



## **Delivering on the G20 Leaders commitment to build an Equitable and Effective Financial Intermediary Fund (FIF) for Pandemic Preparedness and Response (PPR)**

Recommendations to G20 leaders, finance and health ministers from the WHO Council on the Economics of Health for All and the G20 Health and Development Partnership.

*“The Council on the Economics of Health For All was established on 13 November 2020 by the WHO Director-General to rethink how value in health and wellbeing is measured, produced, and distributed across the economy. The Council aims to reframe health for all as a public policy objective, and ensure that national and global economies and finance are structured in such a way to deliver on this ambitious goal. The Council will aim to create a body of work that sees investment in local and global health systems as an investment in the future, not as a short-term cost.” (World Health Organization-November 13, 2020)*

*“We establish a G20 Joint Finance-Health Task Force aimed at enhancing dialogue and global cooperation on issues relating to pandemic PPR, promoting the exchange of experiences and best practices, developing coordination arrangements between Finance and Health Ministries, promoting collective action, assessing and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic preparedness and response (PPR), while adopting a One Health approach. Within this context, this Task Force will work, and report back by early 2022, on modalities to establish a financial facility, to be designed inclusively with the central coordination role of the WHO, G20-driven and engaging from the outset Low- and Middle-Income Countries, additional non-G20 partners and Multilateral Development Banks, to ensure adequate and sustained financing for pandemic prevention, preparedness and response.” (G20 Leaders communique - Rome 31st October 2021)*

### **Five Principles for a #ResilientFuture**

1. All participating countries need to commit to long-term, multi-annual funding.
2. The FIF needs to be of a sufficient scale to meet the needs and justify the costs for all, including Low- and Middle-Income Countries.
3. The FIF must be additional to existing global health financing and complementarity with response efforts.
4. Universality needs to be at the core of the FIF’s governance and implementation structure, applying to who makes decisions and who gets access.
5. The FIF must put transparency and accountability and innovative partnerships at the heart of its governance and operations.



## **Sustainability, Innovation and Multi-Annual Financing**

As G20 Heads of Government and Finance Ministers have said recently, health financing is a long-term investment, not an expenditure.

To address the complex and sustained challenges of pandemic preparedness and response (PPR), donors should commit to a multiannual program of funding, at least for an initial five-year period.

Multi-year funding will enable the Financial Intermediary Fund (FIF) to focus on building core areas of programming, without constantly worrying about replenishment, particularly as it gets off the ground.

Donor countries, with no multi-year budgetary mechanisms, should commit long-term contribution schemes through other existing legal frameworks.

The FIF must promote innovative and blended financing mechanisms that leverage the FIF's investments. In tackling climate change, governments, Multilateral Development Banks, philanthropy and the private sector are developing highly effective new partnerships working to achieve Net Zero.

The G20 Health and Finance Taskforce should create an expert group to identify best practices from green financing models that could be deployed by the FIF for investments in PPR.

## **Sufficiency and Scale**

The WHO and the World Bank estimate a \$10.5 billion annual gap in PPR financing. This is the minimum amount of additional financing required to support equitable global access to vaccines, testing and therapies, global surveillance, research and development, manufacturing and health system strengthening.

To justify the significant transaction costs involved for all stakeholders especially in Low and Middle-Income Countries (LMICs) in establishing a new FIF and related governance architecture/ Global Health Threats Board, the FIF should set out to meet this \$10.5 billion minimum annual budget, for a total of \$50 billion in up front multi-annual funding for its first five years.

Given significant and ongoing constraints to fiscal space in LMICs, the FIF should recognize new, additional domestic investments in public health systems and PPR by lower-income countries as "in kind" contributions to the FIF.



### **Complementarity, Additionality, and Effective Evaluation**

The FIF is being established at a moment when core global public health goods are seriously underfunded-in particular, the WHO Access to COVID-19 Tools Accelerator (ACT-A), which plays a central role in addressing the current gross inequity in access to Covid testing, treatments, and vaccine between high-income countries and LMICs.

It is critical that the FIF does not undermine financing for existing urgent public health needs. High-income country contributions to the FIF must be additional to existing Official Development Assistance (ODA) to ensure that the FIF doesn't poach from other critical health and development needs as LMICs struggle to recover from Covid-driven economic crisis.

It is also essential that the FIF articulates a clear value added and complementarity to existing PPR efforts, to avoid duplication and ensure a coordinated and equitable global PPR response.

The FIF must have an effective evaluation mechanism, which ensures the efficient and effective use of these new investments.

The Fund's stakeholders should be held accountable for the investment decisions and its results.

Decision-making processes must incorporate holistic and multidimensional metrics based, for example, on the United Nations Sustainable Development Goals as well as other measurement models that highlight the importance of health beyond the economic dimension.

This evaluation mechanism must give donors confidence that there is a measurable return on their long-term commitment to the FIF.

### **Inclusivity and Universality**

G20 Heads of State and Government recognised in their October 2021 Declaration that universal access and participation in governance is needed to achieve the legitimacy, fairness and inclusion required to generate buy-in from LMICs.

The FIF should move away from an outdated and inequitable donor/beneficiary framework and adopt a global public goods approach where all countries contribute in some way, and all have access to benefits from the fund.

Equal representation should be given across high, middle, and low-income countries in the FIF's formal governance structure, and it should also include core global and regional implementing



institutions like the WHO and African CDC, as well as independent civil society experts from a diverse set of countries.

The WHO represents 194 countries, improves the legitimacy and inclusivity of the FIF, given its unique position to provide a truly global perspective.

Many of the pandemic preparedness and response roles envisioned for the FIF demand deep expertise, capacities, and implementation support that only the WHO can provide.

The participation of the WHO in the FIF should go beyond the role of a technical advisor, or operations. The WHO should have a seat at the decision-making table and a central role in implementing the FIF.

### **Transparency and Accountability**

The FIF should establish accountability principles that decision-making organs, donors, beneficiaries, operative bodies, and technical parties must follow.

The Fund should prioritize PPR investments that strengthen governance of beneficiary countries.

The FIF could be a cornerstone in the construction of a truly global PPR system in the context of the International Treaty on Pandemic Prevention, Preparedness and Response, sponsored by the World Health Assembly.

G20 Finance and Health Ministers must prevent any territorial disputes - which is why the FIF should be hosted by the World Bank, whereby the WHO must play a critical role in the development and execution of the FIF strategy.

Both organisations however must recognise that to build the required expertise and capacity to guarantee the successful implementation of strong PPR, they must actively encourage the widest involvement of all stakeholders through new and innovative partnerships together with full transparency.