

RESULTS International Australia Submission for the 2019-20 Budget

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Introduction

RESULTS International Australia is part of an international, non-partisan and non-profit organisation that has been working in Australia for 30 years through a combination of staff-led and grassroots-driven advocacy. We work with federal parliamentarians and through the media to generate public and political will to end poverty.

We focus our advocacy on global health issues such as tuberculosis (TB), HIV, malaria, polio, child health, vaccines and nutrition, as well as education and microfinance.

As part of our focus on action to reduce poverty, we appreciate the opportunity to make proposals for the 2019-20 Federal Budget on how Australia can contribute significantly to achieving the Sustainable Development Goals (SDGs), which Australia and other members of the United Nations endorsed in September 2015.

We note that the 2017 White Paper on Australia's Foreign Policy included support for Australia contributing to meeting the SDGs: "In working with partners to achieve the SDGs, Australia will use its overseas development assistance, including through aid for trade, to catalyse sustained and inclusive economic growth to help reduce poverty." Since the publication of the White Paper, we have seen an increase in the focus on the role of Australia in contributing to the economic development of the Pacific Island countries, including through increased provision of infrastructure support.

This increased focus on the Pacific is a welcome development, provided that increased assistance from Australia:

- Addresses the genuine priorities of Pacific countries for human and economic development, which would vary between countries.
- Does not detract from essential assistance to other countries or through multilateral organisations to contribute to global development goals.
- Does not add to the debt burden of countries with existing high debt levels.

The requests in the RESULTS Australia submission involve a return to real growth in Australia's aid in the 2019-20 financial year, and over the forward estimates period to 2022-23, which will result in Australia's official development assistance (ODA) reaching 0.3% of gross national income (GNI) by 2022-23. This proposed growth will lead to Australia's aid returning to near the overall aid level for OECD countries (0.31% of their combined GNI in 2017). Such an increase in aid spending will have significant impacts on poverty in the Asia-Pacific region and will also enable Australia to demonstrate leadership in the implementation of the SDGs.

In view of the multiple replenishments of multilateral agencies which Australia supports, or has considered supporting, scheduled for 2019 and 2020, a highlighted initiative in this submission is to propose an aggregate provision for these multilateral replenishments, recognising that the work of the

different initiatives is complementary, and support for one initiative should not be at the expense of the others.

Other proposals in this submission focus on bilateral or regional initiatives which address high-priority health and education needs.

Recommendations

Recommendation 1: That Australia's aid increases to \$4.75 billion in 2019-20, with a further increase to \$6.75 billion by 2022-23, reaching 0.3% of GNI in 2022-23.

Recommendation 2: The Australian Government should commit to \$300 million for the Global Fund to Fight AIDS, TB and Malaria.

Recommendation 3: Australia commit an additional \$20 million per year for improvements to health and vaccine systems for countries experiencing transition from both the Global Polio Eradication Initiative and Gavi, such as Pakistan, Afghanistan and Papua New Guinea.

Recommendation 4: The Australian Government continue programs to assist PNG in achieving universal access to prevention, early diagnosis, and effective patient-centred treatment for MDR-TB. A new program should maintain spending at \$12.5 million per year on average and include annual reporting of its results.

Recommendation 5: That Australia provide \$15 million per year to support global collaboration on research and development to combat antimicrobial resistance.

Recommendation 6: Australia's overall aid for education should increase to \$775 million in 2019-20 and reach \$1.25 billion by 2022-23. Within this increased funding, it is important that assistance to education is targeted effectively to increase opportunities for marginalised children, especially those with disabilities, as well as supporting girls to complete at least primary education.

Recommendation 7: That Australia commit to an additional pledge to the GPE for the 2018 to 2020 period of \$140 million, an additional \$50 million from the amount pledged at the replenishment Conference in February 2018.

Recommendation 8: That overall nutrition funding in Australia's aid program increases to \$130 million in 2019-20 and \$200 million in 2022-23, with at least one quarter of nutrition funding being for nutrition-specific measures.

Recommendation 9: That Australia contribute \$10 million to the Power of Nutrition in 2019-20 and consider making annual contributions based on the outcomes of this support.

Issue: Overall Aid Volume

Recommendation 1: That Australia's aid increases to \$4.75 billion in 2019-20, with a further increase to \$6.75 billion by 2022-23, reaching 0.3% of GNI in 2022-23.

The Need

The Asia-Pacific region, which is the primary focus of Australia's aid, is home to 60% of the world's hungry and undernourished people. Although significant progress has been made in reducing extreme poverty, significant further action is required in the coming years.

Examples of global progress in reducing poverty are:

- The number of people living in extreme poverty has declined by more than half since 1990.
- Each day, 20,000 fewer children under the age of 5 are dying than in 1990.
- Over the last 20 years, 2.1 billion people have gained access to improved sanitation.

The Sustainable Development Goals (SDGs) build on these achievements, and call for the eradication of extreme poverty, including the following targets:

- universal and equitable access to safe and affordable drinking water for all
- free, equitable and quality primary and secondary education for all children
- ending preventable deaths of newborns and children under 5 years of age, with all countries achieving an under-5 mortality rate of no more than 25 per 1,000 live births.

The further action to achieve these goals will require a partnership between donor governments, national governments in low and middle-income countries and the private sector. Therefore, the changes in policy and funding will not only involve development assistance, but increased and improved aid will play a significant role in international action on poverty.

The reduction of Australia's aid budget from just over \$5 billion per year in 2012-13 to 2014-15 to approximately \$4 billion in 2015-16 and subsequent years has obviously reduced Australia's capacity to contribute to this progress. Many country programs and contributions to multilateral agencies were reduced by 40% in 2015-16 (remaining at this lower level to date), which has meant a narrowing of the focus of Australia's assistance to individual countries and reduced capacity to complement Australia's bilateral assistance with multilateral programs.

The Solution

Increasing and improving the focus and effectiveness of Australian aid will assist in reaching these goals. The expected level of Australia's aid in the period 2019-20 to 2022-23, based on the 2018-19 Budget and forward estimates, is approximately \$4.2 billion in 2019-20, and \$4 billion to \$4.1 billion per year in 2020-21 to 2022-23. This amount is insufficient for Australia to contribute significantly towards achieving the SDGs and falls short of the funding required to implement the Government's own priorities for the aid program.

If the Government is to support significant progress in its priority areas for the aid program, it needs to rebuild the level of aid in the coming years.

RESULTS Australia calls for an interim goal of increasing Australia’s aid to 0.3% of gross national income (GNI) 2022-23, which would increase aid to \$6.75 billion by 2022-23, allowing for both the delivery of current important bilateral and multilateral commitments, and scope for new initiatives in the next four years. This growth path is consistent with increasing Australian aid to 0.35% by 2024-25 and would move Australia closer to the average for all OECD countries. Achieving this interim goal would place Australian aid in a position to eventually reach 0.7% of GNI, a goal which the SDGs restates.

The table below indicates how Australia’s aid would increase as a dollar amount and a percentage of the national economy over the forward estimates period with RESULTS’ proposal.

RESULTS Australia’s proposed aid compared with current projections

	2018-19	2019-20	2020-21	2021-22	2022-23
RESULTS Proposed aid spending \$m	4,162	4,750	5,250	5,950	6,750
Proposed aid spending % of GNI	0.23	0.24	0.26	0.28	0.30
Assumed aid from 2017-18 Budget and forward estimates	4,162	4,170	4,000	4,000	4,100

Notes: The annual amounts proposed for ODA in 2019-20 and the forward estimates years are based on consistent annual growth of 13.4% in current prices, with a lower growth rate in 2020-21, when Australia’s capital contributions to the Asian Infrastructure Investment Bank will cease.

The Benefits

By adopting this proposed scale-up of Australia’s aid, the Australian Government will demonstrate increased support for reducing poverty and improving quality of life in all countries.

The Government will be in a better position to deliver its own policy objectives for the aid program and contribute to achieving sustained economic growth and improved living standards for countries in the Asia-Pacific region, which is also in Australia’s interest. With the renewed interest in assistance to the Pacific from the Government (and Opposition), the planned increase in aid allows for increased contributions to development in the Pacific while maintaining or increasing crucial support to other regions.

The proposed increase in aid by more than \$550 million in 2019-20 allows for the Government to make some initial new commitments or expansions of existing programs in the next financial year and make accelerated progress towards its policy goals in the following years. As the Federal Budget is likely to be

in surplus in the Budget and Forward Estimates years, Australia would also be in a good position to provide the proposed increase in development assistance.

The following sections provide examples of how additional aid funding by Australia can be used to reduce poverty, improve health and education, and contribute to sustained economic growth.

Issue: Providing for significant multilateral replenishments

RESULTS Australia proposes, as an overarching measure in the 2019-20 Budget, for Australia to announce a funding package to address the large number of replenishments or pledging events for multilateral institutions and initiatives taking place over the next two years.

The multilateral institutions, advocates and representatives of different governments recognise that these replenishments have the potential to compete with each other for limited available funding, running the risk that some or all of the initiatives could fall significantly short of their financial targets.

The following sections provide background on the key multilateral pledging events in the next two years, Australia's existing support for these initiatives and a proposal to provide an aggregate amount so that Australia can provide the appropriate level of support for each initiative.

Background

The next two years will include multiple replenishments or pledging opportunities for multilateral institutions and initiatives. Australia provides financial support for most of these initiatives already but would be contributing to some initiatives for the first time by making a pledge at a forthcoming event or funding round.

The dates and objectives for each of these initiatives are set out below.

Third Quarter 2019: The **Global Polio Eradication Initiative (GPEI)**, which is a partnership of governments, multilateral agencies and philanthropic organisations, is likely to seek additional funding (possibly exceeding \$US 3 billion) to meet the costs of a longer period of polio eradication activity. The GPEI has been operating since 1988 and the number of new cases of polio each year has fallen dramatically in that period (from 350,000 in 1988 to 29 in 2018). Nevertheless, the time by which polio is declared eradicated is likely to be in 2023 rather than 2021, as eradication is certified three years after the final new cases. This longer period until eradication occurs is likely to lead to requests for additional support for GPEI to complete eradication.

Australia has pledged \$104 million to GPEI since 2011, with the final payments from this pledge to be made by 2020.

October 2019: The **Global Fund to Fight AIDS, TB and Malaria** has been the leading source of international funding to address HIV, TB and malaria since 2002, will be seeking renewed funding for the period 2020 to 2022 at a replenishment event on 10 October 2019. The Global Fund has nominated a target for the replenishment of a minimum of \$US 14 billion (see following section on the Global Fund). The Global Fund will release its full Investment Case for the proposed replenishment amount in February 2019.

Australia has pledged a total of \$830 million to the Global Fund since 2004, including \$220 million in 2017 to 2019.

December 2019: International Development Association (IDA, the concessional lending agency of the World Bank) will be seeking renewed funding for period from mid-2020 to mid-2023. Each member of IDA pays an assessed share of IDA funding, based primarily on the size of their economies. Australia's share of IDA contributions is 1.55%. In December 2016, IDA announced a record replenishment for 2017 to 2020 of \$US 75 billion (due to supplementing grants from members with issue of bonds issued at low interest rates). The World Bank members will propose an amount for the next replenishment by mid-2019, which could exceed the replenishment for the current period.

2019: Global Financing Facility (for maternal, newborn and child health): The Global Financing Facility (GFF) is an initiative of the World Bank, which was launched in 2015 to support countries both to get more results from existing resources and to increase the total volume of financing for maternal, newborn and child health.

Focusing on women, children and adolescents, countries invest in high-impact areas such as sexual and reproductive health and rights, newborn survival, adolescent health, nutrition – and in the health systems needed to deliver at scale and sustain impact.

The GFF Trust Fund acts as a catalyst for financing, with countries using modest GFF Trust Fund grants to significantly increase their domestic resources alongside the World Bank's IDA and International Bank for Reconstruction and Development (IBRD) financing, aligned external financing, and private sector resources. In its first replenishment, the GFF has sought \$US 2 billion over 5 years for the Trust Fund. A replenishment event on 6 November 2018 raised just over \$US 1.0 billion, and the GFF is seeking additional contributions towards the \$US 2 billion target in the coming months. Australia has not yet contributed to the GFF Trust Fund.

Early 2020: Gavi The Vaccine Alliance, which has supported the vaccination of more than 700 million children since 2001, will be seeking renewed funding for the 2021 to 2025 period. Gavi will release the proposed replenishment amount in 2019, and it is likely that the requested amount would be an increase on the \$US 7.5 billion pledged for 2016 to 2020.

Australia has contributed to Gavi since 2006 and pledged \$250 million for the 2016 to 2020 period.

Early 2020: The Asian Development Bank will be seeking a replenishment of the **Asian Development Fund**, which provides grant funding to low-income member countries. The previous replenishment of the Asian Development Fund provided \$US 3.8 billion in resources for the 2017 to 2020 period. During 2019, the Asian Development Bank will provide analysis of the amount requested for the next period. Australia has been a contributor to the Asian Development Fund since 1974.

Mid 2020: The Nutrition Summit is due to be held in Japan. This will follow the 2013 Nutrition for Growth Summit in the UK, and a nutrition summit in Italy in 2017. The 2020 Summit would not have a funding target for one initiative or institution, but participating countries would be expected to commit to new or additional funding for nutrition.

Australia pledged \$40 million for nutrition programs in the Asia-Pacific region and joined the Scaling Up Nutrition (SUN) movement at the 2013 Summit.

Late 2020: The Global Partnership for Education (GPE), which provides funding to low-income and middle-income countries to meet a shortfall in their plans to expand and improve basic education, would

be seeking renewed funding for 2021 to 2023. The GPE was established as a World Bank initiative in 2003, and Australia has been a contributor since 2006.

While Australia has been one of the leading contributors to GPE, the Australian pledge at the February 2018 replenishment (for the 2018 to 2020 period) of \$90 million was 3% of total donor pledges at this event, below Australia's overall share of contributions since 2006.

Australia's continued funding for the multilateral development banks (the World Bank and Asian Development Bank) is assured, as contributing to the banks is a priority for Australian Governments from both sides of politics. Therefore, the following proposal covers the contributions to the other global health and education initiatives which may be competing for funding over the next two years.

What a \$1 billion replenishment package by Australia would cover

The possible Australian contributions which make up a \$1 billion package are set out below. These amounts represent an ambitious pledge in each case and highlights how Australian can use effectively a return to growth in the overall aid program. A brief comment on the benefits of increasing investment in each program are included with the proposed amounts. Further details of the case for investing in the Global Fund to Fight AIDS, TB and Malaria, Gavi The Vaccine Alliance, the Global Polio Eradication Initiative and the Global Financing Facility are set out in the following sections.

Global Fund to Fight AIDS, TB and Malaria: Australia to contribute **\$300 million** over three years (2020-21 to 2022-23 financial years). This is a 36% increase in the dollar amount from the current replenishment period and would be consistent with an increase in overall resources for the Global Fund, which would be required to deliver the goals set at the UN High Level Meeting on TB. Increasing Australia's contribution to the Global Fund is consistent with the priority for Australia of increasing health security, as the Global Fund is leading source of international funding to address infectious diseases that claim the lives of more than 2.5 million people each year. Close to two fifths of the Global Fund's programs are in the Asia-Pacific region

The Global Fund is aiming to save 16 million lives with an aggregate \$US 14 billion (\$AUD 19.5 billion) replenishment in 2020 to 2022. Based on this overall objective, the proposed \$300 million from Australia would support saving 250,000 lives.

Global Financing Facility: Australia to contribute **\$25 million** to GFF Trust Fund by 2023, with the pledge to be announced in 2019. This would assist in closing the gap in the GFF's resources, following the recent replenishment meeting. With a full replenishment, the GFF could invest and promote complementary domestic spending and international assistance for child health which would lead to saving up to 35 million lives by 2030.

Gavi the Vaccine Alliance: Australia to contribute **\$330 million** over five years (2020-21 to 2024-25 financial years), which is a 32% increase over the current five-year pledge. This would contribute to increased support for new vaccine introductions, and expanded support for currently available vaccines such as the HPV vaccine and inactivated polio vaccine. Increased support for Gavi is consistent with Australia's priority for health security, as preventative measures such as vaccination are the most effective ways of avoiding the spread and impact of diseases. The broader health and economic benefits of vaccination are estimated at \$44 for each \$1 cost of vaccination programs.

If Gavi aims to increase the number of children vaccinated due to its support to 350 million in 2021 to 2025 (the specific objectives for the next Gavi Strategy period will be developed in the next 12 months), the proposed Australian funding would support the vaccination of approximately 10 million children.

Global Polio Eradication Initiative: Australia to pledge an additional **\$30 million** up to 2023 (with the actual amount of Australia's contributions to be based on GPEI's overall request for continued support). The benefit of continuing to invest in the GPEI is that this funding would support completing the task of polio eradication after the world has come so far and failing to complete the eradication process could result in the benefits of earlier action being lost.

Global Partnership for Education: Australia to pledge **\$180 million** in 2021 to 2023 period (doubling of current pledge) to support both expanded access to and increased quality of education. Increased access to and quality of basic education has significant economic and social benefits and investing in GPE would complement Australia's support for education systems through bilateral assistance.

Nutrition Funding: Australia to announce **\$135 million** in additional nutrition specific funding in the period 2020 to 2023. This would be additional funding above a baseline for nutrition, which would more than double Australian nutrition-specific funding. Given the significant human and economic costs related to poor nutrition in the Asia-Pacific region, this would be an important and high-impact investment. For example, in two neighbouring countries, Papua New Guinea and Timor Leste, approximately half of children up to the age of 5 experience stunting, an indicator of chronic undernutrition.

The Australian Government would determine the specific amount for each replenishment shortly before the relevant meetings or events and could vary the amount for each initiative from what is outlined above.

However, having a commitment to the overall package of \$1 billion would enable Australia to make an increased contribution to each of these initiatives, and would demonstrate Australia's commitment to working with relevant institutions and partnerships to achieve the Sustainable Development Goals.

While Australia would commit the \$1 billion during the next two years, the payments from the pledges would extend over 5 years, with the majority of payments in the period to mid-2023. Compared with a business as usual scenario, in which annual payments to these initiatives would be maintained at current levels, Australia would be contributing approximately \$110 million per year extra to these initiatives in the 2020 to 2023 period.

Issue: Global Fund to Fight AIDS, Tuberculosis and Malaria

Recommendation 2: The Australian Government should commit to \$300 million for the Global Fund to Fight AIDS, TB and Malaria.

The Need

Since 2000, we have seen unprecedented progress in containing and reversing the spread of HIV/AIDS, tuberculosis (TB) and malaria. **Nevertheless, these three diseases claimed around 2.65 million lives in 2017** alone: 940,000 AIDS-related deaths, a further 1.6 million TB-related deaths (including 300,000 deaths from TB of people with HIV, leading to a total of 2.25 million deaths from HIV and TB) and 435,000 malaria-related deaths.

The opportunity to defeat HIV/AIDS, TB, and malaria is the result of a rapid expansion of life-saving health services to the people who need them most.

- Between 2000 and 2017 the number of people on antiretroviral therapy (ART) to treat HIV/AIDS increased from 50,000 to 21 million, and more than half of people with HIV now receive ART.
- TB deaths have declined by 37% since 2000, due to advances in both detection and treatment of TB.
- Since 2000, the proportion of African households with an insecticide-treated bed net to protect them from malaria-carrying mosquitoes increased from 3% to 54%, and deaths from malaria have fallen by 60%.¹

However, **these gains are not guaranteed to continue without further investment** by national donors, countries with high disease burdens and global organisations such as the Global Fund to Fight AIDS, TB and Malaria.

The Global Fund to Fight AIDS, Tuberculosis and Malaria was established in 2002 to provide a coordinated funding source to combat these three diseases. In the 17 years it has been operating, the Global Fund has funded **AIDS treatment for 17.5 million people**, successful **tuberculosis treatment for 17.4 million people**, and **795 million insecticide-treated nets for the prevention of malaria**.² In the Asia Pacific region alone, the Global Fund has helped test and treat more than 9.5 million cases of tuberculosis and provided over 140 million bed nets to protect families from malaria.

The Global Fund provides approximately 65% of the international financing for TB, 57% for malaria, and 20% for HIV and AIDS programs. The Fund is essential to our fight against these diseases in the Asia Pacific, and so far has invested \$US 9.2 billion across 35 countries in the region.³

The SDGs include a target to end the epidemics of HIV, TB and Malaria by 2030, and the Global Fund will play a crucial role in achieving these targets.

The Solution

The Global Fund works on a 3-year funding cycle, with the latest cycle beginning in 2017. In September 2016, the Global Fund raised \$US 12.9 billion in pledges for the 2017 to 2019 period, including a pledge of \$A 220 million from Australia. The pledge by Australia was a 10% increase from Australia's contribution in 2014 to 2016.

Combining its resources with other international assistance and domestic financing by countries receiving assistance, the Global Fund's goal for 2017 to 2019 is to support programs which will save an additional 14 million lives by 2020.

In 2019, the Global Fund will be seeking pledges for the period 2020 to 2022, with the goal of accelerating progress in reducing the number of cases and deaths for each of the diseases. The Global Fund has

¹ The Global Fund to Fight AIDS, TB and Malaria, *Results Report 2017*.

² Global Fund *Results Report*, 2018.

³ The Global Fund to Fight AIDS, TB and Malaria, *Regional Impact Report – Indo-Pacific Region*, February 2016.

released a summary of its Investment Case for the 2020 to 2022 period, which calls for a minimum of \$US 14 billion (\$AUD 19.5 billion) in contributions for the next three years. This proposal is based on international assistance to combat the diseases from other sources increasing, and a significant increase in domestic funding from countries receiving Global Fund support, and therefore represents the minimum funding required.

RESULTS Australia suggests that the Australian Government pledge \$AUD 300 million to the Global Fund in 2020 to 2022, or 1.55% of the total, to support acceleration of progress in preventing and successfully treating these diseases.

The Benefits

Increasing Australia's contribution to the Global Fund would be consistent with the increased attention Australia has given to global health security, including through the establishment and operation of the Indo-Pacific Health Security Initiative. The increased contribution will help the world get back on track to end HIV, tuberculosis and malaria by saving 16 million lives in the 2021 to 2023 period. With the increased focus of Australia on the Pacific region, increasing support for the Global Fund would be a significant benefit for countries in the region with high TB or malaria burdens, such as Papua New Guinea and the Solomon Islands.

Australia will also maintain a strong voice on the Global Fund Board by making an increased contribution, ensuring that the Global Fund continues to make preventing and treating these diseases in the Asia-Pacific region a priority. Other members of the Global Fund Board are less supportive of a focus on the Asia-Pacific as most countries in this region have a higher per capita income than most African countries, and Board members prefer to focus on the poorest countries.

In the last 14 years, Australia has contributed **\$AUD 680 million** to the Global Fund, and in turn the Global Fund has invested **\$US 9.2 billion** in total in the Asia-Pacific region, showing the leverage of Australia's contributions.

Issue: Commitment to health and vaccination programs for countries with declining Gavi and GPEI funding

Recommendation 3: That Australia commit an additional \$20 million per year for improvements to health and vaccine systems for countries experiencing transition from both the Global Polio Eradication Initiative and Gavi, such as Pakistan, Afghanistan and Papua New Guinea.

The Need

Eradicating polio around the world has been an Australian goal for many years. Polio cases globally have decreased by over 99.9% since 1988, from an estimated 350 000 in 1988 to 29 in 2018.

The Global Polio Eradication Initiative (GPEI) formed in 1988. It is a public-private partnership which links 200 national governments with key stakeholders, including WHO, UNICEF, Centre for Disease Control (CDC) and Rotary who drive the work of the GPEI. This initiative has seen nearly three billion children immunised and has spared ten million children from paralysis.

The GPEI is now preparing for the final new cases of polio to be recorded in 2020. This would lead to the certification of polio eradication in 2023, and the GPEI ceasing operations at that time. While the eradication of polio is worth celebrating, the loss of GPEI funding poses some significant risks to national health and immunisation systems in countries which have been receiving polio funding. For example, an evaluation of polio-funded workers in ten countries indicated that 47% of their time was spent working on immunisation goals beyond polio, and the global Polio laboratory network (gPln) undertakes other functions for measles, yellow fever, as well as maternal and neonatal tetanus, in addition to polio surveillance.⁴

An additional challenge is that countries which are losing GPEI funding are also going through accelerated transition from support from Gavi, The Vaccine Alliance, meaning that they would need to increase domestic funding for vaccination substantially over a five-year period.

The Solution

It is essential that Australia contributes to ensuring that the gains towards polio eradication are sustained. The Australian Government had already committed an additional \$18 million to GPEI for 2019 and 2020, to contribute to completing polio eradication.

In addition, Australia can assist countries losing funding from both GPEI and Gavi by providing them with funding to support their national immunisation and health systems. Among countries to which Australia provides significant amounts of aid, this support would be particularly important for Pakistan, Afghanistan and Papua New Guinea. (Pakistan and Afghanistan are still experiencing new cases of polio and Papua New Guinea is going through Gavi accelerated transition in the coming years.)

The outbreak of vaccine-derived polio in Papua New Guinea in 2018 makes the requirement to improve the vaccination program more acute. The Australian Government has provided \$6 million to support the international assistance to Papua New Guinea to combat the outbreak and has also announced \$10 million to support improvements to Papua New Guinea's vaccination coverage, including for polio. However, ongoing support is likely to be necessary to achieve a sustained improvement in Papua New Guinea's vaccine coverage and child health status.

Bilateral support for these countries by Australia of a combined \$20 million per year from 2019-20 would assist these countries to improve their health and immunisation systems to take advantage of the end of new cases of polio and replace reduced support from multilateral agencies.

The Benefit

Assisting countries with the transition to reduced support from Gavi and from GPEI will ensure that polio eradication is sustained and that vaccination rates are improved, and therefore rates of illness and death among children are reduced. This will sustain the benefits of Australia's past investments in polio and other development assistance to these countries.

⁴ RESULTS UK and RESULTS Australia, *A Balancing Act – Risks and Opportunities as Polio and Its Funding Disappears*, November 2017. <http://www.results.org.au/wp-content/uploads/2017/11/FINAL-Balancing-Act-.pdf>

Issue: Scaling-up services for the effective management of Tuberculosis and Multidrug-Resistant Tuberculosis (MDR-TB) in Papua New Guinea.

Recommendation 4: That the Australian Government continue programs to assist PNG in achieving universal access to prevention, early diagnosis and effective patient-centred treatment for MDR-TB. Australian aid support to PNG should equal \$12.5 million per year on average and include annual reporting of its results.

The Need

Papua New Guinea experiences high rates of TB infection, and due to incomplete treatment for many patients, rates for multi-drug resistant TB are also high. The Papua New Guinea-Australia Aid Partnership Arrangement 2016-17 includes a statement that: *The Governments of Papua New Guinea and Australia will increase efforts to address Tuberculosis (TB) in Papua New Guinea.*

The Australian Government's long-term plans to strengthen PNG's capabilities in TB control are consistent with World Health Organisation (WHO) guidelines. However, implementing these aims in a resource-poor setting such as PNG is a challenging and complex task.

In June 2017, the Australian Government announced it would provide \$20 million in grant funding to match a concessional loan by the World Bank for the Emergency Tuberculosis Project. This funding of \$40 million in total, which would run to 2021-22, is welcome but not sufficient to expand the TB detection and treatment response to meet the scale of the problem in Papua New Guinea.

The Solution

In the long term, Australia's commitment to the development of TB services in the Western Province and Port Moresby will need to be backed up by health system strengthening across the country and the development of supporting infrastructure for TB control to be sustainable.

To ensure the funding Australia has provided so far achieves long-term reductions in the rate of infection and deaths in PNG, Australia needs to continue its support for TB programs in PNG. In the next four years, Australia should provide a total of \$50 million to support TB services and seek commitments for increased funding for TB programs from the PNG Government. This would involve an additional commitment of \$30 million beyond the matching funding provided to the World Bank's Emergency Tuberculosis Project.

The Benefits

Improving TB identification and treatment in Papua New Guinea will address the large and avoidable human and economic costs of TB in Papua New Guinea (as many of the people who suffer from TB are of working age) and will reduce the number of people from Papua New Guinea seeking treatment in Australia.

Recommendation 5: That Australia provide \$15 million per year to support global collaboration on research and development to combat antimicrobial resistance.

The Need

The resistance of diseases spread by bacteria, viruses and parasites to current treatments – antimicrobial resistance (AMR) – could undermine progress in preventing and treating infectious diseases.

The World Bank’s 2016 study on the economic costs of antimicrobial resistance had the following key findings⁵:

- By 2050, the growth of antimicrobial resistance would reduce global GDP by between 1.1% (with a low-AMR impact scenario) and 3.8% (with a high-AMR impact scenario).
- Between 8 million and 24 million people would enter poverty by 2050.
- Total global exports would fall between 1.1 % and 3.8 %.
- By 2050, annual health care costs would rise 25 % in low-income countries, 15 % in middle-income countries and 6 % in high-income countries. That could cost over \$1 trillion per year.
- Access to new drugs is a problem - because the first-generation of antibiotics is no longer effective in many cases, one million children die each year due to treatable diseases like pneumonia and sepsis. Newer drugs are expensive and unavailable to the world’s poorest.
- Substandard and counterfeit drugs exacerbate AMR, allowing bacteria to build immunity while not curing the patient. Up to 60 % of antimicrobial drugs sold in Africa and Asia may be low quality, “often having none, or too little, of the active ingredient.”

In July 2017, the leaders of the G20 countries committed to the following actions on AMR:

- “Promote access to affordable and quality antimicrobials, vaccines and diagnostics, including through efforts to preserve existing therapeutic options.
- Support establishment of a new international R&D Collaboration Hub to maximise the impact of existing and new anti-microbial basic and clinical research initiatives as well as product development.
- In collaboration with relevant experts including from the OECD and the WHO, we will further examine practical market incentive options.”

The Solution

The Australian Government has supported innovation in the diagnosis and treatment of infectious diseases through funding Product Development Partnerships (PDPs) since 2013. PDPs are non-profit organisations that use a public-private-partnership model to engage the pharmaceutical industry and

⁵ World Bank Group, *Drug-Resistant Infections – A Threat to Our Economic Future*, March 2017.

academic research institutions in research and development (R & D) for diseases prevalent in low and middle-income countries, where there is a lack of commercial incentive to do so independently.

In 2018, the Minister for Foreign Affairs announced \$75 million in support for PDPs in the 2018 to 2022 period, which will enable:

- the Medicines for Malaria Venture to develop and facilitate the uptake of new antimalarial drugs;
- the Foundation for Innovative New Diagnostics to accelerate the development and adoption of better diagnostic tools and testing protocols for TB and malaria;
- the Innovative Vector Control Consortium to develop and disseminate vector control technologies for malaria and other deadly mosquito-borne diseases; and
- the TB Alliance to research new TB drugs and treatment regimens, including for drug-resistant TB.

While this support is welcome, addressing anti-microbial resistance requires support for research and development on a broader range of conditions and additional support for private sector product development. To follow up the commitments by the G20, Australia should consider contributing \$15 million per year to the R&D collaboration hub mentioned in the G20 communique, once it has commenced operations.

The Benefits

Investing \$15 million in global collaboration on research and development, in addition to support for PDPs, will contribute to adopting new and improved technologies which enable health programs to function more efficiently, freeing up more funding to improve development outcomes.

The World Bank has estimated that the benefits in increased economic output and reduced costs to health systems of action to control antimicrobial resistance would be at least 50 times the costs of prevention and treatment, making action on antimicrobial resistance a high priority investment.

Issue: Access to Education

Recommendation 6: Australia's overall aid for education should increase to \$775 million in 2019-20 and reach \$1.25 billion by 2022-23. Within this increased funding, it is important that assistance to education is targeted effectively to increase opportunities for marginalised children, especially those with disabilities, as well as supporting girls to at least complete primary education.

Recommendation 7: That Australia commit to an additional pledge to the GPE for the 2018 to 2020 period of \$140 million, an additional \$50 million from the amount pledged at the replenishment Conference in February 2018.

The need

The global number of children and young adolescents out of school is increasing. Today there are 61 million children *not* in primary school and 62 million adolescents *not* in lower secondary school. A further 250 million children who are in school are graduating without having learnt even basic numeracy and literacy skills.⁶

Girls, children with disability and those living in rural areas continue to be disadvantaged in basic education. 53 % of out of school children are girls and estimates suggest that one-third have a disability.

In Asia and the Pacific, roughly 19 million children do not have access to school. In Papua New Guinea, 43 % of girls do not complete lower secondary school.

Despite these shortfalls in education delivery and demand for education rising steadily, global commitments for education financing are declining.

The solution

Australia's aid program invests in better quality education so that young people gain the knowledge and skills they need to contribute productively to society. Priority areas include early childhood development and early primary schooling, which helps to ensure that children are healthy, safe and ready to learn; and promoting learning for all with a special focus on girls, disadvantaged children and those with disability, through teacher training, curriculum development and education infrastructure.

The previous Minister for Foreign Affairs, Julie Bishop, had described education as a 'central pillar' of Australia's aid program. Nevertheless, overall Australian aid for education has declined from over \$1 billion per year in 2014-15 to an estimated \$637 million in 2018-19.

Over the four years to 2022-23, the share of Australia's aid program allocated to education should increase from 16% to 20%. As a dollar value, this would increase support for education to about \$775 million in 2019-20, and to \$1,250 million in 2022-23.

The Global Partnership for Education (GPE) has a significant role in supporting developing countries to ensure that every child receives a quality basic education, with a priority for the poorest, most vulnerable and those living in fragile and conflict-affected countries. The GPE held a Financing Conference in February 2018 which raised \$US 2.3 billion towards a target of \$US 3.1 billion. Subsequently, the United States, Denmark, Germany and the Netherlands have announced additional funding for GPE equal to almost \$US 250 million.

This additional funding takes the GPE closer to achieving its planned outcomes for 2018 to 2020:

- GPE assistance extended to 89 countries and 870 million children and youth.
- 19 million more children completing primary school, including 9.4 million girls and 10.8 million children in conflict-affected and fragile states.
- 6.6 million more children completing lower secondary school, including 3.9 million girls and 3.9 million children in conflict-affected and fragile states.
- 1.7 million teachers trained, 23,800 classrooms built, and 204 million textbooks distributed.

⁶ UNESCO, *Global Education Monitoring Report, 2017-8*, p xvi.

To assist in closing the remaining gap of \$US 550 million, RESULTS Australia suggests that Australia announces an additional \$50 million for GPE over 2019 and 2020.

The Benefits

The potential development benefits of education range from expanding employment and livelihoods, improving health outcomes, reducing inequality, and building stronger and more stable democracies. Here are several concrete examples of the development potential that can be unlocked through education:

- **HIV and AIDS:** Seven million cases of HIV and AIDS could be prevented in the next decade if every child received an education.
- **Livelihoods:** One extra year of schooling increases an individual's earnings by up to 10%. One additional school year can increase a woman's earnings by 10% to 20%.
- **Poverty reduction:** If all students in low-income countries left school with basic reading skills, 171 million people could be lifted out of poverty.
- **Population growth:** Women with seven or more years of schooling have between two and three fewer children than women with fewer than three years of education
- **Child survival:** each additional year in the average length of women's schooling decreases child mortality by 10%. An estimated 4.2 million children's lives were saved in 2009 because of improvements in women's education since 1970.
- **Gender equality:** Benefits include increased participation by women in employment, reduced violence, increased maternal and child survival rates, and increased civil participation by women and girls.
- **Agricultural output:** if all women completed primary school, agricultural yields in sub-Saharan Africa could increase by 25%.
- **Democracy:** in sub-Saharan Africa, citizens who have completed secondary education are three times more likely to support democracy than those with no education.

Issue: Funding for Nutrition

Recommendation 8: That overall nutrition funding in Australia's aid program increases to \$130 million in 2019-20 and \$200 million in 2022-23, with at least one quarter of nutrition funding being for nutrition-specific measures.

Recommendation 9: That Australia make an initial investment of \$10 million in the Power of Nutrition in 2019-20 and consider making annual contributions based on the outcomes of this support.

The Need

Malnutrition in all forms is **directly or indirectly responsible for approximately half of the 5.5 million deaths of children under the age of 5 each year**, making it one of the largest causes of child mortality.

In 2017, an **estimated 151 million children were stunted**, or too short for their age. Most countries are making progress in reducing the number of children who are stunted, but overall progress remains slow. It is estimated that 50.5 million children (8% of children under the age of 5) **have severe acute malnutrition (SAM)**, which leads to wasting (the child is severely underweight for their height).⁷ While a child may recover, with sufficient help, from wasting, the impacts of stunting are irreversible.

Other key facts about nutrition are:

- Globally, one in nine people in the world today (815 million) are undernourished.
- The vast majority of the world's hungry people live in developing countries, where 12.9% of the population is undernourished.
- **Asia is the continent with the most hungry people – two thirds of the global total.** The percentage in southern Asia has fallen in recent years but in western Asia it has increased slightly.
- 66 million primary school-age children attend classes hungry across the developing world, with 23 million in Africa alone.

The World Bank estimates that **countries affected by undernutrition lose at least 2-3% of their Gross Domestic Product** and incur billions of dollars in avoidable health care spending. Globally, the **direct costs of undernutrition in children have been estimated at \$20-\$30 billion per year**. Conversely, the economic benefits of action on nutrition are clear: for every \$1 invested in reduction of stunting, one can expect roughly \$16 in returns.

Countries in the Asia-Pacific have among the highest rates of malnutrition in the world. For example, 49% of children in **Papua New Guinea** and 58% of children in Timor Leste have had their growth stunted. The stunting rates in the Solomon Islands and Vanuatu are also worrying at 32.8% and 28.5% respectively.

This has devastating consequences for children's survival, health, cognitive and physical development and earning capacity into the future. It also takes an enormous toll on national economies like those of PNG. The 2017 report by Save the Children, *Short Changed: The Human and Economic Cost of Child Undernutrition in PNG* estimates that child undernutrition in PNG cost the economy \$US 1.5 billion (8.45% of GDP) in a single year (2016-17).⁸

Nutrition accounts for a small proportion of aid spending by most donors, with Australia spending approximately **\$21 million per year on nutrition-specific measures** (measures which address the immediate factors in child nutrition and development—adequate food and nutrient intake, feeding, caregiving and parenting practices, and minimising infectious diseases), and **\$101.5 million per year on overall nutrition measures**, including nutrition-sensitive measures which address the underlying determinants of child nutrition and development — food security; adequate caregiving resources at the maternal, household and community levels; and access to health services and a safe and hygienic environment.

⁷ Development Initiatives, *Global Nutrition Report 2018*.

⁸ Save the Children: "Short changed: the human and economic cost of child undernutrition in PNG," June 2017.

The Solution

In 2012 the World Health Assembly endorsed a Comprehensive Implementation Plan on maternal, infant and young child nutrition, which specified a set of six global nutrition targets that by 2025 aim to:

1. achieve a 40% reduction in the number of children under-5 who are stunted;
2. achieve a 50% reduction of anaemia in women of reproductive age;
3. achieve a 30% reduction in low birth weight;
4. ensure that there is no increase in childhood overweight;
5. increase the rate of exclusive breastfeeding in the first 6 months up to at least 50%;
6. reduce and maintain childhood wasting to less than 5%.

Achieving these goals will require additional resources from both international donors and national governments and households. For example, the World Bank, Results for Development and 1,000 Days recently estimated that the combined national and donor-funded spending on measures to address stunting of children would need to treble between 2015 and 2021 to achieve the World Health Assembly stunting goal.

The Department of Foreign Affairs and Trade released in 2015 the *Health for Development Strategy* for the Australian aid program which includes nutrition as a priority for future health investment. This inclusion recognises that nutrition, along with water, sanitation and hygiene, has a strong influence on health outcomes.

RESULTS Australia notes that additional funding will be required in the coming years to achieve the ambitions of the Health for Development Strategy. Early investment from donors like Australia will result in significant savings in the future, as countries become increasingly able to finance domestic responses to malnutrition.

By 2022-23, an increase in Australia's overall investment to approximately \$200 million (or 3% of total aid) per year from the latest annual estimate of \$101.5 million would contribute a reasonable share to the costs of reaching the targets set out in the SDGs and the World Health Assembly Goals. Achieving the World Health Assembly goals will also involve increasing the proportion of nutrition assistance for nutrition-specific measures. If Australia devotes at least one quarter of nutrition support to nutrition-specific measures, this would increase nutrition-specific funding to \$50 million by 2022-23.

Australia can add to the impact of its support for nutrition through bilateral and multilateral programs by contributing to the [Power of Nutrition](#). This is a partnership of investors and implementers committed to helping children grow to their full potential, ending the cycle of undernutrition. The Power of Nutrition is open to new private and public investors interested in funding large-scale, high impact programmes in countries in Sub-Saharan Africa and Asia with the highest rates of undernutrition.

As the Power of Nutrition matches contributions by individual public or private donors with other contributions by bilateral and multilateral development agencies and foundations, any contribution is multiplied four times. Therefore, by contributing \$10 million to the Power of Nutrition, Australia would be supporting \$40 million in funding for nutrition programs.

The Benefits

Taking effective action to improve nutrition will assist in reducing the significant economic and health costs of undernutrition. As the Government's Health Strategy notes, "good nutrition in early life lays the foundation for good health and productivity in later life—investments in good nutrition today are investments in the economic markets of tomorrow."

Undernutrition is widespread in countries in Asia and the Pacific, in spite of their economic progress. Taking further action on nutrition would be consistent with Australia's aid objectives of promoting sustained economic growth, improving health and education, and empowering women and girls.

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