Sustainable Financing for Pandemic Preparedness

Visualization of Current Landscape

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Overview

Sustainable financing for preparedness is a critical element for pandemic preparedness and achieving strong, resilient health systems. Although there have been previous efforts to map the flow of funds in global health and global health security more specifically, there is not a general depiction of mechanisms and players specific to preparedness financing.

The SFP Landscape Scan Visualization aims to provide policy makers, donors, and other health security partners and decision-makers a high-level overview of the current mechanisms and financing flows for country-level pandemic preparedness. This demonstrates that very little financing is dedicated toward preparedness.

Note: The SFP AP WG will periodically update this document to reflect new developments and information.

Highlights

This diagram demonstrates that:

1) There are many stakeholders and proximal efforts, but few currently prioritize financing for preparedness. This exists despite stakeholder equities in global health security and its role in strong and resilient health, economic, and national systems.
   • This diagram includes only a subset of stakeholders in pandemic preparedness, and only a subset of those are currently contributing to financing preparedness.

2) There is currently very little financing to address major gaps in preparedness. This exists despite the clear case for investment and large allocations to global health as a whole.
   • Aside from national budgets, only two sets of mechanisms (see yellow boxes) focus on providing financing for country preparedness capacities [1].

[1] See ‘Additional Details’ (p. 4) for what the diagram notably does NOT illustrate, and their justifications.
Recommendations

The GHSA SFP AP WG [2] recommends that global partners:

1) Draw on the diverse range of partners, resources, and the current attention to pandemic preparedness to clearly define the gaps and common targets for both domestic and external financing for preparedness.

2) Take action on a coordinated approach to establish mechanisms, partnerships, commitments, accountability, and other critical elements of a health financing system for preparedness that can address gaps and is sustainable, collaborative, and targeted.

Additional Details

There is clear evidence and global consensus that the projected cost of preparedness is a mere fraction of the economic costs of the current pandemic response [3]. The world was not prepared for the ongoing COVID-19 pandemic. There are significant gaps in financing needed at the country-level needed to close the gaps that various assessments have identified. If previous experience with the tapering of resources, funding, and political will after outbreaks end continues to be common practice, the world will not be prepared for the next pandemic threat [4]. To avoid this, it is essential that the world does not take a ‘business-as-usual’ stance after Covid-19 recedes.

Existing Financing Mechanisms Dedicated to Preparedness

The landscape scan highlights how - only two sets of financing mechanisms prioritize dedicated financing for health security preparedness (as of April 2021). First, the World Bank established the Health Emergency Preparedness & Response Multi-Donor Trust Fund (HEPRF) in April 2020. Currently funded at US $500M, which is far lower than the global need, this helps guide critical health security investments in response to the Covid-19 pandemic, as well as future crises. The fund provides incentives to low-income countries (LICs) to increase investments in health preparedness, such as offering co-financing grants that encourage use of International Development Association (IDA) allocations for improved health emergency prevention, detection, and response. Funds from the World Bank’s Regional Disease Surveillance Systems Enhancement (REDISSE) projects in Africa also support preparedness. The second primary mechanism is bilateral and regional funding to build health security capacities. However, this is limited to high-income countries (HICs) such as the members of the G7 and Australia.


There are various mechanisms that contribute some funds to preparedness or health systems, but are not primarily dedicated to health security preparedness. These mechanisms invest specifically in preparedness efforts at the country level, which flow through national, state, and local health systems.

The Covid-19 pandemic has illustrated that relying on this - a small subset of mechanisms and high-income countries - to finance preparedness and response in lower- to middle-income countries is both inadequate and unsustainable. Preparedness requires flexible, predictable and sustained long-term financing. The Visualization recognizes that many parallel financing efforts and players (NGOs, Global R&D, international coalitions, and others) have been preparedness-sensitive for many years. Yet, many of these efforts have competing interests and are insufficient to close the gap in sustained financing needed for pandemic preparedness.

Notably, this diagram does NOT illustrate:

1) **Mechanisms and players specific to response financing.** While having funding available for emergency response is a part of preparedness, the concept of preparedness is broader and includes ensuring country capacities to prevent, detect, and respond to infectious disease threats. While there are a number of funds for emergency use, this diagram aims to examine the need for financing for building preparedness capacities overall, which experts maintain can help avoid the far higher price tag of response, but is consistently overlooked. Examples of funding mechanisms tailored to pandemic response that are not highlighted here include the COVAX Facility/ACT-A Accelerator, the PAHO Covid-19 Response Fund, and the World Bank Contingency Fund for Emergencies.

2) **Modalities of allocation.** To maintain clarity as a high-level overview, the visualization does not include various possible levels of detail, including categorizations of financing mechanisms such as Results-Based Financing Mechanisms, Catalytic Funding Mechanisms, or Impact Investing/Socially Responsible Investing. However, for an in-depth analysis of modalities of allocation we recommend a [2020 ThinkWell Report](#) that classifies financing approaches across the spectrum of capital.

This visualization and its accompanying documents aims to support the need to create synergy between policymakers and key stakeholders to undertake the coordinated, ambitious actions needed to address the clear need for pandemic preparedness and sustainable financing to achieve it.
Annex.

A few 'Key Definitions' from the SFP AP that help contextualize these efforts:

- **Preparedness.** The set of precautionary measures that enable an effective response to public health emergencies and is a key component of global health security and resilient health systems.
- **Health Financing System.** The set of policies and supporting arrangements that govern the resources and economic incentives of the health system.
- **Global Health Security (GHS).** The existence of strong and resilient public health systems around the world that can prevent, detect, respond to, and recover from any acute transnational threat to public health, regardless of origin or source.
- **Health Systems Strengthening (HSS).** Comprises the strategies, responses, and activities that are designed to sustainably improve country health system performance.
- **Specific and Sensitive Funding.** Specific funding directly supports activities to achieve intended policy or programmatic goals whereas sensitive funding indirectly supports.

I. Limitations.

*One of Many Concepts*

This Visualization represents one of many possible issues and includes only a subset of the information in the full, detailed Landscape Scan document, available [here]. The SFP AP WG recognizes that there are numerous nuances and valuable concepts to illustrate. This first diagram focuses on a global view of current preparedness financing. The AP and other financing partners may develop visuals for additional concepts (e.g., preparedness versus response, country-level preparedness financing flows) in the future.

*Complexity in the Landscape*

To maintain clarity, this visualization focuses on key players and relationships in financing for country preparedness capacities. Examples of complexities in and beyond this diagram include:

a) **Multifaceted Players and Relationships**

- This diagram focuses on the core players and relationships for mechanisms that primarily provide financing for preparedness. There are many more roles and complex relationships (e.g., providing financing and technical assistance (TA)) among the many entities involved in preparedness financing more broadly.

b) **General distinction between Direct vs. Indirect/Limited Preparedness Funding**

- The diagram distinguishes funding between two general categories:
  - **‘Direct Preparedness Funding’**: Financing mechanisms and flows that are direct investments in country preparedness efforts, either to national governments or key institutions such as national networks and regional/international NGOs.
  - **‘Indirect/Limited Preparedness Funding’**: Funds that may indirectly contribute to preparedness efforts, but are either not primarily preparedness-focused, or do not directly fund country preparedness. (This map includes a few illustrative examples of funds for global R&D through private sector engagement and coalitions like CEPI.)
I. Limitations (cont.)

**Difficulty in Quantifying Magnitudes of Preparedness Funding Totals**

While we recognize it would be useful to quantify magnitudes of current preparedness funding totals across entities such as Regional Development Bank (RDB) lending, the Health Emergency Preparedness & Response Multi-Donor Trust Fund (HEPRF), and the IDA Regional Window, among others, this is difficult to do given that there are large amounts of overlap between funding flows. Sources of preparedness funding are often multi-sectoral and not solely preparedness-focused, making it difficult to parse out the true magnitude of available funding for preparedness. However, we do include in our visual analysis several rough dollar amounts specific to certain funding mechanisms to make the case that these amounts are relatively small compared to 1) the total amount of funds made available for response measures deployed during Covid-19 (> **US $11 trillion**), and 2) future losses in earnings due to the Covid-19 pandemic (**US $4.5 billion**).

II. GHS Link to HSS

Resilient health systems are shared objectives between HSS and GHS, and efforts to advance respective goals are mutually reinforcing. Furthermore, a key tenant of sustainable financing is maintaining strong health systems and health security capacities, so that health systems can mobilize and use resources efficiently, effectively, and transparently to meet population health needs during peace times and in an emergency. As these concepts are intertwined and complementary, sustainable financing must include investments in elements of HSS such as surveillance, laboratory systems, and health workforce in order to be successful. Conversely, HSS must include building sustainable health financing systems and strengthening public financial systems in order to 1) sustainably finance health security, 2) implement the IHRs, and 3) encourage domestic resource mobilization to implement national action plans for health security.

III. Other Efforts to Look Out for (as of April 30, 2021)

- **G20 High-level Panel.** On January 26, 2021, G20 Members announced the formation of a ‘High-Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response’. The National Academy of Medicine (NAM) along with the Wellcome Trust, will serve as Administrative Secretariat for the Panel. The Panel is tasked with identifying gaps in the global financing system for pandemic prevention, surveillance, preparedness and response; and proposing actionable solutions to meet these gaps on a systematic and sustainable basis. The Panel’s work is expected to align with the WHO’s Independent Panel for Preparedness (IPPR) and other global preparedness initiatives, which makes the outcomes of this panel of special interest to the SFP AP WG.

IV. Other Visualizations Available

Other institutions have developed visualizations of various concepts. A few examples are:

- **IHME ‘Flows of Global Health Financing’ VizHub** ([https://vizhub.healthdata.org/fgh/](https://vizhub.healthdata.org/fgh/)) shows flows of global health financing across channels and health focus areas
- **Georgetown IDEA Global Health Security Tracking:** ([https://tracking.ghscosting.org](https://tracking.ghscosting.org)) shows committed funds and in-kind support from 2014-2020, broken down by GHSA funding, event response funding, and IHR capacity-building