

Think Global, Fund Global

Moving Towards a Healthier Future by Reshaping Global Health Financing

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INTRODUCTION

In June 2025, world leaders will gather in Spain for the fourth International Conference on Financing for Development. The desired outcome is nothing less than securing adequate financing for the Sustainable Development Goals (SDGs) and restructuring the financing framework for development aid. This objective presents a formidable challenge, given the US\$4 trillion SDG financing gap, political disruptions, economic challenges, and imminent threats such as the climate crisis, future pandemics, and ongoing conflicts. In fact, official development aid has dropped continuously over the last decade, counteracting the Addis Ababa Action Agenda, which was the outcome of the third International Conference on

Financing for Development, held in Addis Ababa, Ethiopia, in 2015.

A rather tense political climate will loom over this year's conference, threatening its success. As one of the first executive orders signed after Donald Trump's inauguration, the White House announced the withdrawal of the US from the World Health Organization (WHO). The US Department of State went on to pause foreign aid programs, with the US government shutting down the United States Agency for International Development (USAID). It also declared its withdrawal from the Paris Climate Agreement. Together with mass layoffs, budget cuts, and undermining the independence of the National Institute of Health (NIH) and the Center for Disease Control and Prevention (CDC), these de-

cisions do not only mark an attack on science and healthcare, but they ultimately represent the rejection of multilateralism and international cooperation based on humanitarian principles. The American withdrawal from the WHO, in particular, has immediate consequences for global health, especially for the most vulnerable (Lankiewicz et al., 2025).

The question for all nations and key global actors is how to react. Do they follow the lead of the US? Do they find a new basis for multilateral cooperation in the global health field? Or do they find completely new ways to finance global health? Taking the current environment into account, it is unlikely that this decision will be driven primarily by humanitarian considerations. A new rationale for supporting and financing global health is urgently needed and a new framework must be independent of diverse cultural backgrounds. The future financing of global health must be anchored in robust political and economic benefits for the participating nations.

PARADIGMS OF GLOBALIZATION

We are witnessing a pivotal point, in which the global order, formed in the wake of the Second World War, is being questioned. After the war, supranational institutions were established to safeguard peace and facilitate international cooperation and globalization, which aimed to advance living standards. In this context, it was considered a moral responsibility for the Global North to financially support development in the Global South. However, development aid was also motivated by strategic and economic goals. In the following decades, the US and European

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nations benefited substantially from free trade and a globalized world.

However, during this phase, the inherent discrepancies of globalization became increasingly evident: while global capital markets and supply chains, industrial corporations, and financial actors almost seamlessly interact on a global scale, governments appear to struggle with defining and establishing appropriate mechanisms for supranational policymaking. Consequently, globalization has predominantly benefited the strong industrial and financial nations, which have sought to optimize their activities on a global scale. In parallel, the free global exchange of goods and money has jeopardized the economic basis for significant industrial sectors and regions, even in the most powerful nations. The decline of the “rust belt” in the US is a striking example.

These developments have led to an increasing skepticism towards globalization, including multinational cooperation, and has fueled populist and nationalistic movements in many Western countries.

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In societies that are grappling with growing internal social inequality and economic disparities, national governments, populations, and elites are increasingly hesitant about transferring finances and competencies to multinational agencies. Multinational approaches are increasingly considered unnecessary spending, diverting funds and capacities from areas that would deliver palpable benefits for ordinary taxpayers. This trend is stimulated by the impression that international organizations are acting outside of the immediate control of national governments and, thus, reducing national sovereignty.

This is a very dangerous development. The COVID-19 pandemic provided striking evidence that global health challenges require global reactions based on international cooperation and involvement with multinational organizations. The COVID-19 pandemic also showed that such challenges result in humanitarian hardship but also inflict significant economic and political consequences.

Evaluating the events from a humanitarian viewpoint, it is obvious that the countries with advanced technological and healthcare capacities failed to sup-

port low-income countries with vaccines, protective equipment, and testing capacities when it was needed the most. This exposed an overt lack of international solidarity and had lasting negative corollaries for mutual trust and cooperation.

Setting humanitarian arguments aside, the COVID-19 example also provides strong arguments for multilateral cooperation from a purely national or economic standpoint, including that of high-income countries. The COVID-19 pandemic had enormous negative effects on global economies. The International Monetary Fund (IMF) estimated that the aggregated cost is likely to be approximately US\$14 trillion, globally (Jamison et al., 2024). This exceeds the number of global investments needed to prevent or contain similar future pandemics by a factor of 100 to 1000, with the effectiveness of such investments increasing with the level of international coordination. Therefore, a sustained investment in global pandemic preparedness through multinational cooperation and institutions would be a rational fiscal approach for all nations. Similar arguments are also relevant in less high-profile aspects of health. These include other infectious diseases and non-communicable diseases, such as the silent pandemic of malnutrition, metabolic syndrome, obesity, and diabetes.

FROM NECESSITY TO CHANCE

However, investments in global health are not only justified by preventing disease-related damage to national and international economies – the health sector is one of the strongest economic sectors in most high-income countries. Within this sector, research, innovation, and prevention-re-

lated products are relevant components. These areas are not only a prerequisite for high-quality national health systems, but also strengthen national economic welfare through export and international marketing.

This means that investments in health are not only a humanitarian project, but an economic and strategic necessity. The World Bank's report on investing in health introduced this notion in 1993. The concept has evolved ever since and the WHO Council on the Economics of Health For All presented another landmark report. Health is a cornerstone of the economy, therefore, in return, it should primarily serve the people and the overarching goal of well-being.

Domestic health investments yield considerable returns, much of which are achieved by preventing premature deaths and reducing morbidity among the general population. Consequently, expenditures for the treatment of diseases decrease while productivity and the workforce grow. The same applies to global health expenses. In the European context, every dollar spent on global health research – for example, research into poorly understood diseases – could yield a return of US\$405 (*The Impact of Global Health R&D Report*). Research and development investments do not only create jobs, but also products and patents that can be marketed and sold.

WHAT CAN BE DONE?

As a first step to renewing the funding framework for global health, leaders need to acknowledge the fact that investing in health not only serves humanitarian goals, but is also a very relevant driver for their own national economies, the well-being of their societies, and their international

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standing. Development aid was never intended only as a means of international solidarity, it was also based on well-justified national self-interest. In today's geopolitical climate – marked by a growing emphasis on national interests, the rise of populist movements, and widespread skepticism toward multinational efforts and institutions – it is essential for traditional global health advocates, donor nations, and international organizations to be fully transparent about their objectives and activities. By doing so, trust in the rationale of development aid would increase on the side of the partners and recipients but also domestically, where populations require convincing arguments to support international engagement and foreign communities.

The concept of enlightened self-interest is, in principle, not new, but it may be especially helpful in a situation where populations and nations, worldwide, are increasingly questioning the post-war narrative. It was an inherent weakness of this narrative that it used humanitarian aims to argue for globalization, free markets, and multinational institutions, while the accompanying agenda related to political and economic goals was often not made transparent. Changing this approach

might be a promising option to strengthen international cooperation, which is urgently needed in this time of increasingly nationalistic politics.

According to this approach, a comprehensive framework needs to be established to reform the financing of global development. Financial agreements should strengthen international cooperation without curbing national sovereignty. They should foster universal health coverage globally but, at the same time, serve tangible internal economic and political goals. It would also be beneficial to consider how to attract private investments and philanthropic contributions while maintaining tight regulation to ensure that health equity is not compromised. By aligning financial incentives with rigorous equity standards, such a framework can harness additional resources without undermining universal healthcare goals.

Such a strategic framework should be based on the following mechanisms and aspects:

1. **Goals**

Aims that can be approved by all relevant and necessary partners should be formulated. These aims should be based on tangible benefits for the populations and economies of all parties.

»National ownership needs to be respected, without undermining multinational institutions.«

2. **Transparency**

The aims of the framework should be communicated clearly at both international and national levels. Economic and strategic goals should not be hidden behind humanitarian arguments.

3. **Fairness**

The nations and additional partners in a new financial framework should contribute according to their expected benefits and their economic and technological strength. This may result in an organization that is comparable to NATO (Kickbusch, 2025). It should prompt industrialized countries to devote (for instance) 0.1% of their gross national income to foreign aid, as recommended by the WHO in 2001 (OECD, 2025). For reasons of accountability and transparency, such spending targets further warrant reliable donor reporting mechanisms.

4. **Mechanisms**

National ownership needs to be respected, without undermining multinational institutions. Specifically, the work of the WHO is key in coordinating concerted efforts to improve health outcomes worldwide; therefore, it should be strengthened. Furthermore, development aid should be optimized and projects with a high money-value ratio should be prioritized. This approach would necessitate the adequate scaling of development goals as a prerequisite (OECD, 2024).

5. **Sustainability**

The goal of universal health care requires sustained strategic investments to warrant sufficient domestic investments. To strengthen country ownership, national governments should aim

to allocate approximately 10%–15% of their expenditures to health (Jamison et al., 2024). Having said that, national taxation reforms and international debt cuts are needed to yield sufficient funds. As another example, sustained pandemic preparedness can be regarded as the health insurance of modern societies and economies. Long-term preparedness and emergency financing targets should be defined and implemented.

OUTLOOK

We must cast aside any illusions: Immediate action is required to address the US's sudden cessation of funding. The lives and health of many people depend on international cooperation and aid. A failure to address these emergencies will predominantly harm the poorest and most vulnerable communities across the world. However, the actions of the US are only the beginning, as they herald a more general weakening of established international cooperation and institutions.

However, these new political circumstances for development aid, as challenging as they are, may create the impetus for a much-needed redesign of the global health funding mechanisms. The US's withdrawal will push partners and stakeholders to reconsider and hopefully reinforce their commitment. However, this will only happen if a new basis for such actions can be established, which may be found in the fact that prudent and strategic investments in global health are very effective in safeguarding and developing prosperity at home. Turning away from US dominance in the field of development aid could pave the way for new and more

sustainable approaches. It could help to create a more balanced, fair, and transparent international interaction for universal health care and joint prosperity, which emphasizes both national ownership and the responsibilities of the donor community.

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