

# Remarks by World Bank Group President David Malpass to G20 Finance Ministers and Central Bank Governors in the High-Level Seminar on Strengthening Global Health Architecture

February 17, 2022

## Session on Mobilizing Financing for Global Public Goods

Good day to colleagues around the world. I'm very pleased to discuss this vital topic. The World Bank Group works extensively on health systems around the developing world to bolster preparedness and provide a variety of surge financing.

We have been actively engaged in the G20 Finance and Health Task Force. We prepared the joint paper on *Financing Needs* with WHO and look forward to your views. The paper identifies significant financing gaps to strengthen preparedness.

The world needs to be much better prepared to respond to pandemics, catastrophes, and health emergencies. Investing in prevention and preparedness *now* will save lives and, over the medium term, will save resources.

Since the COVID-19 pandemic is not yet behind us, let me first say a few words about our efforts to support countries through this pandemic. I'll then turn to the topic of preparedness and financing for future health crises.

The World Bank Group's \$157 billion response to COVID-19 was unprecedented. It was the fastest and largest growth in our history. This helped countries evaluate their health capacity gaps, finance their health systems, secure vaccines, and turn those vaccines into actual vaccinations in the poorest countries.

As of last week, our financing has helped 67 countries purchase over half a billion doses. Doses closely connected. The doses are closely connected to our financing of country deployment programs and monitoring – through workforce training, public awareness campaigns, logistics, cold chain capacity, syringes, and testing kits.

Preparedness and building for the future are core to the World Bank's mission through comprehensive health projects. We are working to strengthen health systems in over 100 countries with an active portfolio totaling \$30 billion.

The IFC has been actively helping to expand emerging market vaccine production, especially in Africa, and make available critically needed equipment and supplies through its \$4 billion Global Health Platform.

We have been working closely with in-country partners throughout the pandemic, and with international and regional partners, such as UNICEF, WHO, Gavi, COVAX, the African Union and AVAT, and PAHO.

In Africa, we have been working with countries and regional groups and agencies to strengthen disease surveillance, early warning systems, laboratory testing capacity, and human resources. A good example is the Regional Disease Surveillance Systems Enhancement project, which supports 16 countries in West and Central Africa, with financing from both IDA and IBRD. We are also supporting the Africa CDC, which was created in the aftermath of the Ebola Crisis.

To improve coordination, we formed the Multilateral Leaders Task Force, along with the IMF, WHO, and WTO. The MLTF is taking a data-driven, evidence-based approach to help identify and solve critical bottlenecks.

I want to turn now to capital structures. It's vital that structures aimed at preparedness have flexibility to provide surges during crises and the sustainable support needed for longer term health preparedness.

The huge surge in World Bank financing was enabled by several key aspects of the World Bank's financial structure, including the recent IBRD and IFC capital increases, the IBRD's crisis buffer – which was explicitly designed to respond to crises – and IDA's ability to frontload its support and accelerate its access to global capital markets. With strong support from members, we moved quickly to bring forward IDA19 resources and accelerate the IDA20 replenishment. Already in 2022, IDA issued a 20-year euro-denominated Sustainable Development Bond that raised 2 billion euro and was heavily oversubscribed. IBRD has also been actively working with borrowers to help them lock in fixed rates.

Pandemic preparedness requires long term, sustained, predictable financing. With your generous contributions, the IDA20 replenishment package includes ambitious commitments to support countries to strengthen pandemic preparedness and response. We are also in active discussions with several IBRD countries on how best to support their national plans to strengthen these aspects.

We need to continue to innovate the financing vehicles available for pandemic preparedness.

The World Bank offers *Catastrophe-Deferred Drawdown Options – Cat-DDOs* – for pandemic related events – as we do for natural disasters. These contingent lines of credit provide immediate liquidity to countries in the event of a pandemic outbreak or high-impact disaster. It is based on governments adopting the policy and institutional measures to improve their pandemic preparedness up front. A recent example of that is a \$300 million credit line for Colombia that was approved in December 2021.

We are working rapidly on a new Financial Intermediary Fund – or FIF – to increase financing for pandemic preparedness and response. A key part of the FIF's effectiveness will be the financial contributions from G20 countries and other donors. The new FIF will bring *additional* resources, *complement* ongoing efforts, and enhance *coordination* on this critical agenda. I would like to particularly commend Secretary Yellen and the U.S. for their support and leadership on this initiative.

Key principles should underpin this facility. First, flexibility to work through strong implementing institutions, drawing on their comparative advantages. Second,

mobilization of long-term resources, on a sustained and predictable basis. Third, avoid duplication and ensure complementarity with existing financing efforts and institutions. Fourth, a focus on strengthening coordination among partners. And fifth, simplicity in governance and design, with agile and streamlined operating processes.

As we work together to end this pandemic, we must draw on the lessons we have learned to help prepare the world for the next global health emergency. Developing countries deserve more and better financial support from the international community that is aligned with their needs. Strong political leadership, commitment, and domestic investments are equally critical. And, across all of these important issues, COVID-19 has highlighted the importance of coordinated action in fighting global threats like pandemics and other similarly widespread crises.

Thank you all very much.