

Save the Children's response to the public consultation on the Proposed Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response. Hosted by the World Bank

Overview

Save the Children (StC) welcomes the opportunity to respond to the consultation for the Proposed Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response (PPR). StC welcomes the focus on investing in health systems to strengthen capabilities to prevent, prepare, and respond to (public health) emergencies and pandemics. Through this consultative process StC would like to emphasize the need for an equitable, inclusive, integrated approach with decision making driven by all actors equally.

The structure of this response reflects the questions posed in the white paper, with additional suggestions provided in the concluding section.

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 joint World Bank-WHO paper on PPR financing needs and gaps¹ identified that the greatest PPR gaps are in countries with the smallest fiscal capacities to tackle them. The international financing gap required for national level needs is estimated to be over double that which is required for the global and regional levels. With a view to following an evidence based approach based on the greatest financing need, the priority of the FIF should be to address country level gaps that will focus on advancing systems for PPR with an equity lens. Funding proposals should be led by national governments based on national health action plans, and gaps identified through the IHR monitoring and evaluation framework to detect and respond for containing outbreaks.

Additionally, as we have seen outbreaks rapidly becoming public health emergencies at regional level in the past several years, regional level support should be a second priority for the FIF funding. This would enable vertical integration from local to regional and will enable a level of autonomy for regional coordination on outbreaks that do not reach a threshold to require a full scale global response Where possible existing initiatives and efforts at the global level should be harnessed, in efforts to complement the new initiatives at the national and regional levels.

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

¹ "Analysis of Pandemic Preparedness and Response (PPR) architecture, financing needs, gaps and mechanisms", Paper prepared by the WHO and World Bank for the G20 Joint Finance & Health Task Force, March 22, 2022

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?

The FIF would benefit from having an inclusive governance that would provide recipient countries with decision making rights. Recipient countries and civil society organizations (CSOs) could be represented through constituencies. StC would also propose a model which ensures a ceiling for the number of seats for donor countries. Donor and recipient countries should have equal representation with an equal number of seats on the board. This would effectively manage risks of certain groups out voting others in situations where decisions are not made through consensus. In addition, CSO representatives (with voting powers) could act as tie breakers where agreements cannot be reached.

Based on best practice of the governance arrangement of other FIFs. StC would like to highlight the structure adopted by the Global Fund (established as a FIF in 2002). The board of the global fund consists of ten donor country representatives and ten implementer country representatives. These also include international and local NGOs.

To maximize the principles of inclusivity, StC suggests removing any barriers to joining and participating in regional/ organizational discussions at the constituency level. The nominated constituency representative could then reflect these discussions to the board.

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

StC would like to encourage the World Bank to recognize the value that non sovereign participants can provide in reflecting the needs of the public they represent, and in furthering the objectives of the new FIF. As referenced in the World Bank's Annual Report for 2021², CSOs support has been invaluable in navigating the pandemic response as well as brokering buy in from communities. New partnerships and constituency models are key to furthering PPR efforts through the FIF. As such, CSOs should not be observers only but have a seat on the board (including voting rights), through several constituencies to reflect the different groups they represent.

- 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?)

The G20 report on Financing the Global Commons for PPR³ recommended establishing a global governance and financing mechanism with WHO as the lead organization. In keeping with the essence of this, WHO and other expert organizations should be more than observers on the governing body. They should be able to shape the deliberations but without decision-making power (voting rights). In addition, a technical advisory body to the FIF should be created to ensure direct linkage between national and global health emergency preparedness and response assessments, planning processes and the investments or priorities proposed by the FIF. Embedding the WHO at every level of the FIF, and implementing entities, would ensure interventions are guided by technical expertise.

² World Bank Annual Report 2021, <https://www.worldbank.org/en/about/annual-report/partnering-to-recover>

³ "A Global Deal for Our Pandemic Age", Report of the G20 High Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response, June 2021. <https://pandemic-financing.org/report/>

- 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?

In line with the G20 principles of inclusivity and credibility, establishing a joint finance and health talk force, that goes beyond G20 only, would effectively harness the best available expertise across the globe. This would enable promotion of domestic investments, integrating with internationally funded mechanisms, as well as supporting countries to identify financial opportunities and gaps, thereby guiding FIF financing to where it is needed most.

Operating modalities, funding allocation, funding flows and resource mobilization.

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

StC suggests that if the aim of the World Bank/ G20 is to maximize buy in from national governments, this could only be achieved by reducing barriers for countries. A progressive approach would likely best incentivize country investments and demand for FIF funded activities. As an example, Gavi's co-financing model, although it promotes financial sustainability, it also has created barriers for some LICs in demanding GAVI's services. GAVI's co-financing is currently under review to be adapted to ensure greater accessibility and uptake. The current economic state of play has shrunk fiscal space and intensified debt burdens in the countries this FIF is designed to serve. In the current situation, a model which balances each country's ability to pay with the need to catalyze domestic investments would likely generate better uptake of the FIF and greater 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)?

As set out in the FIF white paper, reducing transactions costs, and ensuring efficiency are core to the design of the FIF. Engaging profit-making bodies would deviate from these intentions by incurring additional and unnecessary transaction costs into the system. In eventualities where capacity in the public sector or in CSOs is low, a focus on harnessing local expertise in other sectors would aid in building local capacity and contribute to sustainably strengthening PPR systems in the longer term.

- 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?

Although FIFs are traditionally established for the provision of global public goods. StC would like to highlight the differences between the focus of this new FIF compared to traditional FIFs. As an example, the Global Fund predominantly finances disease specific interventions in LMICs. However, the impact of controlling Malaria in LMICs has a limited direct impact on populations in HICs. In comparison, strengthening PPR in any country has an explicit and direct benefit on all other countries; a viral (or bacterial) threat originating in any country could lead to the next global pandemic. Strengthening global systems would contribute to global health security for all, and insulate against further shocks to economies⁴

⁴ FROM DOUBLE SHOCK TO DOUBLE RECOVERY - IMPLICATIONS AND OPTIONS FOR HEALTH FINANCING IN THE TIME OF COVID-19, World Bank report, March 2021

The new FIF proposes voluntary donor contribution and co-financing/ increasing domestic resources from recipient countries. This model proposes an inequitable financial burden on some countries whereas others benefit from reduced risk of global health threats and enhanced global health security without contributing (free rider problem).

To ensure a more equitable model which maximises investment from all countries, the FIF should deviate from the replenishment model, which is proving to be unsustainable and unsuccessful within the constraints of current ODA budgets. For instance, even when urgency and political buy in was at its highest during the pandemic, global health actors such as ACT-A struggled to attract sufficient financing. A more equitable solution may be required which elicits contributions from nontraditional high income, and upper-middle income country donors. In return, all countries would benefit from enhanced health security.

In addition, by definition 'official development assistance' is defined as government aid that promotes and specifically targets the economic development and welfare of developing countries. Investments into the FIF have been designed to augment financing for global health security, as opposed to reflecting the sentiments of development assistance. Any investments would directly benefit donor countries; reduce the likelihood of another global pandemic, and related economic fallout. As such, the World Bank could, and should, use its position to ensure countries do not count contributions to the FIF as ODA eligible.

Concluding remarks:

Stc would like to highlight additional areas that may benefit from defining further:

- The G20 intended for the FIF to complement existing PPR funding mechanisms These intentions should be adhered to whilst deciding the implementing entities. This would ensure this new mechanism complements existing agencies as opposed to acting as an additional funding source to deliver on existing strategies.
- In addition, where possible, local and regional expertise should be harnessed for the delivery of PPR activities; only bring in external expertise when absolutely vital.
- CSOs and NGOs can provide great value in PPR. StC recommends expanding the implementing agencies to better harness the expertise and added value provided by these organisations. Particularly those that have policies, frameworks and procedures to manage risks appropriately.
- StC understands there are restrictions around World Bank FIFs being transferred directly to sovereign governments and must be directed through an approved intermediary. However, PPR objectives would be furthered by including representatives from national governments, CSOs and other groups into the day to day management of individual projects.
- In the case a blended approach is utilised to leverage IDA/ IBRD funded, or where more than one implementing entity is delivering in country, reporting requirements may evolve and add to transaction costs. By ensuring reporting requirements are maintained at low levels, the World Bank would ensure maximum value for each dollar spent.

As partners of the World Bank, StC embraced the opportunity to provide constructive feedback on the design of the FIF and has faith that the bank will do its utmost to develop an inclusive and equitable FIF. Additionally, we would be open to providing further consultative advice during the initial stages of the fund, and beyond, to contribute to better health outcomes for women and children.

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