



Australian Government

Department of Foreign Affairs and Trade

PARTNERSHIPS FOR RECOVERY: AUSTRALIA'S COVID-19 DEVELOPMENT RESPONSE



COVID-19 will require us to strengthen our partnerships across our region.

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MINISTERIAL FOREWORD



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COVID-19 is having a profound impact on our lives and on our region.

Our neighbours are particularly vulnerable to the health and economic impacts of the pandemic. The growth, openness and stability of the Indo-Pacific, which has underpinned Australia's prosperity and security for decades, is at risk.

Economies, jobs, education and health systems are being disrupted. People are losing their livelihoods and being pushed into poverty. Front line health workers, dedicated to saving the lives of others, are getting sick and dying before their time. The elderly, poor and other vulnerable groups are disproportionately affected.

How our neighbourhood emerges from this crisis will determine Australia's economic and strategic circumstances for decades to come. We must move quickly to tackle these problems together with our partners. It will not be easy. Doing so will require our scientists to work collaboratively to develop a vaccine. It will require us to bolster the capacity of health systems, including to respond to further waves of infections. It will require us to monitor supply chains and the availability of food and other essential imports, and cooperate to prevent critical shortages. It will require policy makers to share lessons on how best to mitigate the social and economic impacts. It will require businesses to invest in emerging opportunities as fuel for our shared economic recovery.

COVID-19 will require us to strengthen our partnerships across our region. Australia is committed to working hard to achieve this.

Partnerships for Recovery sets out how Australia's development efforts will work alongside the full suite of our national capabilities—diplomacy, defence, security, commercial links, scientific skill, people-to-people ties—to address the challenges of COVID-19 in the Indo-Pacific.

It places a clear priority on our near neighbours, particularly the Pacific, Timor-Leste and Indonesia. These are the places where we have the most extensive partnerships and can have most impact.

It focuses on strengthening health security, maintaining social stability, and stimulating economic recovery, as the underpinnings of our shared prosperity and the foundations that will allow us to emerge from this crisis.

Our support will build on decades of Australian experience working with our region and the deep and enduring ties between our communities. Our close partnerships with our neighbours enable us to make a significant impact in times of crisis. Our priorities will include a focus on the most vulnerable, including women and girls and people with disabilities and those living in poverty.

Australia will stand with our partners in the Indo-Pacific as we attempt to minimise the human, economic and social costs of this pandemic, and chart a course to economic recovery.

Our shared security, prosperity and stability depend on it.

1. COVID-19 IS CHANGING THE WORLD WE LIVE IN

The COVID-19 pandemic represents one of the most profound challenges to economic development and human wellbeing in a century. The initial effects have been felt most heavily in wealthier countries. But the eventual impacts are likely to be most acute across the developing world, including in Australia's near region. This threatens to jeopardise progress towards the 2030 Sustainable Development Goals.

In the immediate-term, COVID-19 has the potential to overwhelm health systems. But this may only be the beginning. The World Bank estimates that remittance flows—since 2019 the largest source of capital inflows to low and middle-income countries—will drop by around 20 per cent, or \$100 billion dollars, this year.ⁱ It predicts up to 60 million people will be pushed into extreme poverty—the first increase in global poverty rates since 1998.ⁱⁱ

A sustained economic downturn would have far-reaching consequences for social cohesion and human development. It would throw millions out of work, exacerbate economic and gender inequality, encourage criminal activity, and potentially spur irregular migration. It would undermine food security and supply chains, delay children in their education, and put pressure on political and social stability in societies across the world.

The pandemic will exacerbate the inequalities and hardships faced by already vulnerable groups, particularly women and girls. Women are at greater risk of exposure to the virus due to their disproportionate role in the health system and as carers. Rates of gender-based violence are increasing around the world as restrictions on movement are imposed, economies are closed down and unemployment rises. People with disabilities already face multiple levels of exclusion. They will be particularly vulnerable as health and other social services are disrupted.

Internationally, COVID-19 poses huge risks to the people who live in fragile and conflict-affected states. In these contexts, access to services is limited and governments lack the resources and capacity to implement an effective response. 170 million peopleⁱⁱⁱ are already in need of humanitarian assistance due to conflict and natural disasters, including those living in crowded refugee camps. The World Food Programme estimates that 130 million people could be pushed to crisis levels of hunger by the end of 2020 due to COVID-19, bringing the total number of people in hunger to 265 million.^{iv}

Australia has responded swiftly to COVID-19 in the Pacific and Timor-Leste by supporting national and regional health measures.



We have deployed health experts, including to the World Health Organization regional office in Fiji and the Solomon Islands Ministry of Health. We have provided personal protective equipment and medical supplies to 23 countries and territories, established an isolation centre in Timor-Leste, and provided rapid financial support to Pacific island governments to maintain essential services. We are also supporting Pacific island countries to more effectively detect and prevent the spread of disease, including through new rapid diagnostic tests and working with local organisations to raise awareness of hygiene and prevention measures.



A Royal Australian Air Force (RAAF) C-17 aircraft delivers urgent humanitarian provisions, including medical supplies, shelter, hygiene kits and water buckets to Vanuatu.

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The Indo-Pacific has been the engine room of global growth for decades. This has underpinned Australia's prosperity for many years.

2. THE INDO-PACIFIC IS BEING SEVERELY AFFECTED

The impacts in the Indo-Pacific are already severe. This poses profound challenges to Australia's economic and security interests. The region has been the engine room of global growth for decades. This has underpinned Australia's prosperity for many years.

Pacific island countries are diverse, with differing natural resources and economies. Many have closed their borders or limited movement, with substantial initial success in stopping the spread of the virus. But most have a narrow economic base and all are experiencing an economic shock. This has seen the collapse of government revenue, foreign reserves and cash balances, and the loss of incomes and livelihoods in contexts where formal social safety nets are limited. Critical industries such as tourism have effectively shut down. Most countries have limited capacity to mobilise an effective health or economic response. Some countries are at risk of debt distress, limiting their options for raising finance to respond. A number have underlying security vulnerabilities, including from the climatic threat and natural disasters. A concurrent health and economic crisis could exacerbate these vulnerabilities, posing real risks to security on Australia's doorstep.

Southeast Asian countries face crises on multiple fronts. Mega-cities in the region are particularly vulnerable to the spread of the disease. The International Monetary Fund predicts growth in Asia will stall in 2020, resulting in a recession far worse than the 1997–98 Asian Financial Crisis.^v A region characterised by rapid growth before the pandemic, and where Australia has been building

economic and strategic partnerships, is facing a significant setback. Unemployment is rising. Government revenues are falling precipitously just as demands for expenditure on health and social protection programs are rising steeply. The already fragile social contract could be tested in a number of countries, with risks of political upheaval that could threaten regional stability.

In short, COVID-19 threatens to undermine the Indo-Pacific's astounding achievements in economic growth, poverty reduction and political stability over the past two decades. Just as the region's emergence has underpinned Australia's prosperity, how the Indo-Pacific responds to and recovers from COVID-19 will shape the trajectory of our economic recovery. This in turn will affect the opportunities Australians have to rebuild their businesses and livelihoods. One in five Australian jobs depend on global trade.^{vi} Around two-thirds of our agriculture production is exported to overseas markets.^{vii} Australia's \$60.8 billion tourism and \$32.4 billion international education sectors have been heavily hit by the pandemic.^{viii} They and other sectors of Australia's economy will depend on an effective global and regional response in order to support a rapid recovery from COVID-19.



3. WE WILL STAND WITH OUR REGION

This is a challenge that Australia is committed to tackling together with our partners, in recognition of the interests we share in a stable, prosperous and resilient region.

In response to border closures and transport disruptions, Australia is working across government and with New Zealand to maintain an 'Australia-Pacific Corridor' to the Pacific and Timor-Leste. The humanitarian corridor—a complex logistical system of flights, consular, health and quarantine support—has ensured the continued supply of essential medical and testing equipment, critical personnel, and food and essential supplies in a time of strict border controls and reduced commercial flights. This is saving lives and jobs in countries that are highly dependent on regional connectivity. It is being done without compromising Australia's strict border control and quarantine measures.



Dr Frances Bingwor, Program Manager of Regional Health at Suva Post, unloading 360 GeneXpert test cartridges to enable more local testing for COVID-19 arriving in Nadi on a C-17 aircraft from the Royal Australian Air Force.

We will reshape Australia's development program to establish a new COVID-19 response and recovery partnership with the Indo-Pacific. This will be defined by a focus on our near region—the Pacific and Southeast Asia in particular—recognising that, while this pandemic is global, our interests, influence and capabilities are concentrated in our immediate neighbourhood.

While our efforts will be focused on our region, we will also play our role in the global response to the pandemic and support a coordinated international effort. We will work with other partners and multilateral agencies to ensure the international response includes a focus on our region.

Building on the Foreign Policy White Paper's overarching framework for Australia's international engagement, we seek to contribute to a stable, prosperous and resilient Indo-Pacific in the wake of COVID-19. We will aim to be a partner of choice for our neighbours in responding to the pandemic throughout the response and recovery phases, and in building longer-term resilience.

By providing the high-quality support that Australia is known for, and remaining flexible and adaptive to assisting neighbouring countries as the situation unfolds, we will be investing in Australia's relationships with our region for the long-term.

Our efforts will focus sharply on where we can make the most difference. Our response will focus on three core action areas, which reflect our shared interests with partner governments:

- Health security
- Stability
- Economic recovery.

This will be underpinned by a strong emphasis on protecting the most vulnerable, especially women and girls.

This framework will guide Australia's whole-of-government development efforts in responding to COVID-19. This will encompass both Official Development Assistance (ODA) and other elements of Australia's economic, diplomatic, trade, security and migration policies, and our advocacy in multilateral fora. We have already moved quickly to support our near neighbours in the Pacific and Southeast Asia, including by pivoting existing development programs to respond to COVID-19 and maintaining a humanitarian corridor in the Pacific and Timor-Leste.

The pandemic and its impacts will unfold over an extended period, potentially through multiple waves of infections. We will need to be flexible in our approach and work in partnership with countries, noting these phases may not be linear. We will continue to draw on local and international analysis, expertise, and research to inform our evolving approach.

VISION

A stable, prosperous, resilient
Indo-Pacific in the wake of COVID-19

FOCUS

The Indo-Pacific, particularly the
Pacific, Timor-Leste and Southeast Asia.

An effective global
response and recovery

OBJECTIVE

Australia will partner with the Indo-Pacific in responding to and recovering from
COVID-19, in support of our region's—and our own—security and economic recovery

ACTION

Health security

Stability

Economic recovery

Protecting the most vulnerable, especially women and girls

PRINCIPLES

Whole-of-
government

Flexible and
responsive

Effective
partnerships

New
approaches and
instruments

Evidence-based
interventions

4. WE WILL FOCUS OUR EFFORTS IN THE AREAS OF HIGHEST PRIORITY

We will target our efforts in areas of most relevance to partners’—and our own—stability, prosperity and resilience.

Our response in three vital areas: health security, stability and economic recovery, will shift as the crisis evolves. In the immediate-term, we are supporting partner countries to prepare for and respond to the health crisis through delivery of essential services, and helping to cushion against immediate economic impacts. In the short to medium-term, we will work with governments to facilitate an uplift in economic activity, while continuing to strengthen health security and systems. In the medium to long-term, we will contribute to stability and economic recovery.

a. Health security

This pandemic has revealed critical gaps in global health security. These need to be addressed in order to immediately respond to COVID-19 and prepare for the possibility of further waves of infections. They also require attention in order to ensure the world is better prepared to manage future disease outbreaks.

Our immediate focus will be on emergency health and humanitarian assistance. Australia is working with partner governments to help contain the spread of the virus, conduct public health awareness campaigns, support local health systems with equipment and training, and facilitate the supply of essential goods. We have supported water and sanitation and hygiene services and increased community awareness to control the spread of infection. We are working with local organisations to combat gender-based violence and deliver essential sexual and reproductive health services disrupted due to the pandemic.

Australia’s Indo-Pacific Centre for Health Security is playing a central role in the region’s COVID-19 response.



This includes providing personal protective equipment, diagnostic testing assistance and support for infection prevention across Australia’s neighbourhood. In Timor-Leste, the Centre and its partners are concentrating on disease surveillance and control, critical to stopping the spread of COVID-19.

We recognise the critical importance of an effective vaccine, therapeutics, and diagnostics for COVID-19. Australia’s world-leading scientists and medical research institutions are deeply engaged in global efforts to find a vaccine. It is equally critical that all countries are able to access a vaccine when, or if, it becomes available. We will work with Australian and international partners, like GAVI, the Vaccine Alliance, to ensure equity in access.

As health systems in the region become stretched or overwhelmed, we will continue to assist partners in their efforts to maintain key health services. This includes immunisation against measles and polio, prevention and treatments for diseases like malaria and tuberculosis, safe maternal healthcare, access to family planning and care for people living with chronic diseases. We will continue to share knowledge and build the capabilities of counterpart agencies to improve border and biosecurity controls. Through the Australian Centre for International Agricultural Research (ACIAR) we will share knowledge with counterpart agencies in the Pacific and Southeast Asia on the interaction between human, animal and environmental health, to better manage the risks of future pandemics.

Food security, defined as access to safe, affordable and nutritious food, is variable across the Pacific due to countries' reliance on imports. Supply chains are being put under further pressure by COVID-19. Working with the World Food Programme (WFP), Australia is supporting food security assessments for countries across the Pacific, including Fiji, Vanuatu, Solomon Islands, Tonga and Samoa. An Australian shipping expert, deployed under the Australia Assists program, is working with WFP to assess bottlenecks in the shipping supply chain and liaising with authorities on alternative port options, thereby assisting to ensure uninterrupted food supplies to Fiji. Australia's Market Development Facility is also working with smallholder farmers and the private sector in Papua New Guinea, Fiji, Timor-Leste and Sri Lanka to increase productivity and bolster food availability during COVID-19.



Australia welcomes the adoption of the World Health Assembly resolution on the 'COVID-19 Response', including its provision for an independent review into the pandemic. The resolution will support collective efforts to understand the lessons from COVID-19, and to identify what needs to be done to strengthen pandemic prevention, preparedness and response, with a robust and fit for purpose global health architecture, so we can better address similar challenges in the future.

b. Stability

COVID-19 is putting strain on the global rules-based order. Australia will continue to advocate for human rights and maintaining space for an active civil society in the region. We will seek to protect established norms and effective regional and international institutions, including through our multilateral partnerships. We will also support partners' independence and sovereignty, their awareness of risks, and their ability to make well-informed policy decisions. This will include technical assistance, bilaterally, regionally and through international institutions, to strengthen countries' ability to assess response and recovery investments and evaluate offers of assistance.

In both the response and recovery phases, Australia will focus on interventions that promote social cohesion and stability. COVID-19 will place severe strains on many societies. The pandemic is disrupting all aspects of life, from employment and business opportunities to local markets and the availability of food. Countries with weaker systems of governance may struggle to deliver essential services and maintain consensus around necessary isolation and distancing measures. Prolonged economic downturns could lead to unrest and political instability. Our region contains ten of the fifteen countries considered most at risk of natural disasters and the effects of climate change. Disasters and extreme weather events could compound the effects of the pandemic and undermine efforts to build prosperous, stable and resilient nations.

Australia's Investing in Women program is helping neighbouring countries respond to the economic impacts of the crisis for women.



Under the program, funds are being redirected to an emergency relief and resilience facility to support women's small and medium-sized enterprises in Southeast Asia. This is supporting existing businesses to continue to operate and is investing in new female-led businesses.



Australia is supporting female entrepreneurs in Southeast Asia to adapt their businesses to manage the impacts of COVID-19 and contribute to the resilience of local economies.

A key priority will be to support countries to maintain core services, while also designing and implementing effective social and economic policy responses to the pandemic and its aftermath. This includes measures to support social protection, food security and supply chains, and resilient markets that will be critical to managing the immediate and longer-term impacts.

We will support countries to maintain healthy and educated populations that are food and water secure and resilient to threats such as climate change. With education affected in 177 countries, 1.3 billion children are or have been out of school.^{ix} In many low and middle-income countries, it may be hard for them to return, affecting national human capital, social cohesion and prospects for recovery.

Reducing poverty, in all of its forms, strengthens stability. When poverty and inequality grows—as seems inevitable in the wake of this pandemic—this can exacerbate pre-existing societal tensions and provide fertile ground for illicit, criminal and terrorist networks to become established. We will invest in partner country efforts to tackle corruption and improve law and justice.

We will place a particular focus on the most vulnerable. This includes maintaining Australia's strong support and advocacy for initiatives to enhance gender equality and address gender-based violence, which will increase as societies are placed under strain. We will support people with disabilities, in light of the multiple layers of exclusion they face. Effectively addressing the needs of the most vulnerable provides the bedrock for social cohesion.

c. Economic recovery

Australia will support policy-making that promotes economic response and recovery efforts, private sector resilience, open markets and supply chains, improved livelihoods and inclusive growth. We will assist efforts to manage COVID-19's economic impact on long-term poverty reduction and sustainable growth.

In the immediate-term, we will support partner governments to manage the economic slowdown and reduce the impact of the economic crisis on the most vulnerable. We will also provide advice on stimulus packages and trade-related policies to keep markets and businesses functioning, and help governments avoid debt distress.

We will provide advice and support to partner governments on pathways to longer-term economic recovery, including revitalising export markets, accessing finance for trade and investment, and supporting human capital and job creation, including for women. This will include advice on public financial management to improve partner governments' abilities to respond effectively to a changed regional and global economy and manage future shocks.

We will continue our advocacy and support for free and open trade in order to stimulate a shared economic recovery across the Indo-Pacific. The Pacific Agreement on Closer Economic Relations (PACER) Plus is an important example of

how closer economic and trade ties can foster positive development outcomes in our region. The agreement will provide commercial opportunities for Australian and Pacific island exporters and investors. We will continue to support Pacific nations to ratify PACER Plus and will assist signatories to take advantage of the agreement once it comes into force.

The private sector, both in Australia and in our region, will be an essential partner in economic recovery. Helping the private sector to access capital, and re-establish markets and global value chains, will be vital for our region's economic recovery, as it will be for Australian businesses who rely on regional supply chains. Facilitating responsible business models, low carbon development, and greater value chain diversification will boost economic resilience in Australia and partner countries and help protect against future economic shocks.

We will invest in gender equality and women's economic empowerment. Women are shouldering much of the economic burden of COVID-19. They are more vulnerable to economic insecurity during crises due to an increase in unpaid domestic labour. They often hold less stable jobs, rely on the informal economy for their livelihoods, and may not be part of policy-making processes. Our efforts will be inclusive of people with disabilities, as they face multiple vulnerabilities. Inclusive and equitable economic growth is essential for strong communities, social cohesion and economic resilience.

Australia and Indonesia's Partnership for Economic Development (PROSPERA) is based on more than 20 years of cooperation.



This enduring relationship is helping drive rapid responses to the COVID-19 crisis. It is supporting Indonesia's economic response to the pandemic, including work on impact assessments, economic stimulus and longer-term fiscal recovery. This is playing a key role in maintaining Australia and Indonesia's trade partnership (worth \$16.8 billion in 2017–18), and the eventual recovery of Southeast Asia's largest economy.

5. WE WILL CONCENTRATE ON OUR NEAR NEIGHBOURHOOD

Australia's neighbourhood is the Indo-Pacific region, ranging from the eastern Indian Ocean to the Pacific Ocean connected by Southeast Asia, including India, North Asia and the United States. Our partnerships build on Australia's longstanding commitment to the region, which has the most direct impact on Australia's security and prosperity. It is where we will focus our efforts.

Our COVID-19 partnerships will focus on the Pacific and Southeast Asia, with the Pacific, Timor-Leste and Indonesia as first-tier priorities. These are our closest neighbours, where we have the strongest national interests in providing support and where we can have the greatest impact. These countries are also vulnerable to the effects of the pandemic. Their recovery is critically important to Australia's own security and economic recovery.

We will continue targeted investments outside of the Pacific and Southeast Asia, including in South Asia, where there are strong reasons to do so and we can make an impact, in close coordination with key partners. We will remain closely involved in global and multilateral response and recovery efforts.

A priority for Pacific island governments is to secure as much concessional and grant financing as possible, so as to minimise the debt repayment burden they will face following the pandemic.



Australia is working closely with International Financial Institutions (IFIs) to advocate for their strong and timely support to Pacific island countries. We will use our influence with IFIs to ensure their vital policy advice is available to governments in our region. We will advocate for fiscal support packages, where needed, to allow critical services to function and assist countries to avoid debt distress.

a. The Pacific and Timor-Leste

The Pacific is where we live. We share deep historical ties with Pacific island nations, Papua New Guinea and Timor-Leste. These countries are front and centre in Australia's strategic outlook, our foreign policy, and our personal connections.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) was established to provide grants and loans for vital infrastructure projects in Timor-Leste and the Pacific.



The AIFFP invests in the future of the region, through high-quality projects in telecommunications, energy, transport, water and other priority infrastructure. The facility will form an important part of Australia's COVID-19 recovery efforts in the region by funding climate resilient infrastructure projects that support sustainable economic growth and local employment.

Our response to COVID-19 goes to the heart of Australia's Step-up in the Pacific as well as the new chapter in our relationship with Timor-Leste. It builds on our long history of support for our region in good times and in bad.

Our assistance to the region will be broad-based and responsive to the evolving priorities of partner countries. We will work closely with the governments of the Pacific and Timor-Leste to support their COVID-19 response and their efforts to establish a pathway to economic recovery and enhanced resilience.

Immediate health and humanitarian responses will remain critical, including through the humanitarian corridor. We will maintain this corridor as long as is necessary to facilitate the movement of critical supplies and personnel.

In both the response and recovery phases we will build on established areas of engagement and our deep personal relationships. Existing investments in health, education, social protection and economic development will be re-orientated to support partner governments to deliver critical services. We will invest in infrastructure and transport links in ways that support sustainable economic growth and local jobs. We will cooperate closely with the international financial institutions to ensure that their policy advice and financing is available to the countries of the region, and that alternative offers of assistance are transparent and made on reasonable terms. We will provide high-level advice on stimulus and economic measures designed to steer a path towards recovery.

The Department of Home Affairs and DFAT have worked together to issue new visas to allow workers under the Pacific Labour Scheme and Seasonal Worker Programme to remain in Australia for up to 12 months.



This is supporting critical livelihoods and remittances for thousands of Pacific Islanders at a time of economic crisis. This is in a context in which remittance flows are starting to exceed development funding in some countries. This initiative is also helping businesses in regional and rural Australia to maintain services and production in industries such as agriculture, forestry, fisheries and health care.

We will also continue to work at the community level to enhance pandemic preparedness and sanitation measures. In doing so, we will support the extensive family and community church networks that exist in the Pacific and Timor-Leste and build on the deep relationships that exist between Australian non-government organisations (NGOs), the Red Cross movement and community groups across the region.

As economies open and movement becomes easier, we will continue to foster closer economic integration with Australia. This will be a critical factor in the economic recovery and longer-term resilience of the Pacific and Timor-Leste. Australia recently issued new visas to allow workers in Australia under the Pacific Labour Scheme and Seasonal Worker Programme to remain in Australia for up to 12 months. We will explore options to allow more Pacific workers to travel to Australia and to open further transport and tourism corridors to the region, while ensuring that appropriate safeguards remain in place. We will place a particular focus on regional cooperation, including through working with the Pacific Islands Forum (PIF) and the Pacific Community.



With education affected by COVID-19 in 177 countries, 1.3 billion children are or have been out of school. Education is a critical underpinning of social cohesion and economic growth. Australia is committed to supporting children across our region to return to school in the wake of the pandemic. Credit: Kyle Barker, The Asia Foundation

b. Southeast Asia

Southeast Asia sits at the heart of the Indo-Pacific. Its health security and economic recovery directly affects our own. We have common interests with Southeast Asian countries in building a region that is stable, prosperous, and resilient.

Southeast Asian countries have grown strongly over recent years. But COVID-19 has shown that they remain highly vulnerable to shocks. The informal economy accounts for around 78 per cent of employment in Southeast Asia.^x Poverty rates remain high and public health systems are underdeveloped. The region's capacity to weather COVID-19 will be integral to Australia's own economic recovery.

Australia will work with partners in Southeast Asia to maximise the effectiveness of their own national resource mobilisation efforts, supplemented by multilateral and private sector assistance. We will place a particular focus on regional institutions, including ASEAN and ASEAN-related institutions, to strengthen their centrality to the region's governance.

In Southeast Asia, we will prioritise areas where we can make the most difference and catalyse change. This will include providing technical advice on managing the health and economic impacts of the pandemic, such as the design of stimulus measures and implementation of social protection initiatives, as well as infrastructure programs that will assist in economic recovery. We will pivot existing health, education, humanitarian and social protection programs to support national responses to COVID-19.

We recognise the critical challenges faced by Indonesia in responding to COVID-19. We will work closely with Indonesia to respond to immediate health and humanitarian needs, support implementation of new and expanded social safety nets, and maintain internal and external trade and markets. As the crisis evolves, we will build on our comprehensive strategic partnership to assist Indonesia's recovery, including supporting the institutional, economic and social reforms necessary for inclusive and sustainable growth.

c. Supporting global relief and recovery efforts

While we will concentrate on our near neighbourhood, effective global relief and recovery efforts are vital to Australia's long-term interests. This includes humanitarian assistance and efforts to manage the pandemic's spread. It also includes longer-term economic recovery and efforts to avoid protectionism. During and after this crisis, the temptation will be for countries to turn inwards, disrupt supply chains, dampen investment and reduce trade. Australian jobs and regional prosperity will depend on the re-establishment of open international trade and investment.

Australia is supporting the United Nations Refugee Agency (UNHCR) to limit the spread of COVID-19 in Bangladesh's crowded Cox's Bazar.



Health staff in Cox's Bazar are being trained in infection prevention and control, while the UNHCR is working to improve access to clean water, hygiene supplies and waste disposal. Other key UN actors are also involved in developing isolation and treatment facilities with at least 1,500 beds for refugees and locals.



UNHCR has installed 128 handwashing stands in the world's largest refugee camp in Cox's Bazar, Bangladesh. Volunteers are ensuring that everyone who enters washes their hands with soap and water.

Fragile and conflict affected countries are facing a potential humanitarian catastrophe as they deal with the twin impacts of conflict and the COVID-19 pandemic. Australia is a leader in responding to humanitarian crises and human displacement in our region. In particular, we are a key responder to the Rohingya crisis, the largest and most complex humanitarian crisis in the Indo-Pacific.

We will provide ongoing humanitarian assistance through trusted multilateral partners, including the World Health Organization, World Food Programme, United Nations Children's Fund, UN Women, and United Nations Population Fund, to save lives, address human suffering and protect the most vulnerable during the pandemic. We will work in a way that strengthens the international system's effectiveness in responding to crises.

Longer-term, we will work with like-minded partners to keep the global trading system open. Working with international institutions like the WTO, G20 and OECD will be central to this objective. We will support efforts to avoid a prolonged global economic shock, including by leveraging the finances and technical capacity of international financial institutions. We will work closely with the International Monetary Fund, the World Bank, and the Asian Development Bank, including to ensure that countries in our region benefit from their financing packages. We will cooperate with the Global Fund to Fight AIDS, Tuberculosis and Malaria, GAVI, the Vaccine Alliance, and the Global Partnership for Education to ensure their core health and education emergency assistance is mobilised in our region. We will continue our support for vaccine development and access, drawing on our world leading health and medical research institutions.

6. WE WILL WORK DIFFERENTLY

The scale of the COVID-19 crisis will dwarf the resources we have available, including through our ODA budget. Indeed, it will defy all conventional approaches to development. We need new ways of working to maximise our impact.

We will take a whole-of-government approach to addressing the impacts in our region. We will use all levers of government—diplomacy, trade, economic, and security partnerships—to ensure our development efforts can have greatest impact and are aligned with our strategic, foreign policy and economic objectives. We will do so through new whole-of-government country and regional COVID-19 Development Response Plans, which will outline shared objectives that address partner government priorities and Australia’s national interests. These plans will span two years and address countries’ COVID-19 response, early recovery and resilience phases. Australia will work closely with other donors and multilateral organisations to ensure a coordinated response.

The pandemic is unfolding rapidly and its eventual impacts are uncertain. We will build new levels of flexibility into our development partnerships so that we can respond to the rapidly changing nature of this crisis and the evolving needs of our partners.

Our development response will go beyond ODA to include contributions to development from Australia’s private sector, education and scientific institutions. We will use our development assistance and other policy tools to leverage private sector finance and grow markets in our region. Australian companies that are focused on offshore markets, including in tourism and extractives, and whose operations support local small and medium-sized enterprises and livelihoods, will play an important role in regional recovery efforts. COVID-19 presents an opportunity for these businesses to extend their interests in the region and diversify regional supply chains, to our collective benefit. Our scientific and academic institutions’ efforts to find a vaccine and support regional health responses will be crucial. So too will be ongoing NGO and people-to-people engagement, to share Australian expertise and maintain deep ties between our communities and those of our region.

Australia is supporting a beverages company in Fiji to address a shortage of hand sanitiser due to cargo restrictions and shipping delays.



Paradise Beverages usually produces rum and derives the alcohol from local sugar cane molasses, which can also be used to make sanitiser. Australia is helping the company procure glycerol, hydrogen peroxide and jerry cans needed to make the sanitiser as well as designing bottle labels approved by Fiji's Ministry of Health to ensure they include important COVID-19 information. Paradise Beverages is providing 50,000 free bottles of sanitiser to Fijians, prioritising hospitals, low-income families and rural communities, to reduce the spread of the disease.

Paradise Beverages Distillery team filling the first 1000L drum of hand sanitiser for the Lautoka Hospital.



The development financing landscape is changing dramatically as countries' debt levels increase, global institutions suspend some debt repayments, and new types of risks emerge. Along with G20 partners, Australia has committed to appropriate debt relief and deferral arrangements during this time. We may now also need new tools and instruments to maximise

our reach. Non-grant finance instruments—including loans, guarantees, equity investments and impact investing—could play an important role in supporting long-term economic recovery. We will investigate ways to deploy non-grant financing tools where appropriate, building on our existing experience with these instruments.



Australia and Indonesia are supporting smallholder farmers to increase their productivity and strengthen supply chains to ensure food security during COVID-19.

We will base our interventions on evidence. The situation is changing rapidly and is, by definition, unprecedented. We will develop and draw on rolling analysis at local, regional and international levels to adapt our approaches as the situation evolves.

We will also explore new models of delivery. Many established development programs have had their operations disrupted by movement and travel restrictions. While this has constrained

the capacity of many delivery partners, it also provides an opportunity to forge new relationships and novel ways of working. We will place a strong focus on the localisation of our assistance through partner government systems and local organisations in both the response and recovery phases. This will ensure our efforts are informed by local knowledge, support local priorities, and contribute to local capacity and accountability.

7. WE WILL STRENGTHEN OUR PARTNERSHIPS

Partnerships are at the heart of our development program. We will work closely with partners, both government and non-government, as we seek to address the impacts of the pandemic across the Indo-Pacific. This includes our longstanding and trusted relationships with partner governments in the Pacific and Southeast Asia.

Australia's partnerships are long-term, two-way, equal and founded on mutual respect and understanding. They will be defined by open communication, agreement on shared priorities, and recognising and responding to each other's strengths. We will work together across a broad range of foreign policy, trade, economic and strategic issues, support effective regional institutions and promote agreed rules and norms.

We are more effective when we work closely with others. Burden sharing, dialogue, and leveraging expertise will be critical to maximising our collective impact. This is a particular imperative in the COVID-19 world.

We will continue to work closely with regional institutions, particularly ASEAN, APEC, the PIF and the Pacific Community, to reinforce a rules-based architecture and ensure our efforts link with regional response and recovery efforts. Our work to support the PIF Humanitarian Pathway with other Forum members is an example of our joined-up approach to tackling COVID-19 in our region.

Australia has quickly pivoted existing programs and partnerships to respond to COVID-19.



In Timor-Leste, we have increased monitoring of food security and pricing issues to boost support to poor farmers amidst COVID-19 market downturns and supply chain interruptions. We have also refocused our private sector development support away from tourism towards supporting potential local producers of personal protective equipment and to help resolve cross-border food supply chain issues.

The Regional Comprehensive Economic Partnership is an ASEAN-led initiative bringing together ten ASEAN member states and those countries with which it has free trade agreements (including Australia).



The partnership focuses on opening our region's economy to deliver new trade and investment opportunities and create more jobs. Its aim to strengthen economic integration and build strategic confidence in our region will be particularly important as we recover from the global COVID-19 pandemic.

We have a long history of cooperation with traditional development actors including the United States, New Zealand, France, Japan, the United Kingdom, Canada, Germany, France and the European Union. We will cooperate particularly closely with Indo-Pacific partners, including but not limited to Japan, India, South Korea, China and Singapore. COVID-19 will see new relationships and networks of cooperation emerge. We will collaborate closely with like-minded partners and emerging donors in order to coordinate efforts and ensure the most effective response to the pandemic and its aftermath. We will look for opportunities to cooperate at the multilateral level to promote agreed rules and norms and direct resources to shared priorities.

NGOs, universities, volunteers, philanthropic organisations, faith-based and community groups remain integral to our development efforts. They reflect Australian values and are one of our nation's core strengths — building on the deep and enduring ties between the Australian community and communities and institutions across our region. We will support them to maintain and strengthen these linkages throughout the course of the response to, and recovery from, COVID-19.

The private sector—local, multinational and Australian—will drive the eventual economic recovery of the region. It will also be an essential source of finance, insights and ideas to tackle the unprecedented challenges of the pandemic. We will harness private sector efficiencies, innovation and ingenuity at all levels, including small and medium-sized enterprises, corporations and investors. We will embed a culture of working with the private sector to achieve long-term economic recovery, through regular engagement in Australia and in partner countries.

8. ACHIEVING IMPACT

Australia has a reputation for delivering high-quality development assistance. In light of the need for flexibility in response to this fast-moving pandemic, we will apply newly streamlined processes for program design, monitoring and management, ensuring responsiveness to emerging needs, while achieving impact. We will seek to reduce overheads and deliver strong value for money outcomes.

Investments will be determined through whole-of-government country and regional COVID-19 Development Response Plans, which will identify shared priorities and include efforts supported by ODA and other policy tools. These plans will be developed in close collaboration with partners and refined as circumstances evolve.

a. Engaging and managing risk

COVID-19 is forcing us to fundamentally change the way we deliver development programs—and how we engage with risk. The pandemic has triggered global travel bans, forced the closure of flights and ports, and seen the departure of many international program staff. This has affected the operational capacity of our implementing partners, and could reduce the presence and capacity of key government counterparts and services. We will be delivering assistance in fluid contexts, and in circumstances in which not just our partners' capacity, but our own, operating models have shifted.

This will require us to innovate and adjust our appetite for risk. We will support a positive risk culture by embedding risk management into our strategic and operational planning, management and decision-making at all levels.

Where there are risks to the safety of our staff or people implementing our investments, we will seek to eliminate or minimise them as far as reasonably practicable. We will make all reasonable efforts to prevent fraud and corruption. We will show no tolerance for sexual exploitation, abuse, harassment or for harm to children. We will require our implementing partners to take a similarly robust approach in these areas.



Australia has been working with the government of Timor-Leste and other partners to establish handwashing stations throughout the country to help fight the spread of COVID-19.

Australia is working with community partners and NGOs to quickly respond to local challenges.



We are supporting longstanding local and international NGO partners, WaterAid PNG and Motu Koita Assembly, to prevent the spread of COVID-19 in remote areas of Papua New Guinea. The six-month program is raising awareness of COVID-19 and promoting good hygiene and handwashing practices for communities to reduce its spread and save lives.

b. Measuring performance

The performance system that supports the COVID-19 development response will have a three-tier framework reporting on the overall context, annual results, and effectiveness of Australian efforts in addressing the challenges of COVID-19. Performance indicators and expected results will form part of our new country and regional COVID-19 Development Response Plans, as well as partnership arrangements for global programs and multilateral organisations. The performance system will support continuous improvements, and ensure that we have the information we need to actively manage and adapt our investments as the context changes.

We are committed to transparency. We will continue to draw on our performance system to capture lessons and communicate the results and impact of Australia's development program in responding to COVID-19 and supporting progress towards the 2030 Sustainable Development Goals.

9. A SHARED INDO-PACIFIC RECOVERY

COVID-19 has reinforced that Australia's security and prosperity is closely tied to that of our neighbours in the Indo-Pacific.

Our shared health security depends on whether COVID-19 transmission rates can be controlled in our region. Our own economic recovery will depend on borders reopening, global and regional trade resuming, and travel and tourism returning to our country and region.

Australia has an important role to play in ensuring the stability, prosperity and resilience of the Indo-Pacific. We face a world where established rules, norms and institutions that have served Australia's interests are under enormous stress. We seek to emerge from this pandemic with these interests defended, and the rules-based order in our region upheld.

We will aim to be a partner of choice for our Indo-Pacific neighbours throughout this crisis to minimise the human, economic and social costs. Our shared security, prosperity and stability depend on it.

10. PERFORMANCE FRAMEWORK

The Australian Government is committed to delivering a targeted and high-quality development program that supports preparedness, response and recovery from COVID-19 in the Indo-Pacific. Australia's approach will be defined by setting clear objectives for all programs and closely monitoring progress against them, in alignment with the Government's broader focus on effective implementation.

a. A contemporary performance system

The performance system that supports the *Partnerships for Recovery* strategy has three central elements:

- A three-tier framework for reporting on the overall context, annual results and effectiveness of Australia's COVID-19 development response efforts
- Whole-of-government COVID-19 Development Response country and regional plans setting out expected outcomes, key results and supporting investments
- Performance indicators for global programs and strategic partnership agreements with multilateral organisations.

Over 75,000 jobs are at risk in Fiji's tourism sector as a result of COVID-19.



Australia and Fiji are helping unemployed women and men up-skill through the delivery of Australian standard micro-training courses. We are also supporting a group of female market vendors in Fiji with a taxi delivery service for their fruit boxes, to help them sustain their small businesses until social gathering restrictions are lifted and major fruit and vegetable markets re-open. Australia is committed to working with our Pacific partners to help mitigate the impacts of the economic shock on Pacific governments, vulnerable people and businesses.

Table 1: Performance System

LEVEL	MEASURES	REPORTING TOOL
<p>Context and results of Australia's development program</p>	<ul style="list-style-type: none"> • Tier 1: Indo-Pacific development context • Tier 2: Australia's contribution to development • Tier 3: Organisational effectiveness and efficiency 	<ul style="list-style-type: none"> • Annual ministerial statement • DFAT Annual Report
<p>Country and Regional Programs</p>	<ul style="list-style-type: none"> • COVID-19 Development Response Plans 	<ul style="list-style-type: none"> • Brief annual progress reports • Periodic outcome-focused reports • Investment monitoring reports • Periodic multilateral performance reports
<p>Global Programs</p>	<ul style="list-style-type: none"> • Global program COVID-19 aligned performance frameworks • Strategic partnership agreements with multilateral organisations 	



Dr Josh Francis, of the Menzies School of Health Research, is an Australian leading a team to find solutions to complex infectious disease problems posing risks to the health security and economy of Timor-Leste. Credit: Menzies School of Health Research

b. Country and regional programs, global programs and multilateral organisations

Australia's development program is delivered through country and regional programs, global programs and multilateral organisations.

A new approach will be introduced in 2020–21 for planning and reporting on country and regional programs. COVID-19 Development Response Plans will be prepared for country and regional programs in close consultation with partner governments. These plans will be whole-of-government, responsive to partner country preparedness and response plans and include expected outcomes and key results/performance indicators. A brief summary of progress with management actions will be prepared annually. Joint mid-term and/or end cycle reports will be prepared to agree any changes required and assess progress against outcomes.

Our global programs and work with multilateral organisations will be regularly assessed to ensure they deliver against the *Partnerships for Recovery* objectives. Global programs include the Australian NGO Cooperation Program, Australian Volunteers Program and Australia Awards. Each will report against specific performance frameworks. Strategic Partnership Agreements will drive outcomes expected from our partnerships with multilateral organisations.

Underpinning Australia's development program is a commitment to monitoring, evaluation, research, learning and adaptation (MERLA). Regular and systematic MERLA is essential to assess the effectiveness and efficiency of our programs, support adaptive management of investments, provide the basis for reporting to Parliament and the public, and contribute to dialogue with our development partners.

CONTEXT AND RESULTS OF AUSTRALIA'S DEVELOPMENT PROGRAM

TIER 1	TIER 2	TIER 3
Indo-Pacific development context	Australia's contribution to development	Operational and organisational effectiveness
STABILITY	HEALTH SECURITY	<ul style="list-style-type: none"> • Planning • Effectiveness • Responsiveness • Gender equality and social inclusion • Transparency
<ul style="list-style-type: none"> • Fragility in the region • Political rights and civil liberties • Fiscal sustainability 	<ul style="list-style-type: none"> • Health systems and preparedness • Infectious disease outbreak response • Medical products • Immunisation • Sexual and reproductive health • Emergency assistance 	
PROSPERITY	STABILITY	
<ul style="list-style-type: none"> • Poverty in the region • Export volumes • Economic growth in the region • Education • Remittances • Tourism 	<ul style="list-style-type: none"> • Improved governance • Social protection measures • Violence against women • School enrolments • Food security 	
RESILIENCE	ECONOMIC RECOVERY	
<ul style="list-style-type: none"> • Pandemic spread • Health • Disaster risk reduction • Climate change adaptation • Violence against women 	<ul style="list-style-type: none"> • Economic policy support • Economic empowerment • Supply chain support • Budget support 	

Endnotes

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- ii The World Bank, “Press release: 100 countries get support in response to COVID-19 (Coronavirus)”, <https://www.worldbank.org/en/news/press-release/2020/05/19/world-bank-group-100-countries-get-support-in-response-to-covid-19-coronavirus>; The World Bank “Poverty Overview”, <https://www.worldbank.org/en/topic/poverty/overview>
- iii 2020 Global Humanitarian Overview, <https://reliefweb.int/report/world/global-humanitarian-overview-2020-enarfrzh>
- iv World Food Programme Executive Director Statement to the UN Security Council, 21 April 2020, www.wfp.org/news/wfp-chief-warns-hunger-pandemic-covid-19-spreads-statement-un-security-council
- v International Monetary Fund, “COVID-19 Pandemic and the Asia-Pacific Region: lowest growth since the 1960s”, 15 April 2020, <https://blogs.imf.org/2020/04/15/covid-19-pandemic-and-the-asia-pacific-region-lowest-growth-since-the-1960s/>
- vi Centre for International Economics Report on Australian Trade Liberalisation, <https://www.dfat.gov.au/about-us/publications/trade-investment/Pages/cie-report-on-australian-trade-liberalisation>
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- x International Labour Organization, “Women and Men in the Informal Economy: A Statistical Picture”, 30 April 2018, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf

