World Bank White Paper on a Global Pandemic Financing Facility
Comments from Robert Hecht, President Pharos Global Health Advisors and Professor, Yale University School of Public Health
June 3, 2022

Dear Magnus and Priya,

I am sending you these comments and suggestions in my capacity as President of Pharos, Professor at Yale, and a former World Bank economist and HNP manager for 25 years (1983-2008). For full disclosure, I have been providing a range of consultancy advice to the Global Fund for AIDS, TB, and Malaria (GF) for more than a decade, including as the lead author of an independent Thematic Review of the potential roles the GF could play in future Pandemic Preparedness and Response (PPR)¹. Pharos, my non-profit global health policy organization has also just completed an independent evaluation of the GF’s COVID-19 Response Mechanism.

The Bank’s White Paper and the discussions it is stimulating on the scope, structure, operational features, and governance of the proposed pandemic Fiduciary Intermediary Facility (FIF) are tremendously important. The FIF provides us with a watershed moment, potentially akin to the moment in 2000-2002 when PEPFAR, the GF, and the Bill and Melinda Gates Foundation were created to generate new sources of financing for disease control and health systems development in low- and middle-income countries (LMIC). We must not squander this current opportunity to achieve something as bold as what happened two decades ago.

The White Paper does a commendable job of making the case for the FIF and covers the key operational dimensions that need to be addressed in optimizing the FIF’s design. The White Paper clearly shows the Bank’s commitment to supporting the FIF in multiple ways, as a fiduciary agent, technical and administrative secretariat, and as one of the multiple channels for financing of PPR in LMICs.

To ensure that the FIF realizes its potential, however, the White Paper and the documents that will follow it to set up the pandemic fund require greater imagination and effort by the Bank to make the pandemic FIF fully “fit for purpose”, rather than falling back on arrangements that may have prevailed for the majority of FIFs to date.

The Paper also comes across as excessively self-serving to the Bank and to the World Health Organization (it reads as a document negotiated between the Bank and the WHO to position the two agencies in the global PPR architecture), without creating space for the other institutions such as the Global Fund and Gavi that have huge roles to play in the FIF.

To maximize the value of the FIF for LMICs and the overall global PPR system, I would strongly recommend that the White Paper (and the successor documents used to create the fiduciary fund) be amended to incorporate the following changes, which should be reflected in the FIF itself as it is stood up:

1. **Scope and Focus.** The new FIF should be used exclusively to build capacities in LMICs to better prepare, prevent, and respond to pandemics (your first category on pages 5-6 of the White Paper). This means investing in health systems areas most relevant for PPR, including disease surveillance, information systems, laboratory networks, human resources focused on PPR, and procurement and supply chains for pandemic health products. The FIF should **not** be used to “expand financing to global and regional institutions” or pay for “peer-to-peer learning, learning events, and targeted technical assistance” (your second and third categories). While these are worthy activities, they should be funded through other existing grant mechanisms so as not to dilute the focus of the FIF on national PPR capacities and to avoid a conflict of interest by the Bank and WHO that will be involved in the governance of the FIF. FIF resources should not be used to finance pandemic health product Research and Development by CEPI and others, even though this is urgently required, as the expertise and capital allocation skills for R&D are distinct from those needed to assign FIF money to national PPR systems, and these R&D financing needs should be addressed through a different parallel mechanism.

2. **Eligible Implementing Institutions.** The approach to defining the eligible institutions in the White Paper should be based purely on the demonstrated capacities and track records of existing global and regional health organizations in financing PPR investments in LMICs and not on “customary” practice, which the White Paper describes as making only multilateral development banks and United Nations organizations as ex-ante qualified agencies. All global and regional organizations, including Gavi, the Global Fund, and the Africa CDC should be on equal footing with the MDBs and UN organizations in having the opportunity to serve as conduits for FIF financing to LMICs. Nor should the decision on which institutions are eligible be left to the Bank’s own discretion, as the Paper suggests – the FIF’s own governing bodies should make this determination in an open, transparent, and evidence-based way.

3. **Technical Oversight.** While a technical advisory group reporting directly to the FIF’s governing board may be useful to give the board an independent technical view of proposed investments submitted by the eligible implementing institutions, this advisory group should be as light as possible (in its size and functions) and should not duplicate the technical oversight already available in most of the likely eligible financing organizations. Gavi and the GF, for example, have well-established internal technical review capacities and processes and require independent review (by Gavi’s IRC and the GF’s TRP), which can provide the bulk of the quality assurance needed to underpin grant approvals by the FIF’s board. The White Paper hints at a large and prominent technical advisory body headed by the WHO. This is almost certainly not needed and will reduce the speed and efficiency of the FIF.

4. **Secretariat.** We have similar suggestions regarding the proposed FIF secretariat. It should be small and light and focus on limited functions where there are truly gaps: financial management of the FIF, coordination of funding proposal approvals, information sharing, and integrated monitoring and evaluation. Past experiences with other FIF secretariats should be closely examined and the positive and negative lessons (the latter including cases where the secretariat proved to be excessively large and wasteful) should be applied to the pandemic FIF. The location of the secretariat should not be
assumed to be within the World Bank, as the White Paper does. Other options such as having the Secretariat co-located with the leading global health institutions in Geneva or close to the epicenters of likely future pandemics in Africa or Asia should be carefully examined.

5. **Governance.** Many others are likely to make a similar comment to ours on governance, but it is worth repeating here that the White Paper’s proposal that the governing board of the FIF be dominated by founding donors and global technical agencies is misguided. There must be strong representation from LMIC governments and civil society, if the pandemic FIF is to give voice and agency to all the relevant stakeholders and shift the locus of decision-making toward the LMICs themselves. There are now many examples of such governing boards operating smoothly and efficiently.

6. **Resource Mobilization.** The FIF should have an explicit policy position and related mechanisms for stimulating significant domestic financing of PPR investments in LMICs, consistent with current thinking and best practices in this area. Co-financing of PPR activities by LMIC governments is vital for national buy-in and sustainability. The Global Fund and Gavi have developed sophisticated and increasingly effective approaches to such co-financing. This focus and priority on domestic resource mobilization, which is understated in the White Paper, should be prominently reflected in the founding charter of the pandemic FIF and in its operating procedures. The proven ability of the chosen financial intermediary organizations to implement strong co-financing practices should be an important criterion in the selection of these intermediaries.

We would strongly urge the World Bank to adopt our recommendations for the six dimensions of the FIF mentioned above. We offer these recommendations with the objective of maximizing equity and effectiveness in the design and operation of the new pandemic FIF, ensuring that it is optimal in helping the world to prepare for, prevent/minimize, and respond to the next pandemic.

Respectfully yours,

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