



The Pandemic Fund

An Important Tool to Protect Economic Inclusion and Human Capital Advances

By Jean-Francois Tardif

The Need for Pandemic Preparedness and Response

The COVID-19 pandemic has spelled disaster for Low and Middle Income Countries (LMICs), not so much for its direct morbidity and mortality impact, but for its numerous indirect impacts on human capital¹ and economic inclusion.

For instance, the pandemic has hurt health systems. In the summer of 2022, the World Health Organization released its vaccine coverage statistics, which showed that in 2021, six million more children had received no vaccinations at all, compared to 2019.² Access to reproductive and maternal health services was reduced by 50% in South Asia and maternal deaths are estimated to have increased by 16%.³

It has hurt a generation of school children too: as of the end of 2021, 200 days of schooling/child had been lost due to the pandemic. Tens of millions of children are at risk of never returning to school. In a 2022 report, the IMF estimates that within countries, the impact was more severe among students from more vulnerable households.⁴

¹ human capital is measured as the health, nutrition and education outcomes of a given population

² <https://www.who.int/news/item/15-07-2022-covid-19-pandemic-fuels-largest-continued-backslide-in-vaccinations-in-three-decades>

³ <https://www.unicef.org/rosa/media/13066/file/Main%20Report.pdf>

⁴ <file:///C:/Users/Princess%20Ga/Downloads/g20-minimizing-scarring-from-the-pandemic.pdf>

Moreover, the pandemic has had a negative effect on

- Operations of self-employed workers: the most recent survey of informal workers shows that by mid-2021, the typical (informal) worker was still only earning 64% of her/his pre-COVID-19 earnings.⁵
- The fiscal ability of low and middle income countries to help their poorest citizens because of their indebtedness in a context of high interest rates: ⁶ the proportion of low-income developing countries at high risk or already in debt distress has doubled since 2015 and the overall trends are very preoccupying: “Over the medium term, low-income developing countries will face increasing debt vulnerabilities amid rising borrowing costs... the average debt is projected ...to remain above the pre-pandemic level in almost two-thirds of countries. The median debt service to tax ratio is expected to remain above the prepandemic level and exceed 40 percent in several highly indebted countries (Ghana, Myanmar, Nigeria).⁷

Thus, nipping the next pandemic in the bud is imperative, not only from the perspective of reducing direct mortality and morbidity but to limit all the indirect impacts as well.

The concept of a pandemic preparedness and response fund comes from the G20 and is based on the idea of making sure countries are better prepared to react when the next pandemic strikes. The mission of developing the concept and implementing it was devolved to the World Bank, because of its expertise in managing various funds. The Pandemic Fund was launched in September of 2022. It is a Financial Intermediary Fund, i.e. a fund that finances country projects that are supported by intermediary entities known for the rigour of their management. The World Bank in a statement said the FIF is aimed to help low and middle-income countries strengthen pandemic preparedness, prevention and response and fill existing capacity gaps in core domains of the International Health Regulations (2005) at country level, as well as regional and global levels.

It is important to note that the WB plays here mainly the role of an influencer, as opposed to a decision-maker or a direct partner of LMICs. Indeed, the Pandemic Fund is hosted, administered and offered secretariat services by the WB, but it is a separate entity from the World Bank, and the funding it provides to LMICs is not its own, but funding provided separately by donor countries. As we will see later, the World Bank can even receive funding from the Fund.

Creating a Pandemic Fund can indeed serve as an important step towards greater global health security for all but only if it builds on important lessons learned from previous pandemics and from the work of existing international and regional entities, mainly that international solidarity, fair, equal representation, and shared responsibility are essential to success. The Pandemic Fund, in its current version, poses serious concerns on the strategic value-add of this fund, on issues around transparency and inclusivity, especially in decision making, and ultimately its effectiveness.

⁵ <https://www.wiego.org/publications/covid-19-and-informal-work-11-cities-recovery-pathways-amidst-continued-crisis>

⁶ <https://www.imf.org/external/pubs/ft/dsa/dsalist.pdf>

⁷ [ch1 Fiscal Monitor April 2022- Fiscal Policy from Pandemic to War.pdf](#)

Specifically, the following questions must be addressed if the Pandemic Fund is to be impactful:

- **What should be the types of interventions prioritized?**

There is consensus on the fact that there are three types of interventions that are required to prevent and prepare for pandemics: country-level interventions (closer to the front-lines and to patients), regional interventions (which deal with the necessary issues of cross-border coordination and when appropriate, of pooling of resources) and interventions by international bodies (which can provide global technical guidance and resources). Experience with the COVID-19 pandemic and the Ebola crisis in Liberia, Sierra Leone and Guinea shows that the weakest of the three tends to be country-level interventions, which therefore need to receive the lion's share of the resources.

Inside country-level interventions, there are two sub-categories of interventions: improving human resources or improving equipment, such as laboratory diagnostics. Again, both are required, but the teachings of the past are clear: without improved human resources, new equipment are never very useful. For example, there needs a health worker in the village to know that there is a situation that requires samples to be collected and analysed, for a diagnostic machine to be fully effective.

And unlike equipment, which can quickly be deployed with proper training support, a locally-based cadre of front-line workers takes time to develop. The Pandemic Fund must therefore set a minimum base amount of financing to sustain community-based health system capacities during emergencies (e.g. health workers and essential health services).

- **Who participates in decision-making?**

It is important to make sure that countries of the Global South are in the driver's seat, because only they know how programs can be implemented. And civil society has to be involved at all stages of decision-making, planning, and implementation.

Right now, there are two representatives of civil society, but that number should be increased by 1, so it can not only represent NGOs of the Global North and the Global South, but also represent workers on the implementing line.

More importantly, a general approach should be developed that ensures civil society involvement throughout. Because of the way the funds flow, it is more difficult (but also more important) to keep civil society involved. Indeed, as mentioned earlier, the funds are disbursed via implementing entities. This means that unlike what the World Bank usually does, the countries themselves do not apply for funding, but they apply through a sponsoring implementing agency, that is ensuring that the payment procedures, the project planning etc... follow best practices. It is important to note that both the organization chairing the Pandemic Fund (the World Health Organization) and the organization heading its secretariat (the World Bank), can be implementing entities, and receive Pandemic funding, subject to a number of conflict-of-interest procedures. Civil society presence is indispensable to ensure that potential conflicts of interest do not materialize.

In addition, the projects are reviewed, to ensure their technical soundness, by a Technical Advisory Panel. It is crucial that a civil society perspective be brought to bear on these assessments, otherwise, a

seemingly technically sound project could for instance be difficult to implement at the village-level, which would undermine the overall effectiveness of the endeavour.

Finally, the country-level activities funded by the Pandemic Fund must involve civil society both at the planning and implementation stages, to make sure not only bureaucrats' views are factored in.

In similar fashion, the decision-making process should also give sufficient time to the countries of the Global South to review proposals (they represent more countries per constituency than donor countries do, with less access to expertise).

In every aspect, transparency is key, and Technical Assessment Panel reviews must be made public, to ensure everyone can learn from both accepted and rejected projects.

- **How to ensure there is equity?**

Equity is a crucial concept for pandemic prevention and response. It is of course important for ethical reasons: poorer and more vulnerable countries or segments of society should not be more exposed than others to infectious diseases.

But infectious diseases have a way of making everyone pay for inequality, because even the less vulnerable communities are ultimately threatened by disease transmission.

The Board's composition, which leaves an amount of seats for LMICs which is equal to the number of donor seats, can be a first step toward supporting inter-country equity. The presence of low income countries on the Board can in particular avoid project unfair pre-requisites, like those that would exclude countries with rudimentary health infrastructure, for instance. Similarly, the presence of civil society at every step of the process minimizes the risk of excluding, inadvertently or not, a given region or ethnic group(s).

Other types of potential discrimination require an analysis of policies and proposals with a specific type of lens. One clear example is the important use of the gender lens. Women have typically been more directly involved in the management of, and response to pandemics: they constitute the majority of the health care work force and they also are the primary care givers at the household level. It is therefore important to analyse the various proposed policies and projects to make sure they address this imbalance.

Moreover, in many settings women are the most involved in agriculture, and are therefore more likely to work on land that has been deforested, i.e. more at risk of being in contact with displaced wildlife potentially carrying zoonotic diseases.

Other forms of inequality may be imbedded in the internal processes of the Pandemic Fund. By including the filter of a Technical Advisory Panel, the Pandemic Fund will identify the technically sounder projects. This probably results, however, in a built-in bias against poorer countries who have less access to experts to produce more refined proposals. Systematic vigilance, here again, is required.

- **How to identify the proper funding mechanisms?**

One of the ways to ensure funding for low-income countries remains available once middle-income countries have submitted their proposals is to set rules around funding. The simplest way would be to provide quotas by country categories. Another, possibly better way, is to introduce the notion of co-financing.

This can take many forms: defining a ratio of domestic resources and/or using scarce Pandemic Fund resources to reduce interest payable on loans to credit-worthy countries, rather than providing grants to these countries. This is how World Bank operates in its daily operations after all.

More importantly, the Pandemic Fund was built on the assumption that it would receive resource beyond official development assistance so that resources mobilized for the Fund should not substitute existing aid flows. Indeed, given the budget constraints donor countries face, the Fund is in direct competition with critical resource mobilization efforts in global health.

Furthermore, the current donor-recipient model is outdated and perpetuates colonialist paradigms that prioritize donor interest over country needs, which is particularly inappropriate in the case of pandemics, which hit North and South indiscriminately.

Conclusion

The world has certainly realized after COVID-19 that pandemic prevention and preparedness protects everyone. The new Pandemic Fund must ensure the most vulnerable and marginalized communities are prioritized and included in an equitable pandemic response approach. It is time to consider it a Global Public Investment⁸, i.e. an investment coming from countries at all income levels, overseen by countries at all income levels and for the benefit of countries at all income level.

We all depend on it.

⁸ See www.globalpublicinvestment.org