
Policy Brief

A New Multilateral Financing Mechanism for Global Health Security and Pandemic Preparedness

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Call to Action

At or alongside the 2021 United Nations General Assembly, world leaders should launch a 100-day action plan to establish and resource a new financing mechanism, or Fund, that can mobilize at least US\$10 billion annually over the next five years to bolster global health security and pandemic preparedness. History has shown time and again that if action is not taken during a crisis, then political will dissipates once the crisis fades from view. An expedited timeline for establishing the financing mechanism/Fund will provide a critical new tool for the ongoing COVID-19 response efforts and create continuity between the pandemic response and recovery activities while bridging to escalated and sustained efforts on pandemic preparedness. **Key milestones of an expedited timeline should include:**

- **September 2021:** At/alongside the UN General Assembly, leaders launch an action plan to establish and resource a new multilateral financing mechanism/Fund within 100 days.
- **October - November 2021:** Multisectoral consultations and negotiations advance — including a dedicated civil society engagement strategy — to build an inclusive and accountable governance and catalytic operational Fund model; Financial Intermediary Fund (FIF) vehicle is designed and submitted to the World Bank’s (WB) Executive Board for approval as basis for the new financing mechanism/Fund.
- **December 2021:** First set of pledges made toward the goal of US\$10 billion annually; financing mechanism/Fund launched.
- **2022 - Ongoing:** Continued resource mobilization, learning/adaptation of Fund governance and operational model, strengthening monitoring and evaluation tools such as the International Health Regulations (IHR) Monitoring and Evaluation Framework and Global Health Security Index to guide financing decisions and program evaluation.

For 20 months, the world has been reeling from the devastating human, economic, and social costs of being unprepared for a deadly pandemic. World leaders must seize this opportunity to leave a legacy of a healthier and safer world — starting with a new global financing mechanism that provides robust and sustained investments in pandemic prevention and preparedness through a new global financing mechanism that is fit-for-purpose. **We can begin to pandemic-proof the future if world leaders act now. Humanity can’t afford to wait.**

This policy brief is intended as a primer to inform and guide consultations among governments and non-governmental stakeholders on the parameters and design of the new financing mechanism/Fund and action plan.

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Overview and Context

Health experts around the world have warned for years that countries, regional bodies, and global institutions must invest more in critical capacities to prevent, detect, and respond to infectious disease threats — and the COVID-19 pandemic lays bare how the current global health architecture was not prepared to prevent or respond with the necessary speed and force when the threat emerged. Experts [predict](#) that there is “*every likelihood that the next pandemic will come within a decade, arising from a novel influenza strain, another coronavirus, or one of several other pathogens... [whose] impact on human health and the global economy could be even more profound than that of COVID-19.*” Whether the next pandemic emerges naturally or due to accidental or deliberate release, the world must invest now in rapidly building core capacities for both prevention and preparedness at national, regional, and global levels and develop long-term, sustained financing solutions.

Given this clear and present threat, multiple recent reports from an array of leading global health and finance experts have concluded that the world needs a new multilateral financing mechanism, or Fund, for global health security and pandemic preparedness. These include, *inter alia*: the [G20 High Level Independent Panel on Financing the Global Commons](#) (HLIP), the [Independent Panel for Pandemic Preparedness and Response](#) (IPPPR), the [Global Health Security Index, Center for Strategic and International Studies \(CSIS\)](#) [Commission on America’s Health Security](#), the [Global Preparedness Monitoring Board](#) (GPMB), [Pandemic Action Network](#), and others. In one of his first acts in office in January 2021, U.S. President Biden issued [National Security Memorandum 1](#), which firmly places global health security and pandemic preparedness as a national security priority and instructs his Administration to create such a mechanism. In

addition, bipartisan legislation that has been passed by the [U.S. House of Representatives](#) and advanced in the [U.S. Senate](#) have authorized U.S. participation in a new global Fund for Global Health Security and Pandemic Preparedness. The need for increased investments in global health security and pandemic preparedness through both new and enhanced mechanisms has been discussed at the [United Nations Security Council](#) and at the [UN General Assembly](#) in recent months and was affirmed in recent [G20](#) and [G7](#) communiqués.

In short, there is a broad consensus that urgent action is needed to mobilize significant new resources for global health security and pandemic preparedness through a new multilateral financing mechanism or Fund.

Key Characteristics of New Financing Mechanism/Fund

Strengthening country leadership and accountability for pandemic preparedness must be at the core of the new financing mechanism/Fund. Strong, country-led systems and investment in national and regional health security capacities are the bedrock of better preparedness. The intergovernmental treaty of the IHRs agreed by 196 countries establishes that every government should approve a national action plan for health security, but not all countries have done so and financing has been a major [impediment](#) to their development and/or implementation. Building on the March 2020 proposal for a [Global Health Security Challenge Fund](#), a new Fund should support these plans and a whole-of-government approach across the health, security, environment/climate, food/animal, and finance sectors and ensure that additional resources are placed on-budget as much as possible. It is also important to acknowledge that many preparedness investments represent global public goods where the benefits of the investments redound more to global than to domestic security, and as such these will require medium-term external grant financing in lower-income countries. The new Fund should incentivize domestic prioritization, planning, and budgeting for pandemic preparedness — catalyzing a race to the top for preparedness and “challenging” countries to invest more as their economies grow. Financing should be linked to measurable progress toward IHR benchmarks and widely agreed transparent international measures such as the IHR Monitoring and Evaluation Framework and the [Global Health Security Index](#).

A new multilateral financing mechanism/Fund will address critical gaps in the existing global health architecture and should meet several key imperatives:

- **Work across sectors** to reflect the full reach and impact of pandemic threats
- **Assure fair burden-sharing and generate blended financing solutions** that leverage funding streams beyond overseas development assistance (ODA) and from the private sector
- **Incentivize domestic resource mobilization** and enable increasingly on-budget financing for essential preparedness functions
- **Finance and drive progress in thematic, cross-cutting areas** not currently within current global health organization mandates, including OneHealth; the intersection of climate, environment and health; and reducing emerging biological risks associated with technology advances

The G20 HLIP noted that Coalition for Epidemic Preparedness Innovations (CEPI), the Global Fund to Fight AIDS, Tuberculosis and Malaria, Gavi, and the World Health Organization (WHO), and regional centers for disease control, among others, all have key roles to play to achieve the global goal of enhanced preparedness. However, the Panel determined that an additional, complementary global funding mechanism is required to achieve the needed scale and to plug gaps in the current international system of preparedness funding and play the role of a “fund of funds” and providing predictable, proactive, and pooled funding to existing organizations.

WHO’s comparative advantage in global health security is as a normative, standard-setting agency for health, providing technical cooperation; it is not a financing institution. Modification to the mandates of the Global Fund or Gavi, so that they could house or administer a new Fund, may be a difficult and lengthy process

given their targeted focus and might result in only marginal additional resources or improvements for pandemic preparedness. Significant reforms could also risk derailing the core missions of those institutions ([HIV/AIDS, tuberculosis, and malaria](#) and [child vaccinations](#), respectively) at the very time when they need to redouble their efforts because progress in those priority areas has been significantly impacted by the COVID-19 pandemic. However, the Global Fund, Gavi, WHO, CEPI, and other international and regional organizations should be recipients of a new financing mechanism for preparedness and response and serve as implementing partners or providers of technical assistance to countries where they have a comparative expertise or advantage.

The G20 HLIP thus concluded that the most effective path to achieving the aims of its recommended new **Global Health Threats Fund** would be to create a FIF at the WB, similar to dedicated funds established to address other global challenges such as education (the Global Partnership for Education), the environment (Global Environment Facility) or climate (the Climate Investment Funds, Green Climate Fund). FIFs vary in terms of their governance structures and level of independence from WB operations and procedures. As a new FIF through the WB, the Fund could leverage the WB's Treasury functions and other capacities to enable greater lending and grantmaking for pandemic preparedness. The WB could also mobilize private capital via the International Finance Corporation (IFC) to make co-investments with private companies in targeted preparedness activities like countermeasure manufacturing and can sub-grant to regional and global health entities.

A new financing mechanism/Fund must be purpose-driven and uniquely capacitated to bring together the health, finance, security, and other sectors to accelerate proper and timely resourcing of bolstering [core capacities](#) for effective pandemic prevention,

preparedness, and response. The Fund must not suffer from mission drift over time; it should remain rooted in closing critical gaps with a focus on core capacities in low- and middle-income countries (LMICs) that constitute global public goods, using data from globally recognized sources. **Prioritized capacities for investment should include:**

- **Strong, reliable, and globally coordinated surveillance, data, and laboratory networks** for early detection of emerging pathogens with pandemic potential, including zoonotic spillover;
- **Robust and effective biosafety, biosecurity, and research oversight and governance capacity** at the national and sub-national levels;
- **A well-trained, well-equipped frontline health workforce and infrastructure** capable of timely and effective infection prevention and control in the event of a serious outbreak while ensuring continued delivery of essential health services;
- **Stress-tested national, regional, and global systems** that can stop outbreaks from spreading, including e.g. emergency operations centers, communications networks, simulations, and pre-agreed protocols;
- **Regional and global platforms and plans to drive and coordinate the research, development, manufacturing, [responsible stockpiling](#), and timely delivery of medical countermeasures and supplies**, such as vaccines, diagnostics, therapeutics, personal protective equipment, oxygen, and other lifesaving tools to ensure equitable access, preclude severe shortages, and avoid prolonging a pandemic. This includes expanding warm base manufacturing, resilient supply chains, and procurement.

Funding

The G20 High Level Panel concluded that governments must collectively commit to increasing international financing for pandemic prevention and preparedness by at least US\$75 billion over the next five years, or US\$15 billion each year. Of this amount, the Panel urged that at least US\$10 billion per year should be pooled in a new multilateral Global Health Threats Fund to address the aforementioned areas of need. This amount was based on a review of recent and fulsome global cost assessments available, conducted by WHO (provided for the G20), [McKinsey and Company](#), and [Georgetown University](#) and triangulated with new data and information from other actors. This amount considers the shares of funding that should be expected to be covered by domestic budgets and the private sector. The US\$10 billion target amount has been backed by various global health experts and organizations, including the [CSIS Commission for America's Health Security](#) as well as by an array of non-governmental organizations through the [Pandemic Action Network](#) and Global Health Council.

The new financing mechanism/Fund should sustainably catalyze investments from a broad array of public and private sources of finance, including governments, multilateral organizations, non-governmental organizations, private sector donors, philanthropies, and even from individual donors. These contributions should then be matched against national funding to accelerate progress toward specific, measurable epidemic preparedness benchmarks in each country.

The case for a US\$10 billion annual global investment in pandemic preparedness could hardly be more compelling. At an unfathomable loss of more than four million lives and an estimated US\$20 trillion to the global economy

and counting, and the projections that the pandemic will continue well into the coming year or longer, the human and economic costs of COVID-19 are staggering and will be felt for a generation. The investment is a small fraction of the tens of trillions spent to date on stimulus packages, vaccines, and other response measures since the pandemic began but would have an incredible impact.

There is also a strong case for every government to contribute a percentage to a pooled financing mechanism according to the size of their economy and ability to pay. As with United Nations peacekeeping operations, collective security arrangements, such as NATO or efforts to mitigate climate change, pandemic prevention and preparedness benefits all countries and warrants an “all hands on deck” funding model. To avoid competition for funding with other global health and development priorities and to ensure predictable, long-term funding, policymakers should identify non-traditional, non-ODA funding sources as new revenue streams. Examples may include tapping homeland security or defense budgets, stretching multilateral development bank (MDB) balance sheets to expand for pandemic-specific lending; and/or the collection of a small percent of airline and cruise ship ticket costs or other targeted levies. Similar collection mechanisms were implemented in the United States following the September 11, 2001, attacks, which have generated hundreds of billions of dollars of sustainable funding directed to global security measures.

Principles for Global Action

As the world comes together to consider establishing a new financing mechanism/Fund, **principles for agreement should include:**

Focus on preparedness: First and foremost, a new Fund should focus on elevating, accelerating, and sustaining investments in preparedness at national, regional, and global levels for the looming threat of epidemics and pandemics, to break the cycle of panic and neglect once and for all. However, standing up a new Fund now can serve as a key tool to accelerate the global COVID-19 response and ensure that those interventions are laying the foundation for future pandemic prevention and preparedness.

Additionality: Better preparedness requires substantial new and targeted investments, commensurate with the global threat and national needs, but it must not come at the expense of other existing global health and development priorities. The Fund should both incentivize countries to prioritize and increase their domestic budgets and use of MDB lending to strengthen preparedness, while also ensuring long-term, predictable funding from the international community for this global public good — and this will require mobilizing dedicated new sources of finance beyond ODA.

Multisectorality: COVID-19 makes clear that pandemics are not only a health threat, but they are also a grave economic and security threat, and they cannot be prevented or solved by working through the health sector alone. Similarly, the resources generated by and for a new Fund cannot be siloed to one single institution or sector. Pandemics must be elevated on par with terrorism and climate change as the top global threats of our time and financed and governed accordingly.

Governance and Accountability: The G20 High-Level Panel has proposed broad oversight of priorities for a new Fund by a **Global Health Threats Board** comprised of health and finance ministers (along with an Investment Committee to run the Fund), while the IPPPR proposed a

Global Health Threats Council comprised of Heads of State. These levels of top political leadership and ownership are essential for effective and sustained efforts toward pandemic prevention, preparedness, and response — to continually assess the emerging evidence and ensure the world treats pandemics as an existential security threat. The Fund should have a diverse governance body with high-level representation from governments, multilateral institutions, foundations, civil society, and the private sector. Perspectives on the board from LMICs will be critical to foster country leadership and ownership of national plans with procedures to address potential conflicts of interest for countries or entities receiving funds from the organization. Regular, robust, and transparent community engagement and reporting will be critical to ensure appropriate use of funds, assess progress, and sustain political will to close health security gaps.