

# Global Health Security Financing & Governance: *Joint Nordic non-paper* *Denmark, Finland, Iceland, Norway, Sweden*



**Why:** It is in every country's interest that infectious outbreaks are prevented, halted or stopped as early as possible. Collective capacity for preventing and responding to a potential pandemic outbreak is a global public good. It is a multisectoral Whole-of-Government issue that requires political leadership and sustainable planning and investments. Strengthening and maintaining these capabilities requires active participation from all actors, including governments, the multilateral system, the private sector, research community and civil society. Increased collective international financing is needed. There is a need for substantial additional resources for pandemic preparedness and response at different levels, including financing of national capacities, regional collaborative mechanisms, and global institutions and mechanisms (such as the WHO, other One Health agencies as well as other global health organizations providing global public goods).

**What:** To ensure global health security there is a need for pooling international resources in a predictable and sustainable manner to provide stable and sufficient additional financing and incentivize increased domestic financing on pandemic preparedness and response. The COVID-19 pandemic has highlighted that there is a need for substantial additional internationally pooled financial resources (5-15 billion USD annually<sup>1</sup>). Existing institutions – at global, regional and national level - were not prepared or responsive, nor were they coordinated or adequately financed. This calls for a reexamination of the current system, and necessary changes for improved financing and governance. There is a need for establishing new and dedicated national budget lines, and strive for an evidence and needs-based use of domestic finance for preparedness and response. In parallel, collective global investments in international health security preparedness and response are required. A new mechanism with agreed contributions would be able to ensure a more predictable level of financing as well as facilitating coordination and closing gaps at the implementation level.. Key global health security functions include, but is not limited to, public health functions and medical countermeasures, resilient national and regional systems, a globally coordinated surveillance network and a well-functioning World Health Organization.

**How:** Investments in global health security should draw on resources primarily from the public sector, but also from philanthropies, private sector, as well as involvement of civil society. A new financing mechanism should be considered as a channeling mechanism to existing multilateral

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<sup>1</sup> Recommended by the [Independent Panel for Pandemic Preparedness and Response \(IPPPR\)](#) and [the G20 High-Level Panel on Financing the Global Commons for Pandemic Preparedness and Response \(HLIP\)](#).

institutions based on their specific and required functions, not as a new implementing institution. All countries across the world would be encouraged to contribute to such a new collective financing facility to provide stable and sufficient financing. Contributions should be based on an ability to pay principle, and draw upon ODA and non-ODA as well as non-governmental funding sources.

Based on a mapping of the gaps in the existing financing of the global health system, a new financing mechanism should complement existing multilateral institutions and be a financing modality rather than a implementor. It should work in collaboration with existing regional and global financial institutions, implementing agencies and other actors. With no implementing capacity, it should be working in collaboration with implementing institutions and others. It should be aligned with efforts to strengthening and financing of the WHO, including its regulatory, normative and standard-setting roles and as a leader in responding to global health threats, where increased financial independence is of outmost importance. Taking into consideration the ability to pay, co-financing/cost-sharing requirements could be developed in order to incentivize national investments in preparedness and response, based on National Action Plans for Health Security, catalysing the implementation of the International Health Regulations requirements and contributing to progress towards universal health coverage.

To ensure accountability and oversight, options for an inclusive governance body, with links to the United Nations (UN) and/or WHO, should be considered with the aim to ensure strategic direction and oversight for the use of the financial resources.

This Nordic non-paper aims to provide joint perspectives relevant to ongoing multilateral and bilateral discussions, including UN, WHO, G20, regional and intergovernmental processes. The non-paper does not discuss the two ongoing processes in the WHO to i) strengthen the financing of the WHO, and ii) strengthening WHO preparedness and response to health emergencies.

## **Next steps - Options and considerations for further exploration:**

### **The potential establishment of a new global financing mechanism for preventing and preparedness for health threats**

- Building on the existing analysis by the various Panels, indicate a need of 5-15 billion USD annually<sup>2</sup>, continued analysis is needed on the specific financing needs for preventing and preparedness for health threats. Such analysis should also map the financing gaps in the current global health system; both in terms of level of resources and functions of existing actors.
- Contributions should ideally be based on an agreed-upon formula-based model from a broad and large open-ended coalition of countries and other stakeholders, in addition to voluntary contributions at pledging/replenishment events. The details will require additional work.
- A new financing mechanism should be linked to, hosted by or part of, (an) existing multilateral institution(s). The governance and organizational set up and host of a financing mechanism requires further discussions. A relevant option is a Financial Intermediary Fund with the World Bank as trustee, and potentially other roles (part of secretariat or as one of the implementing partners). It should be governed by a purpose-built governing board, appointed by the coalition of countries that contribute, and ensure participation from low- and middle-income countries as well as civil society.
- The collaboration should be transparent and inclusive. Every country should be able to join such a mechanism. Further consultations will be needed to anchor the ideas and to receive feedback.
- Resources pooled in a financing facility could be allocated to existing global health institutions and regional mechanisms. Whether supporting implementation of National Action Plans for Health Security, the International Health Regulations requirements and other cross-sectoral domestic plans should be allocated through these global or regional mechanisms or directly to countries need further analyses. Countries could be incentivized to broaden their scope of work if needed, to provide the desired functions on global health security.
- The financing facility should not play a role as an implementing institution. How this could work in practice, with links to the use of the pooled resources, needs further specifications.
- Integration of macro critical health aspects into International Monetary Fund (IMF) surveillance, such as the article IV consultations, should be considered. Further analysis is needed and it must be a prerequisite that the IMF is provided with the relevant assessments

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<sup>2</sup> [Independent Panel for Pandemic Preparedness and Response \(IPPPR\)](#) and [the G20 High-Level Panel on Financing the Global Commons for Pandemic Preparedness and Response \(HLIP\)](#)

of countries' pandemic preparedness status from other multilateral sources like the WHO, and that the IMF mandate is heeded.

### **Improved accountability, oversight and governance**

- A financing mechanism should be complemented by the necessary governance structures, linked to the UN system. Further work is needed in order to understand the distinction between the need for governance to oversee the management of a potential new financial mechanism and the need for high-level political momentum and collaboration as well how the engagement of political leadership at the highest level will strengthen and not weaken the role and mandate of WHO. It is crucial that such a multilateral body is legitimate and have an inclusive approach open to all countries.
- There is a need for developing a commonly agreed methodology and a set of indicators to track health security financing, and considering adding these indicators in national health accounts.

### **Strengthening the international system for pandemic preparedness and response, including WHO**

- The discussions on establishment of a potential financing facility and improved governance should complement and support efforts to strengthen the WHO and its sustainable finance, including its emergency response and WHO's work to strengthening health systems.
- Efforts to ensure pandemic preparedness and response must build on the strengths of existing institutions without adding undue complexity or fragmentation. Efforts should build on lessons learned from COVID-19, including new collaborations such as ACT-A and COVAX.