

Comments by the European Commission on the World Bank White paper on a FiF

General comments:

The European Commission welcomes the World Bank White Paper on the proposed Global Pandemic Preparedness Fund, formerly the Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response. We take note of the proposals on FIF financing, governance and operational modalities.

Our view is that the Global Pandemic Preparedness Fund should provide countries and regions with the ability to fill gaps, strengthen and contribute effectively to common global health security goals. This will require an agreed framework for global health and health security goals, taking account of identified gaps, against which applications would be assessed, as well as the ability to implement resulting projects effectively and with appropriate oversight. Consequently, further work towards the Fund will entail:

- A central role for the WHO in the development of this framework, and the assessment of proposals made in relation to it, and articulation with IHR review and ‘pandemic treaty’ processes;
- Appropriate and inclusive governance of the Fund, with representation of both donor and recipient countries or regions;
- Breadth in the range of entities disbursing funds, to include ACT-A partners, and ensuring appropriate oversight
- Linkage with the G20 process, ensuring the Fund is appropriately informed by the work of the G20 joint Health and Finance Task Force.

Without prejudicing the development of the framework, it is likely that supported projects would include those filling gaps in:

- Surveillance and early warning systems;
- Strengthening health systems, including through healthcare professional training; and
- Supporting the availability of medical countermeasures through research and development, and vaccine, therapeutics and medical equipment manufacturing.

Regional projects in the above areas, promoting smart specialisation, would be favoured.

Moreover, the Fund should be characterised by its ability to:

- Mobilise ‘new money’ (rather than redirecting existing funds);
- Fill gaps in existing PPR support; and
- Effectively link national, regional and global activities.

Finally, the Commission specifically expects the governance framework of the FIF to allow for an appropriate system of oversight of funding. Defining the Governance Board’s oversight role and responsibilities in cases of fraud and irregularities is a condition for the EU to contribute financially.

On the specific questions of the World bank paper on page 12

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?

- The European Commission welcomes the call to increase domestic investments in the core capacities needed to prevent and contain future pandemics, complemented by external financing.

- We consider close coordination with existing global health initiatives essential. The proposed fund should coordinate the bridging of identified gaps globally. It should build on existing structures and processes and bring together existing health agencies.
- Regarding the balance between global, regional and national level investments, we suggest the establishment of a priority global health security framework against which calls for proposals to strengthen capacities at regional and national level can be launched. Focus on countries with the greatest needs is key while favoring those countries with sound targets and effectiveness and transparency in data sharing. Commitments stemming from the IHR and Pandemic Treaty will need to be factored in and the financing capacity of countries in particular paying attention to low income countries.
- Moreover, we consider it important to create a strong link to national health systems so the Fund reinforces countries' efforts of broader health systems strengthening and adherence to global norms and standards starting with WHO International Health Regulations. Coordination with donors bilateral health systems strengthening programmes will therefore also be essential. The challenge will be to link the financing flowing through this global mechanism with the national resources and coordination mechanism for effective solutions at country level.

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?

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

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?)

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?

- First of all, we take the view that the European Commission should sit in the governing board, as funding and decision making member. Since the FIF will be about providing support at country level, it is essential to ensure coordination with bilateral EU health programmes in low and lower middle income countries under EU development cooperation.
- Second, we strongly support an inclusive approach to governance with appropriate representation of both donor and recipient countries as decision making members on the Governing Board. Funding donors should each have a seat, while further consideration will need to be given to how to ensure appropriate representation of recipient countries, based on funding needs and possibly applying a constituency approach. Under a constituency approach, a rotation system could be applied.
- Third, more generally, governance needs to be flexible and adjust over time, based on the principle of appropriate representation and agility in decision making. Lessons learned and good practices from other Funds should be reflected.
- Fourth, the central role of the WHO needs to be ensured and further specified. The WHO should be a leading part of the envisaged Advisory Committee and provide their expertise, guidance and recommendations to the Board in regard of specific investment decisions. For this purpose, it should be

considered to provide the WHO with an observer status on the Governing Board and given the possibility to second staff to the Secretariat. Furthermore, the WHO should be considered as an implementing entity.

- Fifth, we are open to consider providing observer status on the Governing Board to Civil Society Organisations (developing and developed country CSOs), International Organizations and scientific partners with relevant expertise.
- Last, but not least, there needs to be a strong link with the G20, in particular the Joint Health and Finance Task Force (JHFTF) or the pandemic platform should it be established. The FIF should benefit from political and strategic guidance from G20. Therefore, a representative of G20 should be present as observer on the Governing Board of the FIF (maybe the troika).

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?

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)?

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?

- The European Commission takes the view that buy-in from a large and diverse group of stakeholders that should contribute to the fund, and ownership and buy-in (financial and political) from the countries to profit from it is key.
- We also consider that a broad donor base will be essential, including emerging country donors. It will also be key to build strong partnerships with the private sector and private sector foundations
- Furthermore, we should rely on existing implementing entities mostly, including the global health initiatives and implementing agencies, namely the key ACT-A partners such as Global Fund, Gavi and CEPI. We suggest to introduce waivers already from the outset to these agencies. The selection criteria for implementing entities should be clarified.
- Finally, we again strongly emphasise that financial oversight and the management of the funds should be clear, effective, and apolitical.