

Australia's Feedback on the World Bank's White Paper

Our collective experience in the global fight against COVID-19 over the past two years has highlighted clear weaknesses in our global health architecture.

Australia agrees with the findings of the World Health Organization (WHO) and World Bank's gap analysis that there are clear fragmentation and financing gaps for pandemic prevention, preparedness, and response (PPR) that require structural changes to our system.

Australia supports the establishment of a new FIF as an avenue to catalyse funding for PPR, with the World Bank operating as trustee.

Australia commends the Indonesian Presidency's strong leadership in securing broad-based support for the Financial Intermediary Fund (FIF).

Australia is looking forward to continuing to work with the Indonesian Presidency, other G20 members and guests and the World Bank to shape the FIF's governance and operating arrangements to ensure it addresses identified gaps, adds value and complements the existing global health architecture.

Summary

- A FIF should address clearly identified gaps, have a clear value-add, and complement the existing global health architecture.
- Consideration should be given to the FIF having a to a **dual mandate** which could provide both:
 - (a) **additional and sustainable funding** for pandemic PPR; and
 - (b) **fast-disbursing surge funding** for health emergency response actions of governments and implementing agencies.
- Depending on the form taken by the FIF, efforts should be made to leverage the FIF to **support the new pandemic instrument** currently being taken forward by an Intergovernmental Negotiating Body, for adoption at the World Health Assembly in 2024. This would help to address the goal of building a more integrated and efficient global health architecture.
- The FIF's governing body should be constituted to support **diverse and meaningful representation**, in either decision-making or observer capacities, from a variety of actors **including low-, middle- and high-income countries**, the private sector and civil society.

Funding Priorities

- The overwhelming emphasis is on prevention/preparedness financing – **the 'response' element is missing**. We accept that financing for emergency responses tends to flow fairly quickly when emergencies happen but there are substantial inefficiencies in current arrangements for holding and disbursing emergency response financing.
- The FIF, as a fund of funds, could play an important role in increasing the efficiency of emergency response financing.
- In particular, the fund could provide the flexibility to channel funds to governments, international agencies and non-government organisations, depending on which of these partners can most effectively use the resources.

- WHO's Contingency Fund for Emergencies will continue to have an important role to play in supporting immediate response, but **the FIF could fund health emergency response beyond the first 48 hours** and potentially also **provide resources to replenish the CFE** periodically.
- The White Paper also does not canvass the possibility of using the FIF to support the development and supply of medical countermeasures. While we do not necessarily support this, it is important that all three of the obvious investment priority areas (capacity building for pandemic prevention/preparedness, pandemic response and the development and distribution of medical countermeasures) are clearly identified and considered.

Resource Mobilisation

- We welcome further development of this section.
- **Consideration could be given to using the International Finance Facility for Immunisation (IFFIm) or a similar mechanism** to aggregate significant up-front resources without immediate, large calls on national budgets.
- There **should be an explicit discussion of the requirement for both non-ODA and ODA financing**. The paper assumes only ODA financing of the FIF, at least in the early stages. If the FIF is to support global pandemic surveillance systems, for example, **non-ODA funding will be required**. Likewise, medical countermeasures against pandemic pathogens cannot be charged entirely to ODA. We note the ODA/non-ODA balance will shift depending on the choice of investment priority areas.

Design Process and Operations

- The design process for the FIF will be more robust if inclusive of prospective donors, key implementing agencies and a sample of prospective recipient countries. **We note the concept of a "founding donor" disincentivises growth in the donor base from the outset, so is not helpful.**
- **It is important that there is a secretariat separate to a technical advisory committee, with distinct functions**
 - The composition and hosting of the secretariat needs careful consideration. While we would not wish to contemplate a secretariat large and independent enough to be considered a separate agency, **there are risks in having the secretariat entirely provided by and housed in the World Bank.**
 - Consideration could be given to a lean, freestanding, joint secretariat shared between the World Bank and the WHO. Having the WHO work together with the World Bank on the Secretariat will secure greater buy-in from a broad range of countries.
 - It is crucial that the FIF leverages the technical expertise of existing institutions, including the WHO. WHO should drive the technical prioritisation of funding and advise where investment will derive the most benefit. Considering this role, and to ensure the executive board operates efficiently, there should be a technical advisory committee that reports to the Governance Board.
- We note that **only implementing agencies can apply for funding and not recipient countries**. We recall that requests for funding from the Pandemic Emergency Financing Facility's (PEF)

Cash Window were generated by countries themselves, which does not preclude the use of implementing agencies as channels through which funding requests are met.

- Gavi, CEPI and the Global Fund should be included as implementing entities for the FIF from its initial phase.
- More generally we recommend a careful review of the PEF Operations Manual, which offers useful precedents in relation to the identification of implementing agencies and the allocation of resources to countries.
- Finally, we suggest consideration be given to identifying several flagship investment opportunities that would demonstrate demand for FIF resources and provide models for future investments, thereby building confidence in the mechanism.