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## Three big questions facing the World Bank's new pandemic fund

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When it comes to preparing for the next pandemic, much hope is resting on the world's first fund exclusively dedicated to pandemic preparedness and response (PPR), which launched in September 2022. Housed at the World Bank, the new Pandemic Fund—formerly called the Financial Intermediary Fund for PPR—seeks to “provide a dedicated stream of additional, long term financing to strengthen PPR capabilities in low and middle income countries and address critical gaps through investments and technical support at the national, regional, and global levels.”<sup>1</sup>

Financial intermediary funds are financing platforms with contributors from the public, private, and philanthropic sectors. They have a good track record of mobilising large amounts of financing for health—for example, the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund) is a financial intermediary fund that has mobilised almost \$66bn for country programmes to tackle these three diseases. So, the launch of a new financial intermediary fund for PPR is highly welcome.<sup>2</sup>

Low and middle income governments and regional bodies (such as Africa Centres for Disease Control and Prevention) will be able to apply to the new Pandemic Fund for grant funding to strengthen their PPR capacities. They will be required to partner in some way with one of 13 pre-accredited implementing agencies,<sup>1</sup> which include the African and Asian Development Banks, the World Health Organization, Unicef, the Global Fund, and Gavi, the Vaccine Alliance—though details of the partnership arrangements are scant.

The fund has not yet put out its first call for proposals, although it is expected to do so in late 2022 or early 2023. In the meantime, we think there are three big questions facing the new fund that will determine how successful it will be.

### Where will the money come from?

The goal of the fund is to generate new funding for PPR that is additional to existing foreign aid budgets. \$1.4 bn has been contributed thus far from a variety of donors,<sup>1</sup> but this falls short of the estimated \$10.5bn needed annually in donor funding for PPR.<sup>3</sup> So, where will the money come from?

Despite record amounts of foreign aid in 2021 owing to donor support for covid-19 control,<sup>4</sup> many donors' aid budgets are actually stagnant<sup>5</sup> or shrinking,<sup>6</sup> leaving little optimism for new aid money to make up the difference needed for the new fund. Even if the aid outlook was more optimistic, the required amount of annual financing for the new fund is nearly half of total aid for health disbursements in 2019,<sup>7</sup> suggesting that the \$10.5bn target is unreachable. Victoria Fan at the Center for Global Development says that we should look beyond development finance

to national security or defence budgets as a potential source.<sup>8</sup>

Gaining support for a pandemic prevention rainy day fund has always been tricky, and even during our ongoing pandemic we have struggled to garner adequate funds to properly respond.<sup>9</sup> The cycles of “panic and neglect” in pandemic funding have proven true time and time again—why will this time be any different?

### Who will call the shots?

Although the World Bank will have a critical role as secretariat and trustee, the fund will be independently governed by a board. The governing board will rely on a technical advisory panel, chaired by the WHO, for guidance and inputs. There are 21 people on the governing board,<sup>10</sup> with equal representation between sovereign donors and potential implementing country governments. Civil society organisations will have two voting seats, whereas foundations will have one.

Critics of the new fund, however, claim that the dominance of donors in its governance means that the fund is “a step back to the donor driven past that even the funds of 20 years ago were trying to escape.”<sup>11</sup> These critics call instead for a “global public investment” paradigm, which would ensure all countries are part of and benefit from the fund.

A recent evaluation of the Access to Covid-19 Tools Accelerator (ACT-A), which includes Covax, found that many beneficiaries were excluded and that no low or middle income country governments were involved in the creation or early governance of the mechanism, despite its intention of being a global instrument for all countries to participate and benefit.<sup>12 13</sup> Although the new fund has taken steps to ensure that this is not the case in terms of its governance structure, how decisions ultimately get made will reveal whether or not civil society and recipient country governments have equal footing with those holding the purse strings.

### What and who will it prioritise?

The fund is designed to focus solely on PPR in low and middle income countries and regions. But which countries and regions will be selected is yet to be determined. Peter Baker at the Center for Global Development recently flagged during a Devex conference that the main priorities of the fund and the criteria used for identifying countries and projects for selection are still up in the air.<sup>14</sup> Baker notes that no key performance indicators have been identified to date and it is unclear how success will be measured. One risk is that only countries with a minimum threshold of capacity will be funded, to increase the chances that the investment is a

success—which would end up penalising countries that arguably need investment the most.

One area of concern for Amanda Glassman at the Center for Global Development is that, although, this fund says it is for both preparedness and response, the current structures are mostly geared towards preparedness. Response is also critical, but the funding realities might necessitate a rethink on what the fund can truly offer. As is well documented, prevention is much more cost effective than response. Even if the \$10.5bn in annual financing for the Pandemic Fund can be mobilised, this amount pales in comparison to the estimated \$13.8tn in global economic losses caused by covid-19 from 2020 to 2024.<sup>15</sup>

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