

A 100-Day Proposal for Reviewing, Designing and Launching the Establishment of a Financial Intermediary Fund for Global Health Security and Pandemic Preparedness

This is a non-paper intended to transparently share information and steps toward establishing a Financial Intermediary Fund for Global Health Security and Pandemic Preparedness. It was developed through a consultative process and does not represent official positions of the governments involved. Rather, it is intended to provide an action plan to begin taking the steps toward launching the establishment of a FIF in 2021, including as outlined in expert reports (see below) and as recently called for by some leaders during the September 22, 2021 Global COVID-19 Summit. To bolster additional discussion, this document was prepared by the United States and Norway in consultation with an initial group (dubbed “Action Team”) comprised of interested countries, regional organizations, non-governmental organizations, and expert stakeholders.¹

Overview

Covid-19 has underscored the need for urgent collective action to prevent, detect, and rapidly respond to pandemics. There is unequivocal consensus that mobilizing additional, predictable, and sustainable financing is critical for more effective and equitable pandemic preparedness and response and to achieve global health security. This document outlines a time-bound plan for reviewing, designing, and establishing a new multilateral Financial Intermediary Fund (FIF) for Global Health Security and Pandemic Preparedness, with the World Bank as trustee. The role of the new FIF will be to address the growing, systemic risks of deadly and costly pandemics and bolster global, regional, and national capacities for prevention, preparedness, and rapid response to emerging infectious disease threats with pandemic potential. The urgent need for such a Fund is not new, rather it builds on longstanding discussions across the health, finance, development, and security sectors including in the wake of the 2014-2016 West Africa Ebola epidemic. And earlier this year, the [Independent Panel for Pandemic Preparedness and Response \(IPPPR\)](#), the [G20 High-Level Panel on Financing the Global Commons for Pandemic Preparedness and Response \(HLIP\)](#),² and other global expert groups and individuals came to a similar conclusion – the time to act is now.²

Context

The proposal for a FIF and other financing solutions to strengthen pandemic preparedness and response are under discussion in different World Health Organization (WHO) fora as well as by an Expert Group of G20 health and finance ministries, which will table its recommendations for the G20 Joint Finance and Health Ministers’ meeting in late October.

¹ Since April of this year, when the United States and Norway hosted the UN Virtual Dialogue on Strengthening Pandemic Preparedness and Response Financing Architecture, we have jointly consulted and engaged several dozen stakeholders on the topic of global health security financing, including countries, multilateral organizations, private sector, foundations, and civil society. For the development of this non-paper, we consulted with partners including African Union, Argentina, European Commission, European Council, Finland, Germany, Indonesia, Italy, Japan (observer), South Africa, Thailand, United Kingdom, Center for Global Development, Pandemic Action Network, UN Foundation, and with advisors from the G20 HLIP, IPPPR, and Wellcome Trust. This discussion paper does not represent positions of countries and actors involved in consultations.

² A non-exhaustive list of leading experts, groups, and/or entities that have called for the establishment of a new fund for global health security, pandemic prevention and preparedness include: the Commission for Strengthening America’s Health Security, Center for Strategic and International Studies; Center for Global Development; Conservation International; Georgetown University; Global Health Council; G20 High-Level Panel on Financing the Global Commons for Pandemic Preparedness and Response; Independent Panel for Pandemic Preparedness and Response; Nuclear Threat Initiative; Pandemic Action Network; Preventing Pandemics at the Source Coalition; the U.S. House of Representatives and the U.S. Senate Foreign Relations Committee.

To bolster additional discussion, this document was prepared by the United States and Norway in consultation with an initial group (dubbed “Action Team”) comprised of interested countries, regional organizations, non-governmental organizations, and expert stakeholders. This is intended to serve as the basis for broader consultation, with the aim to review, design, and launch the establishment of such a FIF within 100 days.

Purpose, Functions and Priorities

The International Monetary Fund estimates that the pandemic will cost the global economy at least US\$22 trillion. The world simply cannot afford another pandemic and its devastating impact on both lives and livelihoods. The purpose of the FIF will be to answer the call from global experts to provide significant additional, predictable, and sustainable gap-filling resources to support the capacities and investments in global public goods that will strengthen global, regional, and national health security to prevent the next crisis. No country is fully prepared to prevent, detect, and respond to infectious disease threats with pandemic potential within their borders, whether naturally occurring, deliberately caused, or accidental. As we have learned over the past 20 months, those vulnerabilities present a threat to all countries in the world. Biological threats know no borders.

The FIF would serve as a new tool to augment the existing global system, and provide additional, sustained new funding to strengthen global, regional, and national efforts to prevent, detect, and respond to emerging infectious disease threats with cross-border potential. As a fit-for-purpose financing entity, the FIF would complement and reinforce the WHO’s role as the lead normative and technical agency for global health, as well as that of other key global health institutions (e.g. providing resources and incentives for national, regional, and global actors to implement the International Health Regulations (IHR) capacities and WHO technical guidance). The FIF would serve as a mechanism to mobilize additional financing and augment the capacity of existing institutions. The FIF would not have a direct implementation role; rather, it would support targeted and sustained pandemic and epidemic prevention and preparedness functions (outlined below), to be implemented by existing international and regional organizations, in concert with national governments, entities, and non-governmental organizations. Key functions and operations will be designed and built during the 100-day plan period.

In line with expert recommendations, the FIF would fund and allocate additional financing where investments are most urgently needed for pandemic preparedness and response. The FIF would also be used to incentivize national governments to provide domestic funding and use MDB country allocations for national health security and to participate in health security evaluations. The review, design, and establishment of a FIF should be guided by reliable and transparent data and gap analyses. Financing should support activities that yield continuous or recurring benefits for preparedness and response through health system strengthening – beyond just country and regional level.

Based on initial consultations, these priorities should include, inter alia:

- **Sustainable health security and public health capacity at national and regional levels** required for effective outbreak preparedness and response, including accelerating implementation of the IHRs, achieving the targets of the Joint External Evaluations and other assessments or reviews established by WHO member states, thereby supporting robust national action plans for health security, including efforts to strengthen health care and public health systems, such as deployment of a well-trained, well-equipped frontline health workforce.
- **Globally networked disease surveillance systems coordinated by WHO** to enable rapid outbreak detection and response to contain outbreaks at their source.
- **Support preparedness related to development, manufacturing, procurement, distribution and delivery of medical countermeasures and other lifesaving tools,**

including surge capacity in every region, for vaccines, diagnostics, therapeutics, PPE, and oxygen, and ensuring readiness to quickly develop new tools and **resilient supply chains** at each stage of production. This will build on the experiences gained from the Action for Covid-19 Tools Accelerator (ACT-A) platform, its strengths and limitations (including results from the strategic review), and from regional initiatives to secure timely and equitable access to medical countermeasures, such as the African Vaccines Acquisition Task Team (AVATT).

The full scope of FIF functions, recipients, and operationalization would be informed by robust consultations among supporting countries and other donors, such as private and philanthropic actors, over the proposed 100-day period, including linkages to the aforementioned G20 and WHO deliberations, and it is expected these will be periodically reviewed. Funding for prioritized areas will be allocated based on identified need (short, medium, and long-term) and informed by widely-accepted gap assessments and international indicators of performance, including based on assessments led by WHO. Definitions, indicators, and methodology for allocation, tracking, and accountability should be transparently developed by all FIF members involved.

Funding Targets and Sources

The preliminary funding target for the FIF has been recommended to be US\$10 billion, ideally annually over the next ten years (2022 – 2031). For the FIF to truly succeed, resources must be new and predictable – not reallocated from existing or additional pledged commitments from other critical global health and development priorities. This FIF funding ambition is consistent with the recommendations of the HLIP, IPPPR, and other experts as a conservative estimate of the additional international financing needed. Annex H of the HLIP report lays out a strong justification for this level. This amount is a small fraction of the US\$22 trillion and counting that the IMF projects as the global cost of the COVID-19 pandemic, in addition to the devastating impacts of loss of lives and livelihoods. It is likely that the financing need cannot be met in 2021 alone, and as such operationalization of the FIF could be sequenced in stages.

In supporting investments in global public goods, the FIF would be established ideally through contributions from many nations. The FIF should be equipped to mobilize both public and private resources. FIF supporters will use the proposed 100 day period to explore how grants, concessional financing, and other means could be utilized by a FIF to incentivize country-co-financing of efforts to strengthen prevention, detection, and response to emerging infectious diseases with pandemic potential.

Financing for the FIF should draw on all types of funding streams, including both official development assistance (ODA) and non-ODA sources of financing. Over the medium-term it will be essential that the FIF tap into sustainable and predictable [non-ODA sources of financing, that are additive to the system](#). We call on all partners to propose ambitious solutions to this financing challenge - noting that pandemics represent a systemic threat requiring a truly whole-of-government and whole-of-society response. Securing new, dedicated, and predictable financing streams outside of ODA will help ensure that resources mobilized for the FIF do not compete with other global health and development priorities. We must not crowd out critical development priorities, such as poverty alleviation efforts, climate change, and economic recovery.

Location and Oversight

High level panels and experts recommend the FIF should not be a new stand-alone entity but operate with links to and complement the current global health architecture. Serving as the [host](#) for dozens of FIFs, the World Bank is well-placed to act as trustee and initial host of a new FIF, perform its treasury operations, and collect and allocate funding mobilized through an array of financial instruments. Based on consultations to date, partners recommend the FIF governing body would be independent from the trustee and would make independent decisions. For example, an interim independent FIF governing body could be hosted at the World Bank for the first period but would

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also have strong links with the WHO and regional and global International Financing Institutions (IFIs). Alternative hosting arrangements may be considered as part of a strategic review of the FIF after an initial period.

Given the global economic, security, and health threats posed by pandemics, all nations have an essential role to play in designing, launching, and capitalizing the FIF. The FIF should be open for support and participation to all nations and territories at all income levels who are prepared to contribute to advance its core mission. Governance and oversight design can be guided by previous examples and lessons learned. The FIF's governing board could include representation from the WHO, as well as contributing countries and participating philanthropies. Given the whole-of-society multi-sectoral approach required to strengthen global health security and pandemic preparedness, non-governmental representation in this process is an important consideration, as adapted from other global governance models. The FIF would also have a well-defined linkage and strong complementarity to potential high-level health and finance governance mechanisms discussed, such as a proposed G20+ Health and Finance Board.

Example Plan and Timeline

Key milestones can include:

- September 2021:** Draft proposed 100-day FIF proposal for discussion as follow-up to The Global COVID-19 Summit held during UNGA high level Week, in coordination with ongoing G20 health and finance work.
- October 2021:** Consultations on FIF to build out a proposal with governments, World Bank, WHO, IMF, United Nations and other global and regional institutions, foundations, civil society, private sector, and philanthropic stakeholders; engage with Italian presidency and G20 counterparts to integrate and reinforce inter-governmental processes; engage with and brief ongoing WHO-working group, WHO Ambassador for Global Health Financing, etc.
- November 2021:** Revise FIF proposal based on additional analyses, expert review, and consultation feedback; establish Task Force of interested countries to develop concrete elements of a FIF agreement, in coordination with World Bank and other international organizations.
- December 2021:** Initial resource mobilization efforts commence.
- Q1 2022:** Secure remaining inaugural pledges and advance steps to launch the FIF. The start-up of a FIF should serve as a vehicle for additional COVID-19 resource mobilization as needed.
- Q2 2022 – Q4 2023:** Ongoing resource mobilization efforts to reach target capitalization level of US\$10B annually and bring in additional supporting countries.