The World Health Organization (WHO) Council on the Economics of Health for All is an independent council convened by the WHO Director-General in 2021, to provide guidance on the economics and health agenda of WHO. The Council aims to rethink how value in health and well-being is measured, produced and distributed across the economy. The Council believes that health and the economy are interdependent; that health is a key economic sector critical to resilience and stability; and that it is possible to shape public and private investments in health to achieve global cooperation towards supranational goals [1].

The Council has closely followed the Group of 20 proposal to establish a Financial Intermediary Fund (FIF) hosted by the World Bank to reduce the world’s vulnerability to future pandemics. The proposal, which was initially presented by the High-Level Independent Panel in 2021, seeks to systematically and sustainably organize a global Pandemic Preparedness and Response (PPR) funding mechanism with inclusive membership and leadership [2].

The Council acknowledges that the present global PPR financing landscape, the outcome of a quick response on the eve of the coronavirus disease (COVID-19) pandemic, presents serious weaknesses and areas of opportunity. The Council aims to help construct a new PPR architecture highlighting, as an independent voice, essential policy principles and strategic recommendations to shape ongoing discussion. This debate is especially important at a time when the World Health Assembly has agreed to establish an intergovernmental negotiating body to draft and broker an international treaty on PPR [3]. The treaty that emerges from this mandate will establish the basis for an institutional global framework, where the Group of 20 FIF initiative could play a central role.
2. POLICY PRINCIPLES FOR A GLOBAL PPR FUND

The Council recommends that any future global PPR funding mechanism should recognize some essential principles. First, it should be built on the premise of inclusivity and universal access by every country to the global public goods generated by the fund. Second, rather than fundraising during its early years, it needs to be sustainable, with multi-annual funding contributions making it possible to focus on impact. Third, it should have sufficient resources and a scale that match the substantial gaps in the PPR landscape and justify the creation of a new mechanism. Fourth, it must be governed under the highest standards of transparency and accountability to ensure public legitimacy and engagement. And fifth, it needs to pursue complementarities and additionalities within the existing landscape, with the aim of becoming a central coordinating pillar of the global PPR architecture.

Many of the PPR roles envisioned in the FIF proposal require solid expertise, capacities and implementation support that only WHO can provide. Moreover, as WHO represents 194 countries [4], its participation is essential to the legitimacy and inclusivity of the FIF, and provides a unique global reach to relevant health and finance stakeholders. The Council believes it is imperative for WHO to have a central role in the FIF, not only as technical advisor or operator, but as a stakeholder in all decision-making.

2.1. Inclusivity and universality

What is needed?
Inclusivity and universality require several conditions. Among them are equal representation across high-, middle- and low-income countries in the formal governance structure of the FIF, the participation of core global and regional implementing institutions, and the participation of independent civil society experts from a diverse set of countries. Universality requires moving away from an outdated and inequitable donor-beneficiary structure and adopting a global investment-in-the-commons approach, where all countries contribute and have access to benefits from the fund.

What is the importance of these principles?
Inclusivity in the decision-making processes of the FIF ensures that participants' needs are aligned with investment objectives, fostering the participation of partners in the funding mechanism. Once the acute phase of the COVID-19 pandemic fades out, countries will face the cost of economic reconstruction. If the FIF fails to achieve inclusivity in the decision-making process, many countries could find that their domestic needs are not aligned with the priorities of the fund and ultimately choose not to take part in the financing mechanism. Universal access and participation in governance are needed to achieve the legitimacy, fairness and inclusion required to generate buy-in from low- and middle-income countries (LMICs). A FIF mechanism seen to be driven by and focused primarily on Group of 20 countries will fail before it even gets off the ground, as the truly global nature of PPR challenges demands robust participation and leadership from countries at all income levels and in all regions.

What does experience tell us?
Recent experience regarding access to COVID-19 Tools (ACT-A) shows that inclusivity and universality are essential for the success of a global PPR fund. ACT-A mobilized several actors to accelerate the development and production of, and access to health technologies, including tests, treatments and vaccines [5]. However, it was designed as a decentralized collaboration endeavour without an explicit governance mechanism, intentionally excluding key stakeholders such as beneficiary countries. The structure has raised serious concerns about unclear decision-making processes, imbalanced information planning and the fact that governments have an indiscernible role, yet they could help improve implementation. As a result, success of the ACT-A has been compromised by supply-chain inefficiencies, restrictions on vaccine exports and unequal access to vaccines, especially in LMICs [6].

What are the key lessons?
The most important question to address is who will be involved in making investment and resource-allocation decisions. The FIF needs to move away from the outdated governance model that favours 'one dollar, one vote' to a more inclusive approach that involves 'one stakeholder, one vote'. Stakeholders should include a representative range of high-, middle- and low-income countries, as well as key international and regional institutions (such as WHO and Africa Centres for Disease Control and Prevention) and independent civil society experts to ensure the most equitable and effective governance architecture.
2.2. Sustainability and multi-annual financing

What is needed?
The COVID-19 pandemic might be the most extreme health crisis experienced by this generation. Unfortunately, such extreme events are not as rare as intuition suggests. The probability of a pandemic with an impact similar to the one caused by COVID-19 is growing steadily and is currently estimated at 2.63% in any year [7]. This calls for adjustment in perceptions of pandemic risks, and for understanding that PPR financing must be a sustainable long-term investment, not a one-off or emergency expenditure.

What is the importance of these principles?
To address the complex and sustained challenges of PPR in a world with recurring pandemic events, donors should commit to sustainable funding schemes that ensure the long-term viability of the FIF. Multi-year funding could enable the FIF, as it gets off the ground, to focus on setting up core areas of programming without constantly worrying about replenishment. Donor countries with no multi-year budgetary mechanisms should commit to long-term contribution schemes through other existing legal frameworks.

What does experience tell us?
Few multilateral funding schemes have been able to secure a long-term and stable funding source. The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and the Coalition for Epidemic Preparedness Innovations (CEPI) have recently experienced challenges with their replenishments, while more broadly, multilateral development banks have ongoing difficulties with their replenishments. This suggests that without multi-annual contributions at the start, the FIF will spend inordinate amounts of time attempting to fundraise during its early years instead of focusing on its urgent mission to address global PPR challenges related to prevention, resilience, access and coordination.

What are the key lessons?
Currently, discussion is centred around the concept of pre-agreed and equitable contribution, an approach that has already been tested by ACT-A. Failure to secure a sustainable multi-year funding outright endangers the long-term viability of the FIF. Complete dependence on non-recurrent, isolated contributions represents an additional risk since donors could ask for ad hoc rules that hinder the fund’s general policy objectives. Changes in political leadership and economic trends at the national level can dramatically affect donor countries’ ability to make good on promised annual contributions to international institutions. Locking in multi-annual resources for the FIF upfront can help to mitigate these headwinds and give the initiative at least an initial five-year break to focus on impact. Nevertheless, a successful financing mechanism must acknowledge that, from time to time, even a fully funded FIF might require additional resources for major response activities.

2.3. Sufficiency and scale

What is needed?
The World Health Organization and the World Bank estimate the total annual financing need for the future PPR system at US$ 31.1 billion. Considering current and expected domestic and international financing for PPR, it is estimated that at least an additional US$ 10.5 billion per year in international financing will be needed to fund a fit-for-purpose PPR architecture. This is the minimum amount of additional funding required to support equitable global access to vaccines, testing, therapies, global surveillance, research and development, manufacturing and the strengthening of health systems. These figures are drawn from exhaustive technical analyses and open to public scrutiny [8].

What is the importance of these principles?
Meeting a minimum funding scale of US$ 10 billion per year is essential to addressing global PPR funding demands adequately. A fully funded FIF would be able to play a central role in a new PPR global architecture. Moreover, given the significant transaction costs involved for all stakeholders, especially LMICs, in setting up a new FIF and related governance architecture, the initiative must have sufficient impact and reach to justify engagement.

1 The ACT-A outlines a ‘fair-share’ financing mechanism, whereby countries’ contribution is calculated based on the size of their national economy and what they would gain from a faster recovery of the global economy and trade [21].

2 The FIF does not aim to invest in closing national structural health deficits. Nevertheless, it must acknowledge that the construction of a global PPR system might need to close such structural gaps. A discussion that must happen, parallel to the FIF initiative, is how the World Bank, multilateral regional development banks and official development agencies will align their technical assistance programmes and loans to support the construction of a global PPR system.

3 According to the International Monetary Fund, pandemic financing should be seen as an answer to systemic risk to the global economy, not just the development need of a particular country. Accordingly, it should allocate additional funding to fight pandemics and strengthen health systems both domestically and overseas, an endeavour that could require about US$15 billion in grants for 2022 and US$10 billion annually thereafter [22].
What does experience tell us?
Climate change is a relevant example that illustrates what happens when minimum investment targets are not met. The McKinsey Global Institute estimates that a transition to net-zero emission will require annual investments of US$ 9.2 trillion on physical assets between 2021 and 2050 [9]. However, total climate finance reached only US$ 632 billion on average for 2019 and 2020 [10]. On the other hand, the balance of all the climate-related multilateral FIFs hosted by the World Bank4 is approximately US$ 20.6 billion as of April 2022, or less than 1% of the annual estimated needs [11]. It is not surprising that the world is losing the war against climate change [12].

What are the key lessons?
It is imperative to reach an agreement on the scale of the fund and minimum contribution commitments by national governments. Given the significant and prevailing constraints to fiscal space, the FIF could recognize additional domestic investments in public health systems and PPR by LMICs as ‘in-kind’ contributions to the FIF, since such actions narrow the global gap. Another lesson is that the FIF might consider private donations from philanthropy and business, as we have seen with other FIFs such as the Green Climate Fund and the Global Fund. It will be important to ensure however that all donors buy into an overall strategy set by the formal FIF governance mechanism, rather than allowing budgetary appropriations based on donor preferences to drive the strategy of the FIF. All financing options should be on the table to meet the minimum annual funding target of US$ 10.5 billion as well as possible isolated needs; otherwise, the fund risks being just another fund with high transaction costs for LMIC participation, limited capacity and an inability to fully close urgent investment gaps.

2.4. Transparency and accountability
What is needed?
The FIF must establish accountability principles that decision-making organs, donors, beneficiaries, operative bodies and technical parties must follow. The fund must aim for accountability and transparency standards that guarantee the participation and engagement of an inclusive set of independent stakeholders, for example, civil society, academic institutions, physicians and scientists, that could help better inform, challenge and refine strategy and implementation. The FIF also needs to develop clear and transparent methodologies to assess the true value of health investments beyond unidimensional monetary metrics [13].

What is the importance of these principles?
The fund’s stakeholders should be accountable for the investment decision and its results. This is the only way to ensure the fund’s credibility and secure public support for long-term contribution programmes. Decision-making processes must incorporate holistic and multidimensional metrics based, for example, on the United Nations Sustainable Development Goals and other measurement models that highlight the importance of health beyond the financial and economic dimensions.

What does experience tell us?
The Global Environmental Facility (GEF) is a fund structured as a FIF, hosted by the World Bank, and which invests in energy and sustainable industries worldwide. The GEF Council is the main governing body and comprises 32 members appointed by constituencies of member countries. The GEF Council implemented a significant transparency and accountability system that has helped ensure the fund’s replenishment. The council created a results framework that tracks progress on how the GEF helps deliver global environmental benefits. The framework is structured around priority areas and shows 11 core indicators that track progress towards predefined milestones at the programme and project levels. Additionally, the council produces yearly reports. This highlights how increased transparency and accountability improve the prospect of achieving financial sustainability and impact, as well as enabling civil society and other independent stakeholders to engage on important strategic and financial decisions [14].

What are the key lessons?
One of the most relevant criticisms of the COVID-19 PPR effort, led by ACT-A, is lack of accountability [6]. Failure to meet a minimum accountability standard will endanger the long-term viability of the FIF. The participation of the World Bank as a trustee of the FIF ensures a minimum standard. However, it is essential to bear in mind that implementing parties, not the World Bank, are accountable for the fund’s operation under the FIF framework. Therefore, the rules of the FIF should ensure an adequate mechanism to meet transparency and accountability goals.

2.5. Complementarity and additionality

**What is needed?**
The FIF is being established at a time when global public health goods are seriously underfunded. The FIF must articulate a clear value-added complementarity to existing PPR efforts to avoid duplication and ensure a coordinated and equitable global PPR response.

**What is the importance of these principles?**
Complementarity and additionality of the FIF are critical to avoid undermining financing for existing urgent public health needs. High-income countries’ contributions to the FIF must supplement existing official development assistance to ensure that the FIF does not poach from other critical health and development needs as LMICs struggle to recover from COVID-driven economic crises.

**What does experience tell us?**
Currently, there are three health-related FIFs: the CEPI, the International Finance Facility for Immunization and the Global Fund. The total balance of these funds is approximately US$ 4.3 billion [11]. A new FIF needs to be coordinated with existing funding efforts since they are already competing for scarce funding and seeking to increase member contributions significantly at the same time. For example, in March 2022 CEPI recorded pledges of US$ 1.5 billion to finance a US$ 3.5 billion five-year plan [15]. The Global Fund’s target for its Seventh Replenishment is to raise at least US$ 18 billion [16]. Such needs must all be met while the Group of 20 sufficiently resources its PPR FIF.

**What are the key lessons?**
It is imperative to define the long-term vision for the FIF and its role in the PPR financing landscape. There are many alternatives; for example, the fund can be just another PPR funding scheme among several public and private initiatives, or it can become a 'fund of funds' that conveys public contributions to existing organizations, guided by high-quality accountability standards and inclusiveness principles. From a more ambitious perspective, the FIF can become the cornerstone of a future PPR global architecture governed by universal agreements such as the International Treaty on PPR. Since the Group of 20 initiative is the first multilateral attempt to build a genuinely international PPR funding mechanism, it would be a missed opportunity not to try to set a precedent for the future PPR global architecture.

3. TRANSVERSAL GOVERNANCE ENABLERS

In addition to the five principles that the FIF should follow, the Council considers at least three transversal governance enablers that could help to strengthen the proposal. At the centre is the role of WHO as a key actor that offers broad representation, legitimacy and technical expertise to the fund. As the FIF will be hosted by the World Bank, this institution must guarantee the most stringent security and transparency standards through an independent operation. Lastly, the Council aims to ensure that the FIF-funded innovations follow principles of collective intelligence.

3.1. Centrality of WHO to governance and implementation

Governments, multilateral organizations, non-governmental organizations and private donors acknowledge the importance of WHO as a key stakeholder in the governance structure of a PPR fund. There are several alternatives. For instance, WHO can assume an exclusively technical role by providing information, data and technical elements to the decision-making parties. The World Health Organization can also have operational responsibilities, or be an active stakeholder in the decision-making process for investments and the allocation of resources. Given the broad representation that WHO enjoys as a United Nations system institution, the preferred alternative must be to prioritize its participation in the decision-making bodies. This alternative has the additional benefit of boosting the fund’s inclusivity and legitimacy.

3.2. Independence of the World Bank

Transparency is one of the reasons to establish the fund within the legal entity of a FIF in the World Bank. This institution guarantees transparency and respect for accountability standards. If the fund is structured as a FIF hosted by the World Bank, governance, the structure and membership must be compatible with the principles and recommendations presented in this document. There are plenty of creative FIF solutions to accommodate alternative governance models.
The World Bank can assume different roles in a FIF structure simultaneously. For example, it can be a trustee providing financial services; a secretariat, ensuring the operational activities and paperwork of the fund; an independent evaluator of the fund; or an implementation support agency, executing projects financed with FIF resources and other international financial institutions [17]. Some FIF architectures can present a potential conflict of interest. Therefore, it is essential that the World Bank assume operational activities where it can secure transparency while other parties, such as WHO, play a central role in the governance structure. To avoid conflicts of interest, an independent evaluation agent should evaluate investment decisions and their impacts.

3.3. Innovation and collective intelligence

The COVID-19 pandemic demonstrated that innovation must be governed for the common good; otherwise, people remain excluded from its benefits, limiting the positive impact of health interventions, and creating unacceptable inequities that potentially exacerbate the health needs that it is supposed to address [18]. The FIF must promote collective intelligence while ensuring that information is not used for extractive purposes. FIF-funded innovation must provide technology and know-how to be shared so as to remedy the disparities created by the blanket application of intellectual property rights, which has systematically favoured populations with existing technological capacity. FIF investment philosophy should address current global inequalities in innovation capabilities and infrastructures by fostering local and regional innovation networks and capacity-building efforts that target LMICs [19].

The FIF could also adopt an ESG-like investment approach with a deeper focus on health to incorporate non-economic criteria for investment allocation [13]. For example, the fund could prioritize PPR investments that strengthen the governance of beneficiary countries. It can also privilege investments that build local manufacturing capacity to achieve self-sufficiency.

4. FINAL REMARKS: PPR BEYOND COVID-19

The world cannot afford to return to outdated pre-COVID-19 approaches to the financing of health. It is imperative to acknowledge the urgent need for public finance, and the need to reorient all forms of existing finance around the goal of achieving Health for All. The goal will require a new social contract that promotes value creation over profit extraction, and raises awareness on rewards as well as risks [20].

The COVID-19 global emergency demanded a quick response that spawned the present PPR architecture. It lacks a whole-of-government approach and adequate capacity to implement a coherent mission-oriented effort to overcome challenges posed by the pandemic. The Group of 20 FIF initiative represents a unique opportunity to establish an international institutional framework to coordinate current PPR efforts and structure a future response that follows best-policy practices.

The discussion on the FIF should start with consensus by all stakeholders to incorporate the core principles of inclusivity, sustainability, sufficiency, accountability and complementarity as part of this new global financing mechanism. Achieving Health for All must be the initiative’s central universal objective. Ultimately, the FIF could be grounded in the International Treaty on PPR, which aims to build a foundation for a truly global PPR architecture with guarantees that future generations will never experience the worst case of a world ill-prepared to confront a global pandemic.
Professor Mariana Mazzucato (Chair)
Professor of the Economics of Innovation and Public Value and Founding Director in the Institute for Innovation and Public Purpose at University College London, United Kingdom

Professor Senait Fisseha
Globally recognized leader in reproductive health & rights, Director of Global Programs at the Susan T. Buffett Foundation & adjunct faculty at the University of Michigan, United States of America

Professor Jayati Ghosh
Taught economics at Jawaharlal Nehru University, India, and is now Professor of Economics, University of Massachusetts at Amherst, United States of America

Vanessa Huang
Specialist in healthcare and investment banking, and is currently a General Partner at BioVeda China Fund, Hong Kong, China

Professor Stephanie Kelton
Leading expert on Modern Monetary Theory and Professor of Economics and Public Policy at Stony Brook University, United States of America

Professor Ilona Kickbusch
Founding director and chair of the Global Health Centre at the Graduate Institute of International and Development Studies, Switzerland

Zélia Maria Profeta da Luz
Public health researcher and was the Director of the Instituto René Rachou- Fiocruz Minas, Oswaldo Cruz Foundation from July 2012 to June 2021, Brazil

Kate Raworth
Creator of the Doughnut of social and planetary boundaries and is a Senior Associate at Oxford University’s Environmental Change Institute, United Kingdom

Dr Vera Songwe
Under-Secretary-General of the United Nations and Executive Secretary of the Economic Commission for Africa (ECA), headquartered in Ethiopia

Dame Marilyn Waring
Former parliamentarian, an expert in gender and economics and is now Professor of Public Policy at Auckland University of Technology, New Zealand

Advisors to the Council’s Chair

Julie McCarthy
Special Adviser to the Chair, University College London Institute for Innovation and Public Purpose, United Kingdom

Dr Henry Lishi Li
Senior Research Fellow in Health and Innovation Policies, University College London Institute for Innovation and Public Purpose, United Kingdom

The WHO Secretariat:

Dr Ritu Sadana
Head, WHO Secretariat for the Council on the Economics of Health for All, and Head, Ageing and Health Unit, Switzerland

Joseph Kutzin
Head, Health Financing Unit, WHO Department of Health Systems Governance and Financing, Switzerland

Research team: Dr Devika Dutt, Dr Roberto Duran Fernandez, Alberto Huitron, Dr Şerife Genç İleri, Dr Maksym Obrizan

#Economy4Health

For further information contact
EH4A-Secretariat@who.int
www.who.int/groups/who-council-on-the-economics-of-health-for-all
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