

## Introduction

A new World Bank-hosted Financial Intermediary Fund (FIF) for pandemic prevention, preparedness, and response<sup>1</sup> (PPR) is expected to be finalized at the G20 Health Ministerial Meeting in June 2022, with the government of Indonesia (the President of the G20) overseeing discussions on governance and operations. The FIF will then be approved by the World Bank's Board of Executive Directors at its June 2022 meeting. At the May 12, 2022 Second Global COVID-19 Summit, the FIF received \$712 million in pledges, building on \$250 million previously committed.<sup>2</sup>

This submission is prepared in response to the World Bank's request for comments regarding its White Paper<sup>3</sup> proposing the design and governance of the FIF and reflects concerns from a transnational coalition of health justice activists who have decades of experience shaping and participating in funds supporting development assistance for health. In addition, Health GAP supports the recommendations submitted by STOPAIDS, Joep Lange Institute, and Equal International et al. regarding the FIF.<sup>4</sup>

## The FIF, as Proposed, Builds on a Broken Foundation

The FIF concept note indicates a willingness to build, uncritically, on flawed approaches and frameworks that have failed previously and exacerbated the COVID-19 pandemic at every turn. Specifically, the FIF, as proposed:

- **Does not address findings from critical, independent evaluations of comparable funds and World Bank-funded pandemic prevention interventions**, such as the Pandemic Emergency Financing Facility (PEFF) which closed in mid-2021. The PEFF attempted through an insurance-based scheme to pay private investors before beneficiary countries and set eligibility criteria that excluded many countries in urgent need of resources. The FIF would use a new model in the same countries whose trust, patience, and confidence have been

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<sup>1</sup> G20 (2022). [Ministers of Finance and Governors of Central Banks of G20 Countries Work Together on Solutions on the Current Global Economic Challenges](https://g20.org/ministers-of-finance-and-governors-of-central-banks-of-g20-countries-work-together-on-solutions-on-the-current-global-economic-challenges/) (April 21, 2022).

<https://g20.org/ministers-of-finance-and-governors-of-central-banks-of-g20-countries-work-together-on-solutions-on-the-current-global-economic-challenges/>

<sup>2</sup> The White House (2022). [2nd Global COVID-19 Summit Commitments](https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/12/2nd-global-covid-19-summit-commitments) (May 12, 2022).

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/12/2nd-global-covid-19-summit-commitments>

<sup>3</sup> World Bank Group (2022). [White Paper: A Proposed Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response](https://www.worldbank.org/en/projects-operations/products-and-services/brief/financial-intermediary-fund-for-pandemic-prevention-preparedness-and-response-engagement) (May 17, 2022).

<https://www.worldbank.org/en/projects-operations/products-and-services/brief/financial-intermediary-fund-for-pandemic-prevention-preparedness-and-response-engagement>

<sup>4</sup> STOPAIDS (2022). [Recommendations for the Financial Intermediary Fund \(FIF\) for Pandemic Prevention, Preparedness and Response \(PPR\)](https://docs.google.com/document/d/1nvCyu4yHm_erfPJ6iSMaIrlthbqrhjkp/edit) (May 30, 2022). [https://docs.google.com/document/d/1nvCyu4yHm\\_erfPJ6iSMaIrlthbqrhjkp/edit](https://docs.google.com/document/d/1nvCyu4yHm_erfPJ6iSMaIrlthbqrhjkp/edit)

betrayed by this recent failure.<sup>5 6</sup> Building trust begins with honest assessment of lessons learned. This must include acknowledging:

- The reality that funds that ostensibly have multilateral governance are often used to advance high-income countries' agendas and priorities, to the exclusion of the urgent needs and approaches of those who the fund is supposed to benefit, for example, the need for funds to establish straightforward and easy mechanisms for regional investment;<sup>7</sup>
  - The urgent need to improve on insufficient monitoring and reporting approaches that count outputs (funds disbursed) rather than concrete outcomes;<sup>8</sup> and
  - The erosion of trust in World Bank-funded funds on the part of low- and middle-income countries, resulting from years of insufficient impact, particularly in investments in health in African countries,<sup>9</sup> and including the recent failure of the PEFF to move resources in a timely manner.
- **Retains narrow definitions of traditional health security capacities** (e.g. surveillance capacities, laboratory systems, and medical countermeasures). This is despite the fact that many major gaps in the COVID-19 response were attributable to a lack of health systems and community systems support, as acknowledged by the G20 Joint Finance-Health Task Force<sup>10</sup> and the ACT-A Health Systems and Response Connector.<sup>11</sup> There is a grave risk that this approach would prioritize health security sought by high-income countries via surveillance and data-sharing by low- and middle-income countries while perpetuating grotesque inequities in access to medical countermeasures (treatments, diagnostics, and vaccines) that result from this data-sharing.
  - **Competes for funding with existing global health initiatives with established track records and demonstrated ability to program for pandemic preparedness and response.** While the White Paper states the need for PPR funding that is additional to ODA, it also bemoans spending on other pandemics "taking priority" from PPR. It is completely unclear how the FIF would prevent antagonism between itself and existing health funding platforms. Comments submitted to the World Bank by Gavi, the Global Fund to Fight AIDS,

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<sup>5</sup> <https://www.worldbank.org/en/topic/pandemics/brief/pandemic-emergency-financing-facility>

<sup>6</sup> Brim, B and Clare Wenham. "[Pandemic Emergency Financing Facility: struggling to deliver on its innovative promise](https://doi.org/10.1136/bmj.l5719)" *BMJ* 2019; 367 doi: <https://doi.org/10.1136/bmj.l5719> (Published 09 October 2019) *BMJ* 2019;367:l5719

<sup>7</sup> World Bank Independent Evaluation Group (2014) [Evaluation in Action: Responding to Ebola](https://ieg.worldbankgroup.org/blog/evaluation-action-responding-ebola). <https://ieg.worldbankgroup.org/blog/evaluation-action-responding-ebola> (August 6, 2014)

<sup>8</sup> Independent Evaluation Group. 2013. [Responding to Global Public Bads : Learning from Evaluation of the World Bank Experience with Avian Influenza 2006-13](https://openknowledge.worldbank.org/handle/10986/24131). World Bank Independent Evaluation Group (January, 2013). <https://openknowledge.worldbank.org/handle/10986/24131> This report on the first global investment program supported by the World Bank for avian influenza describes some experts' assessments that an exclusive focus on "National level projects were a poor way of handling transboundary animal diseases, because they ignored the degree to which diseases spread across political boundaries, to which policies in one country will affect its neighbors, and to which the threat can shift to unexpected areas. (page 8).

<sup>9</sup> RESULTS. [Evaluation Shows World Bank is Failing on Health: Advocates Decry Billions Wasted and 67 Percent Failure Rate in Africa](https://results.org/news/evaluation-shows-world-bank-is-failing-on-health/). <https://results.org/news/evaluation-shows-world-bank-is-failing-on-health/>

<sup>10</sup> <https://home.treasury.gov/news/press-releases/jy0444>

<sup>11</sup> <https://hlh.who.int/act-a-hsrc-connector>

Tuberculosis and Malaria (Global Fund) and CEPI highlight this concern: “Donors should devote only new/additional funding to the FIF that does not come at the expense of other existing global health and PPR needs. The FIF should fundraise resources beyond ODA.”<sup>12</sup>

- **Proposes a governance structure that is outdated, donor-driven, and ill-suited in every way** for a global mechanism designed to mitigate pandemic risks affecting all countries. As proposed, the governance structure perpetuates a colonialist approach that we know fails on every front.

### **Recommendations: Break New Ground and Build on Proven Models**

The current proposal will not achieve its stated goals and runs the risk of siphoning limited resources from more effective interventions. The following recommendations, which draw analysis of past failures and good practices, will make the FIF a more viable and effective instrument.

- 1) **The FIF must completely overhaul its current approach to governance and representation.** The present language in the concept note leaves governance decisions on a range of crucial issues solely to “founding donors.” Every instance where this construction is used should be amended to reflect that the decisions will be made by a governing body reflective of Global Public Investment (GPI) principles.<sup>13</sup> Board representation must include low- and middle-income countries and civil society, and they must have equal voting rights alongside any donors. Civil society representation must include groups representing those most impacted by pandemics: people living with immunocompromising conditions, frontline health workers, pastoralists, the poor, women, and marginalized and criminalized populations. This representation must be full—all mentions of civil society having “observer status” should be removed from the concept note—and supported by requirements for robust country-level consultative processes. Civil society, low- and middle income country governments, and other stakeholders must participate in governance and oversight, policy development, priority setting, planning, and implementation. While World Bank staff described during a May 24, 2022 briefing of civil society hosted by the Pandemic Action Network (PAN) about the FIF that there is a “trade-off” between “inclusivity and efficiency” in governance of the FIF, we believe nothing is further from the truth. A FIF that excludes directly impacted communities from meaningful representation including equal voting rights in determining PPR programming, funding levels, and strategic priorities is by definition inefficient.

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<sup>12</sup> CEPI, Gavi, and the Global Fund. May 2022. *Joint Response from the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi, the Vaccine Alliance (GAVI), and the Global Fund to the White Paper on a Proposed Financial Intermediary Fund (FIF) for Pandemic Preparedness and Response (PPR) Hosted by the World Bank.*

<sup>13</sup>[Working Group for Global Public Investment](https://globalpublicinvestment.org/who-we-are/). 2022. <https://globalpublicinvestment.org/who-we-are/>

2) **The FIF must be explicit, strategic, and preferential in disbursements to proven, existing mechanisms, in particular the Global Fund,**<sup>14</sup> instead of establishing a mechanism that is designed to be competitive with these mechanisms—as indicated:

*“Several of the existing institutions support elements of the PPR agenda; however, the absence of a dedicated institution for PPR means that spending on other immediate needs can take priority over equally urgent PPR investments, particularly in inter-pandemic years. A new multilateral financing mechanism would help to focus and sustain much-needed high-level attention on strengthening PPR during “peace time[.]”<sup>15</sup>*

Using proven, effective, evidence drive mechanisms is efficient, cost-saving, and good practice. Yet the White Paper presumes a waiver system would be needed to use FIF funds via the Global Fund or other entities. During the same May 24 2022 civil society briefing, World Bank staff described that engaging the Global Fund as an intermediary would be a “no brainer,” yet there is no straightforward assertion in the White Paper that the FIF would encourage this through its governance structure. This is disingenuous.

In addition to leveraging complementarity by intentionally funding entities that support health care and health systems, including community systems, the FIF will practice true pandemic preparedness, instead of a securitized approach that, as COVID-19 demonstrates every day, is doomed to fail.

The proposition that there is, in the context of global pandemics of HIV, tuberculosis, and antimicrobial resistance, a possible “peace time” is an indication of the short-sighted and doomed dichotomy between health security and health systems that is enshrined in the International Health Regulations (2005), which focus solely on the former. This text explicitly places the new FIF in direct competition with “other immediate needs” instead of proposing an integrated approach. Gavi, the Global Fund,<sup>16</sup> Unitaid, and CEPI have established capacities and track records to contribute to the health care systems, services, and community- and country-based planning processes needed for true pandemic preparedness. Yet these entities are mentioned only once, in the context of complementary mechanisms, and the white paper suggests that these groups will “require a policy waiver, subject to a risk-based review”<sup>17</sup> to qualify for funding. This is unacceptable.

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<sup>14</sup> Supra note 12. This document requests that “Gavi, CEPI and the Global Fund are included as implementing entities for the FIF from its initial phase and are part of the fundamental design (page 2).” Health GAP advocates for the inclusion of Unitaid and for all implementing entities to be selected on the basis of performance and low- and middle-income countries and civil society leadership.

<sup>15</sup> World Bank Group. 2022. *White Paper: A Proposed Financial Intermediary Fund (FIF) for Pandemic Prevention, Preparedness and Response (PPR) Hosted by the World Bank.* (May 17, 2022)

<sup>16</sup> Health GAP with AVAC, Friends of the Global Fund to Fight Against AIDS, Tuberculosis and Malaria, Partners in Health, RESULTS and Treatment Action Group. (2021) [The Global Fund: A Foundation for Health Equity \(September 13, 2021\)](https://healthgap.org/the-global-fund-a-foundation-for-health-equity/)

<sup>17</sup> See: paragraph 23: “Resources from the FIF will be channeled to programs/projects through a set of accredited implementing entities. The recommended set of implementing entities for the proposed FIF will be determined through a consultative process

From the outset the FIF should identify a set of global health institutions that have played a key role in the response to the COVID-19 pandemic, particularly entities involved in the Access to COVID-19 Tools Accelerator. Funding should not ordinarily be provided to private entities except with inclusion of robust technology sharing and equitable access conditionalities.

- 3) **The FIF Must Include Positive Conditionalities that Promote Equity in Research and Development of and Access to Medical Countermeasures.** Resources from FIF will be used to purchase commodities including diagnostics, therapeutics, and vaccines, and requirements for sharing these commodities as global public goods are critical. The FIF must take steps via leverage, influence, and funding conditionalities to ensure provisions of equitable access and transparency regarding price and procurement at every stage. Specifically, the FIF concept note and framing document must be updated to state the principles and practice of this pro-equity positive conditionality approach. This section should:
- a) require open sharing of data and full transfer of technology as aspects of FIF-funded medical R&D, and support procurement policies that insure intellectual property (IP) or other restrictions on access to data do not constitute a barrier to research, production, or equitable access to generics or biosimilars. Specifically, this policy should support non-enforcement of existing IP, non-exclusive global licenses, a formal waiver of IP during pandemics, and the use of TRIPS flexibilities and other legal mechanisms to ensure access to the fullest.
  - b) Ensure the FIF is actively participating in the “reboot” of R&D aligned to nine core principles recently advanced by leading scientists and public health experts.<sup>18</sup>
  - c) If funding is provided to private entities for research and development activities that funding must come with strings attached, in terms of open science and publication principles, licensing and technology transfer, and commitment to equitable distribution of resulting pandemic countermeasures.

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*with the founding donors and subject to the no objection of the World Bank, as FIF Trustee. As per the World Bank's FIF Management Framework (2019), in FIFs for which the World Bank houses the secretariat (and thereby provides the FIF its legal personality), eligible implementing entities are MDBs (including Regional Development Banks), the IMF and UN agencies. These are entities with whom most donors have separate Board-level relationships, ensuring familiarity with applicable policies and procedures and providing additional means for oversight and accountability. The inclusion of global and regional organizations, beyond MDBs and UN agencies, as FIF implementing entities is possible although it would require a World Bank policy waiver, subject to a risk-based review. It may be noted that the provision of 'direct access' in which sovereign national entities receive funding directly from a FIF is not permitted in World Bank hosted FIFs. In other words, FIFs must channel funds through intermediary entities that must take responsibility, and have the capacity for, project preparation, appraisal, and supervision of projects, using their own policies and procedures."*

<sup>18</sup> Soumya Swaminathan, et al. (2022). "[Reboot Biomedical R&D in the Public Interest](https://doi.org/10.1038/d41586-022-00324-y)," *Nature* 602, 207-210 (February 10, 2022) doi: <https://doi.org/10.1038/d41586-022-00324-y>

- d) The FIF will consultatively develop and transparently share its approaches to navigating funding in countries where there are patents and other IP barriers, including countries outside of MPP licensing territories.
- e) The FIF will consultatively develop and transparently share its approaches to regulatory approvals required for purchase; it must address whether commodities will need to be WHO prequalified or stringent regulatory authority (SRA) approved, and how these requirements, if implemented, will impact technologies produced in countries whose drug regulatory authorities (DRAs) are not considered SRAs, such as the mRNA vaccine technology transfer hub.

**4) Ensure Funding Additionality through Explicit Principles and Metrics for Mobilizing and Allocating Funding:** As noted in point (1), the World Bank presumes a world in which the FIF competes with other health-focused funding mechanisms for finite resources, instead of positing an approach that ensures efficiency (use of existing mechanisms), impact (achievement of health security objectives via low- and middle-income countries and civil-society-led approaches to building trusted, resilient health and surveillance systems), complementarity (through clarity on principles and metrics for allocating funds), and additionality (raising the additional billions needed to save lives and prevent illness through PPR).

The FIF must in its charter require any donor to demonstrate that its commitments are truly additional to other development assistance for health (DAH) investments, rather than displacing or substituting those funds, and must monitor coherence with this requirement. Funding allocations will also need to take into account funding and activity undertaken by other entities contributing to PPR. Even with these caveats, the FIF must clarify its role and reduce competition by clearly stating the anticipated proportionality of funding, for example proportions to be held in reserve for a newly emerging pandemic, and by further stating what the FIF will not fund directly or will fund solely through specific mechanisms such as the Global Fund and others, with the express purpose of protecting and strengthening these entities via additionality.

### **Innovate Now or Fail Later**

These recommendations reflect our experience ensuring global health funds and initiatives are accountable to the directly impacted communities that they must serve. Ensuring accountability in establishing the FIF is required in order to address the massive preventable death from COVID-19, HIV, tuberculosis, malaria, and the excess morbidity from acute and long COVID and many other preventable conditions and illnesses. Replicating the structures that paid for the present catastrophe in a new fund is, quite literally, a death sentence.

If, and only if, this FIF is truly used as a chance to innovate will it succeed. This cannot be incremental or piecemeal. Now is the time to depart from business as usual in the governance, conditionalities, remit, and complementarity of a mechanism that centers the priorities, voices, and leadership of civil society and low- and middle-income country governments. We call on the G20 to represent the needs and concerns of directly impacted communities at greatest risk of preventable sickness, suffering and death within your borders and beyond. To the World Bank: the world is watching. We expect innovation, equity, and true vision to save lives and mitigate pandemics mitigated now, and in the future.