

Pre-Budget Submission 2022-23



Introduction

Micah Australia welcomes the opportunity to make a submission to the 2022-23 Budget. Micah is a coalition of leading Christian international development agencies from across the Australian church. We advocate for an Australia that acts justly for those most impacted by global poverty and we engage in advocacy to strengthen Australia's overseas aid and development partnerships.

The issue of global justice is one in which Christians are substantially invested. We believe that individuals, institutions and nations are called to respond to neighbours in need with generous love and compassion. Christian humanitarian and international development agencies in Australia collect \$621 million in charitable donations each year. The supporters of Micah do not just call for Government action, they act themselves.

The world is facing unprecedented immediate and long-term crises in the face of a global pandemic, with profound impacts on human health and wellbeing, alongside the long-term challenges of responding to the climate crisis. The global pandemic is not only a health and economic challenge but is also increasing humanitarian risk. The United Nations recently estimated 274 million people worldwide would need lifesaving assistance and protection in 2022 – a 17% increase to the year prior. The United Nations, 2022 Global Humanitarian Overview calculated that globally, up to 811 million people are undernourished, with COVID-19 exacerbating this. Alongside this, 43 countries around the world face the real possibility of famine like conditions.

Ending COVID for all begins with the equitable and timely distribution of the vaccine however it cannot end there. The response and recovery efforts in the Asia-Pacific and around the world need to respond to the impacts in each context. This will require continued investments in human wellbeing and economic recovery, including social protection, health and social care and working with vulnerable communities. It will also require humanitarian response to already protracted crises to respond to increased risks of violence, hunger and malnutrition. Micah in this budget submission is outlining a suite of specific proposals to respond to these challenges, consistent with the Government's Partnerships for Recovery strategy. They are consistent with Australia's leading role in the region and contribution to the global effort.

Recommendations Summary

1. Overall Volume of Australia's Official Development Assistance

Recommendation 1.1

- a. Legislate 0.5 per cent ODA/GNI by 2025-26, 0.7 per cent ODA/GNI by 2029-30, and an annual ministerial statement to the Parliament on development performance.
- b. Commit to transitioning the temporary commitments to Official Development Assistance (ODA) to permanent increases, to invest \$1.785b in regional health security, economic recovery and stability between 2022/23 - 2025/26.

2. Priority Investments

Recommendation 2.1:

- a. Increase Australia's contribution to the COVAX AMC Facility to an additional \$250 million.
- b. Commit \$50 million from the existing \$523m Vaccine Access and Health Security Initiative into addressing vaccine hesitancy in the Indo-Pacific.
- c. Commit \$100 million to the CEPI replenishment

Recommendation 2.2:

- a. Protect the world's most vulnerable by providing Australia's fair share of global humanitarian funding, \$696 million per year, including increased support for crises that have escalated due to COVID-19.
- b. Commit \$150 million in 2022-23 to address food security and child malnutrition in countries at high risk of famine, particularly in Ethiopia and Afghanistan.
- c. Increase funding to \$100m a year to stabilise the escalating humanitarian crisis in Afghanistan and to protect vulnerable groups

Recommendation 2.3

Increase investment in measures that protect vulnerable groups from trafficking, modern slavery, forced labour and child labour, including:

- a. Invest in a cross-sector, global strategy to combat modern slavery by providing \$10 million to the Global Fund to End Modern Slavery (GFEMS).

Recommendation 2.4:

Increase support for measures to tackle gender-based violence, including expanding resourcing and capacity of essential services such as shelters, helplines, online counselling and support referral services; and improving law enforcement and criminal justice capacity.

Recommendation 2.5:

- a. Commit to increased support for climate change mitigation and adaptation efforts, including disaster risk reduction.
- a. Create a dedicated climate adaptation fund targeting local community-led climate adaptation initiatives

Recommendation 2.6:

- a. Commit to increase the central disability allocation to \$14 million in 2022-23 and increase by CPI over the forward estimates.
- b. Commit \$10 million over four years in livelihoods and resilience for people with disabilities as part of the economic recovery from COVID-19 in our region.
- c. Commit an initial \$200,000 in 2022-23 to the design of the Partnership for an Inclusive Pacific.
- d. Commit \$40 million over four years from 2023-2024 to the Partnership for an Inclusive Pacific to accelerate the Implementation of the Pacific Framework for the Rights of Persons with Disabilities 2016-2025.

3. Partners

Recommendation 3.1:

Maintain and strengthen the development cooperation portfolio's global program through investments in effective multilateral and non-government organisations.

Overall Volume of Australia's Official Development Assistance

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- a. Legislate 0.5 per cent ODA/GNI by 2025-26, 0.7 per cent ODA/GNI by 2029-30, and an annual ministerial statement to the Parliament on development performance.
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Micah has a long-standing call to successive Australian governments to reach the 0.7% of GNI international benchmark. As the world collectively confronts the immediate crisis of the COVID-19 pandemic, the ongoing consequences for human wellbeing and the climate crisis, ODA will continue to be a vital source of resources in tackling global challenges and marshalling collective global effort.

Since the 2019 election the Government has implemented its further cuts so that the core development cooperation program is now \$4 billion. Recent temporary and targeted investments - to help provide vaccines to our region and support fragile economies during the pandemic - have added approximately \$1.785bn of ODA in 2020 and 2021. However, none of these new announcements represent a permanent increase in the development cooperation program. The recovery effort in the region is going to be so significant that these investments need to be permanent increases, alongside greater contributions to ensuring global vaccination and humanitarian support to growing crises.

Priority Investments

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- c. Commit \$100 million to the CEPI replenishment.

The COVAX AMC Facility leverages global expertise in distributing and administering vaccines to lower transaction costs, mitigate the risk of supply shortages, get a better price and allocate vaccines equitably. COVAX uses pre-existing supply chains and partners with significant experience working within health systems including WHO, GAVI, CEPI and UNICEF, with this ensuring a more streamline distribution process. Australia has already made commitments to COVAX totalling \$130 million. However, analysis of comparable countries shows that if Australia gave the average commitment (based on wealth), it would require an additional \$221million (2.7 times Australia's current commitment). While Australia has a long-standing commitment to the Indo-Pacific region, and particularly to the Pacific and Timor-Leste, global mechanisms such as COVAX are the key mechanism by which Australia can commit to supporting low-income countries (LICs), almost all of which are outside of the Indo-Pacific. Neither Delta nor Omicron was identified in our region and a new variant is emerging on average every four months, this revealing that this pandemic is not over within our region, until it is over everywhere. The WHO now says, "there is sufficient vaccine from a supply perspective to achieve the global vaccination targets..." however, it is the distribution to low-income countries that has been lagging considerably. Donation of only vaccine vials is leaving LIC's without the resources to administer the vaccine, with COVAX bridging this gap.

Vaccine hesitancy is a feature of the rollout all around the world. The evidence is clear that trusted, community leaders, and local organisations are essential in addressing that hesitancy. As Richard Mihigo, coordinator of the Immunization and Vaccine Development Programme for WHO in Africa said, "It's one thing to have political leaders speaking on the television telling people broadly what needs to be done, it's quite another to have somebody understand as a person and an individual in a particular context why the story that they've been told is not true." In order to achieve adequate vaccine demand, communities must be well-informed with accurate information about vaccines and their benefits. There is no point overcoming all the challenges in production and distribution (the supply chain) if investment is not going into increasing take up (the trust chain). With this seen within Papua New Guinea, in January 2021 a poll taken from the PNG newspaper The National, revealed that 77% of respondents did not want to be vaccinated. Later in May 2021, results showed that 48% did not want to be vaccinated. Vaccine uptake is critical to achieving widespread community protection, with vaccine hesitancy a key obstacle preventing this.

\$50 million is a modest investment in ensuring the millions of vaccines Australia is distributing to the region are making it into people's arms. This funding should be used to fund national government efforts to build confidence and trust in the COVID-19 vaccine through tailored and targeted education programs and awareness campaigns. Awareness activities should be tailored to the local context, using trusted local leaders to share accurate medical information in the local language across various media channels about COVID-19, vaccine safety and the rollout. Demand creation activities could also include conducting barrier analyses to identify local obstacles to vaccine take-up, conducting training workshops for local leaders, churches, and community groups to gauge and change community attitudes, working with media organisations to share accurate information, and holding community forums with trusted public figures to dispel myths. Investing in demand creation activities like this will help ensure value for money from much larger investments that the Australian Government is making in vaccine distribution, ensuring vaccines are not only made accessible, but used to protect against COVID-19.

The Coalition for Epidemic Preparedness Innovations (CEPI) works as a global coalition of governments, philanthropy, global health organisations, vaccine developers and manufacturers, and civil society to accelerate the development of vaccines against emerging infectious diseases and enable equitable access to these vaccines for people during outbreaks. CEPI has been critical to the COVID-19 response, announcing its first COVID-19 vaccine partnership in January 2020 when only 581 cases were confirmed globally. It has since invested in 14 vaccine candidates to increase chances of success; 11 candidates from this diverse portfolio are still active and 3 have already produced authorised vaccines. AstraZeneca, Clover and Novavax are all supported by CEPI and have agreements to cumulatively supply over 2 billion doses through COVAX. The current Omicron experience in Australia highlights the risk of COVID-19 variants emerging and traversing the globe. CEPI is seeking to mobilise funding to continue critical work on COVID-19, including developing the next generation of vaccines, addressing variants of concern, and developing a universal coronavirus vaccine. Four vaccine development partnerships for candidates addressing variants of concern have already been initiated. CEPI has a considerable focus on low-to middle income nations, with this being key to ending the pandemic for all.

Recommendation 2.2

- a. Protect the world's most vulnerable by providing Australia's fair share of global humanitarian funding, \$696 million per year, including increased support for crises that have escalated due to COVID-19.
- b. Commit \$150 million in 2022-23 to address food security and child malnutrition in countries at high risk of famine, particularly in Ethiopia and Afghanistan.
- c. Increase funding to \$100m a year to stabilise the escalating humanitarian crisis in Afghanistan and to protect vulnerable groups.

The United Nations, 2022 Global Humanitarian Overview estimates that 45 million people living across 43 countries, are at risk of famine. This due to a deadly mix of conflict, the economic impacts of COVID-19, and natural disasters.

The Australian Government should commit A\$150 million package to avert famine and child malnutrition. This contribution should be new and in addition to planned 2022-23 expenditure. It is recommended that this funding package be channelled into appropriate mechanisms including the United Nations Central Emergency Response Fund (CERF), World Food Programme and the Australian Humanitarian Partnership to ensure swift action in response to emerging food crises. This funding should focus on Ethiopia and Afghanistan, with both nations facing hunger emergencies. The United Nations has deemed the situation in Ethiopia as the worst hunger crisis in a decade, with the Integrated Food Security Phase Classification, classifying the crisis as 'catastrophic', with this being the highest classification.

The World Food Program has reported that over 22.8 million people in Afghanistan face acute food insecurity, with this number growing. It is estimated that \$220 million is needed a month to avert this worsening crisis. Food insecurity and human rights abuses, combined with a collapsing economy, healthcare and education system has left this nation in a vulnerable state, desperately in need of continued humanitarian support.

Recommendation 2.3:

Increase investment in measures that protect vulnerable groups from trafficking, modern slavery, forced labour and child labour, including:

- a. Invest in a cross-sector, global strategy to combat modern slavery by providing \$10 million to the Global Fund to End Modern Slavery (GFEMS).

Across the Asia-Pacific region, migrant workers make up a large portion of these vulnerable populations, and COVID-19 has triggered an unprecedented exodus of migrants desperate to return home. Most of those who have made it home risked infection from the coronavirus on crowded journeys over borders, have lost their income, and now face unemployment and growing debts in their home communities. Those left behind are locked down in a foreign country, often without an income or proper documentation, and confronting increased risk on many fronts. These urgent problems plaguing migrants amidst the COVID-19 pandemic—like unemployment, growing debt and improper documentation—are proven drivers of many forms of modern slavery and labour exploitation.

Those who are already in situations of trafficking or exploitation often face serious health risks. Many workers have no choice but to continue working – often working and living in conditions such that the possibility of infection spreading is extremely high. In some cases, the demand for cheap labour, and thus for exploitative work, has increased as a direct result of the health crisis, for example in areas such as the production of medical supplies across the ASEAN region.

Australia's COVID Response strategy must address the heightened risk of modern slavery and trafficking on the world's vulnerable people, many of whom are in the Indo-Pacific region. The ASEAN-ACT has been a longstanding commitment from the Australia Government which is more critical now more than ever. The GFEMS is an international public-private partnership that seeks to catalyse and coordinate a coherent global strategy to end modern slavery by making it economically unprofitable. Australia would be joining with the US, UK and Norway in committing to this fund.

Recommendation 2.4:

Increase support for measures to tackle gender-based violence, including expanding resourcing and capacity of essential services such as shelters, helplines, online counselling and support referral services; and improving law enforcement and criminal justice capacity.

Since the outbreak of COVID-19, there has been an alarming increase in reports of violence against women and girls worldwide. Financial insecurity, job losses and the preventative measures taken to curb the spread of COVID-19 - such as lockdowns and school closures which leave women and children confined in close physical proximity with abusive family members – have led to what the UN has called a “shadow” pandemic of rising gender-based violence.

Existing gender inequalities are exacerbated during a crisis, resulting in women and girls facing even higher rates of violence, sexual abuse and control from husbands, partners and families. During the Ebola outbreak in Sierra Leone, rates of sexual violence and abuse against women and girls spiked, with teenage pregnancy increasing by 65 % during the crisis, with long-term implications for young women’s health and education and that of their children.

Investment in, and capacity to address violence against women and children have long been inadequate to cope with the demand. This increase in violence is happening at a time of further reduced capacity of service providers (health, police, social care, court systems, charities).

Australia's international development assistance budget must include measures to address the endemic violence against women and children that has been exacerbated by COVID-19. Key priorities in Australia's COVID-19 Response Plans must be increased funding for prevention efforts, increasing victims' access to essential support services and enhancing the capacity of the criminal justice system to apprehend and prosecute abusers.

Recommendation 2.5:

- a. Commit to increased support for climate change mitigation and adaptation efforts, including disaster risk reduction.
- b. Create a dedicated climate adaptation fund targeting local community-led climate adaptation initiatives.

As Christians we believe we have a responsibility to be stewards of the whole of the ecology which we believe is created by God. In the context of a changing climate and broader ecological degradation (both on the land and in the ocean), this is impacting directly on the economic, social, and cultural wellbeing of people.

We know from the work of our member agencies the impact that climate change is having on people living in poverty. Changes to productivity of land are a direct threat to those who subsist on farming. Alongside this, the increase in natural disasters impacts directly on the productive assets of many livelihoods. The Asia Pacific region is the most disaster-prone region in the world, with a person living in the region almost twice as likely to be affected by a disaster as a person living in Africa and 30 times more likely than a person living in North America or Europe. Australia takes great pride in seeing the Pacific as ‘family’. If this is to have true meaning, then Australia needs heed of the call of Pacific people for Australia to step up and commit to net zero emissions by 2050 alongside investments in climate change mitigation and adaptation efforts.

While increasingly all investments are needing to consider the climate impacts and seek to be ‘climate positive’ in their implementation, this does not diminish the need for dedicated climate mitigation and adaption efforts, particularly in our region, particularly in building resilience to the increased threat of natural disasters. Micah is supportive of community-led climate adaptation investments which respond to the unique needs of local communities. This could build on the experience of the *Community-Based Climate Change Action Grants Program*.

Recommendation 2.6:

- a. Commit to increase the central disability allocation to \$14 million in 2022-23 and increase by CPI over the forward estimates.
- b. Commit \$10 million over four years in livelihoods and resilience for people with disabilities as part of the economic recovery from COVID-19 in our region.
- c. Commit an initial \$200,000 in 2022-23 to the design of the Partnership for an Inclusive Pacific.
- d. Commit \$40 million over four years from 2023-2024 to the Partnership for an Inclusive Pacific to accelerate the Implementation of the Pacific Framework for the Rights of Persons with Disabilities 2016-2025.

The Australian Government must secure strong foundations for disability inclusion throughout Australia’s international development and COVID-19 recovery programs, by increasing its central disability allocation to \$14 million in FY22-23 with a 1.5 per cent CPI increase over the forward estimates. It is vital that the Department of Foreign Affairs and Trade (DFAT) has sufficient core departmental budget for staff and associated support costs to enable the effective implementation, monitoring and advocacy supporting Development for All 2015-2021, Partnerships for Recovery: Australia’s COVID-19 Development Response and national COVID-19 response plans. Increasing disability specific funding is critical as it lays the foundation DFAT relies upon to deliver its mandate for disability inclusive development and thereby building stronger and more effective development and COVID-19 response programs. The proposed annual \$14 million budget is a modest increase, with additional funds to be put towards the global development and implementation of disability inclusive data that is essential to achieving the Sustainable Development Goals, ground-breaking work to advance accessibility across the Pacific, contributing to the development of sign languages in the Pacific, and implementing the Pacific Framework for the Rights of Persons with Disabilities 2016-2025.

Micah also supports the allocation of \$10 million over four years in livelihoods and resilience for people with disabilities as part of the economic recovery from COVID-19 in our region. Reports from organisations representing people with disabilities (OPDs) indicate that they are among the hardest hit by the COVID-19 pandemic. People with disabilities have experienced higher job losses, food insecurity and face immense challenges to protecting themselves from the virus. Without strategic intervention, the pandemic is set to widen inequalities and push people with disabilities deeper into poverty. The pandemic has also validated the logic of focusing on pre-conditions to inclusion through focusing on interventions that lay the foundations to people with disabilities to be included in services and all aspects of community life.

Micah Australia recommend Australia commits to fund the Partnership for an Inclusive Pacific (PIP) to accelerate the implementation of the Pacific Framework for the Rights of Persons with Disabilities 2016-2025 (PFRPD)⁴ and ensure pre-conditions are in place for the effective inclusion of people with disabilities. An initial commitment of \$200,000 in 2022-23 is required to support the design of PIP. Followed by a commitment of \$40 million over four years for implementation. The PIP proposal sets out a model for a regional partnership that requires further development with stakeholders and finalisation during a design phase. PIP would include four components:

1 - Disability Inclusion Priority Initiatives - This component would seek to address some key preconditions to inclusion applicable for all Pacific Island Countries (PICs).

2 – Technical Advice and Research - This component would provide coordinated research or technical advice in response to requests from PICs and OPDs. For example, specialist advice in relation to data collection and analysis and approaches to inclusive education and employment.

3 –Disability Services Workforce Planning and Development - Recognising the shortage of a skilled workforce for disability service provision, this component could include both strategic volunteer placements combined with support for coordinated workforce development and capacity strengthening of disability professionals.

4 – PFRPD Implementation Fund - This would be the largest component in financial terms and would provide funding for PICs to invest in scaling up support for pilot initiatives in key areas. We proposed that access to funds under this component would require a joint application from government and civil society.

The initial proposal in 2022-23 is for \$200,000 in to fund a design process. Extensive consultation with Pacific Island Nations and organisations representing people with disabilities would be critical to access understanding of existing gaps and opportunities, wide expertise and ensure any partnership found widespread support. We propose that the design team explored learning from similar funds and look for robust and inclusive governance mechanisms. Governments in the region have jointly adopted the PFRPD. Pacific Island Countries' expenditures dedicated to people with disabilities is about 0.1 per cent of GDP compared with 2.2 per cent on average in European Union countries⁶, with a heavy reliance on ODA to fund many of the disability inclusion initiatives and costs. This implementation is key in closing the development gaps for the estimated 1.7 million people with disabilities within the Pacific region.

3. Partners

Recommendation 3.1:

Maintain and strengthen the development cooperation portfolio's global program through investments in effective multilateral and non-government organisations.

One of the significant consequences of the cuts to the development cooperation program over the past six years has been the effective end to a bilateral program outside of the Asia-Pacific region. If the Government accepted Micah's recommendation to increase the development cooperation program this would provide the opportunity for targeted bilateral investments outside of the immediate region. However, the current size of the budget, places a burden on the global program as Australia's only way to make a significant contribution outside the Asia-Pacific. Pervasive poverty is still predicted to be at its highest in sub-Saharan Africa over the coming decade. Alongside this, the world continues to face the greatest global humanitarian burden since World War II with over 70 million people forcibly displaced worldwide, primarily in the Middle East and parts of Africa. Emerging global threats will need collective global effort. Therefore, there is a strong case to maintain and strengthen Australia's investment in its global program which currently sits at about 30% of the budget.

The combination of transitioning temporary commitments of ODA to permanent increases alongside increased humanitarian funding would mean that Australia could continue to step up in the Pacific without stepping back from its global responsibilities elsewhere in the world.

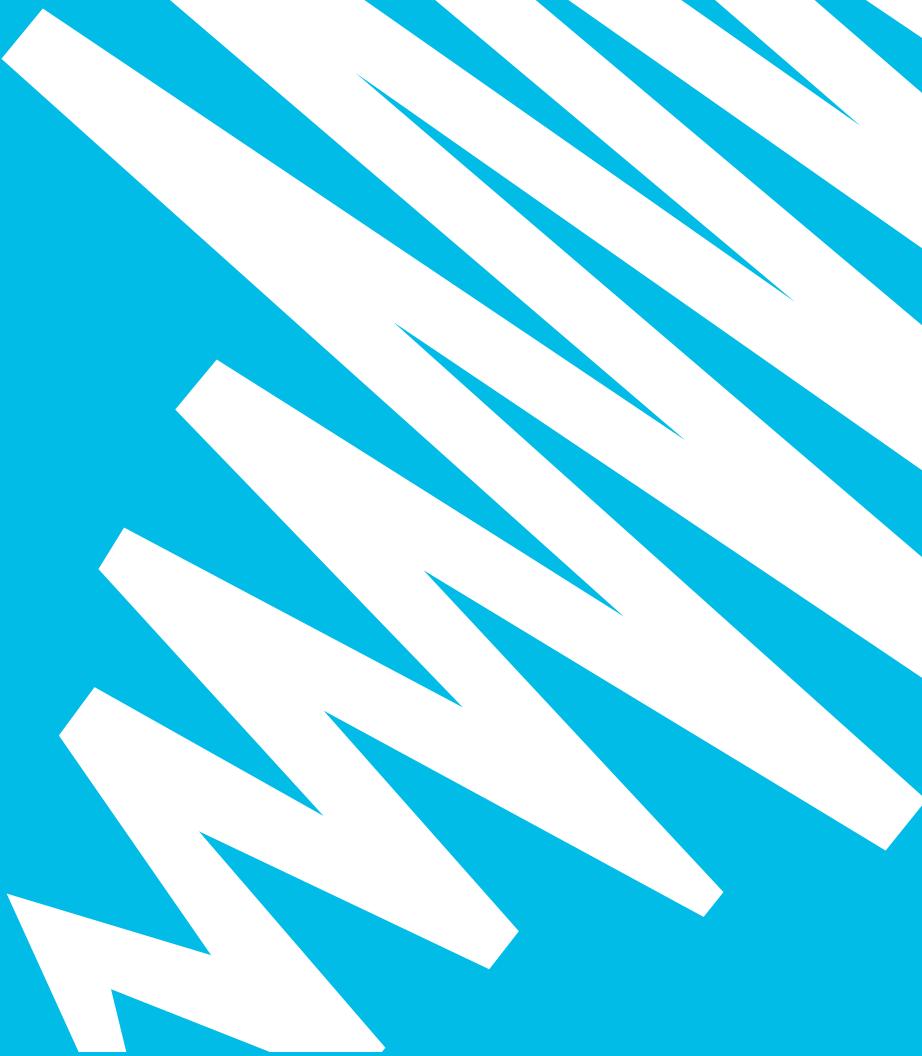
Conclusion

Micah Australia is committed to working with all parties to achieve commitment across the parliament to a generous and effective development cooperation program. It welcomes the Government's recent recognition of the importance of investment in our region to build a resilient post-COVID world. It looks forward to continuing its productive working relationship with the Government. If there are any matters on which you would like further information, please contact Matt Darvas, National Director at matt.darvas@micahaustralia.org.





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