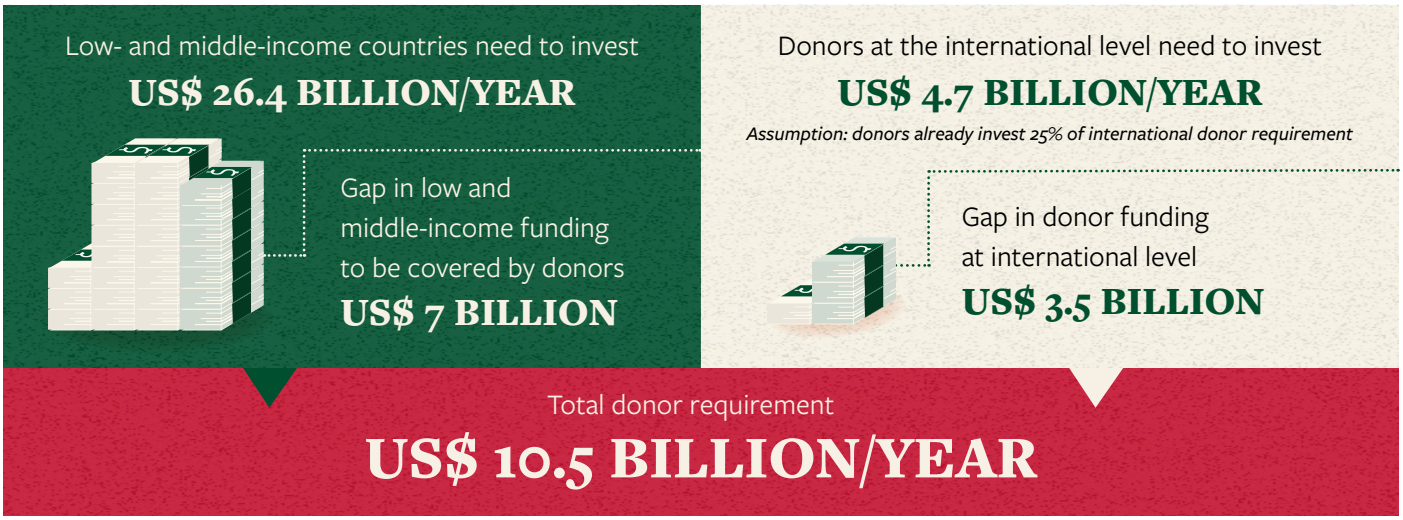
POLICY BRIEF

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.

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:

1 **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.

2 **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.

3 **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.

4 **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

CONSTANT

Countries continue to spend the same percentage of their GDP on domestic health between 2022 and 2027 as they did in 2020

PPR as percentage of health spending:

- LICs 37%
- LMICs 9%
- UMICs 1%

57% of the **growth in domestic health spending** (resulting from increases in GDP) would need to be directed towards PPR

OPTIMAL

Countries recognise the need to increase expenditure on health year on year, and increase their GDP spend on health by 2.5% each year

PPR as percentage of health spending:

- LICs 34%
- LMICs 9%
- UMICs 1%

32% of the **growth in domestic health spending** (resulting from increases in GDP & 2.5% increased spending per year) would need to be directed towards PPR

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

CONSTANT

Donors continue to give the same percentage of their GNI to ODA between 2022 to 2027 as they did in 2021 - a mean of US$ 195 billion over 6 years

PPR as mean percentage of ODA: **8%**

Only **26%** of the US$ 15.5 billion annual target would be met if if the entire growth in ODA (resulting from increases in GNI) was directed towards PPR

SCALE-UP

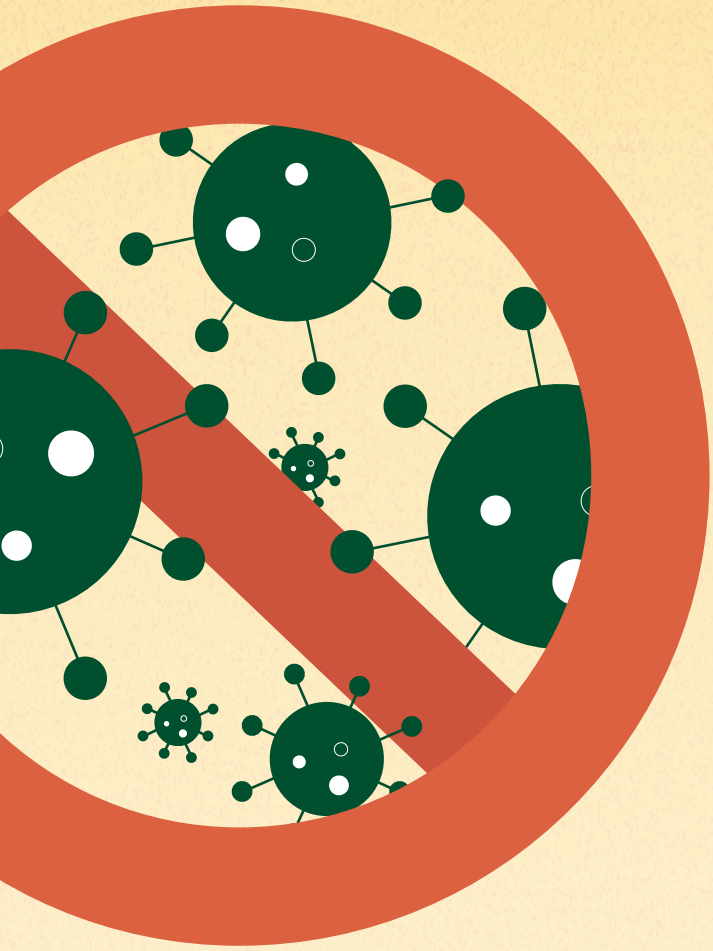
Donors increase the percentage of their GNI given to ODA by 2.5% each year - a mean of US$ 213 billion over 6 years

PPR as mean percentage of ODA: **7%**

Only **61%** of the US$ 15.5 billion annual target would be met if if the entire growth in ODA (resulting from increases in GNI & 2.5% increased ODA per year) was directed towards PPR

The target would not be met in any scenario.

Recommendations for actors involved in preparing for future pandemics



1 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.

2 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.

3 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]

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

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

Study funded by the UK Economic and Social Research Council COVID-19 Time Critical Scheme 'Reviewing Supranational Costs of Health Security Preparedness for WHO and G20 Evidence-base' REF: ES/X001482/1.

Policy brief edited and designed by Research Retold www.researchretold.com (Apr 2023)

UNIVERSITY OF LEEDS

THE CENTER FOR POLICY IMPACT IN GLOBAL HEALTH

OPEN CONSULTANTS