

Financing pandemic prevention, preparedness and response

Invest now or pay a heavy price in the future

May 2025

Over many decades, countries invested too little in the capacities needed to prevent, prepare for, and respond to pandemic threats. COVID-19 starkly demonstrated the consequences of this underinvestment. Some 28 million excess deaths,¹ trillions (USD) in economic losses,² and lasting impacts on poverty reduction, health, and education. It also has left a legacy of polarisation, distrust,³⁻⁵ and heightened global insecurity.

With this lived experience and the knowledge of how to address past failures, today's leaders have a duty to protect current and future generations.⁶ Adequate financing for preparedness and emergency response—both for countries and for regional and global systems—is one critical element. Yet in a June 2024 report, The Independent Panel for Pandemic Preparedness and Response (The Independent Panel) concluded that despite some progress, the international financing architecture remains incoherent and fragmented. It is too reliant on development financing, and overall, remains insufficiently funded.⁷

Now in 2025, the system upon which much pandemic prevention, preparedness and response (PPPR) funding relies has been upended. The United States—long the leading global health security funder to bilateral and multilateral partners, and for its own research and operational institutions—has largely withdrawn from collaboration in global health. Other major health funders, including France, Germany, and the UK, have either reduced official development assistance (ODA) spending or announced their intention to do so.

*Should leaders try to repair an ailing system or
use this moment for major transformation?*

For some low- and middle-income countries (LMICs), the abrupt reduction in aid will lead to a huge economic toll. The planned withdrawal of USAID funding alone is estimated to result in an economic shock of at least 1% of gross national income in 23 economies and a 3% shock in eight.⁸ Many of these countries face the dual threats of conflict and climate change, which exacerbate the risks for pandemic threats. The cumulative, long-term impacts on outbreak detection and pandemic response capabilities are particularly concerning, including for issues where great progress has been made, notably HIV, tuberculosis, and vaccine-preventable disease.

The first months of 2025 laid bare the vulnerabilities of global health financing and the dysfunctional way in which the system operates, showing plainly that aid dependency is not a sustainable way forward.

Faced with this evolving geopolitical reality and declining international development financing, leaders are now forced to grapple with major questions, including whether to try to repair an ailing system or to use this moment for major transformation.

International financing for PPPR

Along with others, The Independent Panel has maintained that PPPR is a global good and that new international finance should be over and above development assistance.

The Independent Panel and others estimated that US\$10–15 billion in additional international financing per annum is needed to address gaps in basic national preparedness in LMICs and to strengthen regional and global functions.^{6,9,10} In addition, an estimated US\$50–100 billion of surge financing is required. Future preparedness pledges could be front-loaded in times of emergency, with rapid, specific disbursements to countries when needed.⁶ The Independent Panel recommended a single financing facility to cover both preparedness and response funding.

Some progress has been made since 2021, and various ongoing initiatives hold promise (see box). Yet overall, the international financing landscape today remains a patchwork.^{7,11} In a crisis, countries are forced to engage in negotiations via a complex, insufficient, and underfunded system.

A summary of international and regional financing mechanisms for PPPR *In search of greater clarity, speed, and scale*

The Pandemic Fund (Preparedness)

Established in 2022, the Pandemic Fund raised around US\$2 billion by the end of 2024, US\$700 million of which came from the United States. Across 2023 and 2024, the Fund awarded US\$855 million in grants to 47 projects and reported an additional US\$6.1 billion mobilised through co-financing and co-investment. While not having have an emergency mandate, the Fund rapidly approved US\$129 million in preparedness grants for the mpox response in 10 countries in 2024. With pledges of US\$1 billion towards its US\$2 billion goal for the next two fiscal years (including US\$667 million from the United States), the Fund's

viability is uncertain if support pledged by the United States doesn't materialise. The Fund is also assessing other financing models, including the potential issuance of a bond on private capital markets.

IMF Resilience and Sustainability Facility (Preparedness)

In October 2024 the International Monetary Fund, World Bank, and the World Health Organization agreed on principles for cooperation on how to leverage the IMF's Resilience and Sustainability Trust loan option—available for climate finance since 2022—for pandemic preparedness. As of April

2025, no Resilience and Sustainability Facility (RSF) awards have included pandemic preparedness provisions. The IMF should consider reforms to increase demand, including adapting the eligibility rules, and should engage with the World Bank on how the RSF and Pandemic Fund can best complement each other.^{12,13}

Coordinating Financial Mechanism (Preparedness)

The mechanism established under the 2024 amendments to the IHRs will also serve the implementation of the pandemic agreement once in force. Functions include promoting sustainable financing by identifying funding sources, promoting harmonisation, and leveraging voluntary contributions. It remains unclear how the mechanism will function in practice, and whether it can fundamentally address the challenges within PPPR financing, specifically those of fragmentation, scale, and speed. With the amended IHRs coming into force in September 2025, the States Parties Committee for their implementation should urgently set out how the mechanism will operate and complement existing structures.

Africa Epidemics Fund (Preparedness and Response)

In February 2025 the African Union approved a framework for the Africa Epidemics Fund, a potential landmark moment following the initial agreement by Heads of State to create the fund in February 2022. The fund is expected to have both preparedness and response functions. Attention now turns to how the Africa CDC will capitalise and operationalise the fund.

PAHO Revolving Fund (Preparedness and Response)

Composed of the Strategic Fund for essential medicines and supplies and the Revolving Fund for access to vaccines, this Pan American Health Organization tool provides a mechanism for pooled procurement in the Americas to improve purchasing and negotiating power, including in response to new disease outbreaks.

WHO Contingency Fund for Emergencies

The WHO CFE aims to provide funding within days to bridge the gap between the onset of an emergency and when funding from other mechanisms becomes available. The fund

disbursed US\$55.5 million in 2024 and received US\$22 million in contributions. While playing an important role in the early stages of disease outbreak response, the fund holds modest capital and must be complemented by other emergency mechanisms.

Gavi Day Zero Financing Facility (Response)

The Day Zero Financing Facility, sponsored by Gavi, the Vaccine Alliance, has a US\$500 million First Response Fund to provide financing within days for the purchase of vaccines and related supplies including personal protective equipment.¹⁴ The First Response Fund was activated in September 2024 to secure 500,000 doses of mpox vaccine through an advance purchase agreement with Bavarian Nordic. In addition, the DZF seeks to secure US\$2 billion in credit lines from development finance institutions (DFIs), including US\$1 billion from the US International Development Finance Corporation. This is important, but it does not cover treatments, tests, and other essentials.

G7 DFIs, MedAccess, EIB, and IFC initiative (Response)

In September 2024, the G7 DFIs, MedAccess, European Investment Bank, and International Finance Corporation announced a surge financing initiative for medical countermeasures, with the goal of establishing the necessary collaboration frameworks and innovative financing mechanisms for rapid and equitable pandemic responses. There are few details yet as to how this will be operationalised.

World Bank Crisis Preparedness and Response Toolkit (Response)

The World Bank has introduced a range of tools to help governments respond to crises.¹⁵ This includes the Rapid Response Option, in which countries can repurpose a portion of their unused World Bank financing for emergencies. The Climate Resilient Debt Clause, now extended to cover public health emergencies, provides the option for small states to defer principal and interest payments of International Bank for Reconstruction and Development loans and International Development Association credits for up to two years.

The choice: repair a broken system or build a new one

In 2025, global health and PPPR financing are at a crossroads; the path forward presents risks but also opportunities. We believe that with the right leadership and vision, a new, more resilient and sustainable financing system can emerge.

Prioritising mission critical systems and the most vulnerable countries

The immediate funding cuts will be most deeply felt in countries with the lowest incomes and those facing conflict and humanitarian emergencies. These countries commonly face the highest risks of disease outbreaks while also having fewer capabilities to respond. As a matter of priority, global health funders, including multilateral development banks and philanthropists, must step in to fill the gaps in the most vulnerable and highest risk settings.

While grossly insufficient, available funding for PPPR has supported critical global and regional infrastructure such as “always on” systems for surveillance and data sharing. As organisations, including the WHO, undertake prioritisation exercises to reduce programming, these systems must continue to be funded and operational.



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Supporting a real transition to greater domestic spending

For most countries, domestic financing is the foundation underpinning national capabilities. Calls for increased domestic spending are not new, but past commitments have not translated into the requisite financing. Faced with a new reality, countries and regions must now move towards greater self-reliance.

Some efforts are underway, including by Africa CDC, which published a new continental financing plan in April 2025.¹⁶ Better tracking of spending will be key to guiding such efforts and ensuring transparency.

Increased domestic spending faces large barriers, but these are not insurmountable. With 3 billion people living in countries that spend more on servicing debt than on health or education, addressing the debt crisis should be a priority.¹⁷ South Africa, under its G20 presidency, has proposed a cost of capital commission to advance solutions. The 4th International Conference on Financing for Development, scheduled from 30 June to 3 July 2025 in Sevilla, Spain, is another key platform.

Imposing fair and transparent taxation systems and addressing illicit financial flows are equally necessary. Over the next two years UN Member States will negotiate a framework convention on international tax cooperation to set standards covering both corporate and individual taxation. This process, if successful, could unlock far greater domestic financing for global public goods.

Essential to all these shifts is sustained political commitment and more distributed leadership on all level: globally, regionally, and nationally.

Simplifying the global PPPR financing architecture and supporting regional leadership

A long-standing critique of the global health system is that, despite its successes, it has not adequately built and strengthened the capabilities of national and regional institutions in LMICs.

The withdrawal of traditional funders presents both an opportunity and responsibility for regional blocs to demonstrate leadership and increase self-reliance. Regional development banks, with their local knowledge and expertise, are uniquely positioned to support integrated approaches to transnational challenges. Initiatives such as the African Epidemics Fund hold great potential but must avoid past pitfalls such as overreliance on a small donor base. Other regions might look to PAHO's Revolving Fund and other successful models to strengthen regional capabilities while building sustainable pandemic preparedness systems.

Efforts to increase regional leadership and self-reliance need to be supported and enabled by changes to the global financing architecture, which remains far too fragmented, complex, and intermediated. A critical review must determine which functions are best led regionally versus globally, and where existing initiatives require aligning, consolidating, or sunseting. Led by countries and laser-focused on country needs and address the whole financing landscape, including the future of initiatives such as Gavi and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Finding billions: the need for new financing to secure the world

Alongside national and regional investments, international financing will continue to play a critical role in the PPPR ecosystem. This is not about aid or charity, but about having adequate investments in global public goods that benefit all countries.

Preventing pandemics and responding quickly when threats emerge is a global security issue. Countries must look beyond health and ODA budgets to see these as investments in economic resilience, national stability, and global security infrastructure.

New and ambitious financing models also need to be considered. The Independent Panel has supported the concept of global public investment whereby all countries contribute based on an ability to pay formula, all benefit according to their needs, and all decide how to spend the funding. GPI aims to redistribute ownership and responsibility away from a charity-based model to one of collective responsibility. There is precedent for collaborative efforts that deliver shared benefits at the regional and global levels, from air traffic and intellectual property (e.g., WIPO) to research endeavours (e.g., CERN). Now is the time for countries, or regions, to engage seriously in discussions on how such a model could be realised.

Closing message—bold and visionary leadership is needed now to invest in our collective future

Faced with a rapidly evolving geopolitical reality, declining international development financing, and major economic headwinds, past gains on PPPR appear fragile and future progress seems highly uncertain. Yet our message remains simple: *without financial investment in public goods, there can be no pandemic preparedness or response.*

Making the world safe from pandemic threats requires bold, visionary, and distributed leadership, from countries and their Heads of State and Government and from regional and international organisations. This is a moment to truly invest in our collective future, or all people, everywhere, will once again pay a heavy price.

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