Is it feasible to mobilise US\$ 31 billion a year for pandemic preparedness and response?

Context

The COVID-19 pandemic exposed gaps in global health security and reinforced the health and economic case for investing in pandemic preparedness and response (PPR) (see Figure 1). The World Health Organization (WHO) and World Bank (WB) have set a target of

mobilizing US\$ 31.1 billion annually for PPR, of which US\$ 26.4 billion needs to be invested at the country level and US\$ 4.7 billion at the international level. However, there has been little research on whether this target is achievable. We set out to assess the feasibility.

Low- and middle-income countries need to invest

US\$ 26.4 BILLION/YEAR

Gap in low and middle-income funding to be covered by donors

US\$ 7 BILLION

Total donor requirement

Donors at the international level need to invest

US\$ 4.7 BILLION/YEAR

Assumption: donors already invest 25% of international donor requirement

Gap in donor funding at international level

US\$ 3.5 BILLION

Total donor requirement

US\$ 10.5 BILLION/YEAR

Figure 1: Estimated funds needed for pandemic preparedness and response

Key findings

Annual PPR finance targets for low- and middle-income countries and donors will not be met by economic growth alone. Modelling various scenarios, we found:

- Low-income countries (LICs) and lower-middle income countries (LMICs) would have to devote a significant share (9%-37%) of their total health spending towards PPR. This is unrealistic, given competing health priorities.
- **Donors would need to support LICs and LMICs to meet their PPR targets**, while upper-middle income countries (UMICs) are likely to be able to finance their own PPR target.
- Total donor funding requirement is closer to US\$ 15.5 billion, rather than US\$ 10.5 billion; WHO and WB assume that donors are already providing 100% and 60% of the LIC and LMIC PPR costs respectively, which we believe does not hold outside of pandemic times.
- Donors would need to allocate 7-8% of their total official development assistance (ODA) across all sectors to PPR between 2022 and 2027 to meet the US\$ 15.5 billion annual PPR requirement.

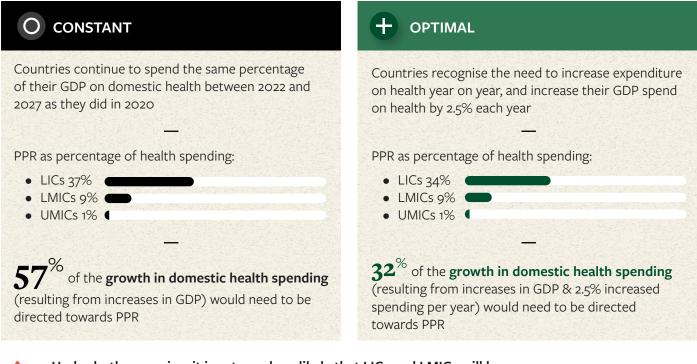
Assessing the feasibility of the annual target

We conducted two analyses based on projected economic growth for 2022 to 2027.

▶ National level analysis to meet the US\$ 26.4 billion annual country level PPR target

We modelled two scenarios based on how much of low- and middle-income countries' GDP is spent on domestic health (see Figure 2):

Figure 2: Scenarios based on assumptions about countries' percentage of GDP spent on domestic health



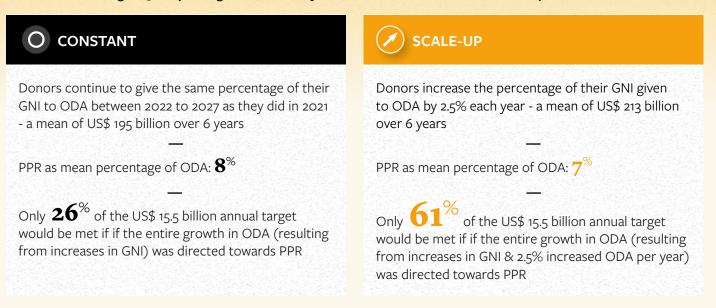


Under both scenarios, it is extremely unlikely that LICs and LMICs will be able to direct this portion of their domestic health spending to PPR.

▶ International level analysis for donors to meet the US\$ 15.5 billion annual PPR target

We modelled two scenarios based on the 'ODA/GNI ratio', meaning the percentage of donors' gross national income (GNI) given to ODA (see Figure 3):

Figure 3: Projected growth in ODA by donors under the constant and scale-up scenarios





Recommendations for actors involved in preparing for future pandemics



Rethink current PPR estimates:

- Re-examine current estimates and develop a consistent, singular approach to calculate PPR financing requirements and gaps.
- Reduce the cost of PPR itself through measures such as reducing constraints on intellectual property to allow equitable global access to safe and affordable medical countermeasures.

Maximize the PPR funds available and encourage good practice:

- Identify the highest-impact measures for health security that can be used to prioritise PPR funding.
- Develop data and metrics (e.g., a scorecard) to track the performance of donors, the Pandemic Fund and its partners as well as low- and middle-income countries on PPR funding targets.

Explore new approaches to PPR financing:

- Redirect resources from other development or non-development sectors (e.g., defence budgets) to increase the resources available.
- Explore a global tax on financial transactions, carbon, or airline flights for global health and PPR to provide sufficient funding, relieve burdens from individual households and align with universal health coverage goals.
- Cancel debt. If the G20 and financial institutions had cancelled all external debts due in 2020 and 2021 by the 76 lowest-income countries, this would have liberated US\$ 300 billion.1
- Tackle illicit financial flows (IFFs), which drain public resources. Countries with IFFs spend on average 25% less on health.2

Geneva Global Health Hub (G2H2) (2022) Financial justice for pandemic prevention, preparedness & response, g2h2.org/posts/financialjustice ${}^2 \text{UNCTAD (2022) Statistics on illicit financial flows in Africa, YouTube Playlist:} \underline{\text{youtube.com/playlist?list=PLji49uujoC9rySbe6hNQ2ZXPomyFWctTS}}$



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Publications forthcoming. Research drafts available upon request from Professor Garrett Brown g.w.brown@leeds.ac.uk.

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