

AVIAN AND HUMAN INFLUENZA¹ FACILITY

The Avian and Human Influenza Facility (the “AHI Facility” or the “Facility”) is a multi-donor financing mechanism administered by the World Bank. The AHI Facility is established as a joint effort being undertaken by the World Bank, donor countries, Regional Development Banks, the Food and Agriculture Organization (FAO), the World Health Organization (WHO), the World Organization for Animal Health (OIE), among others, (the “Partners”) for the purpose of minimizing the risk and socio-economic impact of avian influenza (and other zoonoses) and of avoiding a possible human pandemic influenza in developing countries lacking adequate domestic resources and capacity to fight the disease.

PREAMBLE:

There is an urgent need to ensure that the world is able to control and eliminate the current virulent form of avian influenza. It is recognized that a strong effort to control avian influenza is the most effective way to reduce the risk of a human pandemic. Containing the threat of avian influenza poses a complex, multi-sectoral, cross-border challenge.

Technical leadership in developing protocols through which to address this challenge lies with three agencies: FAO, WHO, and OIE. Translating those protocols into specific outcomes requires the support of the international community. In this regard a number of initiatives have been launched by the UN System Influenza Coordinator (UNSIC), the European Commission, and the Governments of Australia, Canada, Japan, and USA amongst others. These initiatives led to a meeting in November, 2005 in Geneva, Switzerland, which concluded with a strong consensus around the need to address the issue of avian and human influenza (AHI) by supporting integrated country action plans, complemented by regional and global coordination.

The International Pledging Conference on Avian and Human Pandemic Influenza was organized by the Government of the People’s Republic of China, the European Commission and the World Bank, and held from 17th to 18th January, 2006, in Beijing, to build on the outcome from the Geneva meeting. Partners subscribed to a long term strategic partnership between the international community and countries currently

¹ Avian influenza, also known as bird flu, is a highly contagious viral disease affecting mainly chickens, turkeys, ducks, and other birds. While avian influenza caused by highly pathogenic virus strains have sometimes been shown to infect man, the disease should not be confused with human influenza, a common human disease. However, avian influenza under certain circumstances could pose a serious threat to humans. Source: The World Organisation for Animal Health (OIE).

affected or at risk in which adequate and prompt financial and technical support is to be mobilized to complement the efforts of the countries and regions themselves².

A Multi-Donor Financing Framework³ to help meet the financing needs and gaps⁴ was welcomed at the Beijing Meeting, and many donors (the “Donors”) made substantial pledges to help meet the AHI challenge, amounting to \$1.9 billion.

The Multi-Donor Financing Framework allows flexibility for donors to contribute to this joint effort by providing support under various mechanisms (grants, loans, credits) and to channel their funds in various ways, including through the use of Trust Funds to be administered by the World Bank under the AHI Facility.

For its part, the World Bank has agreed to make available up to \$500 million to help individual countries address the AHI challenge, following the FAO/OiE and WHO protocols.

PRINCIPLES OF THE AHI FACILITY

1. Rationale for a joint effort

In order to allow deployment of resources where needs and financing gaps are highest, and so that action is swift, efficient and equitable, several donors in Beijing expressed a preference to channel resources through the AHI Facility. The reasons for doing so are:

- Promoting country ownership and policy dialogue: Channelling resources through the AHI Facility and its Trust Funds will support government-led donor coordination regarding integrated country action plans. It will build on and strengthen the existing dialogue and coordination arrangements between the government and the donors as well as with civil society;
- Encouraging multi-sector reforms: Coordinated financing through the AHI Facility will help to integrate external financing for avian and human influenza (“AHI”) into domestic financing and policy frameworks. This will help to foster real sectoral reforms and deepen the policy reform dialogue, with existing sector programmes being strengthened to be able to respond to AHI;
- Ascertaining results and impact: The Beijing Conference agreed on the need for a Multi-Donor Financing Framework that is results/impact-oriented. Supporting the AHI Facility-financing mechanism will facilitate the development of a common results framework that will make it possible to track progress and impact in a harmonised and transparent manner;
- Leveraging strategic overall financing packages combining grants and loans: Coordinated donor financing through the Facility’s Trust Funds will aim at developing

² Beijing Declaration at the International Pledging Conference on Avian and Human Pandemic Influenza, January 18th, 2006

³ Avian and Human Influenza: Multidonor Financing Framework, World Bank, January 12, 2006

⁴ Avian and Human Influenza: Financing Needs and Gaps, World Bank, January 12, 2006

strategic overall financing packages, combining AHI Facility-grants with bilateral grants and multilateral loans, credits and grants.

2. **Purpose and Objective of the AHI Facility**

The AHI Facility is created to assist countries in meeting financing gaps in their AHI integrated country action plans, when domestic and existing bilateral or multilateral donor resources are unable to fill the gap.

2.1. The **Purpose** of the AHI Facility is to minimise the risk and socio-economic impact of avian influenza (and other zoonoses) and of a possible human pandemic influenza in developing countries lacking adequate domestic resources and capacity to combat the disease.

2.2. The **specific objectives of the AHI Facility** are:

- a) Avian influenza either prevented or progressively brought under control and eradicated in selected countries;
- b) Increased human influenza pandemic preparedness.

These objectives will be achieved by providing financial support and expertise to selected countries for development and implementation of national strategic, multi-sector plans with respect to avian influenza and other zoonoses as well as human influenza pandemic preparedness⁵.

3. **Eligible Activities**

3.1 The AHI Facility Trust Funds will be available to support eligible activities (the “Eligible Activities”) which contribute to the objectives and purpose of the AHI Facility, provided:

a. Either:

- The activity provides support for the elaboration and improvement of integrated country action plans;
- The activity is included as a priority in an integrated country action plan and is consistent with the FAO, OIE, and WHO protocols;
- The activity is endorsed according to the in-country procedures set out in paragraph 11 of the Facility’s Governance Structure; and

⁵ All countries, regardless of their level of risk, need to prepare integrated country action plans for human and animal health as well as for other sectors engaged in the response for avian and human influenza. Country action plans should identify clear and common objectives across sectors, with associated results, outcomes and costs, to which all sectors can contribute. They may also need to provide for the development of policy, legislation, and related strategy work to support the interventions identified.

- The respective Country Director in the World Bank where the Eligible Activities are going to take place, confirms that other sources of financing cannot be made available, according to the procedures set out below in paragraph 11 of the Facility's Governance Structure.

In such cases, preference will be given to supporting endemic and at-risk developing countries, whose domestic resources and capacity does not permit them to adequately develop and implement their integrated country action plans.

b. Or, the activity is otherwise proposed, in which case it will be subject to review by the Advisory Board, as described in the Facility's Governance Structure description.

3.2 Typical activities eligible for support from the AHI Facility Trust Funds are likely to include:

- Support to elaboration of integrated country action plans⁶;
- Communications and coordination aimed at winning trust and confidence of the population, minimising panic and disruption, and mobilising the public as a key partner in beating the disease;
- Surveillance and early warning systems including enhancement of laboratory and diagnostic capacity;
- Rapid outbreak containment plans and operations including: (i) animal vaccination, culling and compensation schemes, disposal, and post-culling disinfection; (ii) field investigations of human disease cases and clusters, implementing public health countermeasures, and enhancement of surge capacity;
- Strengthening human health systems to deal with infectious disease outbreaks, especially influenza;
- Support for reference laboratories;
- Evaluation of and strengthening of the veterinary system and services to deal with animal health outbreaks, especially zoonotic diseases including Avian flu;
- Cross-country coordination activities;
- Capacity building at country or regional levels; and
- Monitoring and evaluation, program management and strategy development.

This is not an exhaustive list. Resources from the AHI Facility cannot, however, be used for procurement of anti-viral drugs.

4. **Eligible Applicants**

All member countries of IBRD and West Bank and Gaza will be eligible to apply for funding from this Facility. In addition, international and regional organizations and non-governmental organizations will also be eligible to apply for projects of an inherently multi-country nature or for projects in countries without an ongoing IBRD or IDA lending program (including countries in non-accrual).

⁶ Refer to footnote 5

5. Execution of the AHI Facility Trust Funds / Categories of Expenditures

5.1. The AHI Facility Trust Funds will provide grants (the “Grants”) which will normally be executed by different recipients (the “Recipients”). In such cases, the Bank’s Trust Funds operational policies will apply, except when the grants are disbursed to those other international organizations with whom the Bank has agreed on derogations from those policies. For activities financed under **Recipient-executed** Grants, all categories of expenditures allowed under Bank’s operational policies are allowed, except land acquisition.

5.2. Upon the written request of the Recipient, the Bank may act as executing agency for the Recipient in carrying out the activities to be financed by the Grant. In such cases when the activities to be financed under the Grant are **Bank-executed**, the eligible categories of expenditures would include: associated overheads, short-term consultant fees, extended term consultant salaries and benefits; contractual services; equipment; travel expenses; media and workshop costs; where the provisions of the Bank’s policy on emergency recovery assistance apply, small contracts for start-up goods and works necessary to enable the recipient to undertake the execution of subsequent project activities.

6. Use of funds

6.1. The AHI Facility funds can be used to:

- (i) provide grants to recipient governments, non-governmental organizations, international or regional organizations, and other Partners, (the “Recipients”), for the purpose of financing activities eligible to be supported by the Trust Fund; and
- (ii) compensate the Bank for administration and related expenses arising in connection with the AHI Facility Trust Funds.

6.2 Donors will have two alternatives to contribute to the AHI Facility: through a Multi-Donor Trust Fund or through Single-Donor Trust Fund arrangements.

The Multi-Donor Trust Fund will have no geographic restrictions. However, if under this arrangement, a Donor expresses preferences to allocate its funds to specific geographic areas, the Bank will accept the Donor’s funds acknowledging the Donor’s preferences but without a binding commitment to accommodate such requests.

7. Administrative cost recovery arrangements

In order to assist in the defrayment of the costs of administration, including design, management and supervision costs, and other expenses incurred by the Bank involved in the Trust Funds established under the AHI Facility, the Bank may retain for its own

account an amount equal to five percent (5%) of the amount of the contribution as described in the respective Trust Fund Administration Agreement.

The fee will cover, inter alia, appraisal missions, review of grant applications, supervision of grants and reporting at country and programme level.

8. **Liability**

8.1 The Bank shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

8.2 Otherwise than for failure to perform its obligations set forth in this Agreement, the Donors will not under any circumstances whatever be liable for damages caused either to the Bank or third parties during the performance of this Agreement. No claim can be submitted to the Donors for compensation or for restoration of any such damage or loss.

9. **Visibility**

The Bank will make every effort to ensure that publications, training programmes, seminars or symposia financed under the AHI Facility or its Trust Funds, and all press releases or other information materials issued by the Bank with respect to the AHI Facility or its Trust Funds, shall clearly indicate that the activities in question have received funding from various donors. A common logo will be developed that includes the flags or logos of all donors to the trust fund.

10. **Disclosure**

The Bank may disclose any information concerning the AHI Facility and its Trust Funds in accordance with the Bank's policies on the disclosure of information.

GOVERNANCE STRUCTURE OF THE AHI FACILITY

The Governance of the AHI Facility would need to be seen as part of the wider international approach of addressing the challenges of AHI. This wider approach is likely to provide for broad consultations, draw in all financing and non-financing Partners to review progress and advise on overall priorities. Within this framework, the governance of the AHI Facility would be a function of such factors as the scale of the financing provided, the number of financing Partners, and the scope and structure of the Facility.

Within the framework agreed through the governance structure of the AHI Facility, the World Bank would serve as administrator and Trustee of the Facility Trust Funds with

responsibilities to be specified in Administration Agreements between the Bank and each financing Partner or Donor.

The operating mechanisms of the Governance structure applicable to the AHI Facility and to any Trust Fund established under said Facility are as described below:

11. Country-based review

When proposed grants to be financed under any of the Trust Funds of the AHI Facility are country-specific, each proposal for Eligible Activities, will be reviewed by an “in-country meeting”. This meeting may be convened as part of the pre-existing mechanism for coordination between government and Donors within that country. The meeting will be organized –with at least two week’s notice to invitees (except in an emergency situation)—jointly by the Bank country representative and the UN Resident Coordinator. Invited participants are expected also to include the Government, a representative from each Donor, if they are represented in-country, and relevant technical agencies. The meeting will review the proposal or proposals, based on an assessment from the relevant World Bank Country Director, as local representative of the Administrator, on the feasibility of the proposal, the need for grant support from the AHI Facility in addition to funding sources already available, and the need for other non-grant external support (e.g. loans). Views expressed by the Donors at the meeting will be summarized and submitted to the World Bank Country Director as representative of the Administrator.

12. Central Oversight

Once a proposal for funding has been reviewed, as prescribed above, it will be forwarded to the World Bank’s AHI Facility Administrator. All proposals, whether or not country-specific, will identify the Bank staff member who would be the Task Team Leader if the grant is approved.

World Bank Regions will be allocated an amount which can be used for small grants (not exceeding US\$ 100,000) for technical assistance to support rapid preparation of AHI integrated country action plans. All other grant proposals will be reviewed by an Internal Bank Review Committee for approval. This committee may refer proposals back for clarification or decline proposals if they consider them inconsistent with the purposes of the AHI Facility or inadequately justified.

If the amount sought by the applicant is US\$3,000,000 or more, or the proposal is not country-specific, the Bank’s assessment and proposed financing package will be submitted for consultation to the Advisory Board, as described below. The Bank will also inform the Advisory Board on proposals declined and the reasons for declining.

13. Advisory Board

The Bank will establish an Advisory Board to provide advice and guidance to the Bank on the performance of the AHI Facility. The Advisory Board will consist of representatives

from the Bank, all Donors who are committed to contributing \$2.5 million or more, and UNSIC and OiE as observers. If the number of Advisory Board members exceeds five this arrangement may be reconsidered and revised at a meeting of the Advisory Board. Meetings of the Advisory Board will be co-chaired by the Bank (as Administrator) and a representative of the European Commission. The Advisory Board may invite representatives of other multilateral and development partners and civil society to attend meetings of the Advisory Board. The Advisory Board will provide advice on policy and operational strategies of AHI Facility, as well as specific advice on financing proposals requiring US\$ 3,000,000 or more or which are not proposed through the country-based mechanism outlined in paragraph 11 of Governance Structure. The Bank will propose for endorsement by the Advisory Board a list of criteria to be used for the decision-making on funding requests. The Advisory Board will also review and approve any amendment to such criteria. If necessary the criteria may vary from region to region. The Advisory Board will meet physically at least once a year. The Program Manager may organize interim video-conference meetings, or e-mail clearance sessions, whenever necessary.

The Bank will report to the Advisory Board quarterly on grants made or under consideration from the AHI Facility funds, and will report annually to the Advisory Board on progress and results of activities undertaken with AHI Facility support, based on a common results framework agreed with the Advisory Board.