Oxfam comments on the proposed Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response

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INTRODUCTION

Oxfam welcomes the opportunity to comment on the White Paper[1] on the proposed Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response (PPR) which aims to strengthen the PPR global response and especially PPR capacity in low- and middle-income countries.

We note, and broadly agree that such a funding mechanism should aim to be complementary, additional, flexible, strengthen coordination and be used to incentivize countries to establish resilient and equitable PPR delivery systems. However, we must express concern first with the **compressed time frame under which the fund is to be approved and which has lent itself to a rushed consultation period**, apparently without working with low- and middle-income countries to outline and develop such a mechanism. Secondly, we have a number of substantive concerns around the proposals put forward in the White Paper and gaps in information that have a significant bearing on how the fund will be managed and operationalized.

In summary, much greater clarity is required on the objectives, scope, financing, and operations of the Fund, as well as how the FIF will operate in coordination and collaboration with other funds and normative agencies, such as the World Health Organization. For the FIF to be successful, it must be based on a foundation that enables it to correct the weaknesses, tensions and injustices embedded in the current global health architecture and the international response to COVID-19. It must ensure inclusive governance with full participation of recipient governments and civil society organizations in the decision making of its Board of Directors; and its Secretariat should be hosted at the WHO, learning lessons from other funds, in order to protect its independence and ensure balance across global institutions. It must prioritize strengthening free, quality public health systems as a key component of PPR, and ensure strong guardrails around any funding for private sector actors as well as equitable allocation of new technologies and sharing of intellectual property for the public good. As it stands in the current White Paper, we have major questions about whether these issues will be sufficiently addressed in the design of the FIF. We explore these and other concerns below.

CONCERNS

1) Governance

i. The role of the WHO

We agree with the white paper that urgent attention should be given to strengthening the governance and coordination of the 'wider global health security and PPR ecosystem.' This will entail, but not be limited to, strengthening the role of the WHO in global health architecture, as well as reforming public health institutions. We note that **while the G20 mentioned that the WHO will play a central role in**

[1] World Bank (2022) A Proposed Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response Hosted by the World Bank. https://thedocs.worldbank.org/en/doc/018ab1c6b6d8305933661168af757737-0290032022/original/PPR-FIF-WB-White-Paper.pdf

the fund, particularly in an advisory sense, we are very concerned this role is not given sufficient emphasis.

A strengthened WHO remains central to any vision for sustainable and equitable global PPR. This is because WHO has governance and accountability mechanisms that can ensure it sets norms according to the collective wishes of all Member States. While we acknowledge that various steps are being taken in parallel to strengthen the WHO, such as pursuing increased membership contributions, **we recommend the FIF supplement these efforts by committing to strengthen the WHO particularly by building WHO's capacity and empowering it to take on a leadership and coordination role**, rather than just an advisory role, implementing agency or observer role.

As part of this we strongly recommend the Secretariat is hosted at WHO with appropriate resources allocated to manage such a Secretariat. WHO has the technical expertise, as the international organization responsible for pandemic preparedness, to play this role. Drawing on Oxfam's experience with multiple global funds we believe that **locating the Secretariat at the WHO will promote the FIF's independence by avoiding World Bank dominance of the FIF and ensure a balance of power across institutions, as the World Bank is likely to also play a strong role in implementing programs and would additionally be acting as trustee**. This WB dominance has been a challenge in other funds where the Bank hosts the Secretariat such as the Global Financing Facility (GFF) and the Global Partnership for Education (GPE). For example, GPE's Secretariat has historically faced challenges related to independence, including in staffing due to restrictive Bank HR requirements, high administrative costs, Bank dominance of programming, and political influence, which have only partially been addressed through negotiated arrangements and Board reforms.[2] We also believe WHO's more democratic governance will help assure the Fund does not merely focus upon the priorities and preferences of donor countries, which is an unhelpful and damaging unequal power dynamic that is too often repeated in similar mechanisms.

Therefore, **we oppose the proposed hosting of the Secretariat by the World Bank, and prefer that the Bank simply retain the role of trustee in order to manage and disburse the financial contributions**, as it does for the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), as well as an operational role as appropriate. Such roles for the WHO and World Bank would be aligned with an appropriate architecture for coordinating and financing global pandemic preparedness and response activities.

ii. *Government representation*

The FIF should have an inclusive, globally-balanced, multi-stakeholder Board of Directors, with equal voice for recipient and donor governments. However, we are deeply concerned about the intent expressed in the White Paper that the Board's decision makers would be limited to the founding donors, with other key stakeholders (particularly recipient countries and civil society) relegated to the role of observers. This proposal could amplify power asymmetries rather than redressing the imbalances implicit in global governance today, and that have in large part been responsible for the historic failures and inequality of the Covid-19 pandemic response to date. It also replicates the governance failures of the World Bank led Pandemic Emergency Facility.[3] There have been a number of shortcomings with the quickly assembled architecture used for the COVID-19

[2] See for example the GPE CEO's December 2021 report to its Board with concerns about hosting (starting on page 10) https://assets.globalpartnership.org/s3fs-public/document/file/2021-12-GPE-Board-report_from_CEO.pdf?VersionId=27ZVwbU5DiGykN9ByAgdYIwuIgUQx5Z9

[3] According to the PEF Fact Sheet, the only voting members of its steering body were donor governments. https://www.worldbank.org/en/topic/pandemics/brief/fact-sheet-pandemic-emergency-financing-facility

pandemic, including a lack of transparency, inadequate democratic multilateral oversight and insufficient accountability. **Overcoming such flaws, and particularly inequalities in governance between high and lower income countries must be an explicit objective and deliverable of the FIF.** It is objectionable that the FIF White Paper makes no effort to reflect on and correct these past failures. It is also self-defeating. An effective pandemic preparedness response requires inclusive cooperation and collaboration across governments and other stakeholders.

As such the FIF must establish a truly representative board of decision makers with equitable participation and representation from governments from countries of all income groups and regions and explicitly from countries with widely varying existing levels and features of pandemic response capacity. There must be a transparent and accountable process for electing representatives and equal decision-making powers and votes.

iii. Non state *actors' representation:*

Civil society organizations and organizations representing the health workforce (unions) must be formally represented and have full participation on the board, including on board subcommittees. Their role should not be limited to observer status. Mechanisms and processes to achieve this representation should build on the experience of GFATM, UNITAID, and the GPE, which have multi-stakeholder boards with strong civil society representation. GPE in particular, has a successful and effective model with separate constituency-based board seats for Southern civil society, Northern civil society and teacher unions – this same model is recommended as best practice for the FIF.

However, **for-profit actors, or bodies representing such actors should be excluded from decision-making processes, so as to avoid commercial conflicts of interest that could distort the global health security agenda.** Any interactions or consultations with for-profit actors, including from the health sector must be fully declared and transparently documented.

Building good democratic and accountable governance is a process. Getting the governance right is of highest priority. The governance framework as it is developed must be opened for consultation for all countries and to civil society and other key stakeholders.

2) Health systems strengthening

According to the white paper, one of the key objectives of the fund is to strengthen the capacity of low-income and middle-income countries in PPR. However, **we remain concerned that the FIF is in danger of adopting a narrow definition of 'pandemic preparedness,' with a preoccupation for national surveillance at a cost of insufficient attention to strengthening of community and health systems that can protect, care for and save lives, as well as detect new viruses and variants.**

Resilient national public health systems must be core to any PPR efforts and remain critical to the global defence in preventing and delaying disease outbreak, pandemics, and epidemics. However, while this is broadly accepted, including acknowledged in the white paper, it is often spoken of in obscure terms. The white paper states that routine health systems strengthening is necessary and will be addressed by strengthening country-level PPR capacity by enhancing disease surveillance; laboratory systems; emergency communication and management; and community engagement. **We note that while these are necessary components of the system, they will remain ineffective if free quality primary health care (PHC) services remain inaccessible, if there are inadequate numbers of trained and well remunerated health and community workers, and if the necessary equipment and tools are unavailable.**

Lessons from COVID-19 and past pandemics such as Ebola show that the fundamental building blocks of resilient health systems lie in the following, which must be prioritized in any deployment of FIF funds:

a) *Prevention*-- with sufficient investments in public health promotion and communication, community engagement and education, and access to free testing for all.
b) *Recruiting a sufficient number of health workers* that can address health needs in 'peace time', but also deal with any surge in cases that follows a pandemic event. Long-term chronic under investment in training, recruitment and retention of trained health and social care workers has led to a global shortage of unfathomable scale. The global health worker deficit has been pegged at 18million workers in normal times and with the pandemic this deficit was acutely felt. Additionally, while this shortage is almost universal, it is also catastrophically unequal. **The FIF will therefore need to play a significant role in plugging this human resource gap**. [4]
c) *Removing financial barriers to accessing health care* -- The fund should work with governments to ensure all financial barriers to accessing healthcare and delivering free testing and treatment to all are addressed. According to the WHO, at least half the world's 7.6 billion people cannot access the essential healthcare they need even in normal times. Additionally, worldwide each year, out of pocket spending block's access for one billion people, with more pushed into extreme poverty by having to pay such fees. **Removing these financial barriers and strengthening systems to protect and save lives must itself be framed as a global common good** to be financed via a fair financing mechanism, according to ability to pay.

Lastly, and regarding health systems strengthening, it remains unclear how this fund will interact, coordinate, or align with the work of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), the Global Financing Facility (GFF), Coalition for Epidemic Preparedness Innovations (CEPI) and other mechanisms funding or attending to different aspects of PPR. While the white paper acknowledges that the fund will complement existing work, it remains vague as to how this will be addressed, and what institutional commitments and arrangements will be made. We are concerned about the establishment of yet another fund in an already incredibly crowded global health architecture and note that it is necessary to have a greater understanding of how financing gaps will be assessed across these agencies and how the fund will support existing capacities, prior to board approval in June 2022.

3) Financing, conditions and allocation criteria

We note that the White Paper does place some emphasis on ensuring the financing of the FIF does not substitute existing ODA. However, given the current funding environment, we still have concerns as to how PPR funds will be raised, and whether they will be truly additional.

We also strongly support an inclusive approach that embraces equal representation and inclusive decision making, over the exclusionary, "one dollar, one vote" approach that has been traditionally upheld. We acknowledge the real risk of the PPR agenda and allocation criteria being set in a top-down fashion, dominated by nationalistic interests and the protectionism of donors who have invested more resources into the facility. **A risk we anticipate is that components of the health systems strengthening agenda that favour and protect the health security of rich countries may be prioritized (e.g. data surveillance and early warning systems) over the critical nuts and bolts of a**

[4] *How to Confront the Coronavirus Catastrophe: The Global Public Health Plan and Emergency Response needed now (openrepository.com)

holistic, resilient and effective national health system, which may be the preference of less privileged countries.

As such **we call for the co-development of a fair and effective financing and allocation formula.** Financing and allocation criteria must be made explicit and be consulted and agreed on across stakeholder groups. We concur with the white paper that financing must be additional to ODA and that the FIF should support targeted investments in the reduction of global health inequalities, target investment in areas with most demonstratable PPR impact and support the mobilization of domestic financing to support the building of resilient national health systems, including through promoting debt cancellation and reductions in austerity.

We agree with the white paper that PPR is a public good and that given lessons learned from the COVID 19 pandemic, it would be important to ensure that the FIF supports sustainable, equitable and timely development of and access to vaccines, tests, diagnostic's, treatments, and technologies, especially to assure such equitable access in low- and middle-income countries. This should mean that **funding from the FIF for R&D should include conditions that require equitable allocation of novel technologies, no intellectual property rights resulting from inventions, data, and processes that emerge from such funding, an emphasis on expanding supply and decentralizing manufacturing to all regions, and measures to ensure affordable, transparent pricing for all countries that is commensurate with public investment by the FIF and other governments and philanthropies**. These norms should be baked into the conditions for the receipt of funds and apply to any innovations developed from FIF funds. The FIF should also support efforts being made towards global south led models and means of production, as well as the reduction of unnecessary requirements countries must meet in the production or importation of medical technologies.

Lastly, conversations around the Global Public Investment approach are advancing and there is a need for the Bank to openly discuss with stakeholders how the FIF will coexist with the proposed global public investment facility, explaining where convergence and divergence lies.

4) Private actors

In regard to the question on the eligibility for financing private sector activities, we would like to state categorically that **the priority should be the financing of public healthcare and the strengthening of public sector delivery of health services, as well as the funding of public and not-for-profit entities in low and middle income countries, that are developing new or repurposed countermeasures for testing, treatment and vaccination.** As already alluded to, resilient health systems are the best defence and offence against epidemics and pandemics. Funding private actors, would contribute to the increasing commercialisation and financialisation of health care in many countries which has been shown to drive up inequality and costs, undermining the right to health. In addition, and as observed during the COVID 19 pandemic, enormous sums of public funding went to commercial institutions for research and development of Covid-19 technologies with no conditions set to ensure equitable, timely access and affordability to resulting lifesaving products. This situation should be avoided at all costs.

Given the increasingly commercialized nature of healthcare provision in many LMICS, and the risks and harm caused to equitable access and quality, we would also strongly advise that any engagement with private actors be ringfenced by the following:

- **That a private sector engagement framework be developed and opened for consultation** prior to engagement with private entities. This will set out clear parameters for engagement

with private actors and should address any ambiguity around the role that private actors should play within PPR.

- **That the FIF not fund any commercial or for-profit entities or purposes**, especially in any areas of direct health service provision or in the promotion of subsidy of private health insurance. We strongly advise that the role of private actors be limited only to the areas of research and development, production and manufacture.
- **Private actors should be required to meet various conditions to receive funds** including that they be committed to the strengthening of public health systems and support public health solutions, particularly at the national level. There should be conditions placed on the sharing of intellectual property and technology transfer among others, all of which will need to be embedded into any agreements with private actors.

We would caution against a blended finance model, the benefits of which remain unclear and given evidence that shows that such models do in fact lead to greater inequalities where social issues are concerned. Typically, blending can be problematic and often fails to support pro-poor activities. Additionally, projects funded through this model may not align with country plans, favouring donor interest, and commonly fail to incorporate transparency, accountability, and stakeholder participation.[5]

5) Operationalization

There is still very little information around how the fund will be operationalized, and **follow up consultations with civil society, recipient governments and other stakeholders will be required as these details are concretized.** Key gaps of information that should be addressed should include:

- How the fund will interact with other multistakeholder financing mechanisms and how they will work together to strengthen response at the national and community level.
- How the design of this fund builds on key lessons around the limitations of FIFs and/or multilateral financing mechanisms
- How recipient countries will be identified, or apply and be assessed
- How funds will be deployed to recipient countries and what allocation criteria or conditions will be established for different recipient classes. We would like to stress that once eligibility criteria, assessment and targeting approaches, and the deployment mechanism have been designed, that further consultation is held with stakeholders including civil society, prior to any final decisions on this being made**.**
- How transparency will be ensured at each stage of the process, including the design and development of the fund, negotiations over the fund's features, operationalization, and evaluation of the effectiveness of the fund. Noting that thus far, there has been extremely limited information shared with stakeholders under the current compressed time frame to launch the fund.
- The relationship between the fund, pandemic treaty and review of the international health regulations needs to be explored and discussed in more detail.

i. Accountability

We note that the white paper makes mention of monitoring and reporting tools, but fails to address some of the broader challenges faced around accountability, reporting and monitoring within global health security. This includes observed challenges with various indicators and indices including

[5] https://www-cdn.oxfam.org/s3fs-public/file_attachments/rr-blended-finance-130217-en.pdf

Sustainable Development Goal targets and the global health security indices as well as challenges around national reporting systems, despite implementing agencies being given this responsibility.[6]

ii. Process

While we understand the urgency and need for financing for PPR- we feel that consultations are being rushed and as a result may overlook or not rigorously engage with key concerns. **The World Bank should publish a road map outlining clear consultation points, and key decisions that will be made with their associated timelines in regard to the FIF's design, development and operationalization**.

CONCLUSION

While the concerns outlined above are not exhaustive, we hope they will prove useful in shaping the discussions around the FIF for PPPR. We join in solidarity with other civil society partners who are also raising concerns especially around the role of private actors and vaccine equity.

We look forward to receiving further information on the areas highlighted above and in engaging in further dialogue on the development of this or other multilateral funding mechanisms for PPR.

[6] Sharp, 2021.