

## PRESS RELEASE

### Future Pandemics Will Be Worse Without Financial Justice

*\*WHO delegates cannot ignore unequal economic governance playing field\**

*\*Newly launched Pandemic Fund is not a solution\**

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Geneva, Switzerland

Ahead of the [release](#) of an initial draft of the WHO pandemic treaty to be expected in the coming days, civil society experts and academics highlighted the urgent need to reshape and redirect financing towards prevention, preparedness and response to any future pandemics.

In an [event](#) held today, Geneva Global Health Hub (G2H2), a platform of over 40 civil society organizations working on global public health, released the report '[Financial Justice for Pandemic Prevention, Preparedness and Response](#)', bringing a deeper understanding of the unspoken tension between the current international financial architecture and health financing models in the post COVID-19 scenario.

"There is certainly no shortage of money in this world, but redirecting it to advance health after the pandemic requires bold action. The international community instead continues to pursue outdated and opaque models, as is the case of the recently established [Pandemic Fund](#)," said Mariska Meurs, Wemos and co-author of the report. "This fund cannot be the world's solution as a response to future pandemics even if its design flaws are repaired. It is appalling that low-income countries and civil society representation was only allowed a seat in the Pandemic Fund board discussions after strong global criticism," highlights Mariska Meurs.

The report also demystifies the idea of fiscal consolidation and the commercialization of health services, two areas of financing solutions implemented worldwide, that have systematically failed to bring Health for All. In 2021, about 134 countries started cutting down on government spending on health care and no less than 143 are projected to be implementing a new round of malignant austerity measures by 2023.

Austerity or fiscal consolidation must be avoided. added Isabel Ortiz, Director of the Global Social Justice Program at Joseph Stiglitz's Initiative for Policy Dialogue. "All the human suffering caused by austerity cuts can be avoided. There are alternatives even in the poorest countries, governments can increase their budgets to ensure quality public services and universal social protection by looking at financing options such as fairer taxation, reducing debt and illicit financial flows".

In most cases austerity measures as part of fiscal consolidation have led to a massive deterioration of health conditions for entire populations. Baba Aye, Public Services International, G2H2 co-chair said, "This economic model has enslaved global South countries to multiple financial dependencies, constricted their fiscal policy space, distorted their economic and human development and impoverished them."

Austerity goes hand in hand with commercialization and privatization of public health services, a trend pushed today in the name of health security. "People suffered the most during COVID-19 where there was privatized healthcare or funding cuts. Evidence shows that public healthcare systems overall result in better health outcomes for societies, including in terms of crisis prevention, preparedness, and response," added

Baba Aye, G2H2 co-chair and report co-author. Against this evidence, the World Bank has rolled out its “private-first” approach - including in health - through the so-called Maximizing Finance for Development strategy.

The G2H2 report unpacks the complex landscapes of debts and illicit financial flows in the context of social and economic injustices. “If the G20 had canceled all payments due in 2020 of the 76 most indebted countries, this would have liberated US\$ 40 billion towards a pandemic response. If the cancellation had included 2021, the freed amount would have been US\$ 300 billion. Debt is a virus, and debt cancellation is the vaccine the world needs, before the debt crisis explodes”, said Nicoletta Dentico, G2H2 co-chair and report co-author.

“Wealthy industrialized countries should consider instead the ecological debt they have accumulated with developing countries in decades of environmental devastation and historical emissions of greenhouse gasses, for which they should pay colossal reparations” Dentico explained. The damage done has been calculated as the US\$ 6 trillion in global economic losses through warming from 1990 to 2014.

Estimates show that an additional 75-95 million people will be pushed into extreme poverty by the end of 2022 due to worsening debt crisis. Nicoletta Dentico added, “While calls for a widespread debt write-off are mounting, World Health Organization’s reluctance to even mention debt cancellation when tackling financing for health needs to be challenged and questioned.”

Illicit Financial Flows (IFFs) are yet another drain on public resources that can only be tackled with radical action. According to UNCTAD, countries with high IFFs spend on average 25% less on health and around 50% less on education. Recently, at the 2022 UN General Assembly, the Africa Group [tabled a draft resolution](#) calling for negotiations towards a UN convention on tax cooperation. This initiative should at least receive a strong indication of support from the Intergovernmental Negotiating Body for the pandemic treaty at the WHO.

Governments and civil society organizations need to fully understand these dynamics at play, and avoid being captured by these systemic injustice as if these conditions cannot be repaired. Negotiators involved in the pandemic treaty at the WHO must also confront the current system of financial injustice and join the calls for economic reforms coming from the very UN that the WHO belongs to.

*ENDS*

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The Geneva Global Health Hub (G2H2) is a Geneva based independent platform of over 40 civil society organizations working on global public health and advocating for a democratic global health governance. Website: [g2h2.org](http://g2h2.org) | Twitter: [@G2H2\\_Geneva](https://twitter.com/G2H2_Geneva)

## Contact Us

For interviews with the authors of the report, subject matter experts, quotes and other media requests please reach out to us

G2H2 Communications Officer: Neha Gupta [communications@g2h2.org](mailto:communications@g2h2.org)

G2H2 Secretariat: Thomas Schwarz [info@g2h2.org](mailto:info@g2h2.org)