31 May 2022

FIF Consultation Feedback

Questions

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, [...], what would be the optimal balance between priorities at these three levels in the initial phase of the FIF's operationalization? &

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

According to the financing needs paper, prepared by the WHO and World Bank, the largest financing needs and gaps are found at the country level, particularly in low and middle income countries. Given the current converging crises of conflict, covid and climate, these LICs/LMICs do not have the fiscal space to invest in PPR. Global institutions that have already tried to incentivize domestic resource mobilization, note that this strategy is not working amidst multiple immediate, competing financial priorities.

Country level financing needs should therefore be prioritized in the initial phase of the FIF's operationalization to meet some of the initial large PPR investment needs, e.g., building surveillance foundations and resilient health systems. An approach to incentivize country investments can be developed at a later stage.

Question

Based on the alternative arrangements that different FIFs follow in terms of the structure and composition of their governing boards, 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.

This is a chance to include local and national actors that are most affected, and not to create another donor-led institution that adopts a top-down approach. Recipient countries and/or regional actors, like the Africa CDC, need to be part of the governing board as decision makers, not merely observers. This FIF should draw on other FIFs, like the CIF, that have an inclusive governing board.

As originally intended, a new FIF must follow an agenda set by country-driven needs rather than by funders, guarantee robust financing for LMICs and LICs, and allow them to decide on financing priorities. This would be in line with the financing needs paper, prepared by the WHO and World Bank, which identified the largest financing need to be at the country level.

For this reason, the current 'at a minimum' scenario, mentioned in the White paper, where founding donors will be the decision makers, should be removed. So should the criteria that makes MDBs/IMF/UN agencies automatically eligible, while other organizations, like Global Fund, CEPI and Gavi, would have to apply through a policy waiver that is subject to a risk based review, and could mean that they could be ineligible for funding if the waiver is denied. This must be specified in the text to ensure that the 'efficiency' rationale does not override the 'inclusivity' rationale.

Rather than focusing on the efficiency of the governing board, the efficiency of the funding flow needs to be addressed. According to the suggested model, the FIF provides funding to IEs, which then channels that funding to recipient entities. This process adds complexity and reduces transparency and accountability.

Instead, depending on the financing priorities, decided by the governing board, funding should directly flow to institutions who have a 'comparative advantage'. For example, if the financing priority is R&D in low income countries, CEPI and regional actors, such as Africa CDC, should have eligibility in the same way as MDBs and UN agencies. This could also promote horizontal coordination between IEs that have common priorities, instead of exacerbating existing fragmentation.

Question

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)?

Yes, for example, the IFC has successfully mobilized financing and resources for pandemic response, preparedness and prevention. The AfDB has also outlined a strategy for improving health architecture in Africa, which includes using incentives to stimulate diaspora investment in health. This highlights the need for including regional actors as IEs. This could help mobilize innovative financing for the FIF as opposed to prolonging existing fault lines.

Question

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?

Whatever the replenishment cycle, caution should be exercised to ensure that this cycle does not directly compete with replenishment cycles of existing institutions, and that the FIF will be additive and work alongside to support those existing institutions. This needs to be addressed explicitly in the final governing documents.

Other feedback

Accountability

White Paper text: "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."
Concern: It will be difficult to assess accountability and 'success' at the overall level, if oversight of accountability is transferred to the level of IEs.
Question: How do you compare the performance of different IEs? How do you evaluate efficiency and success of different IEs if they each have their own accountability policies? Is there a risk that some can set the bar too low for themselves? Who challenges this?
Recommendation: the independent governing board should have a consultative process and articulate indicators for accountability in the FIF's Governance Framework and Operations Manual