



The WHO Council
on the Economics of
Health for All

Statement by the WHO Council on the Economics of Health for All

Policy priorities for Germany's G7 Presidency in 2022 – Towards a more sustainable and inclusive global economy

22 JUNE 2022

The Council welcomes the German Presidency's elevation of health, climate, an inclusive economic recovery and a renewed emphasis on multilateralism as central priorities for this year's G7 agenda [1]. On the basis of evidence from around the world, we know that making health for all a global reality requires economic and social policies that recognize the links and interdependencies between the central priorities. This calls for a long-term agenda that looks at the social and economic consequences of weak global health systems. COVID-19 has shown us more than ever that, as with climate change, the costs of inaction are greater than the cost of action. Millions of lives have been lost and vast amounts of economic output wasted.

Specifically, the G7 should recognize and address three key challenges:

- The **catastrophic public health impacts of climate change**, and the enormous economic savings and health and well-being benefits that will result from climate action. This matters for all countries, including high-income countries. As WHO Director General Dr. Tedros Adhanom Ghebreyesus noted, "The Paris Agreement is potentially the strongest health agreement of this century". The fact this agreement has not been met signifies it as one of the biggest public health failures in addition to its devastating impacts on planetary health [2].
- The **overwhelming challenges to fiscal space in low- and middle-income countries** – exacerbated by the International Monetary Fund (IMF) austerity policies and unsustainable debt – threaten countries' capacity to mount credible pandemic preparedness and response (PPR) and ensure progress on climate action and the Sustainable Development Goals (SDGs). As we noted in our first policy brief on *Financing Health for All: increase, transform and redirect* and the fourth upcoming one on *Strengthening public sector capacity, budgets and dynamic capabilities towards Health for All*, "Health for All cannot be implemented without fiscal space and capabilities inside the public sector" [3] [4].
- The ongoing **lack of meaningful multilateral cooperation on monitoring and responding to global health threats demands more inclusively governed PPR response mechanisms** and action to address the **major structural flaws in the current governance of health innovation**. Without this we cannot overcome the extreme obstacles to equity and access in low-income – and many middle-income – countries. Initiatives to increase PPR funding, such as the Resilience and Stability Trust (RST) of the IMF and the new Financial Intermediary Fund (FIF) for PPR hosted by World Bank should embrace inclusivity and universality in their foundation in order to advance towards a truly multilateral health architecture. We noted the policy principles that the new FIF should follow in our statement *Building an inclusive global fund to address pandemic preparedness and response beyond COVID-19* [5].

The WHO Council on the Economics of Health for All urges the G7 Presidency of Germany to consider the following three imperatives as part of a global wake-up call following the experience of the COVID-19 pandemic and the urgent calls for action on global warming. We must act on these imperatives to make sure we are building a stronger, more resilient and more inclusive global economy:

1. Highlight the massive public health benefits of climate action

Transitioning to clean energy, more sustainable food systems and cleaner transport systems has the potential to generate massive public health benefits in the coming years, in addition to creating the basis for a sustainable economy and sustainable planetary health [6].

It is imperative that the G7 should work towards a rapid reduction of direct and indirect fossil fuel subsidies – which are estimated by the IMF to be US\$ 5.3 trillion globally – and reallocate these resources to finance green energy investments, while also providing the necessary social support to populations who are vulnerable to the impacts of climate change [7]. The Council urges an immediate G7 plan to phase out reliance on fossil fuels. This would bring about enormous benefits to human as well as planetary health.

Worldwide, air pollution from burning fossil fuels is responsible for a global total of 10.2 million premature deaths (roughly the population of the metro area of Paris) [8]. Moving to low-carbon policies in energy, agriculture and transportation alone in the top nine greenhouse gas-emitting countries would avoid an estimated 10 million premature deaths per year [9].

Studies in the United States have found that pointing to health benefits inspires an even higher level of support for addressing climate change than does job creation [10] [11]. Putting health for all at the centre of new climate policies will better enable the G7 to maximize public health outcomes and savings, while also increasing public support for a green economic transition. As part of this effort, G7 countries should begin to regularly quantify and publish the costs of climate impacts on health – both domestically and globally – as well as the savings in health budgets and related expenses by adopting specific new climate policies.

2. Create fiscal space for the economic recovery of low- and middle-income countries

The **Council** welcomes the intention of the G7 to promote sustainable economic recovery and to alleviate the debt burden of many countries after COVID-19. While traditional economic recovery focuses on GDP growth, we believe that true economic recovery should aim at the health of the people and the planet in the long term, as presented in our third policy brief *Valuing Health for All: rethinking and building a whole-of-society approach* [12]. Our views are consistent with a growing consensus to go beyond GDP in measuring economic development [13].

The former Chief Economist of the IMF, Olivier Blanchard, acknowledges that “stronger planned fiscal consolidation has been associated with lower growth than expected” and “financial investors react negatively when consolidation leads to lower growth” [14] [15]. Yet, even in 2020, the IMF recommended in 129 of its 148 country reports to proceed with fiscal consolidation beginning 2021 or 2022, and 13 of 15 IMF loan programmes in the first quarter of 2021 also required countries to adopt austerity measures [4]. To create fiscal space for recovery, G7 countries need to actively discourage the IMF from promoting austerity recommendations that undermine public capacity, starve essential services and increase inequality in low- and middle-income countries as they struggle with high debt service burdens, inflation and climate crises.

This includes revisiting existing IMF programmes to ensure that they are not undermining investments in health and other urgent investments in essential services, social protection and climate. The G7 is urged to ask other G20 countries to extend the Debt Service and Suspension Initiative (DSSI) immediately through to 2023, and to revisit the faltering G20 Common Framework in order either to engage China and private creditors effectively or develop a more functional and truly multilateral global debt architecture [3] [16].

The Council welcomes the IMF allocation of Special Drawing Rights (SDRs) in 2021 and the establishment of the RST for high-income countries to reallocate their unused SDRs to climate change and PPR investment for low- and middle-income countries [17]. We welcome the donations to date of all G7 members except the United States to the RST [18], and we encourage the United States to step up its leadership in this critical area. The G7 should also urge the IMF to use the RST as a mechanism to harmonize its related country programmes and ensure that public spending on health, climate and other essential public goods remains protected from austerity demands [4].

The initial target size of the RST – approximately US\$ 45 billion to invest in health and climate needs over the next 5 years – is clearly insufficient. It is imperative that additional SDR allocations follow in the near future to ensure continued liquidity and fiscal space for low- and middle-income countries [4] [17].

Beyond development finance, we also need simultaneously to address the structural deficiencies that limit the fiscal policy space of countries in the Global South -- specifically the lack of food sovereignty, lack of energy sovereignty, and the low value-added content of exports relative to imports [19]. The **Council** urges the G7 to endorse a structural transformation that supports greater local resilience to external shocks – such as global energy and food price shocks in low-income countries. It is not possible to have an inclusive and prosperous economy without these two building blocks [20].

3. Achieve real multilateral cooperation and collaboration on global health threats and response

As the primary source of global health funding, the G7 is central to improving coordination between global health agencies' funding needs, mandates, responsibilities and priorities. In doing so the G7 reduces detrimental fragmentation of the global health architecture. A stronger, more integrated global health architecture demands a stronger, better and more sustainably resourced WHO, as well as fully funded multilateral mechanisms like COVAX and a new FIF for PPR [3] [21].

The G7 is urged to publicly endorse the G20 initiative to create an FIF, hosted by the World Bank and fully integrated into the global health architecture, and agree to fully fund its US\$ 10.5 billion per annum ask, with additional contributions from G20 counterparts. COVAX is currently struggling to address a US\$ 13.3 billion grant financing gap for 2021–2022, while the new FIF, aiming to meet the US\$ 10.5 billion PPR gap per annum, appears on track at present to raise US\$1 billion per annum at best [4] [22] [23] [24].

The costs of inaction – on vaccine equity in low- and middle-income countries and PPR globally – are much greater than the costs of acting now. The IMF estimates that if vaccination rates remain low and transmission remains unchecked in the Global South, global GDP could lose US\$ 5.3 trillion over the next five years [25]. This is in addition to several million more lives lost, beyond the 15 million excess deaths that COVID-19 has already caused [26]. The G7 cannot knowingly allow the world to lose more than US\$ 1 trillion a year in GDP simply because it refuses to make a mere US\$ 10.5 billion a year available now, or close a one-off US\$ 13.3 billion gap in COVAX financing.

Moreover, the G7 must ensure that global PPR efforts are truly global in governance structures as well as implementation and access to benefits. This means that, for new efforts such as the World Bank-hosted FIF on PPR, the governing body should include a representative group of high-, low- and middle-income countries to address core equity and access concerns as well as to benefit from the diverse perspectives and leadership of this group, as we presented in our response to the proposal for a FIF published by the World Bank [24].

All countries should have access to the benefits of multilaterally funded health innovation, as we note in our second policy brief Governing health innovation for the common good [27]. Perhaps the most bitter and enduring lesson of the COVID-19 pandemic so far is the challenge to global equity and access to lifesaving vaccines, diagnostics and therapeutics. Hoarding of science, technology and supplies by G7 countries and large Western pharmaceutical companies, despite a moral imperative and billions of public funds poured into these enterprises, has been enabled by a lack of ex ante conditions in health innovation governance [28].

The G7 can help the new FIF to circumvent these challenges by demanding that the FIF structure partnerships with the Multilateral Development Banks (MDBs) to ensure that they require “common good” conditions in relation to intellectual property, pricing regulation and transparency and access for all private sector investment. For instance, waiving intellectual property protections for pandemic-related technologies, especially those developed with public grants, must be seriously considered. It is essential that these “common good” conditions are also integrated into G7 countries' own evolving health governance architectures, given the outsized role that their research institutions and pharmaceutical companies play in delivering global PPR goods and life-saving medicines in general.

The world cannot afford to return to siloed and outdated pre-COVID-19 approaches to governing global health, or to the view that health systems alone are responsible for health. It is imperative that the G7 acknowledges the urgent need for whole-of-government actions, and a mission-oriented policy approach to achieve Health for All [29].

The [WHO Council on the Economics of Health for All](#) was established on 13 November 2020 and held its first meeting on 6 May 2021 to provide guidance on the economics and health agenda of WHO. It is an independent council convened by **Dr Tedros Adhanom Ghebreyesus**, WHO Director-General.

Council members and advisors

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

Advisor to the Council's Chair

Julie McCarthy

Special Adviser to the Chair, 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

Communications team:

Gregory Hartl, Nicole Schiegg

[#Economy4Health](#)

For further information contact

EH4A-Secretariat@who.int

www.who.int/groups/who-council-on-the-economics-of-health-for-all

References

1. G7 Germany 2022. Policy Priorities for G7 German Presidency in 2022. Berlin: G7; 2022 (<https://www.g7germany.de/resource/blob/998352/2000328/6cb78b73c9f000183e69738c255d9cc9/2022-01-21-g7-programm-en-data.pdf>, accessed 17 June 2022).
2. WHO: Health benefits far outweigh costs of meeting Paris goals. Geneva: United Nations Climate Change; 2018 (<https://unfccc.int/news/who-health-benefits-far-outweigh-costs-of-meeting-paris-goals>, accessed 7 June 2022).
3. The WHO Council on the Economics of Health for All. Financing health for all: increase, transform and redirect. Geneva: World Health Organization; 2021 (<https://www.who.int/publications/m/item/council-brief-no-2>, accessed 26 May 2022).
4. The WHO Council on the Economics of Health for All. Strengthening public sector capacity, budgets and dynamic capabilities towards Health for All. Geneva: World Health Organization (forthcoming).
5. The WHO Council on the Economics of Health for All. Statement. Building an inclusive global fund to address pandemic preparedness and response beyond COVID-19: policy principles and strategic considerations. Geneva: World Health Organization; 2022 (<https://www.who.int/publications/m/item/building-an-inclusive-global-fund-to-address-pandemic-preparedness-and-response-beyond-covid-19--policy-principles-and-strategic-considerations>, accessed 26 May 2022).
6. Kickbusch I, Hornidge AK, Gitahi G, Kamradt-Scott A. G7 measures to enhance global health equity and security. Bonn: T7 Task Force Global Health; 2022 (https://www.think7.org/wp-content/uploads/2022/05/issuepaper_Health_G7-Measures-to-enhance-Global-Health-Equity-and-Security_Kickbusch_Hornidge_Gitahi_Kamradt-Scott.pdf, accessed 7 June 2022).
7. Coady MD, Parry I, Le NP, Shang B. Global fossil fuel subsidies remain large: an update based on country-level estimates. Washington (DC): International Monetary Fund; 2019 (<https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509>, accessed 14 June 2022).
8. Vohra K, Vodonos A, Schwartz J, Marais EA, Sulprizio MP, Mickley LJ. Global mortality from outdoor fine particle pollution generated by fossil fuel combustion: Results from GEOS-Chem. Environmental Research. 2021;195:110754 (<https://www.sciencedirect.com/science/article/abs/pii/S0013935121000487>, accessed 7 June 2022).
9. Fuller R, Landrigan PJ, Balakrishnan K, Bathan G, Bose-O'Reilly S, Brauer M et al. Pollution and health: a progress update. Lancet Planetary Health. 2022;6(6):E535–47 ([https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196\(22\)00090-0/fulltext](https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(22)00090-0/fulltext), accessed 7 June 2022).
10. Kotcher J, Maibach E, Montoro M, Hassol SJ. How Americans respond to information about global warming's health impacts: evidence from a national survey experiment. GeoHealth. 2018;2(9):262–75 (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7007167/>, accessed 7 June 2022).
11. Hill N. New research from ecoAmerica: health surpasses jobs in climate action support. Climate for Health; 2022 (<https://climateforhealth.org/health-surpasses-jobs-in-climate-action-support/>, accessed 7 June 2022).
12. The WHO Council on the Economics of Health for All. Valuing Health for All: rethinking and building a whole-of-society approach. Geneva: World Health Organization; 2022 (<https://www.who.int/publications/m/item/valuing-health-for-all-rethinking-and-building-a-whole-of-society-approach---the-who-council-on-the-economics-of-health-for-all---council-brief-no.-3>, accessed 26 May 2022).
13. United Nations Statistics Division. Sixth meeting of the beyond GDP sprint. New York (NY): United Nations; 2022 (<https://unstats.un.org/unsd/statcom/groups/NetEconStat/GDPSprintSixthMeeting/>, accessed 7 June 2022).
14. Blanchard OJ, Leigh D. Growth forecast errors and fiscal multipliers. American Economic Review. 2013;103(3):117–20 (<https://www.aeaweb.org/articles?id=10.1257/aer.103.3.117>, accessed 7 June 2022).
15. Blanchard OJ. 2011 in review: four hard truths. Washington (DC): International Monetary Fund; 2011 (<https://blogs.imf.org/2011/12/21/2011-in-review-four-hard-truths>, accessed 7 June 2022).
16. Debt Service Suspension Initiative. Washington (DC): The World Bank; 2022 (<https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative>, accessed 7 June 2022).
17. Proposal to establish a resilience and sustainability trust. Washington (DC): International Monetary Fund; 2022 (<https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/04/15/Proposal-To-Establish-A-Resilience-and-Sustainability-Trust-516692>, accessed 7 June 2022).
18. One. Data dive: Special Drawing Rights. Johannesburg: One; 2022 (<https://www.one.org/africa/issues/covid-19-tracker/explore-sdrs/>, accessed 7 June 2022).
19. Africa's path towards resilience and sovereignty: the Real Wakanda is within reach. London: Tax Justice Network; 2022 (<https://taxjustice.net/2021/03/30/africas-path-towards-resilience-and-sovereignty-the-real-wakanda-is-within-reach/>, accessed 15 June 2022).
20. The Production Gap 2021 Report. Stockholm: Stockholm Environment Institute; 2021 (https://productiongap.org/wp-content/uploads/2021/11/PGR2021_web_rev.pdf, accessed 15 June 2022).
21. Mazzucato M, Songwe V. A new model for African health. New York (NY): Project Syndicate; 2021 (<https://www.project-syndicate.org/commentary/new-model-africa-health-for-all-by-mariana-mazzucato-and-vera-songwe-2022-05?barrier=accesspaylog>, accessed on 17 June 2022).
22. Ducharme J. COVAX was a great idea, but is now 500 million doses short of its vaccine distribution goals. What exactly went wrong? Time. 9 September 2021 (<https://time.com/6096172/covax-vaccines-what-went-wrong/>, accessed 7 June 2022).
23. A proposed financial intermediary fund (FIF) for pandemic prevention, preparedness and response hosted by the World Bank. White Paper. Washington (DC): The World Bank; 2022 (<https://thedocs.worldbank.org/en/doc/018ab1c6b6d8305933661168af757737-0290032022/original/PPR-FIF-WB-White-Paper.pdf>, accessed 31 May 2022).
24. The WHO Council on the Economics of Health for All. A proposed financial intermediary fund (FIF) for pandemic prevention, preparedness and response hosted by the World Bank – elevating ambitions beyond business as usual. Geneva: World Health Organization; 2022 (https://cdn.who.int/media/docs/default-source/council-on-the-economics-of-health-for-all/who-council-statement-31-may-2022.pdf?sfvrsn=97b00b6b_3&download=true, accessed 7 June 2022).
25. IMF. Safeguarding the World's Health and Well-being. Washington, D.C.: Finance & Development a Quarterly Publication of the International Monetary Fund; 2022. (<https://www.imf.org/external/pubs/ft/fandd/2021/12/pdf/fd1221.pdf>, accessed 7 June 2022).
26. World Health Organization. Global excess deaths associated with COVID-19, January 2020–December 2021. Geneva: World Health Organization; 2022 (<https://www.who.int/news/item/05-05-2022-14.9-million-excess-deaths-were-associated-with-the-covid-19-pandemic-in-2020-and-2021>, accessed 26 May 2022).

27. The WHO Council on the Economics of Health for All. Governing health innovation for the common good. Geneva: World Health Organization; 2021. (<https://www.who.int/publications/m/item/governing-health-innovation-for-the-common-good>, accessed 26 May 2022).
28. Mazzucato M., Ghosh G. Health innovation for all. New York (NY): Project Syndicate; 2021 (<https://www.project-syndicate.org/commentary/health-innovation-for-all-by-mariana-mazzucato-and-jayati-ghosh-2021-12>, accessed on 17 June 2022).
29. The WHO Council on the Economics of Health for All: Manifesto. Geneva: World Health Organization; 2021 (https://cdn.who.int/media/docs/default-source/council-on-the-economics-of-health-for-all/who-council-eh4a_manifesto_09112021.pdf?sfvrsn=788671_5, accessed 26 May 2022).

The WHO Council on the Economics of Health for All was established on 13 November 2020 to provide guidance on the economics and health agenda of WHO. It is an independent council convened by Dr Tedros Adhanom Ghebreyesus, WHO Director-General.

The [WHO Council on the Economics of Health for All](#) is comprised of an international group of independent experts. This document does not represent the decisions or the policies of WHO. The designations employed herein do not imply the expression of any opinion whatsoever on the part of its authors concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or of certain manufacturers' products does not imply that they are endorsed or recommended by the authors in preference to others of a similar nature that are not mentioned. All reasonable precautions have been taken by the authors to verify the information contained in this document which is being published without warranty of any kind, either expressed or implied. The responsibility for the interpretation and use of the material lies with the reader.