Financing Modalities for Pandemic Prevention, Preparedness and Response (PPR)

Paper prepared by the World Bank and the World Health Organization*

for

the G20 Joint Finance & Health Task Force

March 29, 2022

*** *The World Bank and WHO would like to acknowledge helpful comments and guidance provided on this paper by the Executive Head of the G20 Joint Finance & Health Task Force Secretariat.*

Financing Modalities for Pandemic Prevention, Preparedness and Response (PPR)

A. Introduction

1. **COVID-19 has highlighted an urgent need for global collective action to substantially scale up investments and support to strengthen the capacity of developing countries to prevent, prepare for, and respond to the next pandemic.** The pandemic has demonstrated that investing in prevention, preparedness, and response (PPR) is a global public good that benefits every nation—regardless of income or wealth. This requires investments at the country, regional, and global levels. It is the collective responsibility of the international community to ensure that the necessary investments in PPR are made, on an urgent and sustained basis, so that low-income and lower-income countries and regions are better prepared to face the next pandemic.

2. **Domestic financing will have to play the leading role in strengthening PPR.** All countries, developing and industrialized alike, must step up domestic investments in the core capacities needed to prevent, detect, and contain future pandemics, in accordance with the International Health Regulations. Governments will in many cases have to embark on reforms to mobilize and sustain additional domestic resources, to build up these pandemic-related capacities and strengthen health systems more broadly, while at the same time enabling their economies to return to durable growth.

3. **However, domestic actions alone will not be sufficient to prevent the next pandemic; they will need to be complemented by enhanced international financing for PPR investments, particularly for the poorest countries, and including some key international elements of PPR investments.** Independent reports and studies commissioned over the past two years, including the G20 High Level Independent Panel's (HLIP) report from June 2021[1] and the joint paper on PPR financing needs and gaps prepared by the WHO and World Bank for the G20 Finance and Health Task Force, updated in March 2022,[2], among others, have underscored that we can only avoid future pandemics, or reduce the scale and costs of outbreaks, if the international community invests substantially more than it has been willing to do in the past – a mistake for which the world is now paying for many times over in dealing with damage caused by COVID-19. These reports have estimated that international financing for pandemic prevention, preparedness, and response (PPR) needs to increase by between US$10.5 billion to US$15 billion per year over the next five years, with sustained investments in subsequent years. These reports have also recommended a pooled financing mechanism to enhance the impact of such funding through catalytic and gap filling investments.

4. **The purpose of this paper is to examine the modalities through which international financing of PPR for the developing world, including elements requiring investments at country, regional and global levels, can be strengthened.** The paper begins with a review of the existing institutions and actors engaged in the international financing of PPR and then offers

[1] *"A Global Deal for Our Pandemic Age",* Report of the G20 High Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response, June 2021. https://pandemic-financing.org/report/

[2] *"Analysis of Pandemic Preparedness and Response (PPR) architecture, financing needs, gaps and mechanisms"*, Paper prepared by the WHO and World Bank for the G20 Joint Finance & Health Task Force, March 22, 2022.

some recommendations on how to augment the global health security financing system through a pooled financing mechanism to mobilize and deploy additional resources for increased investments in PPR through collective, multilateral action.

5. **While beyond the scope of this paper, it is important to recognize that increased international financing for PPR must be accompanied by more fit for purpose global governance arrangements.** At an overarching level, strengthened PPR requires enhanced oversight and coordination, shared commitment, and collective accountability. This calls for a set of globally agreed norms and standards on PPR—building on the International Health Regulations (IHR), 2005–-and an oversight mechanism to monitor and assess performance against those standards and evaluate the effectiveness of overall financing for PPR. This overarching agenda is beyond the scope of what any new financing mechanism could achieve by itself.

B. Strengthening Existing Institutions to Support PPR

6. **The global health landscape is populated with many different actors, both public and private, that provide international financing for PPR.** The existing set of institutions includes the multilateral development banks (MDBs); specialized institutions, notably the WHO; pooled mechanisms (e.g., the Global Fund to Fight AIDS, Tuberculosis and Malaria, GAVI, and the Coalition for Epidemic Preparedness Innovations (CEPI)); bilateral partners and organizations; philanthropies; and private sector actors. As discussed in the WHO-World Bank paper on PPR financing needs and gaps (March 2022), these institutions are already playing an important role and some of them offer a range of financing mechanisms/modalities that support PPR investments and health systems strengthening, more broadly.

Multilateral Development Banks (MDBs)

7. **MDBs, through their core funding mechanisms, are today the largest source of financing for PPR needs identified and prioritized for the developing world, particularly at country and regional levels.** MDBs are unique in their ability to multiply the impact of finance. They leverage the resources of their shareholders in the capital markets, induce domestic funding and policy reforms by governments, and help catalyse private sector investments. MDBs provide grants as well as concessional loans to countries. Though regional development banks also play a role in financing PPR initiatives, the World Bank Group is the largest source of financing for PPR among the MDBs.

8. **Pandemic preparedness and health system strengthening is at the core of the World Bank's mission.** The World Bank is working to strengthen health systems in over 100 countries with an active portfolio totaling $30 billion. With generous support from donors, the recently negotiated IDA20 replenishment package includes ambitious commitments to support countries to strengthen PPR. Building on a track record of providing significant financing for both preparedness and response, including in the context of the COVID-19 pandemic, the World Bank has signaled its intention to expand its support to PPR and incentivize the poorest countries and regions to invest in the public goods needed to address pandemic threats, including by leveraging IDA's "Regional Window". As in the past, IDA resources will be channeled through governments and regional institutions to finance priority PPR gaps in coordination with other institutions and partners. The World Bank is also in active discussions with several IBRD countries on how best to support their national plans to strengthen PPR.

9. **While the funding mechanisms of MDBs are best suited to support country or regional level investments, MDBs also host pooled financing mechanisms that can support efforts at the global level.** The World Bank hosts Multi-donor Trust Funds and Financial Intermediary Funds (FIFs) that can support investments in global public goods, like PPR, at the global level in addition to country and regional level financing. For example, the Health Emergency Preparedness and Response Trust Fund (HEPR), established at the World Bank last year, provides incentives to countries to increase investments in preparedness by providing grant resources to co-finance IDA and IBRD investments in preparedness and supporting regional efforts to strengthen PPR. The private sector arms of MDBs, like the IFC, are designed to support market creation through investments in the private sector.

WHO and specialized health agencies

10. **A second set of institutions comprise specialized health agencies, key among which is the WHO.** The WHO plays the lead role in the surveillance of global health emergencies and in identifying gaps in the national core capacities set out in the International Health Regulations. WHO plays a key role in coordinating and financing readiness, alert verification, and rapid response through it's contingency fund for emergencies. It is also integral to the international coalition of health partners that must develop a globally distributed, end-to-end supply ecosystem for medical countermeasures. In addition, a variety of other health agencies allocate substantial financial resources on issues that help address critical PPR priorities. UN agencies like UNICEF also play an important role.

Standalone pooled funds

11. **A third set of institutions supported by pooled funding mechanisms include the Global Fund to Fight AIDS, Tuberculosis and Malaria, GAVI, and CEPI.** These organizations have mandates that partially address PPR financing priorities (e.g. through 'PPR adjacent' financing to support, in the case of the Global Fund, the strengthening of elements of health systems that are particularly important to the control of AIDS, Tb and malaria).

Bilateral agencies and philanthropic organizations

12. **Bilateral and philanthropic financing also plays a critical role in directly financing key PPR capacities.** This may include financing for global institutions, such as WHO, but also expanded support at national level to strengthen laboratories, surveillance, workforce capacity and other PPR domains.

13. **Existing institutions and partners involved in international global health financing efforts must be reinforced and better coordinated to provide the necessary support to strengthen PPR.** Importantly, WHO's finances must be put on a more secure multilateral footing and it must be enabled to perform its core roles more effectively. There is no solution to pandemic security that does not involve a strengthened WHO at its center. Furthermore, the ongoing replenishment efforts of institutions like the Global Fund and CEPI must be supported so they can increase support for PPR. For example, the Global Fund's seventh replenishment that is currently ongoing seeks at least $18 billion in fresh resources, of which, it has been indicated that $6 billion would be targeted towards reinforcing systems for health and pandemic

preparedness.[3] CEPI's ongoing replenishment effort seeks to raise $3.5 billion for investments in vaccines R&D, which is one of the key pillars of PPR.

14. **Among new initiatives that offer potential,** the IMF's Resilience & Sustainability Trust (RST) seeks to channel SDRs from higher income countries to LICs and MICs to support IMF programs that are complementary and additional to 'normal' IMF programs, with a focus on longer term issues, including climate change and pandemic preparedness. It may be noted though that the proposed RST would provide balance of payments or fiscal support to countries conditional upon policy and legislative reforms; it would not provide earmarked financing for PPR investments.

15. In summary, a broad range of institutions and actors currently contribute to international financing for PPR in developing countries and many are making efforts to ramp up their support. Reinforcing these institutions and enhancing coordination among them remains a critical priority. However, the current landscape is fragmented and not fit for purpose. None of the existing financing institutions is dedicated to comprehensively and systematically address PPR financing needs. This means that competing priorities, including in the health sector, can take precedence over PPR investments, particularly during inter-pandemic years. And significant international financing gaps remain, as noted above.

C. How could a new multilateral pooled financing mechanism for PPR help and what would be its focus?

16. **COVID-19 has highlighted the urgent need for collective action to augment global health security financing and mobilize additional resources for increased investments in PPR.** The independent reports and studies cited above, including the G20 HLIP report and the WB-WHO report for the G20, have highlighted large PPR financing gaps, and identified financing needs related to specific functions that we can start filling now. These reports have noted that what is currently missing is a multilateral financing mechanism that can provide a dedicated stream of additional, long-term, grant funding towards critical functions to strengthen PPR at the country, regional, and global levels, and help to start closing urgent financing gaps for PPR in the poorest countries and regions. They have also noted that rather than financing global health security under the mantle of development assistance, we must treat it as a strategic investment in global public goods that benefit every nation—rich or poor.

17. **A new, multilateral pooled financing mechanism for PPR could be a key part of the solution to increasing sustainable financing for PPR and filling urgent gaps.** Recent reports have highlighted significant financing gaps across multiple PPR domains. Although existing institutions and agencies are expected to fill some of these gaps, a dedicated PPR financing mechanism would help in several ways. First, it would help focus and sustain the much-needed high-level attention on strengthening PPR during inter-pandemic years, providing dedicated financing that can be clearly linked to measurable results. Second, it would bring additional resources to help address urgent PPR financing needs and priorities, starting with critical needs in low-income and lower middle-income countries and regions. In doing so, it would be guided by the plans and priorities of beneficiary countries and institutions, helping to fill overall financing gaps. Third, by linking the financing it provides with existing planning processes, a new financing mechanism would contribute to a more coordinated and coherent

[3] https://www.theglobalfund.org/media/11798/publication_seventh-replenishment-investment-case_report_en.pdf

approach to PPR strengthening. For example, financing provided by it could be made contingent on clear country-level PPR plans that are coordinated among partners. Fourth, by bringing together key implementing partners, beneficiaries, and other stakeholders, it would also serve as a platform for discussion and advocacy around strengthening PPR.

18. **Key areas in which a new mechanism could immediately help by starting to close financing gaps, particularly in the poorest countries and regions, include the following:**

- **Strengthening country-level PPR capacity.** Financing gaps at country-level flow directly from capacity and capability gaps in core IHR domains, including disease surveillance, laboratory systems, emergency communication and management, community engagement, etc. Needs will vary across countries, and financing priorities will need to be based on country-driven assessment and coordination efforts. In many countries, there are existing planning and costing exercises to build on, but also opportunities to leverage new financing and coordination mechanisms to strengthen and align the support of different stakeholders.

- **Regional and global level capacity:** Prior disease outbreaks and the COVID-19 pandemic have highlighted the need for expanded financing to regional and global institutions across multiple domains, including surveillance, reporting and information sharing on disease outbreaks, shared public health assets such as high-complexity laboratories, regulatory harmonization, and capacity for coordinated development, procurement and deployment of countermeasures and essential medical supplies. Progress in these areas will require supporting strengthened capacity in existing global and regional institutions and building dedicated PPR entities, such as the one proposed by the African Union in October 2021, modelled on the European Health Emergency Preparedness and Response Authority.

D. What are the principles and options for a multilateral pooled financing mechanism for PPR?

19. **Any new financing mechanism should be based on the following key principles**. As noted above, any new financing mechanism for PPR must build on the existing global health architecture for PPR, including the IHR (2005) and associated monitoring mechanisms. Key design principles should include the following. First, it must complement the work of existing institutions that provide international financing. Second, it is critical that resources mobilized for a new financing mechanism add to, and not substitute for, existing ODA for global public health and other priorities. It should also be designed to catalyze funding from private, philanthropic, and bilateral sources. Third, it needs to have the flexibility to work through existing institutions engaged in PPR financing; this will enable it to serve as an integrator rather than become a new silo that only furthers fragmentation. It must also have the flexibility to adjust over time as needs and the institutional landscape evolves. Fourth, it should be able to incentivize increased domestic financing for PPR, for example, by providing matching funds to spur increased domestic spending on PPR. Fifth, and given the already crowded global health financing architecture, an important consideration would be the need to avoid further fragmentation by creating a new, standalone institution that operates as a permanent separate legal entity. Financing mechanisms based on a pooled funding structure offer an attractive value proposition for donors and recipients.

20. **Three potential structures currently exist for such pooled financing mechanisms:**

a. UN Multi-Donor and Multi-Partner Trust Funds

- Within the UN system, there are *Multi-Donor and Multi-Partner Trust Funds* that are mainly administered by the Multi-Partner Trust Fund (MPTF) Office at the UNDP.[4] The MPTF Office facilitates UN coherence and development effectiveness in addressing multifaceted issues—such as humanitarian crises, peacebuilding, recovery, and development. The MPTF Office assists the UN system and national governments in establishing and administering pooled financing mechanisms, multi-donor trust funds and joint programs.

- *Assessment against Principles*: these funds are geared to operate largely through UN agencies and as a result are not optimized and fully complementary to support the existing spectrum of UN and non-UN entities working in PPR. Such funds have not historically drawn from and worked systematically with private and philanthropic financing and may not be in strong position to leverage these important potential sources of additional funding. Such funds may not as efficiently incentivize recipient countries to utilize other important domestic financing such as through MDBs, and particularly IDA. Perhaps most importantly, establishing a MPTF could in effect require establishing a new entity, further fragmenting the PPR financing landscape.

b. World Bank Multi-Donor Trust Funds

- Within the World Bank's suite of pooled funding structures, one model is the *Multi-donor Trust Funds* (MDTF) structure. MDTFs, for example, the Health Emergency Preparedness and Response Fund (HEPRF), are designed first and foremost to leverage the World Bank's operations platform. Contributors to MDTFs set the strategic directions and parameters for the trust fund but delegate operational decisions to the Bank. MDTFs complement the Bank's core business, providing additional resources for technical assistance and co-financing in support of Bank lending operations, often supporting activities for which recipients are unwilling or unable to borrow. For example, MDTFs have been critical to support the knowledge agenda, capacity building and work in fragile states.

- *Assessment against Principles*: while MDTFs allow for transfers of funds to other organizations (i.e., MDBs and UN agencies), they are not intended where large-scale transfers to other organizations are required from the start and, in principle, cap transfers at 30% of total contributions. Put simply, through their design to leverage the Bank's operations platform, MDTFs do not meet the key principle of flexibility to work through all major existing institutions engaged in PPR financing, as an integrator that is able to adjust rapidly to the evolving landscape.

c. World Bank Financial Intermediary Funds

- *Financial Intermediary Funds* (FIFs) are also an important part of the World Bank's development finance toolkit. [5] The G20 HLIP report has recommended the creation of

[4] https://mptf.undp.org/overview/office

[5] See: https://fiftrustee.worldbank.org/en/about/unit/dfi/fiftrustee; https://fiftrustee.worldbank.org/content/dam/fif/documents/fif-framework.pdf

a FIF at the World Bank to strengthen PPR. FIFs are a type of trust fund for which the World Bank provides tailored administrative, operational, legal, and financial services. FIFs mobilize and pool resources from a variety of sources and channel those resources through existing institutions (implementing partners). FIFs are intended to provide large-scale (minimum US$200 million at establishment) financing over a long-term horizon. FIFs are multilateral mechanisms (requiring a minimum of three donors, but usually benefiting from much broader support over time), supporting collective action through collective governance, including contributors and recipients. When hosted by an existing organization (vs. the creation of a new legally independent institution) FIF governance is separate and distinct from the host organization. Consistent with the emphasis on collective action, the majority of the 27 FIFs supported by the World Bank, employ a "wholesale" model for delivery, drawing on multiple MDBs and UN agencies for delivery of the program objectives in accordance with their respective areas of comparative advantage. Because of this structure, FIFs can facilitate coordination among the participants. Examples of FIFs hosted by the World Bank include the Global Environment Facility, Climate Investment Funds, and the Global Agriculture and Food Security Program.

- *Assessment against Principles*: Through the flexibility of its design, a FIF can be highly complementary to the work of existing PPR financing institutions, including through their potential designation as implementing partners. FIFs can also receive and manage financing across a wide range of sources, building on the Bank's extensive experience with a substantial number of sovereign, philanthropic and private entities. Importantly, a FIF can also act as an integrator, bringing together the full experience of existing PPR financing institutions to optimize investments and impact. In this context, a FIF could help catalyze and incentivize the use of core MDB financing, as well as financing from UN agencies and other actors involved in PPR financing. Finally, a hosted FIF would not require establishing a new institution.

21. **In summary, each of the three options above provide a potential capacity to mobilize and deploy additional, long-term resources for PPR, including from non-ODA sources, thereby expanding the pool of funding available for PPR, and to incentivize governments to invest more in PPR. The unique benefits of a hosted FIF in supporting collective efforts to strengthen PPR with an eye toward the next pandemic are as follows**: a) **flexibility** to work through a variety of existing institutions/agencies as implementing partners, drawing on their capabilities and comparative advantages, and **complementing** their work; b) enhanced **coordination** among key actors, by bringing together MDBs, UN agencies and other organizations engaged in PPR financing; c) **cost effectiveness** relative to standing up a new, legally independent institution that would become a permanent part of the health architecture. Since legitimate concerns have been raised about an already fragmented global health financing architecture, it is important to note that a hosted FIF would be a new funding mechanism, ***not*** a new implementing institution.

22. **The basic governance and organizational arrangements needed to support a FIF are summarized in Annex 1 and provide substantial design scope to optimize for PPR (e.g. incl. for the role of WHO in the context of IHR).** Founding donors decide on the governance structure and operating modalities of the FIF before establishment. Key design principles to ensure success would include simplicity in governance along with streamlined

operating arrangements and a small, agile secretariat that can serve the governing committee and help with day-to-day program management and liaise with implementing institutions.

E. Summary and Conclusions

23. **There is clearly an urgent need for collective action to augment the existing global health security financing architecture to strengthen PPR**. This requires reinforcing existing institutions that provide international financing and enhancing coordination among them. At the same time, a new, dedicated multilateral financing mechanism for PPR can play a useful role in signaling the importance of PPR strengthening, sustaining global attention to PPR in inter-pandemic years, and mobilizing and delivering additional resources to fill urgent PPR financing gaps in a coordinated manner, with measurable results. By convening key stakeholders, it can also serve as a platform for discussion and advocacy around strengthening PPR.

24. **Of the existing multilateral pooled financing mechanisms, a FIF appears to offer substantial advantages over MDTF/MPTF structures and could be a key part of the solution to addressing PPR gaps.** Among the options available, our assessment indicates that a hosted FIF structure would be the most fit for purpose. Given the already crowded global health financing architecture, an important consideration will be the need to avoid creating a standalone institution that operates as a separate legal entity thereby contributing to further fragmentation. Similarly, any new financing mechanism will need to be designed from the start to ensure flexibility to work through a variety of existing institutions as implementing partners; complementarity to their work and to ongoing efforts to increase financing for, and investments in PPR; enhanced coordination among key actors, by bringing together MDBs, UN agencies and other organizations engaged in PPR financing; cost effectiveness; and simplicity in governance and operating arrangements.

25. **The window for action is narrow.** As the experience of earlier health crises shows, the impetus for action will fade once the world's richest countries are on the other side of the pandemic. The collective actions proposed in this paper are critical to future human security everywhere. They will also help avert the much larger costs that nations will incur in future global health crises. It would be both economically and politically myopic, and morally indefensible, to be caught unprepared for the next pandemic.

26. **The way forward.** Working together with partners, the World Bank and WHO will continue to develop the design elements of a new pooled financing facility focused on PPR. In parallel, it is critical to help enhance governance of the wider global health security and PPR ecosystem and strengthen coordination among the many actors engaged in PPR financing, with the continued engagement of G20 Finance and Health Ministers.

ANNEX 1

GOVERNANCE AND ORGANIZATIONAL ARRANGEMENTS TO SUPPORT A FINANCIAL INTERMEDIARY FUND (FIF)

Financial Intermediary Funds (FIFs) are an important tool in the development finance toolbox, offering customized financing platforms for partnership programs and special financing mechanisms. FIFs are a type of trust fund for which the World Bank provides tailored administrative, operational, legal, and financial services. FIFs provide the global development community with independently governed multi-contributor collaboration platforms (i.e., outside the governance/decision-making structure of the host organization), in support of projects and programs, often targeting global public goods.

A. Governing Committee

The Governing Committee of a FIF is its decision-making body and typically comprises decision-making members (Members) and non-decision-making observers (Observers). Members of the Governing Committee typically consist of one representative from each of the contributing countries/organizations making a minimum contribution. Decision-making members consist of donors and representatives of beneficiary constituencies, with decisions generally made on a consensus basis. Governing Committee Chairs are typically elected from among the Members. Observers include the Trustee and representatives from the Implementing Entities and, in some cases, civil society organizations and other organizations or funds representing complementary stakeholder interests (e.g., the Global Environment Facility is an Observer to the Climate Investment Funds). Observers participate in meetings of the Governing Committee in accordance with the rules of procedure of the Governing Committee. Members may decide to invite other relevant stakeholder organizations as Observers.

FIF governing committees are fully responsible and accountable for decision making. The governing committee directs funds to a range of eligible implementing partners on a passthrough basis, that is without the secretariat or the trustee having direct supervision and with each implementing entity applying its own policies and procedures.

Roles and responsibilities of a Governing Committee typically include:

- Setting the strategic directions and approving strategic plans and principles of the partnership supported by the FIF, its governance framework, operations manual, results framework etc.
- Reviewing funding requests submitted by Implementing Entities for projects, programs, and activities, and approving allocations of resources.
- Approving workplans and budgets for the governing and administrative bodies.
- Reviewing progress reports from the Implementing Entities as compiled by the Secretariat and the annual report prepared by the Secretariat.
- Reviewing financial reports from the Trustee and financial information from the Implementing Partners as compiled by the Trustee.

B. Secretariat

The Secretariat of a FIF is responsible for day-to-day administration. As Secretariat staff are employed by the host organization (providing legal personality for the FIF), they are not involved in funding allocations decisions to avoid any perception of conflict of interest. This is especially important where the host organization also plays a role in implementation.

Roles and Responsibilities of a Secretariat typically include:

- Supporting meetings of the Governing Committee.
- Preparing the Operations Manual and Risk Management Framework for consideration and endorsement by the Governing Committee.
- Receiving and screening Funding Requests from Implementing Partners to ensure completeness and consistency with the Governing Framework and the Operations Manual, before transmitting to the Governing Committee for consideration.
- Notifying the Trustee of Allocations approved by the Governing Committee; and consulting with and providing other information to the Trustee, as necessary, to assist in day-to-day administration of the mechanism.
- Reviewing and compiling progress reports from Implementing Partners and seeking any additional information if necessary, for distribution to the Governing Committee, and preparing annual reports.
- Providing guidance to Implementing Partners on processes and requirements as approved by the Governing Committee.
- Preparing proposed decisions for consideration by the Governing Committee.
- Managing relations with the Financial Contributors in consultation with the Trustee, and with the Implementing Partners and other relevant partners and stakeholders, as appropriate.
- Managing the website and providing public information on the partnership, including developing and executing a communications plan as agreed to by the Governing Committee and performing other functions as may be necessary for facilitation of operations.

C. Financial Trustee

The Trustee receives funds from Contributors and holds those funds pursuant to the terms of Contribution Agreements/Arrangements entered into with the Contributors.

The roles and responsibilities of the Trustee include:

- Committing, transferring and/or using resources in accordance with the allocations and other funding approved by the Governing Committee. Commitments and transfers of resources to the Implementing Entities are made in accordance with the Financial Procedures Agreements (FPA) entered into between the Trustee and the Implementing Entities.
- Requiring and accepting from the Implementing Entities periodic financial reports in accordance with the FPA.
- Providing to the Governing Committee regular reports on the financial status of the financing mechanism.
- Collaborating with the Secretariat and furnishing it with necessary information to assist the performance of its functions.

The World Bank serves as trustee for 27 FIFs, building on a well-established financial, investment management and accounting platform developed by the World Bank over the past three decades, and experienced specialized legal and treasury services.

D. Implementing Entities

Implementing Entities (IEs) are the FIF’s delivery mechanism. The founding donors determine a set of Implementing Entities, which typically include MDBs and UN agencies. IEs are selected based on comparative advantages consistent with the strategic and operational success of the FIF. IEs would need to enter into Financial Procedures Agreements (FPA) with the Trustee, after which they would become eligible to submit Funding Requests to the Governing Committee. The FPA defines the terms of engagement and is required for the Trustee to transfer funds.

Roles and responsibilities of each Implementing Entity would include:

- Conducting discussions with beneficiaries of projects, programs and activities that can benefit from support, as appropriate.
- Supervising and monitoring implementation and providing implementation support to the beneficiaries, as applicable.
- Administering the funds transferred to it, including the use of the funds and activities carried out therewith, in accordance with (i) its applicable policies and procedures, (ii) the provisions of the Financial Procedures Agreement and the applicable terms and conditions under which Allocations to the Implementing Partner have been approved, including the applicable provisions of the Governance Framework and the Operations Manual.
- Providing financial and progress reporting to the Governing Committee through the Trustee and the Secretariat.
- Cooperating on reviews and evaluations.