for PPR means that spending on other immediate needs can take priority over equally urgent PPR investments, particularly in inter-pandemic years. A new multilateral financing mechanism would help to focus and sustain much-needed high-level attention on strengthening PPR during “peace time,” complementing existing mechanisms. It could mobilize significant additional financing for PPR. With the appropriate structure and design, it could increase country investments in PPR, promote a more coordinated approach to PPR financing, and by convening key stakeholders, serve as a platform for discussion and advocacy around strengthening PPR. (Box 1 clarifies key concepts. A new financing mechanism must however be viewed as one part of the solution to increase financing for PPR. Efforts are needed, in parallel, to enhance the governance of the wider global health security and PPR ecosystem.

| Box 1: Clarifying Concepts: Prevention, Preparedness and Response |

**Disease outbreaks, epidemics, and pandemics**
Most disease outbreaks with pandemic potential have a zoonotic origin, caused by a pathogen spilling over from animals into humans. An *epidemic* refers to an increase, often sudden, in the number of cases of a disease in a particular area. A *pandemic* is defined as “an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people”.

**Prevention, preparedness, and response (PPR)**
Prevention encompasses the systems, policies, and procedures to determine, assess, avoid, mitigate, and reduce public health threats and risks. This definition captures interventions needed to mitigate risk and reduce the likelihood or consequences of spillover events at the human, animal, or ecosystem interfaces. Such interventions frequently reside with agriculture, food, or environmental sectors, highlighting the importance of a multi-sectoral, “One Health” approach. However, routine health systems strengthening initiatives can also be included under the definition of PPR, as prevention and preparedness are often best supported through health systems strengthening, rather than by setting up separate structures.

Preparedness refers to *ex ante* actions that help mitigate losses when a disease outbreak occurs. It includes strengthening the capacities and capabilities at community, country, regional, and global levels to prevent, detect, contain, and respond to the spread of disease, mitigating economic and social impacts.

Response refers to *ex-post* actions taken in response to a disease outbreak to reduce its economic, social and health impacts.

4. There is an emerging consensus within the G20 and beyond that, among the various options available, a Financial Intermediary Fund (FIF) hosted by the World Bank would be the most fit-for-purpose vehicle to fill critical PPR financing gaps.

- The idea of establishing a FIF at the World Bank to support PPR financing was originally put forward by the G20 High-Level Independent Panel (HLIP) and explored through a finance and health working group process under the G20 Italian Presidency. The G20 Leaders in their Rome Declaration (October 31, 2021) noted that “financing for pandemic prevention, preparedness and response (PPR) has to become more adequate, more sustainable and better coordinated.”
- The G20 leaders noted, among other things, the need to “enhance 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, assisting and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic PPR.”
- The G20 leaders noted the importance of “establishing new mechanisms, including leveraging existing multilateral financing mechanisms and exploring setting up a new financing mechanism to enhance 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, assisting and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic PPR.”

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2. The G20 Leaders’ Rome Declaration noted the following: “We acknowledge that financing for pandemic prevention, preparedness and response (PPR) has to become more adequate, more sustainable and better coordinated and requires a continuous cooperation between health and finance decision-makers, including to address potential financing gaps, mobilizing an appropriate mix of existing multilateral financing mechanisms and explore setting up new financing mechanisms. We establish a G20 Joint Finance–Health Task Force (JFHTF) 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, assisting and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic PPR.”
3. The G20 Joint Finance–Health Task Force (JFHTF) was established to promote dialogue and cooperation on issues relating to pandemic PPR, with the aim of addressing the existing gaps in financing for pandemic preparedness and response. The JFHTF was tasked with developing a framework for a new financial intermediary fund (FIF) hosted by the World Bank, which would be designed to mobilize additional financing for pandemic preparedness and response.
response (PPR) has to become more adequate, more sustainable and better coordinated and requires a continuous cooperation between health and finance decision-makers, including to address potential financing gaps, mobilizing an appropriate mix of existing multilateral financing mechanisms and explore setting up new financing mechanisms. The Declaration called for the establishment of a G20 Joint Finance-Health Task Force (JFHTF) and asked that the Task Force “report back by early 2022, on modalities to establish a financial facility... to ensure adequate and sustained financing for pandemic prevention, preparedness and response.”

- The needs and merits for a new multilateral financing mechanism and alternative modalities for the establishment of such a mechanism were discussed extensively within the G20 JFHTF, which is co-chaired by Indonesia and Italy, under the auspices of the G20 Indonesian Presidency. These discussions were supported by World Bank-WHO papers on financing needs as gaps4 and on PPR financing modalities.5 Following these extensive discussions and deliberations within the G20 JFHTF, the proposal to establish a FIF for PPR received broad support from G20 Finance Ministers and Central Bank Governors (FMCGB) at their meeting on April 206; the Chair’s Statement from that meeting noted the following: “Given the support among many members to set up a FIF, the Presidency concluded that the World Bank should begin exploring the process to develop and set up a FIF, alongside discussions on potential key governance and operating arrangements, including ensuring the central role of the WHO.”

- At the Second Global Covid-19 Summit held on May 12, 2022, co-hosted by the Governments of the United States, Indonesia (holding the G20 Presidency), Germany (holding the G7 Presidency), Senegal (as Chair of the African Union) and Belize (as Chair of CARICOM), the proposal to establish a FIF at the World Bank received broad-based support.

5. The proposed FIF can add value, along several dimensions, for contributors, recipients and implementing entities. The FIF would provide a dedicated stream of additional, sustained funding — channeled through implementing entities — towards critical functions to strengthen PPR in beneficiary countries, as well as at the regional and global levels. It could add value in the following ways:

- First, by channeling funds through implementing entities such as WHO and other UN agencies, the World Bank, and other MDBs, the FIF would complement the work of operations already engaged in PPR, filling financing gaps, as needed, expanding their respective abilities to support capacity building at the country and regional level and potentially providing greater agility at the global level through initial bridge financing, as other sources are identified.

- Second, financing from the FIF could be tied to incentivize countries to invest more in PPR, including through blending of MDB resources to further increase concessionality and matching of domestic resources.

- Third, the FIF would offer the flexibility to work through the World Bank, MDBs, WHO and other UN agencies, and potentially other implementing entities, drawing on the comparative advantages of key institutions in the global health system and supporting PPR needs that will continue to evolve.

- Fourth, by bringing together MDBs and other organizations engaged in PPR financing, the FIF could help promote a more coordinated and coherent approach to PPR strengthening among the actors 

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5. “WHO White Paper Consultation: Strengthening the Global Architecture for Health Emergency Preparedness, Response and Resilience”, May 4, 2022, which specifically highlights the need for a FIF.
participating in the FIF by linking financing with existing, country-level planning processes, thereby also reducing transactions costs for client countries. More coordinated support also creates conditions for a more systematic dialogue about domestic financing for PPR.

- Fifth, by offering flexibility to mobilize non-ODA resources, including from philanthropies, the FIF could help bring further additionality in financial resources, expanding the pool of funding available for PPR.

6. The following key principles would underpin the FIF’s design. First, it would complement the work of existing institutions that provide international financing for PPR. Second, resources mobilized for the FIF would add to, and not substitute for, existing ODA for global public health and other priorities. It would be designed to catalyse funding from private, philanthropic, and bilateral sources. Third, it would have the flexibility to work through existing institutions engaged in PPR financing; this would enable it to promote coordination among exiting institutions and serve as an integrator rather than become a new silo that only furthers fragmentation. It would also have the flexibility to adjust over time as needs and the institutional landscape evolves. Fourth, it would be able to incentivize countries to increase financing for PPR. Fifth, it would be designed to reflect inclusivity, while ensuring streamlined and efficient governance and operating procedures.

7. Given the legitimate concerns that have been raised around fragmentation of the global health finance architecture, it is important to note that a new FIF, hosted by the Bank, would not entail the creation of a new standalone institution that would add to further fragmentation. The FIF would be designed to draw on existing institutions, building on their respective comparative advantages.

8. Financial contributions. The United States Government has announced a contribution of $450 million towards this proposed FIF for the US fiscal year ending September 30, 2022, and it has signaled its intent to channel additional funds in the coming years; the European Commission has announced a contribution of €50 million; Germany has announced a contribution of Euros 50 million; and the Wellcome Trust has announced a contribution of GBP 10 million. Several other donors have also signaled their interest.

II. Focus Areas for Financing

9. The FIF would allocate additional financing where investments are most urgently needed to bolster PPR, plugging key capacity gaps at all levels – as identified by the G20 HLIP report as well as by the World Bank-WHO paper prepared for the G20. Although financing priorities are dynamic, will evolve over time, and will ultimately be determined by the FIF’s governing board, recent analyses on needs and gaps points to need for financing to support PPR at all levels. The FIF could immediately start by providing financing to strengthen country-level capacity in the areas of prevention, detection, and response with a focus on low- and middle-income countries that are most in need of support; build regional capacity for PPR functions; strengthen global PPR functions; and support TA, analytics, learning and convening: 

- Strengthen country-level PPR capacity by plugging capacity and capability gaps at country and local level in core domains listed by the International Health Regulations (2005) and the OIE International Standards, including: 1) disease surveillance; 2) laboratory systems; 3) emergency communication and management; 4) community engagement. Needs will be contextual and country-specific, and financing priorities would be based on country-driven assessment and coordination efforts and guided by the plans and priorities of beneficiaries and One Health principles.

- Build regional and global capacity: Expand financing to regional and global institutions across multiple domains, including surveillance, reporting & information sharing, shared public health assets, regulatory harmonization, and capacity for coordinated development, procurement and deployment of countermeasures and essential medical supplies. Progress in these areas will require supporting capacity of existing global/regional institutions and building dedicated PPR entities, such as the one proposed...
by the African Union in October 2021, modeled on the European Health Emergency Preparedness and Response Authority.

• TA, analytics, learning and convening: Financial support to countries and other global institutions should be complemented by activities to elevate PPR agenda, support cross-country learning, and promote collective accountability. This could include peer-to-peer learning, learning events, targeted technical assistance, systematic monitoring of PPR capacities and domestic spending on PPR, etc.

III. Proposed Organizational Structure and Design Features

10. In line with the organizational structure of other FIFs, the structure of the proposed FIF would be organized around four main elements – a governing board, a secretariat, a trustee, and the FIF implementing entities – as outlined below.

• An independent governing board would serve as the FIF’s decision-making body, with responsibility for setting the strategic direction, governance and operational modalities, and work program of the FIF, and for making funding decisions. The governing board could be informed by technical advisory bodies, like a technical advisory committee and/or scientific/technical advisory panel, to bring in technical expertise from the WHO, as well as other specialized health expertise, as needed.

• At the heart of each FIF is a type of trust fund (TF) for which the World Bank serves as limited trustee; the Bank would serve as limited trustee for the proposed FIF. The World Bank is trustee for all 27 existing FIFs, building on a well-established financial, investment management and accounting platform developed by the World Bank over the past three decades, as well as experienced specialized legal and treasury services. When a FIF is established an initial term for the trust fund is agreed, and this can be subsequently extended with the consent of the governing board and the World Bank.

• Administrative functions, including support to the governing board in the delivery of its roles and responsibilities, would be performed by a secretariat housed at the World Bank. The Bank currently houses two-thirds of FIF secretariats (18 secretariats). Secretariat staff would be World Bank employees, subject to Bank rules and reporting lines. To incorporate technical expertise from the WHO, the international organization responsible for pandemic preparedness, the secretariat could consider including seconded expert staff from the WHO, as appropriate.

• The FIF would transfer resources to a set of agreed implementing entities, which are the operational arms of the FIF, to carry out the FIF’s work program at country, regional and global level. A core feature of FIFs is that implementing entities carry out FIF-funded activities using their own policies and procedures, including for project preparation, appraisal, supervision, and monitoring. It is proposed that in its initial phase, the implementing entities for this proposed FIF include MDBs engaged in PPR, the WHO, and other relevant UN agencies. However, other entities could be included, should the FIF’s founding donors so determine.

11. The World Bank is expected to play three roles in the proposed PPR FIF, drawing on its financial and program management, operational and legal expertise and experience in establishing and managing FIFs: (i) as trustee, where the World Bank would hold and transfers donor funds to external entities on condition of the FIF governing body, (ii) secretariat, where the World Bank would provide program management and administration services to the FIF and support its governing body; and (iii) implementing partner, where the World Bank Group entities, along with other implementing entities, would appraise and provide implementation support for FIF-financed projects.

* The World Bank’s trustee role in FIFs is “limited” from a fiduciary point of view. Its oversight responsibilities end when funds are transferred to eligible implementing entities who then become accountable for the oversight and use of funds in line with their own policies and procedures.

Notice that you talk about others, but I think it would be important to make this explicit. Also, from a OH view, health has a much broader meaning, making it less anthropocentric, and the emergence of potentially pandemic infectious diseases is much more complex and includes for example economic and cultural factors. Of course the WHO is fundamental, but should not be the most central player, but one amongst others. This comment applies to the whole document.
the FIF.\footnote{7 Limited exceptions occur in the case of FIFs established as special purpose financial vehicles.} In some FIFs, this is limited to donors who make contributions above a specified threshold. In the majority of FIFs for which the World Bank houses the FIF secretariat, representatives of recipient countries/regions are represented on the governing board. They could serve either as decision-making members or as observers, depending on a determination on how best to manage real or perceived conflicts of interest between those deciding on funding allocations and those receiving funds as final beneficiaries (see below).

16. **The governing board** would have a Chair or co-Chairs, either selected from among the decision-making members or appointed as an independent Chair with no organizational affiliation. In line with governance best practice, Chairs/co-Chairs typically serve fixed terms, although these can be renewed. Consistent with best practice, Chairs do not have decision-making rights. Where Chairs are selected from among the decision-making members, another representative from that organization or constituency then participates and serves in the decision-making capacity.

**Decision-making**

17. Following the practice used by other FIFs, and in keeping with the spirit of FIFs as multilateral partnership programs, FIF decision-making would be made by consensus, although unanimity would not be required. In consensus-based approaches, the Chair(s) seek broad agreement among stakeholders, working together to find mutually acceptable solutions where disagreements surface and / or allowing stakeholders to express descent without blocking decisions. This approach to shared governance is in line with the underlying basis of FIFs as vehicles for collective action and has been a core principle of FIF governance since the first FIF was established in 1992.\footnote{The observer pool is also in line with the consensus approach to multilateral decision-making more generally and is familiar to the sovereign states which sit on FIF governing bodies. In the event consensus is not possible, most FIFs allow for a decision to be made on the basis of a formal vote.} This is also in line with the consensus approach to multilateral decision-making more generally and is familiar to the sovereign states which sit on FIF governing bodies. In the event consensus is not possible, most FIFs allow for a decision to be made on the basis of a formal vote.

**Observers**

18. Per standard practice, the FIF’s governing board would include non-decision-making members, as observers. Observers typically have the necessary access and opportunity to contribute to all key discussions in FIF governing boards except final decision-making, particularly around funding allocations and matters pertaining to such allocations. The rationale for the latter is to avoid real or perceived conflicts of interest between those who decide on funding needs/allocations and those who receive funding, either as implementing partners or as final beneficiaries. At a minimum, observers would include the FIF secretariat and the World Bank in its role as FIF trustee, ensuring they are available to the governing body as needed. Other entities typically serving as observers include the FIF’s implementing entities, including, in this case, the WHO. Where representatives of recipient countries don’t serve on the governing board as decision-making members, they are typically included as observers in most cases following the constituency-based approach described above.

19. **Representatives from the G20 Joint Finance and Health Coordination Platform, should it be established in the future, could be included as observers on the FIF’s governing board to ensure the necessary linkages with the G20’s finance and health coordination efforts.** As observers, these representatives could inform discussions by the FIF’s governing board, for example, on financing gaps and priorities as well as experiences and best practices. Box 2 provides examples of FIF governing boards that draw on expert observers and illustrates arrangements through which these experts can contribute. Further, the observer pool could be broadened out, as needed, to include other multilateral institutions, civil society organizations (CSOs) and/or the private sector.

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