International Monetary Fund</li> </ul>