



Collective civil society inputs in response to the World Bank Group’s White Paper “A Proposed Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response hosted by the World Bank”

The urgency of raising additional resources to prevent, prepare for and respond to future pandemics, is beyond any doubt. The World Health Organization (WHO) and the World Bank have estimated that an additional USD 10.5 billion per year of external financing is needed for the next five years for investments at country, regional and global level to strengthen the capacity of low-income and middle-income countries. Hence there is an enormous need for raising and adequately allocating substantial additional funding.

The proposal for a Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response (PPPR) hosted by the World Bank, as agreed at the G20 Finance Ministers and Central Bank Governors meeting in April 2022, may fulfil this need, but only if it takes on board some of the crucial lessons learned from the Covid-19 pandemic and from broader health financing evidence. The white paper by the World Bank on the proposed FIF, dd. 17 May 2022, outlining the intended governance and operating modalities for the FIF, does not indicate that these lessons are learned yet.

To strengthen the proposal, we are making a number of recommendations on **governance, private sector involvement and finance**.

Governance

Stronger Pandemic Prevention, Preparedness and Response is a common global good from which virtually all countries would benefit. The distinction made in the white paper between ‘founding donors, donors and recipient countries’ overlooks this fact and relies on country categories that are inadequate to the management of global public goods. To ensure that the FIF is adequate to the task, responds to country needs and leaves no one behind, it must move away from the one-dollar one-vote approach to an approach that involves countries from all income groups, key international and regional institutions and civil society and communities in its governance.

We wholeheartedly support the recommendations made by [StopAids et al, and join in their call for adopting a Global Public Investment](#) approach to make the proposed FIF truly inclusive by innovating existing and proposed board structures for country representation, and adhering to existing global norms in civil society and community representation in governance and decision-making.

It is important for any pandemic prevention, preparedness, and response fund to follow a human rights and community-led approach. This requires:

- meaningful leadership of social movements, indigenous peoples and rights holders in design, governance and implementation of the fund;
- commitment to operationalise human rights principles in the design, implementation and evaluation of the fund and supported projects and policies;
- commitments to advance the right to health in a manner that accounts for social determinants of health, and addresses the root causes of the worst impacts of pandemics including poverty, inequality, environmental degradation, climate change and corporate capture;

- requirements to assess – in collaboration with directly affected communities – the human rights implications of financing, including conducting ex ante human rights due diligence and risk assessments at a fund level and at the sub-project level.

Private sector

In answer to the white paper question, on whether the FIF should “[...] **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)**”, we believe that it should **not**, as this would draw away scarce resources from the public sector at a time when strengthening the public sector should be a priority. The Covid-19 pandemic has made more clear than ever that a strong public health system is the single most important factor to guarantee an effective and just response to health emergencies, including pandemics.

There is also growing evidence that primary healthcare and health system strengthening, which are at the centre of pandemic preparedness and response, should rely primarily on public financing and delivery. As noted by the Lancet Global Health Commission, in low-income countries, where private providers are predominantly informal and the government has insufficient resources to implement effective strategic purchasing and oversight, it is strategic to start by providing good quality and affordable services in the public sector.¹

We must note that the white paper is not clear on what “including eligibility for financing private sector activities” means in the context of the proposed FIF. If this means creating a structure which is akin to the World Bank’s Private Sector Window, or any other type of activity that transfers funds to private healthcare providers, insurers and Public-Private Partnerships (PPPs), we strongly advise against it. While many multilateral development banks and global health initiatives already focus on private sector activities, the track record of such initiatives is controversial. Experiences with private sector arms of MDB groups, such as the World Bank’s International Finance Corporation (IFC) have raised several concerns, particularly when it comes to its financial additionality, its operations in social sectors and its poor track record of protecting local communities.² For instance, the IDA/IFC Private Sector Window has been criticised by civil society for bringing little development additionality.³ In the health sector, it has been used to invest in high-end private healthcare providers and private healthcare insurers, which are likely to hamper, rather than support, universal and equitable access to care. We want to avoid repeating the same mistakes.

With regards to Public-Private Partnerships (PPPs), evidence of the use of PPPs in health shows that these don’t fulfil the benefits for which they are adopted and are often far more expensive for governments than public procurement, do not align with the most urgent medical needs and they seem to exacerbate barriers to access for poor populations.⁴

We are aware that the private (healthcare) sector has a role and responsibilities in times of emergency, and should take part in infectious disease surveillance, research and response. However, public health authorities hold responsibility for effective governance and regulation of the private sector. Public health authorities may or may not, depending on the context, need financial and technical support to do that. But the FIF should not represent an opportunity to finance private healthcare, which is why we advise against the involvement of private sector arms of multilateral development banks.

Our concerns are grounded in evidence showing that some sections of the private sector, including those potentially involved in PPPs, such as the food, pharma, energy, and tech sectors, are well placed to profit from pandemics and the suffering of others. For example, the pandemic has created 40 new

pharmaceutical billionaires, profiting from the monopolies their companies hold over vaccines, treatments, tests, and personal protective equipment. Most of this personal fortune was created thanks to billions in public funding – for instance, from R&D grants and procurement.⁶

Finally, we see a potential role for (local) private companies to increase manufacturing in countries that rely on imports of healthcare products (such as vaccines, medicines, and equipment). However, this requires the oversight from regulating authorities such as the WHO to ensure affordable and sustainable manufacturing, tech transfer and increased sovereignty and self-reliance (as with the WHO's mRNA Hub). These processes should not be placed under the responsibility of private sector windows of multilateral development banks. Furthermore, it should go hand in hand with easing the intellectual property regime, to ensure availability and affordability of any goods manufactured and make public interests prevail over commercial profits.

Finance

Additionality and replenishment

The white paper asks about the relative merits of regular versus ad hoc replenishments. We believe that either form of replenishment risks competition with other funds and is unlikely to bring about the desired additionality to Official Development Assistance. The Covid-19 pandemic has shown once more that charity is running short in terms of quantity and quality of resources. Relying on replenishments and charity, the proposed FIF would maintain a charity model that has proven unsustainable and unfit for raising and equitably allocating resources, both for prevention and in times of crisis.

The estimated funding gap of USD 10.5 billion per year may sound like a lot but is in fact a conservative estimate. It is based on the assumptions that low-income countries and middle-income countries currently allocate 3% of their health spending to PPR and that these levels can be maintained in the coming period (in which countries are under heavy pressure to consolidate public budgets), and that 25% of priority needs at global and regional level are covered by existing institutions and funding avenues. Although the paper emphasises that funding for the FIF should be additional to Official Development Assistance, it does not in any way indicate how such additionality will be realised. No mention is made of how either form of replenishment risks to compete with replenishments for other funds (GFATM, GFF, IDA, to name a few).

To get the FIF started, multi-year contributions will be needed, likely to be at least partly funded from Official Development Assistance. For sustainable and equitable future funding we recommend incorporating the principles of global public investment and chart out a path towards a system of pre-agreed and equitable contributions.

Role of multilateral development banks and World Bank

The FIF's dependence on multilateral development banks as intermediary entities and being hosted by the World Bank could create barriers for it to be democratic and accountable. Researchers⁷ have found issues⁸ with the World Bank⁹ and other development banks' Covid-19 response over the last two years. These include gaps in transparency, accountability and participation; undressed [cases of reprisals](#) against frontline workers in the Covid response;¹⁰ and corruption and corporate capture in development bank funded projects.

Given the concerns about development banks' performance during the Covid-19 pandemic, we recommend conducting an independent audit of where development banks' money went and what impact it had on the ground for directly affected communities. Development banks must also remedy

the projects that excluded marginalised groups, where funds were pilfered, or where living beings and the planet were harmed, before they are given a bigger role in future pandemic related work. Only after the World Bank and other development banks have shown meaningful accountability should they be considered for a bigger role to address pandemic prevention, preparedness and response. In the meantime, any arrangements that provide a larger role for the World Bank or other development banks should be implemented on a temporary basis, contingent on a satisfactory independent audit of their performance during the Covid-19 pandemic. In the medium and long term, preference should be given to UN agencies as implementing agencies.

Endorsed by:

Organizational endorsements

ACCESS Coalition

Accountability Counsel

ACHEST (African Centre Global Health & Social Transformation)

Arab Watch Coalition

Bank Information Center (BIC)

Both ENDS

Bretton Woods Project

Buliisa Initiative for Rural Development Organization

Center for International Environmental Law (CIEL)

Derecho Ambiente y Recursos Naturales DAR

EKTA PARISHAD

Global Policy Forum

Good Health Community Programmes

Green Development Advocates (GDA)

Initiative for Health & Equity in Society

International Association for Hospice and Palliative Care

Jamaa Resource Initiatives

Just Finance International

Latindadd

Little Step Sierra Leone

Lumière Synergie pour le Développement

Madhira Institute

Medico International

Medicus Mundi Spain (FAMME)

NGO Forum on ADB

Observatoire d'etudes et d'appui a la responsabilite sociale et environnementale (OEARSE)

Oyu Tolgoi Watch

Pakistan Fisherfolk Forum

Pluralist Legal Clinic

Policies for Equitable Access to Health - PEAH

Rivers without Boundaries Coalition (Mongolia)

Union des Amis Socio Culturels d'Action en Developpement (UNASCAD)

Viva Salud

Individual endorsements

Thomas Schwarz, MMI

- 1 [https://www.thelancet.com/pdfs/journals/langlo/PIIS2214-109X\(22\)00005-5.pdf](https://www.thelancet.com/pdfs/journals/langlo/PIIS2214-109X(22)00005-5.pdf)
- 2 <https://www.oxfam.org/en/press-releases/ifc-found-negligent-preventing-harm-indigenous-communities-guatemala>
- 3 https://www.eurodad.org/private_sector_window_ida20_development_impact ; https://www.wemos.nl/wp-content/uploads/2021/09/Wemos_Position-paper-on-the-IDA20-policy-framework-from-a-health-perspective_Sept-2021.pdf
- 4 Wemos, “Risky Business. Position paper on promotion of Public-Private Partnerships in Healthcare”, March 2021 https://www.wemos.nl/wp-content/uploads/2021/03/Wemos_Risky-Business-Position-Paper-in-the-Promotion-of-PPPs-in-Healthcare_March-2021.pdf
- 5 Oxfam Media Briefing, Profiting from Pain, 23 May 2022
- 6 Oxfam Media Briefing, Profiting from Pain, 23 May 2022
- 7 See online library of over 35 case studies and reports about human rights impacts of development banks’ Covid-19 response from around the world: <https://rightsindevelopment.uwazi.io/en/>
- 8 See “Missing Receipts: Where did International Financial Institutions’ Covid-19 funding go?” (2022), an overview report pulling out key trends identified by +20 organisations globally in 16 countries documenting COVID-19 relief financed by development bank: <https://rightsindevelopment.org/missing-receipts/>
- 9 Eurodad, “The policy Lending Doctrine. Development Policy Financing in the World Bank Covid-19 response”, 29 September 2021 https://www.eurodad.org/the_policy_lending_doctrine
- 10 See “Unhealthy silence: Development banks’ inaction on retaliation during COVID-19” (2021), available online at <https://rightsindevelopment.org/unhealthy-silence/>