

Comments on the World Bank White Paper “A Proposed Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response Hosted by the World Bank”

Comments submitted jointly by Denmark, Finland, Iceland, Norway and Sweden.

General points

- The overarching goal must be both to ensure sufficient and effective financing for *preparedness* and to enable a rapid and effective *response* if a crisis hits.
- Meeting the financing gap for pandemic preparedness is not only a development issue but rather an insurance and investment in health security for all countries across the world.
- Ensuring that funds are additional rather than competing with or crowding out other funding needs is fundamentally important. The World Bank should in the design phase indicate how this can be ensured.
- The FIF should be a modality to raise and coordinate the use of additional funds for international organizations already mandated with specific functions relating to pandemic PPR including provision of global public goods and financing rather than an operating entity.
- The FIF should not provide funding directly to countries, but rather use existing international organizations for implementation, including the World Bank, MDBs, WHO and other UN agencies, Gavi, the Global fund and CEPI.
- The FIF should build on existing architecture for PPR, including the IHR and linked monitoring, review and assessment mechanisms.
- Clarifying and enhancing roles and functions of existing institutions, particularly international financial institutions (IFIs) should remain a priority even when the FIF is launched, for example through infrastructure investments, health systems strengthening activities and availability of surge financing for pooled procurement including at-risk.
- The FIF should ensure the involvement of WHO, including its regulatory, normative and standard-setting roles and as a leader in responding to global health threats.
- FIF support to country level capacity building should be rooted in National Action Plans for Health Security or similar strategic programmes developed and lead by the Government and complemented by domestic funding.
- The FIF could also support, as appropriate, regional and global collaborative efforts for sharing information and capacities on surveillance and response.
- The FIF must be able to adapt to the differentiated absorptive capacity of countries for health financing in general, and specifically for PPR.
- The proposal should be supported by sufficient political will and broad support from a large group of countries and actors across all regions and income levels. This is key to ensure legitimacy, credibility and sustainability. This will be needed for buy-in for a global response to pandemics and to avoid further complicating the already complex funding landscape and displace or distort other priorities.

Specific questions posed by the World Bank

Focus of FIF financing:

Given the substantial financing needs identified by various independent reports at country, regional and global levels, while also recognizing that the FIF's financing priorities could change over time, and that it would ultimately be the prerogative of the FIF's governing board to set the priorities, what would be the optimal balance between priorities at these three levels in the initial phase of the FIF's operationalization?

- **Comment:** There should be a focus on strengthening national and regional capacities, surveillance and risk assessment and ensuring supply and access to medical countermeasures, including large scale surge finance for the first 100 days of a potential new pandemic. The FIF should furthermore incentivize countries to increase domestic financing for PPR and leverage the use of other MDB financing.

Governance:

Based on the alternative arrangements that different FIFs follow in terms of the structure and composition of their governing boards, as presented above, we would welcome views on the composition of the governing board for the proposed FIF and on how best to incorporate the representation of recipient countries in a manner that balances inclusivity with the need for efficient decision-making and implementation. To facilitate efficient governance, the majority of FIFs group recipients into constituencies. How should recipients be grouped? For example, one seat per region? Or should limitations be set on the number of countries in any one constituency to facilitate coordination within the constituency, which would result in a different number of seats per region?

Comments:

- The FIF should be governed by a slim governance board with an independent chair (or co-chairs) that can make decisions on the allocation of resources and ensure financial accountability.
- Contributors, recipients and civil society should be included on the governance board, but with a limited number of seats. The operational and decision-making power of the FIF be kept to a smaller body.
- A broader representation ensuring that all voices are heard could be facilitated by the G20plus finance and health coordination mechanism ("Global Coordination Platform for PPR Financing") currently being discussed and facilitated by the WHO. There needs to be more thought given to the overall health architecture to minimise overheads and duplication. The secretariat of the FIF should be hosted by the WB as other FIFs hosted by the WB with close collaboration with WHO. The secretariat should be small and efficient. The secretariat should engage with recipient countries and relevant organizations.

How could representation from CSO observers be best reflected on the FIF's governing board? Would a constituency-based approach work?

- **Comment:** CSO should be a part of formal governance structure to ensure meaningful participation through a suitable model. CSOs should be consulted on the best ways to be involved.

How could the FIF's governing board best leverage scientific/technical advice from WHO and other expert organizations/individuals? (e.g., through a technical advisory body and/or as observers to the governing body?)

- **Comment:** The Secretariat should be hosted by WB, as other FIFs hosted by WB, working closely with WHO. Clarification of WHO's role is needed, with consideration also to funding of additional workloads for the organization. WHO should lead on the situation, needs and technical analyses. WHO should lead on the monitoring of health emergency preparedness as part of its core mandate and its findings should be made available to the FIF. WHO should also serve as an observer on the FIF board.

What would be the best way to establish linkages between the proposed FIF and the G20 JFHTF and/or any other G20 finance and health coordination platform established in the future?

- **Comment:** We appreciate the G20s engagement on finance and health. To be successful the dialogues need to be inclusive of non-G20 members across all regions and income levels. There should be a clear link between the proposed broader G20 coordination platform (Global Coordination Platform for PPR Financing) and the FIF governance as well as with the key IFIs and global health financing institutions.

Operating modalities, funding allocation, funds flow and resource mobilization:

How can the FIF's operating modalities be best structured to incentivize/catalyze country investments in PPR?

- **Comment:** The FIF should not provide funding directly to countries, but rather use existing international organizations for implementation, including the World Bank, MDBs, WHO and other UN agencies, Gavi, the Global fund and CEPI. We call for additional analysis on how the FIF should be structured to incentive country investments in PPR. Additional national resources are needed and should be an integral part of health system strengthening. Incentive structures set up within the FIF should not crowd out other domestic investments in health.

Should the FIF include eligibility for financing private sector activities and if so, which implementing entities should be engaged for this purpose (FIFs primarily fund such activities through the private-sector arms of MDB groups)?

- **Comment:** The FIF, and in particular the countermeasure domain of the FIF, should consider private sector among potential recipients of funding. Such financing could be channeled through the MDBs as well as through existing implementing agencies like CEPI and other PDPs.

Based on the relative merits and disadvantages of alternative replenishment approaches described above, should the proposed FIF aim for regular replenishments (e.g., every three or five years) or ad hoc replenishments?

- **Comment:** Stable and sufficient financing through a FIF is needed for it to be successful. Replenishments may create competition between the FIF and other health investments and should therefore be coordinated with other actors. Further analysis on models to ensure sufficient and sustainable contributions to the FIF should be explored.