

C20 Statement to the G20 Joint Meeting of Ministers of Finance & Health

Friday 9/11/2020

The Civil 20 expresses concern over the lack of G20 Leadership in coordinating a global response to the COVID-19 pandemic crisis, including the failure to release a G20 Health Ministers Declaration. This void in global leadership is exacerbating the erosion of trust in science and in multilateral institutions and hampering the global response to the pandemic. We ask that the G20 Finance & Health Ministers demonstrate strong political will towards achieving a consensus and a direction for future global pandemic response and recovery efforts based on the spirit of true global solidarity. As such, the C20- a consortium of more than 850+ Civil Society Organizations from more than 80 countries- is pleased to provide the following recommendations for consideration by the joint ministerial.

The proposed recommendations take into account complimentary policy areas at the intersection of health and finance policymaking; to leverage global finances for the benefit of global health.

We welcome the initiative to host a Joint Health & Finance Ministers meeting and we recommend that this meeting is held annually. The impacts of the current pandemic will be felt for years to come, calling for strengthened coordination of resources and policy and unity amongst G20 countries in the interests of future pandemic preparedness.

We stress that the world was never prepared to withstand a global pandemic, something that civil society and many international bodies have warned against for a long period of time. We agree with the Global Pandemic Preparedness Monitoring Board assessment in 2019, that: "The world is at **acute risk for devastating regional or global disease epidemics or pandemics** that not only cause loss of life but upend economies and create social chaos." We caution against ignoring the secondary impacts of pandemics and not recognizing many of them as the root causes of pandemic outbreak.

¹ Global Pandemic Preparedness Board Annual Report (2019)



COVID-19 serves as an urgent reminder that we need to increase health investment in what we know works: strong international partnerships, health systems that reach everyone, research and development (R&D) of health innovations that are affordable and accessible by all, evidence-based actions to address malnutrition, access to routine immunization services, a gender and rights-based approach to care, multi-sectoral collaboration, and empowered and capacitated community and civil society partners to help deliver the right response to any infectious disease or public health emergency.

As a forum for the world's largest economies, the G20 is uniquely positioned and has a responsibility to act collectively. This has proved effective in the past. In 2008, the G20 mobilized in response to the financial crisis. In 2014, during the Ebola outbreak in West Africa, G20 Leaders responded with their first collective commitments on global health. They highlighted the G20's comparative advantage in addressing "longer-term systemic issues and gaps in capability, preparedness and response capacity that expose the global economy to the impacts of infectious disease and announcing a range of measures to strengthen national, regional and global preparedness against threats posed by infectious diseases to global health." G20 efforts in mobilizing resources for the prevention and control of Ebola were critical to international efforts that successfully controlled the outbreak. Now, a collective response to the COVID-19 pandemic is required with a focus on the following:

1) Invest in a Collaborative Global Response to COVID-19:

Commit the **\$35 Billion USD** of investments needed to fully implement the Access to COVID-19 Tools (ACT) Accelerator and its pillars; diagnostics, treatment, vaccines and health system strengthening.² To achieve this, G20 countries should contribute 1% of domestic fiscal stimulus spending, or the equivalent amount, to the global response, with the first funds going toward fully funding the ACT-Accelerator. Alongside critical investments in health systems strengthening, each pillar is vital to

² The updated overall costing is set at \$38 billion, of which \$2.6 billion has already been pledged, leaving a balance of \$35.4 billion to be raised by March 2021. Of this an urgent funding need of \$15.2 billion needs to be raised as soon as possible in 2020.





the overall effort of ensuring fair, equal, and global access to public health investments. Specifically, the investment case 3 for the ACT-Accelerator needs:

- \$16 Billion USD for the Vaccines Pillar (COVAX), led by the Coalition for Epidemic Preparedness Innovations (CEPI) and Gavi, the Vaccine Alliance, to deliver 2 billion doses of COVID-19 vaccines globally by the end of 2021. We also call on all G20 members to join COVAX while providing funding to LICs and LMICs through COVAX Advance Market Commitment (AMC).
- **\$7 Billion USD** for the Therapeutics Pillar, led by Unitaid, and the Wellcome Trust, to deliver 245 million therapeutics courses in Low and Middle-Income Countries by mid-2021
- **\$6 Billion USD** for the Diagnostics Pillar, convened by FIND and the Global Fund, to deliver 500 million tests in Low and Middle-Income Countries by mid-2021
- **\$9 Billion USD** for the health systems connector pillar, led by World Bank, Global Fund and Global Financing Facility to ensure that the COVID-19 tools can reach the people who need them.

2) Bridge the urgent funding gaps to prevent deadly secondary impacts of COVID-19, create an enabling environment for the implementation of the ACT Accelerator, and protect against any emerging infectious disease:

A- Mobilize funding to fully support The Global Fund's COVID-19 Response Mechanism, which will run out of existing funding at the end of September, and is seeking an additional \$5 billion for its Urgent COVID-19 Mitigation Plan. This includes mobilizing USD 1 billion to adapt critical HIV, Tuberculosis and Malaria programs, as well as USD 4 billion to enable the Global Fund to implement core components of the ACT-Accelerator pillars on Therapeutics and Diagnostics, and to deliver critical enabling health systems strengthening interventions through proven Global Fund mechanisms.

³ ACT-Accelerator Investment Case (2020)



B- Commit to work on mobilizing the **\$6.71 Billion USD** required for the updated United Nations Coordinated Appeal of the Global Humanitarian Response Plan (GHRP)⁴.

C- Ensure the activities of the Global Polio Eradication Initiative (GPEI) are fully financed, including requests for additional resources to support polio catch-up activities due to disruption to polio campaigns caused by COVID-19, short term funding requirements for GPEI activities and adequate financing of the polio endgame strategy.⁵

3) Prioritize the Strengthening of Health Systems in the Global South and for vulnerable people:

A- Mobilize **\$500 Billion USD** Marshall Plan for a Health Recovery, as per UNCTAD's recommendation⁶, by honoring at least a quarter of the undelivered past ODA promises.

B- Prioritize accessible public health systems that are free at the point of use through investment and policy initiatives, including strengthening health workforces, as well as the suspension of user fees and insurance conditions to ensure unconditional access to all health services for all free at the point of use.

C- G20 countries should also protect investments for R&D beyond COVID-19, to address prevention, diagnosis, and treatment technology gaps, to sustainably tackle all infectious and neglected tropical diseases (NTDs), and to tackle drug-resistance.

D- Financing the response to COVID-19 is not enough when the money committed is at the expense of other underfunded health needs. G20 Finance and Health Ministers should prevent COVID-19 knock-on impacts on access to routine health services, including sexual and reproductive services. We must balance fighting this pandemic while maintaining essential health services, and fighting other diseases. Responding to this crisis has to happen while ensuring that essential HIV, TB, malaria, and other services are protected and bolstered by the resources invested in

⁴ UN Global Humanitarian Response Plan - Updated (2020)

⁵ Polio Endgame Strategy (2019)

⁶ UN calls for \$2.5 trillion coronavirus crisis package for developing countries (2020)



COVID-19. For example, invest to scale-up molecular testing, appropriate triage and care.

E- G20 countries should support the increase of sustainable government spending on health to at least **5% of GDP** on health, at home, and in developing countries. Governments should raise revenue for health and nutrition systems in an equitable way, through prepaid, mandatory and progressive taxation, and creating mandatory health insurance schemes. Pooling funds to increase purchasing power, participating in regional mechanisms and investing in manufacturing capacity for essential medical supplies are critical to ensuring greatest value for money. Persistent underfunding of healthcare systems, even in advanced countries, has results in dwindled pandemic preparedness. National plans must incorporate sustainable financing for community-based health services and ensure that civil society, as well as vulnerable and marginalized populations, are involved in planning.

F- Donor governments should invest at least **0.7% of their GNI** on Official Development Assistance (ODA) with a priority on global health; and ensure sustainability of all investments, building in timely capacity and risk assessments, analysis of donor transitions, and providing the necessary technical assistance. In line with SDG17, developed countries should fully implement their official development assistance commitments and dedicate **0.15 to 0.20 per cent of ODA/GNI** to least developed countries. G20 countries should also scale up ODA commitments, and avoid re-allocating or re-routing existing ODA flows to emergency packages or debt reliefs.

4) Uphold Human Rights in Global Health by Leaving No One Behind:

A- Any Financing for Health frameworks must be grounded in a human-rights based approach, prioritize primary health care, ensure sexual and reproductive health and rights (SRHR), including maternal and child health (MCH), and gender equality. It must also recognize nutrition as key to health and development, prioritize water, sanitation and hygiene (WASH) in all health facilities. Health financing should also ensure access to safe and affordable surgical, obstetric and anesthetic care.



B- G20 countries must also ensure that women and girls have access to Gender-Based Violence (GBV) prevention and response services, including GBV survivor services such as temporary shelter, safe housing, and financial support. COVID-19 disproportionately affects women and girls, vulnerable and marginalized people, such as people living in poverty, people who are malnourished, elderly people (including those with dementia), homeless people, people with disabilities, ethnic communities, prisoners, migrants, refugees, and people with existing health conditions.

C- G20 Governments should insist that emergency laws passed during coronavirus are not used to curtail human rights or oversight and are expressly temporary in nature.

5) Commit to Accountability, Transparency, and Public Scrutiny:

- A-All public health expenditures and COVID-19 related procurement must be transparent, subject to public scrutiny, and have mechanisms in place to prevent corruption and ensure accountability to citizens. Oversight bodies that include civil society and other stakeholders should be established to scrutinize decisions and help maintain public trust.
- B- All COVID-19 fiscal stimulus spending must also be subject to relevant oversight and accountability mechanisms with a focus on ensuring transparency, value-formoney and equity.
- C- G20 countries must set clear, concrete, time-bound, costed, and publicly communicated Universal Health Coverage plans, financing strategies, and targets, developed through inclusive multi-stakeholder dialogues, including civil society. At the same time, G20 should leave no countries behind in the context of UHC, especially LMICs and countries with heavy disease burdens as well as political and economic crises.
- D-G20 must adopt disaster risk reduction financing strategies and financial instruments to strengthen the preparedness and effective response in future crises.
- E- G20 Health and Finance Ministers should reaffirm their commitment to the 2019 G20 Shared Understanding on the Importance of UHC Financing in Developing



Countries, and discuss its expansion, follow up, regular review, and national implementation.

6) Commit to Continuity of G20 Health Financing Policy by Establishing a Joint Finance-Health Ministerial Meeting Annually:

G20 Finance Ministers and Health Ministers should commit to holding a Joint Meeting annually under every G20 Presidency to discuss continuous realignment of financial systems, finance regulation, and financing with human-rights based global health priorities. We count on Italy and India to continue upholding this newly-adopted tradition after Japan and Saudi Arabia.

7) Adopt Financial and Systemic Reforms in Support of Equitable Recovery:

- A-G20 countries should only support fiscal stimulus packages designed to a) strengthen public systems and social infrastructure, particularly health, education and social protection, b) increase levels of decent employment with all necessary labor safeguard requirements, and c) support a just transition to tackle the climate challenge.
- B- G20 countries should adopt wider debt cancelation as the fastest way to free up resources to tackle COVID-19. This pandemic and its accompanying economic and commodity price shocks will inevitably expose more countries to risks of debt distress. Currently high indebtedness in developing countries hinders their ability to withstand the impacts of the global crisis. While commending the initial steps by the G20 for temporary debt service suspension, we urgently call for:
 - Permanent Cancellation of all principle, interest, and charges on sovereign external debt payments, due to be made in 2020 and 2021. It should therefore not get postponed, referred, or accrue in the future.
 - Provision of emergency additional finance which does not create debt. Emergency financing needs to not further compound debt vulnerabilities and is provided as grant-financing.
- C-G20 countries should also support moves by any developing country to stop making payments on debt to private external lenders, and promote legislation within key jurisdictions to prevent legal action against governments stopping debt payments.





- D- G20 countries should support expanding eligibility for concessional lending by international financial institutions (IFIs) and ensuring that decisions on emergency financing are free from geopolitical considerations.
- E- G20 countries should adopt national and multi-jurisdictional International Solidarity Levy, and Financial Transactions Taxes (FTTs), to finance SDG implementation (especially SDG3 on health) and reduce speculation and high frequency trading of financial assets, by applying progressively larger levies depending on price volatility.
- F- G20 countries should mandate the adoption of a broader Domestic Resource Mobilization (DRM) new deal, under the UN leadership, with consensus on emergency solutions targeting stock of wealth and extraordinary corporate profits.
- G- Relaxed financial market and bank regulations should have clear, strict conditions to be held accountable to, even during an emergency. For instance, relaxed regulations should only apply to those banks that will not distribute dividends based on their profits of last year and in 2020, nor buy back shares, and do not award bonuses, requiring a retaining of profits to strengthen buffers.
- H- The G20 should support a global agreement on smart capital controls, increase the availability of central bank currency swap lines to Emerging Markets, and encourage the IMF to establish a complimentary swap-type facility for developing countries, using the IMF's hard-currency resources.

Together with this set of aforementioned, time-sensitive, and forward-looking policy recommendations, we ask G20 officials to jointly consider the policy asks previously put forward in the C20 Policy Pack, inclusive of our Global Health Working Group and International Financial Architecture Working Group Policy Papers, as well as the C20 Statement for Effective G20 Agenda on Finance and Health.

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Civil Society 20 (C20) is one of the eight independent Engagement Groups of the G20. It provides a platform of Civil Society Organizations around the world to bring forth a non-government and non-business voice. It provides a space through which CSOs can contribute in a structured and sustained manner to the G20. The C20 Engagement Group is structured around the 2019 C20 Guiding Principles.