gpin
Global Public Investment Network

Time for Global Public Investment

Leaders and experts rethink sustainable development finance

OVER FIFTY ESSAYS FEATURING

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Led by

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Time for Global Public Investment

Leaders and experts rethink sustainable development finance

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01

Introduction

In the last few years, the movement for Global Public Investment has moved from a visionary but somewhat optimistic proposal to a blueprint for the transformation most now see as necessary.

In the last few years, the movement for Global Public Investment has moved from a visionary but somewhat optimistic proposal to a blueprint for the transformation most now see as necessary.

As leaders, experts and activists across the world try to unblock the financing bottleneck and target money at our many global challenges, one thing has become clear to an increasing number of them: it is time for Global Public Investment.

Yes, we need to mobilise domestic finance and, yes, we need private money to play a major part. But this is not the time to be winding down our global efforts to raise and spend more public money on public objectives, in a more effective and accountable way than we have managed so far. A new way of financing global challenges is long overdue, whether for health equity, food security, the climate crisis or tax and debt justice.

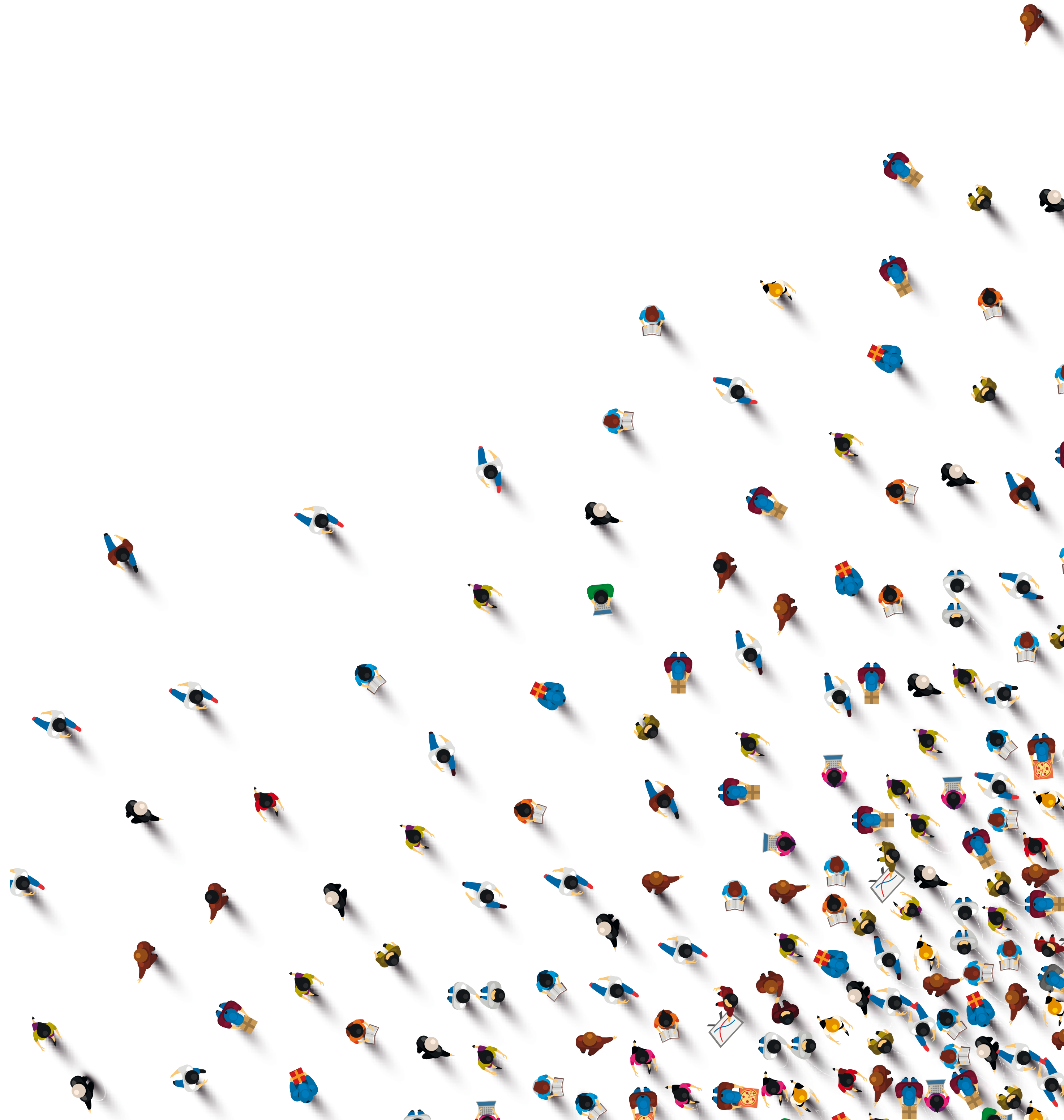
That is why we have invited over fifty eminent leaders, thinkers and doers from around the world, representing every continent, theme and sector, to explain what GPI means to them, and how they think the GPI principles of 'all contribute, all benefit, all decide' would help unlock funds for our global problems.

From eminent economists like Mariana Mazzucato, Thomas Piketty and Jayati Ghosh, to government representatives from Chile, Colombia and Norway. From climate leaders like Saleemul Huq to health leaders like Winnie Byanyima. From the thinktanks of Africa and Europe, Asia and Latin America. From the ONE campaign to Civicus, from Global Citizen to Southern Voice, from Christian Aid to the Network for Empowered Aid Response (NEAR), and many more.

This collection contains a range of proposals and endorsements from a wide range of contributors. It brings values-based arguments about GPI's potential for decolonisation and equity, rebuilding multilateralism, international solidarity and trust, and upholding human rights principles. It puts forward practical arguments for GPI's potential in building climate resilience, improving responses to humanitarian crises, and strengthening social protection and health systems. And it shows that every region in the world has cause to adopt a GPI approach.

What shines through again and again is a strong rallying call for the world to unite around this bold but feasible reorganising of the global financing infrastructure. GPI has become, in the eyes of these experts and many others, the only viable approach to financing if we want to deliver the promise of the Sustainable Development Goals.

The GPI proposal continues to be a process of cocreation building on an increasing number of consultations (national, global, sectoral). Over the next months and years our GPI Network of organisations and experts will ensure that the GPI proposal intersects with other movements for change, taking concrete steps forward and building momentum for transformational change in the global financial architecture.



Time for Global Public Investment

Experts and practitioners from around the world have been developing the concept of Global Public Investment (GPI) for some time, building on a long tradition of critiquing current global governance and aid-based approaches to financing our common global objectives. Co-creation is at the heart of the GPI approach, and indeed the growing momentum behind GPI is related to the inclusive way it is being built, which ensures both legitimacy and relevance, from defining the problem through to building the solution.

First consolidated GPI proposal

In September 2019, after a series of **papers,** workshops and retreats, the **first consolidated GPI proposal** was presented during UNGA week in New York.

Expert Working Group

The following year, as the Covid-19 pandemic began to force a deep rethink about how we cooperate to build a better world, a multidisciplinary group of eminent development policy practitioners, government advisers and scholars came together as an **Expert Working Group** (EWG) to further conceptualise and develop ideas around GPI. Its objective was to build a technically feasible and politically attractive proposal.

Global Consultation

In July 2021, the EWG published a report on its progress. This was the starting point for a six-month global consultation with participation from hundreds of individuals and organisations from all development sectors and regions. There are many important panels reconsidering international finance, but this is the only consultation of its kind to date, grounding the work of the EWG in grassroots perspectives as well as technical expertise and geopolitical reality.

Recommendations

In July 2022, the EWG published a set of recommendations based on the findings of the global consultation as well as its own deliberations (opposite). That same year, members of the EWG started the GPI Network as a space for organisations and individuals to continue the co-creation of Global Public Investment. The Network continues to grow, with well over thirty members and many individual supporters.

Expert Working Group Recommendations

The Expert Working Group on GPI made the following recommendations in 2022, following a global consultation, and the momentum behind them is building.

1 Global funds and initiatives should adopt GPI principles

Ultimately, GPI can be established and run effectively only with a major agreement between countries. However, trailblazing funds and multilateral organisations can introduce GPI principles into their work.

2 Governments should set up GPI budget lines

Given the transformative opportunities for global public finance, pioneering governments should introduce GPI budget lines and start to finance them.

3 The global health sector should adopt GPI principles

GPI should be at the heart of current efforts to prepare the world for the next pandemic and to strengthen health and community systems.

4 Efforts to reinvigorate climate finance should incorporate GPI

A GPI model would hardwire global redistribution into the climate finance system and build on the Common But Differentiated Responsibilities principle.

5 Regional Public Investment is needed to complement GPI

Relevant regional institutions should evolve current mechanisms towards an RPI model as part of a global shift towards GPI.

6 The campaign for GPI should link to other campaigns

The GPI network should link up with other networks, social movements and coalitions to add value to existing work.

7 Build an inclusive GPI Network

In order to build a movement to support GPI adoption, it will be necessary to set up a diverse and effective coordination network.

8 Engage in major UN (and other) processes on the road to 2030

Major processes include UN Financing for Development, Our Common Agenda and the Summit of the Future, COP28, the G20 meetings, and other UN conferences.

The global finance system is out of date.

It suffers the hangovers of colonialism and isn't ready for the global challenges we face today.

What needs fixing?

The SDG commitment to solve common global challenges such as the climate crisis **cannot be met by ODA.**

Contributions **come from a small pool of donors** and are often based on their own national priorities.

Lack of meaningful representation means **poor decision-making and weaker impacts.**

We need a new approach.

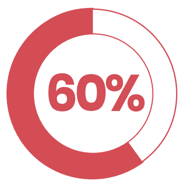
One that ensures sufficient quantities of finance and rebalances unjust power dynamics.

How would GPI help?

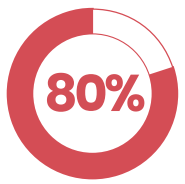
GPI would mean all countries committing funds according to a **fair-contribution formula**, based on capacity and responsibility.

GPI would involve a more **representative decision-making** structure, including civil society, enhancing legitimacy and effectiveness.

GPI's inclusive approach will provide the **long-term, reliable investments** we need to meet shared global ambitions without overburdening ODA.



of ODA spent on the provision of global public goods by members of the OECD Development Assistance Committee (2017-21).



of ODA came from just 8 donors in 2022.

Most countries in Africa, Asia and Latin America and the Caribbean already contribute to global initiatives.

USD 2.4 trillion

is needed annually by 2030 to meet the SDGs, much of which must be publicly sourced.

Global Public Investment's three principles

GPI reflects a **mutual approach** to addressing the world's challenges. No more top-down decision-making; no more patronising donor-recipient narratives. **It is time for all countries to work together**: *all contribute, all decide, all benefit.*

All contribute

GPI builds on the SDG principle of universality and challenges the donor–recipient dichotomy of traditional aid, advocating for a shared responsibility towards global development. Upfront country contributions would be complemented by international sources such as transnational taxes, a wealth tax, special drawing rights, debt cancellations and possibly bonds.

All benefit

GPI funds would be channelled towards internationally agreed global objectives – such as climate stability and pandemic prevention and preparedness – but would be allocated regionally and nationally as well, particularly where the enhancement of national-level public goods, services and infrastructure helped realise wider benefits.

All decide

Universal contributions strengthen the Global South's demands for a stronger voice in decision-making. GPI would involve a more representative structure, including civil society, leading to enhanced legitimacy and effectiveness in determining investment priorities and strategies, and better accountability.

Why 'Global Public Investment'

Why the term 'Global Public Investment'? Why those three words? They speak to the three core component parts required to meet the need for a form of **international financing** that goes beyond ODA and other current mechanisms.

Global

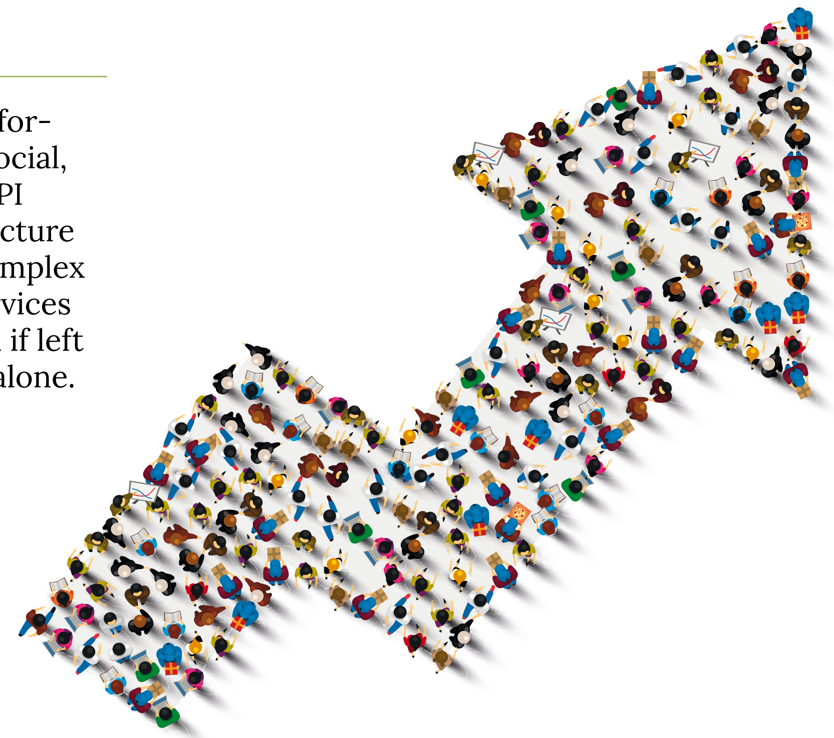
The new system needs to be truly **global**, multidirectional and interconnected, with all countries contributing, all benefiting and all having a say in the decisions that are made. It needs to respond to the massive global challenges we face in the 21st century, and the opportunities we have to make the world a better place.

Public

The new system must be built with **public** money at its core because it needs to respond to public priorities, be held accountable by the **public**, and be directed at **public** goods, services and infrastructure. Private money cannot substitute for the unique nature of **public** finance and spending (although an increasing amount of private money is still also required).

Investment

We need to think of this system as transformative **investment** intended to realise social, economic and environmental returns. GPI could, for example, build social infrastructure and secure the provision pathways of complex global and regional public goods and services that would otherwise go under-supplied if left to individual nations and private actors alone.



Chile

Paula Narváez

Ambassador and Permanent Representative of Chile to the UN

> *"We cannot simply continue with **more of the same** and expect a **different result.***

While the worst of the Covid-19 pandemic appears to be over, the world is still reeling from its impacts. As the [Secretary-General states](), "Halfway to the deadline for the 2030 Agenda, we are leaving more than half the world behind. Progress on more than 50% of targets of the SDGs is weak and insufficient; on 30%, it has stalled or gone into reverse. These include key targets on poverty, hunger, and climate. Unless we act now, the 2030 Agenda could become an epitaph for a world that might have been."

Moreover, the cascading shocks that have affected the Latin America and Caribbean countries have created not only a real development crisis in the region but also the slow growth in the 10 years from 2014–2023 that has cumulatively undermined the achievement of many of the SDGs.

The Economic Commission for Latin America and the Caribbean estimates that only 25% of the targets for which information is available appear to be on course to be met by 2030. An estimated 48% of them are moving in the right direction, albeit too slowly, however the remaining 27% are moving backward.

There is an urgent and vital need to implement policies and take action to reverse negative trends. The response needs to fit the challenge. We have not seen the level of funding required to meet our ambitious global goals and we cannot simply continue with more of the same and expect a different result.

There are many types of funding needed to support the SDGs and invest in our global commons – we need to be creative and ambitious. Crucial in all this will be a significant increase in public money. And that money cannot be managed as we managed it in the last century. Governance in the 21st century needs to be representative and effective.
In particular, the role of the UN in setting priorities and overseeing decisions needs to be central.

The world needs a coherent, ambitious and effective system of international public finance to respond to the multiple challenges it faces in 2023 and beyond. We need to work towards a fairer and more effective architecture that delivers more of the right kind of money in the right way on an ongoing and more predictable basis.

As a middle-income country, aware of the vacuum in structured funding for global goals beyond the limited ODA mechanism, Chile supports the development of Global Public Investment. This approach is an effort to think about how the financial architecture needs to evolve at regional and global levels to respond appropriately to our multiple challenges.

Colombia

Eleonora Betancur González

Director, Presidential Agency for International Cooperation of Colombia

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Our government is very much aligned with the Global Public Investment approach to development cooperation and international finance.

In the past decade, Colombia has demonstrated its far-reaching commitment to sustainable development and climate action. After the challenges encountered with the Millennium Development Goals, the global community faced the major prospect of consolidating a new global agenda for sustainable development. Through tactful negotiations and skillful multilateral diplomacy, in 2015 we achieved a comprehensive global agenda promoting 17 Sustainable Development Goals. By complying with the agenda, we would eliminate extreme poverty, guarantee food security, quality healthcare, and universal education, and protect the planet.

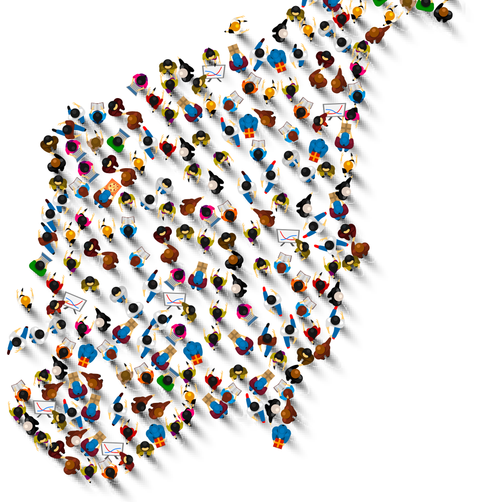
As we hit the halfway point of the 2030 Agenda we must accelerate its implementation, while we also begin thinking about what comes next. Colombia is again at the helm of new global strategies for conflict resolution, green industrial production, climate finance, and environmental protection. Colombia has two oceans, more than 50 rivers, three mountain ranges, considerable reserves of hydrocarbons, strategic minerals and rare earths, and is the second most biodiverse country in the world. Protecting its biological assets and capacities will be at the foundation of our national security and economic growth, and may be part of a greater solution to global crises as well.

Protecting ourselves and our planet is a common global imperative and will demand innovative approaches to sustainable development, starting at home under the leadership of local communities. Colombia is still transitioning out of a 20th century development paradigm that encouraged ‘growth’ for answers to political, economic, and social development problems. Our government seeks a more comprehensive and balanced approach to international development cooperation, one that breaks with ‘North –South’ barriers and harnesses, for the benefit of the entire world, the great natural resources we have at our disposal.

Colombia has prioritized its relationships with neighboring countries that share the Amazon biome - the largest and most valuable asset in our global commons. In August 2023, the Amazon Cooperation Treaty Organization (ACTO) convened eight presidents in Belém do Pará, Brazil, with ministers of foreign affairs and environmental protection meeting a month prior in Leticia, Colombia. They agreed to design new financial mechanisms that can help protect our shared natural assets without going further into debt. (Promoting multi-stakeholder environmental justice programs, research and education in life sciences, coordinated urban planning, and reforestation strategies among international, national, and local authorities were other principal commitments.)

The Colombian president has consistently promoted reforms to the international financial architecture, aiming at a more just and participative system, where Colombia and other biodiverse countries from the Global South are no longer expected to become more indebted while they are contributing to climate action and the preservation of the ecosystems that humanity so badly needs. Overall, the proposed focus of the reforms looks at global financing for sustainable development as a public asset. In this sense, our government is very much aligned with the Global Public Investment approach to development cooperation and international finance.

Norway



Nikolai Hegertun

Senior Advisor, NORAD

Bård Vegar Solhjell

Director General, NORAD

> "GPI is the closest thing to a new and shared vision for a **universal** and **lasting transformation** of the international development architecture.

The world is not progressing towards the Sustainable Development Goals (SDGs), we're regressing. Although the discourse on international development finance is replete with words like 'scale up', 'mobilize', and 'boost', the series of shocks the world is currently facing has only increased the gap between needs and available funding.

We're witnessing a geopolitical and geoeconomic fragmentation that effectively erodes common multilateral arenas. At a deeper level, UNDP's Human Development Report warns of collective distress and a surge of concerns regarding the future and our common ability to deal with existential threats like the climate crisis. In short, our current international architecture is not responding well to the collective action problem the world is facing.

Concurrently, development aid, or official development assistance (ODA), is increasingly being spent on addressing problems that affect not only poor countries. These are cross-border issues, including climate change, biodiversity, clean oceans, pandemic preparedness, and peace and security. Most worryingly perhaps is the fact that more ODA is spent on housing refugees in rich countries than on humanitarian aid.

This shift in the allocation of development aid has serious implications for poor nations. There simply is not enough foreign aid available to address both country-level poverty alleviation and to solve global problems. Both are very real problems. Poverty and humanitarian needs are increasing, after decades of progress. The under-provision of global public goods risks eroding current and future development gains. Yet, turning to aid to solve both sets of issues is just likely to make both efforts less effective.

A recent report from an independent expert commission in Norway recognizes the fact that we've entered a completely new terrain in terms of development. In a time with converging global crises, we need to *invest* far more in our common future, while at the same time safeguard ODA for the most vulnerable. We're no longer in the era of 'Live Aid' and generosity: the global precondition for development is at stake and we need to invest much more *now* if we are to effectively deal with it. Even though this is not official Norwegian policy, it has been well received and stirred up debate.

Global Public Investment is the closest thing to a new and shared vision for a universal and lasting transformation of the international development architecture. A new system geared towards solving truly common problems must be based on equitable relationships between countries. The principle of 'all decide' is bold, but bears promise of increased engagement and a broader base for development funding.

Such a transformational idea will take time to implement, but GPI has opened up the conversation and must be linked to the ongoing conversations happening across countries regarding a new development regime for a post-SDG era.

02

Unlocking global finance

Our world is in trouble. The Sustainable Development Progress Report 2023 announced that only **12% of the SDG targets are on track**, and debts are stacking up in rich and poor countries alike. Meanwhile, **tensions between the great powers** continue, and growing disunity between countries in the Global South and Global North is leading to doubts about the future of multilateralism. Although estimates as to how much finance is required to respond to current crises and help prevent future ones vary depending on methodology and focus, they all agree on the enormous scale of the financial gap that needs filling if the world is to have a chance of reversing its dangerous direction and thriving in the 21st century. The shortfall is USD trillions rather than billions.

- The Independent High-Level Expert Group on Climate Finance concluded in 2022 that just over USD 1 trillion is needed by 2025 to meet the climate finance needs of the planet and USD 2.4 trillion of additional resources need to be mobilized by 2030.

- According to the recent report of the High-Level Advisory Board on Effective Multilateralism, the SDG financing gap now stands at between USD 3.9 and USD 7 trillion per year, depending on estimates.

The almost unfathomable amount required for our world to progress sustainably, along with the failure so far of the world's countries to live up to the moment, could cause despair. But it should spur us to action. What is abundantly clear is that we are not talking about tinkering, but a wholesale rethinking of global finance. This is the context in which we are seeing growing momentum behind GPI and recognition that its principles are part of the solution to the international public financing challenge.

The world needs to move from ad hoc crisis to a **structured approach**, allocating international public finance to be invested wherever the shortfalls are greatest.

Traditional multilateral funding approaches have struggled to adapt their decades-old design and mandates to 21st-century complexities.

- Replenishments of important global funds follow the traditional model of asking for funding every few years – but without a formula, responsibility or predictability.

- Reforms proposed to the ODA system (such as localisation) are welcome but lack depth.

Thus the global challenges that will define this century have, at present, no coordinated global arrangements to ensure they are adequately financed. The result is free-riding and the undersupply of critical global public goods. The world needs to move from ad hoc crisis response to a structured approach, allocating international public finance to be invested wherever the shortfalls are greatest. Neither ODA nor private initiatives are suitable for this. A new arrangement is needed.

There is now wide recognition that the governance of multilateral finance needs to be more inclusive. Countries at all income levels need to participate in the creation of a new global financing arrangement, one that recognises their voices and modernises accountability processes.

This is the critical gap that GPI will fill. In place of the insufficient and ineffective funding provided today (mostly in accordance with principles devised for the global political order of the last century), GPI proposes a better-governed system of fiscal allocations, a new way to pay for our global objectives.

Jayati Ghosh

Professor of Economics, University of Massachusetts

Jonathan Glennie

Co-Founder, Global Nation, Author, "The Future of Aid: Global Public Investment"

International public finance cannot be replaced by private money

Everyone now seems to recognise that the urgent and complex challenges the world faces today require international cooperation and much more finance. We need not just billions but trillions of dollars to overcome threats to our survival and wellbeing, and to build the world we want. But the very scale of the requirement has been used to reduce the focus on public spending. It is argued that *public* resources for international concerns are scarce and inadequate, so *private* finance – which is already much larger in volume – must be the driving force for development and climate change alleviation.

This simplistic analysis must be revised. Obviously, all sources of funds – from domestic taxes to philanthropic funds and remittances, and very much including private finance – need to be maximised if the world is going to get anywhere near meeting the SDG targets. Financial assets held by financial corporations alone amounted to more than USD 500 trillion in 2020; an equivalent amount was held by households, governments and non-financial corporations. Reorienting even a small proportion of these resources towards sustainable development objectives could have an enormous impact.

But a logical fallacy seems to have taken hold. Just because other sources of finance are increasingly important, it does not follow that international public finance ceases to be important at all. In fact, the role of international public finance remains not just significant but irreplaceable.

All dollars are not equal. Private money cannot simply replace public money as some appear to hope. It is not just the quantity of money that matters; the type and quality of money are just as important.

Private investment (other than charitable initiatives) is essentially designed to maximise monetary returns: that is its purpose and determines its orientation. Yet there are many important avenues of investment that are unlikely to yield much – if anything – in the way of monetary profits. This is true of most public goods (think of streetlights or public health interventions) and merit goods (such as education) – both tend to have high positive 'externalities' that benefit society more than an individual investor or recipient.

A very large part of the investment required to meet the SDGs falls into one of these two categories. This means that governments have to spend to ensure such investment, either directly or through directing market-based investments through incentives or regulation. In many cases, it is more impactful *and* more cost-effective for governments to undertake this directly through public investment.

The differences between public and private money at the country level are generally well understood. No one would ever argue at the national level that public money is interchangeable with private money because it is recognised that different types of money lead to different outcomes. Private finance does a poor job at financing public goods; it is not oriented to meet social goals or link strongly to human rights. Such investment, for example in health and education, is therefore typically underprovided by private players, especially in low- and middle-income countries – and needs to be guarded as a crucial resource precisely because it is so scarce.

> “
> *All dollars are not equal.* ***It is not just the quantity of money that matters****; the type and quality of money are just as important.*

This is just as true at the international level. Precisely because it is scarce yet crucial, international public money needs to be nurtured, defended and increased. That reality is at the heart of the movement for Global Public Investment (GPI). This is a new approach to concessional international public finance for sustainable development. It moves away from the outdated, patronising and increasingly irrelevant language of 'foreign aid' to a new framework of international fiscal cooperation, which requires participation from all countries. In this model, all countries pay in and all benefit because such investment is for meeting common global goals.

GPI's unique combination of characteristics makes it a critical and essential response to the challenges of the 21st century:

Motivation. While private investment is oriented towards benefiting the investor (whether a household or a firm), the primary purpose of public spending is to benefit society as a whole, not individual profit. With global investment, that purpose extends to global and planetary goals.

Accountability. Every different source of development finance has its own form of accountability. Private funds need to generate profits for business owners and shareholders. Philanthropic funds need to satisfy those providing the money, be they billionaires or the general public who just give a few coins passing by a collecting tin. Domestic public finance is accountable to domestic taxpayers. GPI is different: its accountability trail can pass through implementing organisations to elected politicians and finally to taxpayers again, but this time of *other countries*. This requires that decisions are made as fairly and expertly as possible, privileging global social interests and those who really need it. This in turn requires different governance structures, to help manage complex mixed motivations and to hold powerful decision-makers accountable.

Flexibility. It is now common to hear of the near impossibility of raising levels of international public finance, which then makes relying on increases in private flows a foregone conclusion. The reality is that private finance for global requirements is even harder to come by, and increasingly requires massive incentives and 'de-risking' that often costs public exchequers much more than direct investment. In addition, private capital flows tend to be procyclical, drying up or reversing in periods of downswing or in response to shocks. By contrast, international public finance can perform an important countercyclical function, especially if it is mobilised at scale and with speed.

Concessionality. Loans from public entities should be cheaper than private lending with fairer repayment conditions, and often are. But in this moment of crisis, as most countries in the world face growing debt burdens, we need to go further with a vast expansion of grant financing: non-reimbursable, not seeking a financial or political return of any kind, but simply financial provision for the good of the peoples of the world.

nal public investment probably the single most important source of finance for common global social and planetary goals – and this applies to all countries, no matter what size their economy. This is an idea whose time has come; now we need the political backing to make it happen.

Mariana Mazzucato

Professor at University College London and Co-chair of the Global Commission on the Economics of Water

Putting the Common Good at the center of economic transformation

Achieving the SDGs requires a new approach to economics and finance. The Progress towards the Sustainable Development Goals 2023 shows that "of the roughly 140 targets [...] only about 12% are on track." And the costs of meeting our targets are rising. The SDG financing gap has increased from USD 2.5 trillion before the Covid-19 pandemic to an estimated USD 3.9–7 trillion annually today.

Reforming international finance and cooperation goes to the heart of how we 'do capitalism' and, if we are serious about the UN Secretary-General António Guterres's 'Common Agenda' or Prime Minister Mia Mottley's 'New Consensus', then we need a new economics of the common good.

Most economic thinking today assigns the state and multilateral actors responsibility for removing barriers to economic activity, de-risking trade and finance, and levelling the playing field for business. As a result, governments and international lenders tinker on the edges of markets, rather than doing what is actually needed: deliberately shaping the economic and financial system to advance the common good.

The common good goes beyond the notion of the public good by challenging the assumption that the state can at best fix market failures. It puts common goals at the centre of the economy while making sure that the ways in which actors collaborate is itself aligned with the common good. This is not only about re-distributing ex post, but also about proactively ensuring a fair distribution from the outset with the relationships right (between capital and labour, between public and private actors, and between government and citizens).

This approach – where the 'how' is as important as the 'what' – can build on five key principles. First, **purpose and directionality** can promote outcomes-oriented policies that are driven by public purpose and shared goals. Second, **co-creation and participation** allows citizens and stakeholders to participate in debate, discussion and consensus-building that bring different voices to the table. Third, **collective learning and knowledge sharing** can help design true purpose-oriented partnerships that drive collective intelligence and sharing of knowledge. Fourth, **access for all and reward sharing** can be a way to distribute the benefits of innovation and investment with all risk takers – whether through equity schemes, royalties, pricing or collective funds. Fifth, **transparency and accountability** can ensure public legitimacy and engagement by enforcing commitments amongst all actors and by aligning on evaluation mechanisms. And all of this requires investment in the capacity and capabilities for all actors to work together. Outsourcing government capacity to consultants or philanthropies only deepens our problems.

These principles are relevant at the international level as well and are well represented in the growing call for Global Public Investment – a form of cooperative international investment that is co-created, accountable, ambitious and focused on the common good. GPI puts the global common good at the heart of international public finance and foregrounds the role of public money as a valuable tool for shaping development outcomes, rather than filling the gap in the absence of other monies.

> "
> ***GPI puts the global common good at the heart of international public finance.***

The Covid-19 pandemic highlighted the need for a common good approach to support broad-based cooperation – within and across borders – and tackle global challenges. The purpose was not to produce vaccines but to vaccinate the world, and yet, rich countries, aided by a flawed system of intellectual-property rights, hoarded vaccine doses when they became available. Too little attention was paid to incorporating a common objective – global vaccination – into the design of the collaboration and innovation between public and private actors. Had global vaccination been the goal, much more care would have needed to be taken on designing intellectual property rights to be less extractive and on making sure that the early-stage public funds provided were conditional on knowledge sharing and equitable access. This would have been more likely under a GPI system in which decisions would be made more representatively.

The pandemic should be treated as a cautionary tale as to why common good principles must underpin initiatives like the World Bank's Financial Intermediary Fund (FIF), which leverages public and private resources to strengthen pandemic prevention, preparedness and response capacities. To reach its potential, the FIF, like other funds that are meant to 'do good', should commit to incorporating common good conditions concerning collaboration, knowledge sharing, access and transparency into its contracts.

The UN Secretary-General's recent report says that the "defining principle of the 2030 Agenda for Sustainable Development is a shared promise by every country to work together to secure the rights and well-being of everyone on a healthy, thriving planet. But halfway to 2030, that promise is in peril." Meeting our generation's promise requires getting international finance right, which will be possible only if we replace the market-fixing paradigm with a market-shaping mindset, centered on the common good.

Winnie Byanyima

Executive Director of UNAIDS and an Under-Secretary-General of the UN

GPI in an era of inequality

The only way to fight pandemics effectively and fairly is to treat them as a global priority. That did not happen with Covid-19 and it did not happen with the AIDS crisis decades earlier. These mistakes have only served to exacerbate the inequality crisis.

When AIDS hit, we felt the pain: insufficient investments, medicines produced only for the richer markets, and a long fight to gain access to medicines around the world, especially in Africa, where at least 12 million lives were lost unnecessarily.

> “*GPI serves the international community with an **alternative way** of confronting crisis and taking action.*

Again, with Covid-19 the international response proved to be inadequate, more broadly aligned to and based in national interest, and less in protecting health, economic resilience and recovery across the board.

Even worse, we have seen donor countries’ policies align with the pharma vaccination frontrunners, protecting their own access to limited production and leaving developing countries on the waiting list. Millions of lives, again, have been lost while billions in profits fell nicely into the hands of largely two companies.

Pfizer and Moderna handed a combined USD 23.8 billion to shareholders during the pandemic, more than the GDP of Cambodia, Cyprus or Senegal.

Had the world distributed vaccines based on medical need during Covid-19, an estimated 1.3 million fewer people would have died in the first year of the vaccine rollout.

No proper debt relief was provided or debt restructuring mechanism activated. There was no extraordinary contribution of grant resources to protect countries, and no waiver on intellectual property to allow for a fast production of vaccines for all.

While high-income countries were able to invest 14% of their GDP to cope with the crisis, low-income countries could afford just 3% and were not even relieved from debt repayments. In sub-Saharan Africa in 2022, debt repayments were, on average, four times higher than health investments.

If we had doubts, it was again clear that our international cooperation and financial architecture need to be profoundly transformed, from operating principles to instruments and decision making.

Global Public Investment represents an alternative to the way in which the world is approaching global problems and seeking collective solutions. It serves the international community with an alternative way of confronting crisis and taking action. It elevates the sense of interconnectedness of our actions, and the need to act on what can make us thrive or fail as humankind.

Contributing according to every country´s capacity to solve a collective problem and create a public good for future generations is a must. Action to advance towards GPI must be explored as we live in an era of growing inequality, pandemic threats and unprecedented climate crisis. I commend all efforts to advance in this – it’s the right direction to take if we are to live in a better world and allow hope for future generations.

Enrique V. Iglesias

Former President of the Inter-American Development Bank (IDB) and former Secretary General of the Ibero-America General Secretariat

GPI is an important evolution for the UN

The creation of the United Nations in 1945 marked a new moment in concern for the economic and social development of the world, replacing charity with solidarity. This concept of solidarity in international relations should represent a commitment to development and, at the same time, the preservation of the common goods on which life on the planet depends.

There have been great advances since 1945, particularly for those living in developed countries, and countries that are advancing in economic growth and social welfare. However, the UN Secretary-General has recently expressed his concern about the failure of developed countries to comply with commitments made, and about the worsening climate challenges that threaten the survival of human beings on the planet.

> “*Narrow views of the world, vested interests and lack of openness to collective commitments make the task difficult, but it is **absolutely necessary** nonetheless.*

Latin America has long recognized the importance of this in its own development strategies. As early as 1950, the Economic Commission for Latin America and the Caribbean (ECLAC) was created to analyze the problems of underdevelopment in the region, and the issue of the environment has been increasingly incorporated into its work.

Globally, environmental issues began to gain momentum in governments and society, spurring the well-remembered report of the Club of Rome on the threat of the potential depletion of natural resources. An important moment was the first environmental conference in Stockholm in July 1972, followed by others in the following decades, such as the conference on renewable energies in the 1980s.

Driven by plain reality and a growing public awareness, a set of actions has now been outlined to respond to the need for environmental protection. In this sense, I believe it is necessary to generate a new cooperation instrument to meet the investments required to protect life on the planet. The Global Public Investment initiative is a creative step in response to the climate crisis. This global initiative, based on public contributions, is dedicated to social infrastructure and the identification and defense of global public goods.

It is shocking that humanity has only become generally aware of the vital importance of this issue after so many decades of progress in international relations, while ignoring or neglecting the devastating impact on nature. But fortunately this awareness is growing, which is why I view the push for GPI with great sympathy.

Narrow views of the world, vested interests and lack of openness to collective commitments make the task difficult, but it is absolutely necessary nonetheless. It is urgent to mobilize governments, but also public opinion in general. This awareness will make it possible to move forward with initiatives such as Global Public Investment, which will not replace any of the efforts already being mobilized around the world, but will add a new source of cooperation to accelerate and strengthen responses already underway.

Thomas Piketty

Professor at EHESS and at the Paris School of Economics

Simon Reid-Henry

Research Professor, Peace Research Institute Oslo and Executive Director, Public Interest

GPI and global wealth tax

Europe and North America have been plagued by soaring temperatures and wildfires this summer. In the years ahead, the consequences of human-induced climate change will become only more apparent. As they do, calls for reform of the underlying economic order that has ushered in the climate emergency will intensify, until even the world's wealthiest elites change their attitudes.

But why wait until then? There are already things we can do to create fairer, more ecologically sustainable, and more democratic societies. To be meaningful, reform of the global financial architecture must address what we believe are two basic facts governing all considerations of global economic reform: **first**, that every human being has a minimum basic right to education, welfare, and development, and **second**, that the prosperity of the world's richest, of whichever nationality, ultimately depends upon the global economic system and its international divisions of wealth and labour.

In other words, as Keynes foresaw long ago, it is not enough simply to create the conditions for economic growth; we need *balanced growth* that avoids peaks and troughs and that meets the *common and private needs* of all citizens, regardless of geography or social class. Without such an inbuilt economic gyroscope, the conditions for large scale upheavals (and today we might even add, the preconditions for major social disasters) will continue to build up, threatening to undermine prosperity for everyone.

Since the great financial crisis of 2007–08, several reforms of the sort that we would like to see have been put forward. One such reform is for a minimum tax on corporations. The idea is being taken seriously by the OECD, but remains, as reform agendas often do, mostly a northern discussion to date; in fact, the South would get less than 5% of the rewards of current proposals to address tax havens and to tax multilateral corporations where they make their profits.

Partly to address this, one of us has previously proposed a more radical idea: a global wealth tax (Piketty, 2021, p. 215) targeted at the world's super rich. A global, progressive tax on wealth, set at 2% above 10 million, 3% above 100 million and 5% above 1 billion, would raise nearly 2% of world GDP each year (2,000 billion). That is money which governments currently struggle to make available to pay for such fundamental needs as climate mitigation and adaptation, or to secure other necessary global public goods, such as pandemic preparedness and response. It is money which, the UN Secretary-General warns, countries have not come even close to obtaining. Even the relatively paltry USD 100 billion of annual climate finance, promised by the rich countries at Paris in 2015, has never been achieved.

In addition to raising these trillions of dollars, however, reform of the international economic system also needs to encompass new and more democratic ways of deciding how best to spend it. Global Public Investment is one of the few serious proposals for reform of the global financial architecture that addresses this need directly.

*"It makes no sense to consider the political and economic institutions we have today as the **end point** in human development.*

We therefore propose that the additional revenues, which could be raised by a meaningful and progressive global tax on wealth, be combined with the democratic architecture of a global public investment approach to universal fiscal transfers. This could help meet our most immediate global common goods needs and ensure sufficient public investment in those areas that affect all citizens of the world: from health to education to food security.

This would require an overhaul of the existing aid architecture which governs public transfers between countries. But it need not require abolishing aid altogether. What we are proposing would operate as a parallel architecture, focused on the global common good, with a portion of the money raised spent cooperatively, and a portion allocated directly to national governments in proportion to population.

Rich countries could therefore continue to make a mixture of public and private funds available for development and humanitarian assistance. Aid would continue, but it would continue as an additional component of a more basic system of fiscal levies and transfers capable of evening out the imbalances of the market-based global economic order. Of course, a global wealth tax and a more democratic approach to distributing the proceeds cannot alone address the challenges of our time: a global wealth register would need building, for one, and the distribution of the proceeds would need to be harmonized with a corresponding reform of the international debt architecture. But they provide the two essential pillars of a reimagined global economic architecture.

Are such major reforms as a global wealth tax and global public investment needed? We think history shows that they are. It makes no sense to consider the political and economic institutions we have today as the end point in human development. If we had thought this in the interwar years, we would never have seen the development of progressive taxes, the social state, and the greatest era of productivity we have ever witnessed. History shows us that to keep developing socially and economically we need to keep developing our institutional frameworks as well. Today this means we need to look seriously at reforming how we raise and distribute public money *both within and between* nations.

Neither a global wealth tax, nor global public investment, need be hostage to a single global agreement, however. A new 'Bretton Woods' type moment is not what we need. Rather, individual countries could alone, and in cooperation with other willing countries, take steps towards the establishment of wealth taxes in their jurisdictions and to setting aside a portion of the proceeds of those taxes to meet global common good agendas, such as climate finance and investments in pandemic preparedness and response, in accordance with the democratically determined principles of GPI.

Rathin Roy

Managing director ODI London and Distinguished fellow Centre for policy research New Delhi

Overcoming the constraints of national boundaries

Arguments for Global Public Investment tend be based on appeals to either altruism (e.g. aid to end poverty) or instrumental self-interest (e.g. global warming). In my view, the case for GPI transcends these considerations and has more to do with confronting market failure and distortions caused by mispricing.

Orthodox public finance and trade theory have both been confounded by the fact that in neoclassical economics, the existence of countries is distortionary. Trade theory is all about trying to correct for those distortions by maximizing heritage factor endowments in partitioned geographies. In public finance, the state taxes, spends and borrows to secure outcomes that markets fail to deliver, subject to the budget constraint imposed by the geography over which it is sovereign.

> “GPI [is about] **confronting market failure** and distortions caused by mispricing.

Both constraints vanish if national boundaries are removed. There would be no ‘external’ trade and a global approach would deliver public good outcomes superior to one hobbled by geographical boundaries.

Sovereign states are here to stay. I make the above obvious but oft-forgotten point to illustrate that the outcome of different states deploying (even cooperatively) public finances under national jurisdictions can fail to deliver desirable outcomes to even the richest in these jurisdictions. The impending end of the great Western summer holiday due to global warming makes my case.

If this is accepted, then it is worth asking which global public investments would bring co-benefits superior to those that nation states acting cooperatively can provide. Climate change and pandemic response spring to mind. But consider also the global benefits of a better-educated and intellectually equipped humanity, a prerequisite for which is the abolition of global hunger and endemic disease, improved affordable access to energy, and a reasonable built environment.

These things require investment resources, but the global financial system continues to fail to respond to this demand in adequate measure. For this reason, just as in national jurisdictions, the state has to step in. But there is no global state. Yet the objects of investment need to impact humanity universally for the global outcomes to be achieved efficiently and in full measure. It is, therefore, necessary, even imperative, for public authorities to define, specify, and execute a Global Public Investment programme that delivers key outputs ensuring the largest possible increase in universal human welfare.

This is not about altruism but maximizing the returns from public investment by boosting universal returns, unfettered by geographical limitations.

Heba Aly

CEO, The New Humanitarian

GPI is a model for mutual aid

In 2021, I testified before a UK parliamentary inquiry into the ‘philosophy and culture of aid’. I told members of the International Development Committee that today’s major donor countries – as well as many of the international aid institutions developed after World War II and now charged with helping the world’s poor – were built on slave labour that, by some estimates, amounts to at least USD 16 trillion.

The world of international emergency aid has gotten used to the language of ‘donors’ and ‘beneficiaries’, but this language masks the historical realities of why certain countries are in need of aid in the first place and entrenches an international architecture in which power rests in the hands of a few.

> “GPI moves aid away from a ‘**nonsensical**’ **financing model** that deppends on an anual begging bowl.

It’s time for new language and a new architecture. Global Public Investment is one model to consider in that search for new forms of global governance for the modern era.

When I interviewed proponents of GPI on the *Rethinking Humanitarianism* podcast, I found the basic principles that ‘all contribute, all decide, all benefit’ interesting for three reasons.

First, it does away with the hypocrisy of the ‘donor’ dynamic. Most rich countries generated their wealth through colonialism and exploitation. Aid, therefore, can be understood to be giving back those resources that were stolen or extracted. Until today, aid often serves the foreign policy interests of the donor country. So the language of ‘donation’ is neither accurate nor appropriate.

Second, GPI speaks to a model of mutual aid that is much more compatible with today’s challenges. No countries are immune from transnational threats like pandemics and climate change. During Covid-19, Russia, Cuba and China sent medical equipment to Italy. In the fight against climate change, communities in the US are learning lessons from much poorer countries on how to reduce emissions. When an author commissioned by The New Humanitarian imagined the future of aid in 2050, she depicted an international mutual aid scheme that parallels the notion of GPI. Mutual aid is undoubtedly the future of any healthy global cooperation.

And third, GPI moves aid away from what some have described as a ‘nonsensical’ financing model that depends on an annual begging bowl to respond to crises that last decades – with the money often arriving too late. While reporting on humanitarian crises, I have seen communities struggling to survive in Chad, Afghanistan, Yemen and beyond. They were in need when I visited them years ago, and they remain in need today – and yet their fate any given year depends on the whim of donors. As Oxfam’s Danny Sriskandarajah and Abby Maxman write, “Why should the ability of Somalis to feed their families be dictated by political decisions taken thousands of miles away, in countries responsible for their plight?” A more predictable financing model is a no-brainer in the age of constant crisis.

In the wake of the war in Ukraine, the impacts of Covid-19 and climate change, and shifting geopolitics, we are at a watershed moment, akin to the aftermath of World War II. At this historic inflection point, a reimagination of our international architecture is necessary. Global Public Investment may well be one tool towards a more equitable world.

Degan Ali

Executive Director, Adeso

Decolonising the broken aid system

To create meaningful change and solutions in this era of polycrisis, we must tackle the crippling legacies of colonialism. When we talk about decolonizing aid, we open the door to tackling the root causes that created systems designed to ensure our continued dependency on the aid sector. The aid system is broken. We need to co-create a new architecture that is representative, effective, and respects the dignity of all countries. GPI is the beginnings of that.

Solutions must embed the following critical issues to halt the escalation of crises and growing inequity:

- **Cancel debt**
  In the past decade, debt owed has more than doubled to USD 11.3 trillion. In 2022, developing countries were spending 19.3% of government revenue to service debt. Our being in debt is not by accident; we are set up by the system to be in debt. Debt cancellation is necessary to rectify the historical injustices of colonialism, which have led to economic exploitation, inequality, and the accumulation of debt in developing countries.

- **Equitable global finance and trade system**
  Most of the 1.1 billion poor people globally live in sub-Saharan Africa and South Asia, continents rich with natural resources on which the Global North depends. But the global financial and trade systems developed by our colonisers ensure their enrichment at our expense. For instance, coffee-producing African countries lose billions annually from irregularities while roasters in the Global North make 44–65% in profits (see here and here). We don't need aid. We need a level playing field and an equitable global finance and governance system.

- **Invest in communities on the frontlines**
  The current polycrisis is harming the lower income countries disproportionately. Despite calls to shift power to more local organizations, only 1.2% of funding in 2022 went directly to local and national actors.[6] Another study showed that as little as 8% of funding went to people of colour in the US. Both show how there is still disregard for funding proximately. Funding must reach communities directly and put civil society in the driver's seat for designing solutions.

> *"We need to **co-create** a new architecture that is representative, effective and respects the dignity of all countries. **GPI is the beginnings of that.***

Paul Ladd

Director, UN Research Institute for Social Development

Financing a universal development agenda

As the principles of the 2030 Agenda for Sustainable Development were evolving ten years ago, the goals and targets were envisaged as covering every person in every country, leaving no one behind. Clearly the populations of some countries have far lower living standards, and more precarity, than those countries we lump together as the 'Global North'. Supporting their development agendas must remain the focus of people who do research or provide advice, funds, and technical assistance. But economic and social development, within a regenerated natural environment, applies to everyone. It is a universal agenda.

Since the signing of the 2030 Agenda, has the architecture of international cooperation caught up to reflect this principle of universality? On the plus side, we've seen the expansion and evolution of South–South and triangular cooperation. More providers in the development marketplace means less power asymmetry and often a simpler and more honest relationship.

But in many other ways we've gone backwards. Domestic pressures induced by multiple global challenges have hit official development assistance budgets; trust has continued to dissipate between governments because of conflict, competition, and geopolitical shifts; and trust in governments and international organizations has fallen because of underfunding, ineffectiveness, and polarized political debates. Individual institutions have themselves been slow to adapt. Our recent study showed that the multilateral and regional development banks have not adapted their practices to reflect the Sustainable Development Goals, including the commitment to leave no one behind. Bilateral donors have withdrawn core funding from the UN at a time when it's needed most.

> *"We need **more** money to tackle global challenges, a period of focusing on **resilience** rather than growth, and a **fair** global burden sharing for contributions.*

The decades ahead look turbulent. Environmental collapse, new health pandemics, economic and financial crises, food insecurity, AI and digitalization, and as yet unforeseen conflicts and weather disasters. We quickly need to design the principles and architecture of how we will address these challenges together. If we don't get this right in the next ten years we could be looking at a very bleak century.

The proposal for Global Public Investment fits neatly as a jigsaw piece into the vision for future cooperation. We clearly need **more** money to tackle global challenges, and we need a period of focusing on **resilience** rather than growth. We also need a **fair** global burden sharing for contributions, based on existing standards of living, with exceptions for especially poor or vulnerable countries. The UN Secretariat budget is funded by assessed contributions determined by GDP, so why not the money we put aside for other challenges? History will show how critical solidarity will be at this juncture – so let us use the limited time we have now to discuss and design the structures for GPI that could support faster, more trusting and effective cooperation.

Arsene Brice Bado

Vice-president for Academic Affairs, CERAP/Université Jésuite

A matter of dignity and responsibility

The current architecture of global aid maintains a structural imbalance between, on the one hand, donor countries, which are mostly countries of the North, and on the other, recipient countries, which are mostly countries of the South, including African countries. This imbalance expresses power relations where the countries providing funds decide on the conditions of eligibility for these funds as well as the priorities to be financed in the beneficiary countries. Such an approach has no future on the African continent where increasingly educated and critical citizens tend to shed all neocolonial garments in order to act as equal partners with the citizens of the rest of the world.

In this perspective, the concept of Global Public Investment, which aims to restructure the architecture of international public financing, meets the expectations of African populations. Indeed, by promoting systems of funds to which all countries contribute to the extent of their capacities, and where all participate in decision-making, and where all are beneficiaries, the concept of GPI restores the dignity of African countries by treating them not as helpless beneficiaries, but as contributors and decision-makers like the wealthiest countries.

At the global level, this allows the emergence of a true multilateralism in which the international financial institutions will no longer be perceived as structures of domination, but as a common undertaking in which everyone finds their way. Indeed, it is in the interest of the affluent countries that control global public finance to now make room for contributions from less affluent countries and to share together the responsibility for devolving these common funds to solve problems such as those related to climate change, and which require coordinated action at the global level.

In short, the concept of Global Public Investment requires a change in attitudes, a reform of development aid policies, and a transformation of international financing structures. This new perspective does not seem to be one option among many, but it appears to be the best way forward for an increasingly globalised world where no country can live in autarky anymore. We all live in a 'global village', in a 'common home' where we are all responsible. The GPI approach is therefore a royal road to enable everyone, individually and collectively, to assume with dignity our responsibility in the financing of common problems such as climate change and sustainable development.

> *The concept of the GPI **restores the dignity** of African countries.*

Mike Podmore

Director, STOPAIDS

GPI means better governance and more impact

The Global Public Investment principle of 'all decide' is not some new or utopian impractical notion. Rather, it is a simple expression of the established approach of effective inclusive decision-making and governance in many institutions and processes around the world. The global HIV movement is one sector where this principle has long been championed in the mantra of 'nothing about us without us!'. It practically translates that if you want to have quality, well-targeted and appropriate services for people living with and affected by HIV then you will only be able to achieve that if you fully and meaningfully involve all those most affected by HIV, particularly the poorest and most marginalised, in their design, decision-making, implementation and governance at all levels – local, national, regional and global.

Global health institutions like the Global Fund, Unitaid, Gavi and UNAIDS have 20 years of established norms and the success of inclusive global health governance bodies to learn and build from. One of the best examples we can draw from is the Global Fund to Fight AIDS, Tuberculosis and Malaria. As a board member there, I saw first-hand that when all stakeholder groups involved with or affected by an issue have a seat, a voice and a vote in decision-making and oversight bodies: there are more stakeholders invested in its success and helping it raise more funds; there is stronger understanding and solidarity built between different stakeholder groups; and the institution comes to better-informed decisions that are widely supported and ultimately have more impact.

It is an unsurprising fact that "people want to influence their futures" and it is important that this is already enshrined in the right to participate and is protected in international human rights law (see here and here). However, it is not yet universally understood that inclusive decision-making and governance leads to better outcomes, and some of those in powerful positions still find many reasons to resist the inclusion of low- and middle-income country governments, civil society and communities. To ensure inclusive governance we must systematically reject rationales given for exclusion of the less powerful, collate evidence of how inclusive governance has improved global health outcomes, and establish and uphold global principles for the meaningful involvement of all stakeholder groups. By linking our work in health with other development sectors we hope that 'all decide' will be an essential guiding principle for the achievement of the Sustainable Development Goals and the post-2030 agenda.

> *It is not yet universally understood that **inclusive decision-making** and governance leads to better outcomes.*

03

A politically attractive solution

Supporters of GPI must consider what would incentivise different regions and countries to take part in its co-creation. High-income countries will need to see national as well as global benefits, while less wealthy countries will want their voice and influence to increase, as well as guarantees of direct benefits from an evolved global system.

More money for global objectives
By increasing the overall number of contributors, tied to a fair-share calculation, GPI can raise fresh money for global priorities.

Burden-sharing
GPI offers an opportunity to break a cycle of mistrust and underfunding and replace it with an orderly, growth-reactive equitable framework that delivers higher levels of finance, cooperation and security.

Increased investments for poorer countries
As net beneficiaries, the world's poorer countries would see their international receipts of public money increase, while at the same time having greater control over them. The ODA vs global public goods dilemma would be reduced, as new funds would free up ODA to focus on poverty reduction.

Response to public ambition
GPI is a way for politicians to deliver progress on such global issues as climate change and pandemic security, while also responding to their publics' demands for benefits to their own countries.

Global standing
Many emerging economies are pursuing a diplomatic strategy to expand their standing on the global scene, while established powers are concerned with soft as well as hard power.

Reform of international governance
GPI's proposed stakeholder (rather than shareholder) model is likely to prove popular with countries that have made the rebalancing of decision-making power a key foreign policy objective.

A compelling modern narrative
As the 20th-century narratives and structures make way for a new ideas, political leaders are attracted to novel approaches that combine effective policies with inspiring visions of dignity and respect.

Reinvigorating multilateralism
GPI has the potential to revitalise multilateralism – revolutionising outdated governance arrangements and overcoming gridlocks in international affairs.

More bang for your buck
There is copious evidence that public spending is most effective when all stakeholders are fully involved in managing and monitoring it. The GPI concept has recipient ownership and power-sharing hardwired into it.

Longer term and sustainable
GPI would allow for greater investment in sectors requiring ongoing commitments, such as infrastructure and public services.

Public oversight
GPI would strengthen the ability of countries to deliver public goods and services through a public interest mechanism, rebalancing a growing concentration of private economic power.

More predictable
GPI offers a more effective and equitable way of structuring how we prioritise international public needs and would help avoid a boom-and-bust approach to global crises.

Rose Ngugi

Executive Director, Kenya Institute for Public Policy Research and Analysis

The GPI approach holds promise for Africa

Global Public Investment is gaining a better understanding in Africa, as it is globally. As an innovative global financing mechanism, GPI is expected to create common funds where all countries have an equal share and benefit. It is a new approach towards diversifying decision-making while creating mutual responsibility for international public finance, including resource mobilization and allocation for sustained development. Some progress has been made in socializing GPI in Africa, with six leading thinktanks focusing on what GPI would mean for different countries and regional bodies. In Kenya, the Kenya Institute for Public Policy Research and Analysis (KIPPRA) is working with DI to examine the GPI concept, especially in relation to climate financing. With a better understanding of GPI and its implications for African countries, it is expected that countries would socialize the concept, increasing its uptake and subsequent implementation.

GPI has potential to transform lives in Africa by addressing the systemic issues that plague the existing financial mechanisms. The GPI approach offers an alternative solution to financing the SDGs and other public goods for sustainable development. For example, it could address the inequality witnessed in the unequal distribution of Covid-19 vaccinations by allowing countries to access funding according to their needs and not their contributions. And it could promote investment in public goods such as technology and public health, creating more jobs and opportunities for people and improving health care. Moreover, the element of co-creation would allow countries to co-design, consult and co-produce impactful solutions relevant to their needs both locally and globally.

The GPI approach **promises an alternative financing mechanism** as the international financial architecture is reformed with an improved public investment framework for universal benefits. Additionally, it proposes to inject substantial financial resources into the global financial system to address pressing challenges, including climate change. The model also holds a promise to promote the agency of African counties in decision-making and accessing development finance. As the President of Kenya, His Excellency William Ruto has said, it is important to have a global financial architecture that speaks to the challenges facing the developing countries and on terms that are responsive to these challenges. However, as with public goods, it is critical to ensure that the free-rider problem does not creep in, undermining the objectives of the GPI framework.

> *“GPI has potential to transform lives in Africa based on its premise to address the systemic issues that plague the existing financial mechanisms.*

Danny Gotto

Executive Director, Innovations for Development

GPI for poverty reduction in Africa

Masika, a resilient mother living in the conflict-prone countryside of Uganda's Kasese district, embodies the struggles faced by many in sub-Saharan Africa (SSA). Years of conflict, insufficient resources, and limited opportunities have hindered her dreams of a better future for her six children. However, a glimmer of hope emerges in the form of Global Public Investment, which has the potential to transform lives and foster sustainable development across the region.

Uganda, like many SSA countries, grapples with critical development financing gaps. Insufficient funding for social services, such as healthcare, education, and water, coupled with a lack of infrastructure investment, including roads, railways, hospitals, and schools, has impeded progress. For instance, Uganda's annual per capita expenditure on health is far below the minimum recommendation of USD 84 or the USD 271 estimates for achieving universal health coverage. Over 40% of the population spends out of pocket to meet their healthcare needs, and yet over 10 million are living in abject poverty and over 30 million on the brink of poverty, exacerbated by the recent impact of the Covid pandemic (data taken from World Bank and WHO Global Health Expenditure Database).

> *“GPI has the potential to unlock Africa's potential for sustainable growth.*

Acquiring more loans is no longer a viable option for Uganda, as the country's debt-to-GDP ratio exceeds the World Bank recommended threshold of 50% for developing countries. 17% of the government's recurrent expenditure is allocated to debt and interest payments. This financial strain restricts the government's fiscal ability to allocate adequate resources to vital sectors and hence hampers the potential to achieve the Sustainable Development Goals.

Masika's story is not an isolated one. The fate of her children and countless others across SSA hangs in the balance. Without access to quality education and healthcare, nearly a billion children by 2050 will be left behind. This dire situation is further compounded by the looming threats of the climate crisis, pandemics, and epidemics. The urgency to address these challenges has never been greater.

The innovative GPI funding mechanism provides an opportunity for countries like Uganda to contribute their fair share of resources to a basket fund. Since drawing from the pool is based on the extent of need, Uganda will have the opportunity to access meaningful financing based on agreed priorities. This means critical sectors like healthcare, education, water, and infrastructure, will have the much-needed impetus for progress.

By addressing critical development financing gaps and directing resources to priority areas, GPI has the potential to unlock Africa's potential for sustainable growth. However, it is imperative that this initiative is supported by strong international collaboration and complemented by comprehensive strategies that address the multifaceted challenges faced by the region. With concerted efforts, Masika's dream of a better future for her children can become a reality.

Mengistu Ketema

CEO Ethiopian Economics Association (EEA)

Flipping the development finance narrative in Africa

The current era is increasingly defined by the The current era is increasingly defined by the interplay of complex disruptions. However, countries are not fully prepared for the new reality, often reacting separately to each disruption. Building sustainable and resilient societies requires powerful global action, as one country cannot single-handedly tackle these challenges. Nations often rely on developmental and humanitarian aid to combat the effects of global emergencies.

In Africa, aid amounted to USD 60.5 billion in 2021, or 33.6% of the global total. However, aid from rich countries has often harmed Africa by trapping nations in a cycle of corruption, slower economic growth and poverty; over 75% of the world's poor lived in Africa in 2022.

The conventional public finance model doesn't recognize mutual effort and is based on a donor–recipient narrative that undermines the contribution of developing countries. All countries have been working to combat climate change and other global challenges, while developed nations have failed to keep promises to commit resources they pledged at different summits.

Africa is rich in potential mineral wealth, skilled workers, booming new businesses and biodiversity. Around a third of global mineral reserves, over two-thirds of the world's arable land, and a third of the world's CO_2-storing tropical rainforests are found in Africa. Yet more wealth leaves Africa every year than enters it, some of it returning as "aid". The flow of wealth out of Africa occurs primarily through exploitative debt and finance, phantom aid, capital flight, unfair trade, and distorted investment.

From an African perspective, the current aid approach needs some financial engineering to meet the development priorities of the continent and mitigate the impacts of global challenges. African countries should, therefore, explore alternative means of mobilizing resources to finance development challenges by flipping the existing donor–recipient narratives. In line with this, President William Ruto of Kenya and President Cyril Ramaphosa of South Africa insisted, during the Paris Summit for a New Global Financial Pact held in June 2023, on the need to change the current financial architecture.

Global Public Investment is a system in which nations commit resources voluntarily to enhance the global commons with its three principles: all contribute, all benefit, all decide. It is the best bet for modernizing international public finance. It is time for all African countries to work together to mark this transformation in international cooperation.

> *"The conventional public finance model doesn't recognize mutual effort.*

Peter Quartey

Director, Institute of Statistical, Social and Economics Research (ISSER)

Aba Crentsil

Research Fellow, ISSER, University of Ghana

What could GPI mean for countries like Ghana?

The Global Public Investment (GPI) framework has the potential to help Africa effectively tackle prevalent challenges, including but not limited to poverty, inequality, health, climate change, and peace and security. Based on the principles of solidarity, equity, transparency, and participation, the GPI approach proposes that all countries contribute to and benefit from a global pool of public funds, according to their ability and needs. It is not charity, but a form of global cooperation and mutual support.

GPI could have numerous benefits for Africa and the entire globe. It could increase the quantity and quality of international public financing, by reducing the reliance on traditional foreign aid, which is often tied to donor interests and conditionalities. It could also improve the governance and accountability of global public funds, by ensuring that both donors and recipients have a say in how they are allocated and used. GPI could foster a sense of global citizenship and responsibility, by recognizing that all countries have a stake in addressing global challenges and achieving global public goods. Aligned with Agenda 2063, the African Union's vision for a prosperous and integrated continent, GPI could fuel priorities like infrastructure, industrialization, health, education, and environmental protection. It could foster regional cooperation, bolstering collective action and resource sharing among African nations. This renewed global partnership could itself bolster Africa's influence on the international stage, promoting balance and inclusivity.

In particular, GPI holds the potential to transform Africa's healthcare landscape. Exposed by the Covid-19 pandemic, global health systems' fragility and inequity have harmed vulnerable nations and populations. GPI offers a sustainable financing model for pandemic preparedness and universal health coverage (UHC), drawing resources from countries according to their means, and fairly allocating them to those in greatest need. This approach makes transparent and accountable resource utilization more likely, with all stakeholders involved.

Ghana's populace, particularly the marginalized, could benefit immensely from GPI in healthcare. By directing additional funds toward health systems, services, human resources, medicines, vaccines, and more, GPI could bolster Ghana's 2030 universal health coverage drive. It could help the nation battle Covid-19 and other infectious diseases by supporting testing, treatment, vaccination, and social protection initiatives. Furthermore, GPI could empower Ghana to contribute globally by sharing best practices and innovations.

GPI is a realistic concept grounded in existing models like the Global Fund to Fight AIDS, Tuberculosis, and Malaria. This successful institution mirrors GPI principles through pooled funding, need-based allocation, inclusive governance, and country leadership. In conclusion, GPI represents an attainable vision for a better alternative to funding development in Ghana.

Vitalice Meja

Co-chair, Reality of Aid Network Africa

We need a new convention on aid

Rich countries have the capacity to sustain high levels of official development assistance (ODA) even in times of crisis, as evidenced by the fact that in 2020 GDP fell by an average of 5.48% in OECD countries, yet net ODA flows rose by 7%. There is no economic justification for rich countries failing to sustain their flows to poor countries.

Oxfam has estimated that if rich countries had reached the 0.7% GNI target, the aid budget would have been boosted by about USD 190 billion annually, totaling a failure to deliver USD 5.7 trillion in aid over the past 50 years.

A new architecture for ODA financing is needed in which the 0.7% target is concretized and translated into debt owed to poorer countries. To realize a new ODA financing architecture, the world needs an ODA convention with the institutions and structure to compel rich countries to pay the debts owed to poor countries.

At the same time, new actors have come onto the global scene. China, India and Arab countries have emerged as fast-growing economies with the capacity to pull their weight in contributing to financial solutions for the Global South. Increasingly, sub-Saharan Africa is full of Chinese and Indian economic co-operation deals, as well as increased aid flows. The signs are that these countries have now reached the so-called advanced state of development and should contribute to the UN aid targets. The money flowing to developing countries should be increased and sustained without undue burden on any particular grouping.

The Global Public Investment idea is noble and welcome. It should focus on creating enabling conditions for poor countries to address poverty eradication in all spheres of development financing.

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> *Global Public Investment should focus on creating enabling conditions for poor countries to address poverty eradication.*

Adelina Kamal

Former Executive Director, ASEAN AHA Centre

GPI to support crisis response in the ASEAN region

In view of the triple threats of pandemics, climate crisis and conflicts – as well as potentially more intense, more frequent and more complex future challenges that may threaten the prosperity, stability and security of the region – the Association of Southeast Asian Nations (ASEAN) will need to pursue a transformative approach in the way it is handling multiple shocks and crises. ASEAN will need to adopt a multi-risk approach with a coordinated, inclusive and long-term crisis mechanism, including a financing mechanism.

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> *The concept of GPI could be utilised to establish a permanent, innovative and sustainable multi-hazard, all-crises financing mechanism.*

ASEAN has, to some extent, long practiced the principles of Global Public Investment. The GPI principles of “all contribute, all decide and all benefit” are embedded in the overall business process of ASEAN. There are however certain practices in ASEAN that may challenge the full application of GPI.

Certain ‘fair-share’ formula could be developed to ensure that ASEAN countries keep equal rights to decision-making and enjoy equal benefits. One possible formula could be a) mandatory annual equal financial contribution at a certain level to ensure predictability, plus b) additional financial contributions from ASEAN countries that are able to contribute more, and/or c) monetising in-kind contributions from some ASEAN countries. To expand the funding base, ASEAN partners could be invited to contribute financially to the pool of funds to match ASEAN country contributions.

The concept of GPI could be used to establish a permanent, innovative and sustainable multi-hazard, all-crises financing mechanism: an All-Crises Fund (ACF), that could be utilised not only to anticipate and respond to future disasters and humanitarian crises, but also to other types of crises, including those caused by health-related hazards and technological failures that threaten the prosperity, security and stability of ASEAN.

The establishment of the ACF could be centred on sustainability with an incentive strategy formulated to (i) attract ASEAN countries to scale up their financial contributions, (ii) engage ASEAN's partners to put resources into a pool of ASEAN regional funds, and (iii) mobilise crowdfunding from ASEAN citizens.

In line with the concept of GPI that is long-term and focusing on initiatives that are often underfunded, the ACF could be designed not only for anticipating and responding to future crises, but also for reducing risks and building ASEAN's resilience to absorb future shocks. As such, the ACF would be able to generate resources that will substantially cover funding gaps in disaster risk reduction and recovery and rehabilitation efforts, as part of regional public goods. A significant portion of resources generated through the ACF should be able to strengthen the capacity of local government and non-government actors as frontliners, to build their capacity and resilience in managing disasters and future crises.

Read the full feasibility study. https://globalpublicinvestment.net/resource/the-applicability-of-global-public-investment-in-asean-for-disaster-management-and-humanitarian-assistance/

Anthea Mulakala

Senior Director of International Development Cooperation and Co-lead of Future Skills Alliance, The Asia Foundation

GPI and Asia Pacific

A serious discussion on Global Public Investment is timely for the Asia Pacific region, but must align with existing regional architecture and mechanisms. Traction is most likely in Southeast Asia and the Pacific islands countries (PICs) where strong regional institutions (ASEAN and Pacific Islands Forum) are key factors in the ability of countries to prioritize their development agendas while navigating intense geopolitical competition and resource offerings from China, the US, Japan, and others.

While Southeast Asia is not aid dependent, the demand for infrastructure is high, estimated at approximately USD 200 billion annually till 2030. The region's robust regional architecture, ASEAN, has been critical in navigating geopolitics. Member states have leveraged ASEAN as a platform to discuss regional development cooperation. This concept of ASEAN centrality allows member states to work together towards common development goals. Frameworks and mechanisms – such as the Master Plan on ASEAN Connectivity, the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME), and the ASEAN Committee on Disaster Management – ensure that external partners are aligned with ASEAN's development priorities and strategies. A GPI approach lends itself well to this established architecture and process.

The Pacific Islands region is home to many small island developing states (SIDS) that are highly vulnerable to climate change, natural disasters, and economic shocks. Despite the number of countries that border, or have territories in, the region, it has often been seen as peripheral to global and regional politics, but is currently an arena for escalating geopolitical competition, particularly amongst the US, China, and Australia. Climate change is the number one priority for pacific island countries, and is raised by PICs at every opportunity. GPI will resonate with a PIC-owned agenda, PIC narratives, PIC-created institutions and strategies such as the Pacific Islands Forum, or the 2050 Strategy for the Blue Pacific Continent, and provide a means for PICs to direct resources flows to the region.

> *"A GPI approach lends itself well to the established architecture and processes in the region.*

Milindo Chakrabarti

Professor, O.P. Jindal Global University

GPI complements South-South Cooperation

Development has often been seen as a process to fulfill *unlimited wants* of humanity despite resources being scarce. Continuous technological innovation could take care of scarcity, while territorial control of resources by sovereign countries could ensure development at the national level. If all countries optimize the use of their national resources, global development is assured.

The emergence of polycrisis gives a jolt to this prevailing belief. There are goods and services to be provided to the global community irrespective of countries of residence. There are also issues regarding loss of natural resources and rapidly increasing pollution which have to be considered a global responsibility. The Global Public Investment principles of all contribute, all decide and all benefit become pertinent.

The present prominent discourse around official development assistance (ODA) is based on a division of the global community into two dichotomous groups, developed and developing countries. Resources, mostly financial, flow as concessional loans and grants, from the developed countries to the developing ones in pursuit of development. However, the last seventy years of ODA and its management have created a serious problem of reduced trust and reciprocity among the nations.

A multilateral perspective for creating global public goods and reducing global public bads Is absolutely necessary. GPI based on a premise of access to all can create the space to convert the existing challenges due to diverse interests of stakeholders into an opportunity to enhance trust among differing groups through negotiated discussions based on the fundamental premise of equality.

Many countries in the Global South pursue the spirit of South–South cooperation built on the premise of access, equity and inclusion. Global Public Investment that ensures provision of public goods at regional and even global level and simultaneously reduces public bads is an idea that seamlessly intertwines with provision of inclusive development to all. We can expect such countries to accept GPI based on the fundamental requirement of 'all contribute', following the basic norm of common but differentiated responsibilities, decided by all in a truly multilateral framework and beneficial to all in the true spirit of creating public goods and reducing public bads.

> *"Grounded in the principle of universal access, GPI has the potential to transform current challenges into opportunities, enhancing trust.*

Andrea Ordóñez

Director, Southern Voice

GPI for a middle-income region

Latin America consists mostly of middle-income countries and should look at the Global Public Investment model closely, as it offers a valuable alternative for some of the challenges such countries face for financing some of their most important transformations.

The focus on public financing, instead of mobilizing private funding, and its innovative governance structure constitute its key attributes. The emphasis on public financing is particularly pertinent given the LAC region's historical inclination towards privatisation, which gained momentum in the 1990s. While the long-term effects of this privatisation trend are mixed, it is undeniable that addressing contemporary challenges such as climate change, natural disasters, and pandemics requires a strengthened role for the public sector at all levels. Moreover, the public sector plays a vital role in promoting equity and ensuring fair distribution of benefits through society.

The model's second pivotal aspect is its governance structure, offering middle-income countries an influential stance in decision-making processes. Assessing current discussions within the multilateral system, it seems that entrenched structures are unlikely to change sufficiently to enable low- and middle-income nations to have a stronger role in decision-making processes. Despite the acknowledgement that active participation and leadership in solution provision are instrumental for success, there has been limited progress in reforming these frameworks. To bridge this gap, it becomes imperative for low- and middle-income nations to assume a central role. For Latin America, in particular, the GPI mechanism assumes significance as it can facilitate and bolster discussions on regional cooperation, addressing the region's diverse political leanings that often hinder sustained collaborative efforts. The GPI model holds the potential to facilitate a more pragmatic and inclusive form of collaboration, transcending political differences.

In essence, the GPI model's twin pillars – prioritizing public financing and fostering effective governance structures – echo the imperatives of middle-income countries, especially within the Latin American context. Through these pillars, the model encourages a reinvigorated focus on fortifying the public sector, ameliorating regional challenges, and nurturing a more cohesive and participatory approach to addressing complex issues.

> *"The GPI model's twin pillars – prioritizing public financing and fostering effective governance structures – echo the imperatives of middle-income countries, especially within the Latin American context.*

Carolina Cosse

President, Mercociudades

Regional integration and local governance

Mercociudades is an organisation acknowledging the pivotal role of local governments and stakeholders in shaping investment trajectories, representing a departure from the traditional cooperation narrative. While the latter often depicted the Global South as a passive aid recipient requiring guidance from the Global North, Mercociudades heralds a paradigm shift recognising the Global South's agency in determining its developmental direction.

> *"Incorporating a territorial perspective into international cooperation is pivotal.*

Initiated by 12 cities back in 1995, Mercociudades now boasts a membership exceeding 375 local governments. Collectively, these entities make an indispensable contribution to nurturing democratic processes and propelling regional integration and local governance.

This ethos resonates with the Global Public Investment paradigm, as it advocates for a recalibration of international cooperation, emphasising inclusive 'collective participation' to redress the historical North–South debt, particularly pertinent amidst the ongoing climate crisis.

GPI provides a pragmatic approach to generate the financing needed for realising the SDGs. Incorporating a territorial perspective into international cooperation is pivotal due to disparities across regions and varying access to credit. GPI diverges from the idea that countries 'graduate' after reaching a relatively low per capita income level (such as in the case of Latin America and the Caribbean) insisting on a continuous commitment to invest in public returns.

Nevertheless, the historical impact of the Global North on the Global South, especially in terms of the emissions that cause climate change, cannot be overlooked. It is paramount to start implementing the loss and damage fund established during COP27. The economic damages arising from climate change for countries in the Global South will reach nearly USD 428 billion annually by 2030 and up to USD 1.67 trillion annually by the year 2050 in a scenario of 3°C average global warming. Specifically, Latin America and the Caribbean accounted for 53% of the global economic losses due to 'climate disasters' between 1998 and 2017, averaging annual losses exceeding 1.5% of the region's GDP.

Urgent action is required to enact localised and inclusive approaches within local governance and territorial dynamics, formulating a flexible financial framework that accommodates diversity at a local level. Mercociudades and GPI exemplify modern paradigms that embrace collaborative agency and inclusive development.

GPI steers us away from entrenched and inequitable power dynamics. It fosters a more democratic and accountable agreement on how to manage international public finances, establishing an organic and dynamic approach in which North and South collaboratively design, consult, and co-produce impactful solutions tailored to their needs, both locally and globally.

Andrea Vignolo

Former Executive Director, the Uruguayan Agency for International Cooperation

GPI for Latin America and the Caribbean

Global Public Investment presents an opportunity to build inclusive societies from a human rights perspective through solidarity. It offers an innovative financial system to address the historical debt between the most and least developed countries, particularly in the face of the climate crisis. It could function as a concessional financing mechanism aimed at reducing regional indebtedness, promoting fiscal stability, wealth redistribution, and reducing inequalities. GPI aligns with the principles of South–South Cooperation and contributes to addressing the challenges of the Development in Transition approach.

> *"The complexity of the challenges we face as humanity requires working in an increasingly multidisciplinary and coordinated way.*

In Latin America, greenhouse gases are set to continue increasing due to population growth and reliance on fossil fuels. Urgent transformation towards a carbon-neutral economy is needed. Latin America and the Caribbean (LAC) emit less than 10% of the global emissions. However, the region is highly vulnerable to climate change due to geographic, climatic, socioeconomic, and demographic factors. Climate change exacerbates risks to food security, water availability, air pollution, human mobility, and vector-borne diseases, impacting vulnerable populations. To mitigate and manage these risks, societies must be actively involved in addressing these challenges.

It is urgent to move towards adaptation, mitigation, and resilience processes to improve social and environmental conditions. We need to design policies to support the evaluation of the critical conditions in order to provide the necessary consideration of the intersectionality and multidimensionality of the issues. Adaptation actions depend on the specific territorial contexts, as they are not interchangeable but unique among different cultures. These actions must address both social and environmental objectives.

Moreover, most countries in LAC have been categorized as middle-income by the World Bank, which hinders the access of the most marginalized local territories to traditional economic aid strategies for overcoming local challenges while perpetuating inequality between capital cities and rural areas in a perverse logic.

Therefore, it is urgent to implement a localized and inclusive perspective of territories and local governments to create a financing system that addresses the heterogeneity of the region while taking into account the limitations imposed by traditional income-based categorizations. LAC regions and cities are irreplaceable and necessary actors towards sustainable development.

To conclude, the complexity of the challenges we face as humanity requires working in an increasingly multidisciplinary and coordinated way between different levels and actors (global, regional, national and local), complementing knowledge, expertise and resources to *build back better* and resume the sustainable development agenda.

GPI is the tool. Let's act now.

Andre de Mello e Souza

Tenured Researcher and Policy Analyst, Institute for Applied Economic Research, Brazil

Regional integration and local governance

The Global Public Investment proposal incorporates many of the principles and values of Brazilian development cooperation and, more broadly, foreign policy. Brazil has historically championed multilateralism and rule-based systems of dispute resolution, seen as preferable to facing major powers bilaterally, and Brazilian development cooperation has traditionally prioritized multilateral channels for its provision, as attested in the Cobradi Reports.

GPI offers a highly inclusive proposal for the governance of multilateral development finance and the promise that developing countries will not just have a seat at the table, but also influence in decision-making processes – something that Brazil has long called for, including in the ambit of the BRICS. By proposing contributions to the burden of funding global development that vary according to each country's capacity, GPI also takes in the principle of 'Common but Differentiated Responsibilities', coined in the 1992 Earth Summit in Rio de Janeiro and cherished by Brazilian diplomacy and foreign policy.

As a provider and recipient of international development cooperation, Brazil is well-positioned to recognize and address, in practice, the concerns of both givers and receivers, and thus to lead the construction of GPI mechanics and governance.

Moreover, Brazil has championed South-South Cooperation principles which are also largely embedded in GPI. These include the horizontality and local ownership of such cooperation and the idea that it should be driven by demands of partner countries and generate mutual benefits. Additionally, Brazil has endorsed the principle of 'concessionality', which means that development cooperation should be freely given and involve some kind of effort or sacrifice of the provider, as opposed to being self-serving or driven by economic or strategic interests. This principle is at the heart of the GPI proposal.

> *"A main concern of GPI is maintaining social cohesion globally by reducing inequality and extending the provision of the most basic human needs.*

Finally, GPI responds in a fundamental way to the needs and challenges of Brazilian society. A main concern of GPI is maintaining social cohesion globally by reducing inequality and extending the provision of the most basic human needs. Indeed, GPI may be thought of as a global progressive tax system. Brazil is among the most unequal countries in the world and has experimented with several social policies designed to reduce inequality. GPI may thus help Brazil to improve domestic policies and reach greater progressivity as it becomes viable and cost-effective at the global level. Crucially, political challenges to income redistribution at home may be better addressed by a model implemented internationally, as has been the case in many sectors.

These are the various ways that GPI incorporates the traditions of inclusive and legitimate multilateral governance, the principles of South-South Cooperation and the values of social cohesion and equality which are all dear to Brazil as a provider and recipient of development resources. Brazil should lead the push for GPI.

Adolf Kloke-Lesch

Co-chair, Sustainable Development Solutions Network Europe

Heiner Janus

Project Lead and Senior Researcher, the German Institute of Development and Sustainability

> *“The principles of GPI (all contribute, all decide, all benefit) lie at the heart of the EU’s internal financial architecture.*

GPI and the EU

As the European Union (EU) is repositioning itself as a global actor in a multipolar world it should embrace Global Public Investment to underline its ambition of promoting effective multilateralism.

The election of a new European Parliament in June 2024 and the subsequent formation of the next European Commission represents both an opportunity and a need to break new ground for the rest of this decade. In this period, the EU must complete the implementation of the 2030 Agenda, engage in setting “even more ambitious SDG targets and objectives to mid-century” and decide its next long-term budget (MFF) for the time until 2035.

The key potential of the GPI concept arguably lies in its revolutionary approach of reimagining cooperation from the perspective of a global polity. Similarly, the EU offers a regional example of credible and legitimate policymaking by taking a pan-European view that can transcend entrenched political challenges that otherwise are not addressable by individual member states. The EU is therefore well suited to catalyse the potential of GPI to overcome the reform backlog of a multilateral system that is caught in rigid path-dependencies of incremental reforms, like the Bretton Woods institutions or the UN system.

Although the EU and its member states provide close to USD 100 billion – more than 45 percent of global ODA – and strive “for more multilateral governance and rules-based international cooperation”, the institutional role of the EU in the global financial architecture is currently rather marginal. EU institutions channel just five to six percent of Europe’s overall ODA to the multilateral system, almost exclusively as earmarked funding.

To live up to their global ambition, EU institutions must not only significantly increase their multilateral contributions but should also use them strategically in a distinctly European way. The principles of GPI (all contribute, all decide, all benefit) lie at the heart of the EU’s internal financial architecture. All member states contribute by the same percentage of their GDP to the European budget and benefit from it according to the priorities approved by their qualified majority, leading to a wide array of net-contributors and net-beneficiaries. Interestingly, the financing of EU external action from the EU budget also implies that all member states contribute to it equally, while national ODA/GNI ratios vary considerably around the overall EU ratio of 0.57 percent – from 0.2 to 1.0 percent.

By expanding its multilateral engagement and progressively applying the GPI principles the EU can further develop its ‘Team Europe’ brand and nudge existing multilateral institutions towards the GPI concept. In doing so, the EU could also draw on its new sources of revenue such as emissions trading, carbon border adjustment mechanism or minimum taxation of multinational enterprises.

Particularly promising seems the co-creation of issue-specific or cross-regional GPI facilities together with key EU partners such as the African Union, ASEAN, Canada, India, Mercosur and the UK. Contributions would be graduated according to size of the economy and level of per capita income. For instance, an allocation of USD 5 billion to such GPI facilities by the European Commission would be matched by up to another USD 5 billion from these six partners. This sizeable annual investment portfolio would be governed by all contributing partners and used for strategic interventions in the participating economies according to agreed-upon objectives. While the bulk of investment would flow to low- and middle-income countries, targeted interventions in high-income countries would exert certain influence there as well.

Anchoring GPI at the EU level also responds to a demand of evolving the ODA model, increasingly expressed at national level in European countries in new policies and initiatives. The French Development Agency (Agence française de développement, AFD) has labelled ODA as a concept of the last century and proposes two new financing strands for addressing global challenges, one focused on solidarity-based development finance and one for investments in low-carbon transitions. Meanwhile, the German Federal Ministry for Economic Cooperation and Development (BMZ) is pushing for a “Just Transition” towards a climate-compatible economy and a “feminist development policy” with the ambition to shape a new postcolonial and anti-racist development policy.

Joint responsibility, reciprocity and co-transformation would gradually replace the unidirectional donor–recipient model of ODA. Strengthening the EU’s global role in a truly European way should become a key topic in the campaign for the upcoming European elections. Civil society and think tanks should work with political parties to include GPI and its principles into their EU election campaign platforms. It’s high time to live up to the occasion.

Nick Dearden

Director, Global Justice Now

A challenge to embedded rich country narratives

The age of aid is over. Many organisations, like my own, ran well-intentioned campaigns in the 1970s and '80s for rich nations to commit to budgets aimed at wiping out poverty. After centuries of slavery, empire, extraction and exploitation, such spending seemed the least the Global North should offer to redress the problems political elites had unleashed on the world. Aid was part of a desire for a better world in an era of hope.

Today, we live in a different world. The 40-year project of hyper-globalisation, the integration of the whole world under the rule of the market, is collapsing. This project has fuelled the existential crisis we now face, not just in the Global South but across much of the global north too. Hope is in short supply.

In this new reality, aid has lost political support and moral legitimacy. This erosion of support is partially a victim of a political campaign which would like to convince the populace that they have nothing to gain from helping others. But there are more legitimate reasons why so many have turned away from aid.

Even at its best, aid could not hope to undo the damage simultaneously being wrought on the world by hyper-globalisation. Sadly, aid spending has not always been at its best. Too often, rich country governments use their budgets to entrench their own interests and force their own favoured economic model on people who have little to gain from it. Aid has sometimes been more about aiding big business, or providing funds for the pet projects of political elites, than the liberation of people from poverty and dependence.

And behind aid is an insidious notion, however subconscious, inherited from long years of empire, that we in the Global North are heroic white saviours, doing our best to help the hopeless natives with whatever problems they've created for themselves. Far from the liberatory potential which development was supposed to offer, an opportunity to learn from history's victims and redress wrongs, it turns out to be, yet again, about placing the generosity of the powerful at the centre.

As people everywhere retreat from hyper-globalisation, it's vitally important we don't retreat from the idea of international coordination and cooperation. And at the heart of this should stand Global Public Investment. Done right, GPI can not only begin to redress serious historical injustices, it can also bind us together in a common struggle for a dignified life for all. GPI is based on the same principle that drove the most transformative projects in our history, which delivered public healthcare, education, housing and pensions provision: from each according to their ability to each according to their need.

This is not an aid model, but a model of empowerment and dignity upon which a much better society can be built.

> *"GPI can not only begin to redress serious historical injustices, it can also bind us together in a common struggle.*

Chris Collins

President and CEO, Friends of the Global Fight Against AIDS, Tuberculosis and Malaria

GPI in North America

There is an appetite for the values ingrained in Global Public Investment among many policy makers and advocates in North America. The notion of everyone contributing is powerful, as is the emphasis on the connections between different development areas. Perhaps most importantly, the idea that foreign aid is truly an investment in shared goals resonates with many people in the region and helps make the case for funding. GPI brings together multiple important values and is useful in the dialogue on core principles needed in the future of aid.

There is a justified concern that the world has thus far failed to raise adequate resources, including for climate, pandemic preparedness and fighting AIDS, TB and malaria. There is this sense of chronic underinvestment and lack of clarity about how to move beyond the limits to date. We need to ask how GPI can help generate commitment to new investment to meet the need.

Far too often we are building silos when we need to find synergies. Many low-and middle-income countries built their Covid-19 responses on the laboratories, disease surveillance, community networks and supply chains that were created to fight HIV, TB and malaria. Investments in the three diseases were directly related to countries fighting Covid effectively. Yet too often pandemic preparedness is discussed in isolation, without reference to the need to end current pandemics along with future ones, and the many resources contributed by these three disease responses to stronger and better-prepared health systems.

GPI can be a path to much-needed improvement in the foreign aid space, but it's also crucial to remember that the current US approach has helped save millions of lives and maintained political support by being laser-focused on tangible results. We need to keep that results-orientation while incorporating GPI values like civil society engagement and collective global financial efforts, where everyone contributes, and everyone benefits. A great many of these values are built into the structure of the Global Fund and have been intrinsic to its success.

GPI brings powerful ideas that can inform smart policy. It combines important concepts that can help all of us think about a more strategic, effective and equitable approach to tackling global challenges. Policymakers and advocates should use GPI to inform the discussion on foreign assistance and explore how they can be incorporated into current and future programs.

> *"GPI brings powerful ideas that can inform smart policy.*

04

GPI in action

GPI is needed around the world to help tackle very different challenges, some immediately global in scope, others more context specific, all linking to internationally agreed objectives. While the MDGs set goals for poorer countries that richer countries were to help achieve, the SDG approach means all countries must work towards a universal set of goals, going beyond eradicating extreme poverty (mostly located in the Global South) and responding to growing inequality and unsustainability everywhere.

We are entering a new era in history, where our planetary security will depend on the extent to which we can improve international cooperation to ensure the supply of essential global public goods and services (such as vaccines in a pandemic), to protect the global commons (such as the polar ice caps), and to secure the right technology, infrastructure and institutions.

Climate

The need for sustainable and 'green' economies, rather than dirty growth, has become a glaring issue of practical and political concern for countries at all income levels. Climate finance has to date fallen far short of what is needed. Climate justice demands a new kind of global solidarity, supported by a new type of global public financing framework. Any variant of a global green 'new deal' will require public investment in green technology and infrastructure that can be shared in an equitable way among all countries.

Health

The recent Covid-19 pandemic has proven beyond any doubt the urgent need for more global cooperation in the health sector. Weak health systems and infrastructure across the globe will continue to provide fertile ground for future pandemics to spread quickly, and will mean they are difficult to prevent and manage. Public money is needed to develop and sustain health and community systems that are universally accessible based on need rather than ability to pay. An increasing number of reports in the health sector are promoting the GPI approach, either explicitly or implicitly.

Humanitarian

Overlapping crises are making the lives of billions of people on the planet more precarious with millions pushed into hunger in the last few years. As the climate crisis continues to worsen, 58% of all people in need of humanitarian assistance (about 236 million people) live in countries with high levels of vulnerability to the impacts of climate change. A new system of global insurance would not replace the need for humanitarianism, poverty reduction or relief work, but it would mean that when a crisis strikes, there are preapproved resources in place to address it.

Care & social protection

There are increasing calls for a new approach to economic progress centred on care. The pandemic has reminded us that while some countries have social protection schemes that provide their citizens with a measure of insurance against crisis moments, no such thing exists at the global level. Social protection is one area where a GPI approach could be quickly adopted. Discussions are underway to develop a 'Global Fund for Social Protection', but this is often couched in traditional North–South 'aid' narrative terms. A GPI approach could mean a fund fit for the 21st century.

Saleemul Huq

Director, International Centre for Climate Change and Development (ICCCAD)

Mizan Khan

Deputy Director, ICCCAD

GPI for climate loss and damage

Along with climate change, our world is facing another unprecedented crisis – rapid extinction of biodiversity. Since 1900, native species in most major land-based habitats have decreased by at least 20%. The IPCC AR6 WGII report (2022) finds with very high confidence that climate change has altered marine, terrestrial and freshwater ecosystems all over the world, and with every additional tenth of a degree of warming (high confidence), threats to species and ecosystems in oceans, coastal regions and on land, particularly in biodiversity hotspots, present a global risk that will continue to mount.

The loss of biodiversity and ecosystem services is a development concern that disproportionately affects the world's poorest countries. Research estimates show that natural resources contribute about USD 44 trillion to global GDP. This is one of the reasons that in June 2021, the G7 leaders agreed an ambitious 'Nature Compact' to address the interconnected challenges of biodiversity loss and climate change . The Compact also expresses concern about the drought-fueled wildfires which destroy people's lives and livelihoods, killing and displacing species, and increasing greenhouse gas emissions. Rising temperatures cause more carbon dioxide to dissolve into the oceans, making seas more acidic, hurting coastal ecosystems, and depleting fish stocks, which support the livelihoods of millions in low-income countries. The least developed countries have committed to nature-based solutions in their 2050 Vision. The World Bank Group's five-year Climate Change Action Plan indicates that about 35% of all funding will go toward climate action, including support for nature-based solutions on land, sea, and air.

> *"A vigorous drive is needed to mobilize global public investment for conserving biodiversity and ecosystem services.*

As biodiversity and ecosystem services are primarily a national and global public good, their conservation is not properly valued in conventional economic modeling, and funding for conservation at the global level is extremely poor. Currently, only about 3% of international aid is targeted at biodiversity conservation. Public expenditure is estimated to be around USD 6 billion. Meanwhile, activities harmful to biodiversity conservation, such as fossil fuel production, agriculture subsidies and the use of chemical fertilizer and pesticides, command many times more international support. Recent estimates show that at least USD 60 billion per year is needed as global public investments for protection of biodiversity.

Another estimate suggests that around USD 5 trillion will be required each year to meet the goals of addressing climate change and biodiversity conservation. But financing for both areas are orders of magnitude smaller than the estimated needs. A vigorous drive is needed to mobilize global public investment for conserving biodiversity and ecosystem services.

Jean-Paul Adam

Director for Technology, Climate Change and Natural Resources, UNECA

GPI for climate resilience

Perhaps more than any other issue, addressing climate change requires a coordinated and truly global response. Success cannot be achieved by outliers who will drag the recalcitrant along with them; success hinges on simultaneous action to invest in a global public good. The ineffective effort to mobilise the promised 100 billion USD per year target has illustrated the limitations of the current system. As shown by this Oxfam report, the lack of clarity on the target and who contributes has led to double counting and failure to support those most in need.

Successful Global Public Investment strategies can tackle five major weaknesses in the current system to invest in climate resilience:

1. Deliver investment at scale. Climate finance is currently fragmented and delivered through vehicles which tend to fall short of the ambition needed.
2. Frontloading investment. Climate resilient investment is predicated on large resources being deployed early for effective medium- to long-term returns, as opposed to the current system which rewards short-term returns on investment.
3. Effectiveness and addressing the needs of the most vulnerable. Current climate finance modalities do not adequately cater for vulnerability to climate change and consequently investment is band aid, rather than treatment for the long-term cause of vulnerability.
4. Sustained investment in adaptation. The pace of investment to meet the Glasgow pledge of doubling investment in adaptation has proven challenging, while an effective Global Public Investment strategy would allow prioritisation of the adaptation track as fundamental for resilience building.
5. A Global Public Investment approach can provide an anchor to further crowd in the private sector, hence providing a multiplier effect.

There is often a fair criticism that too much store is placed in the role the private sector will play in climate finance. However, the most effective form of Global Public Investment is to leverage the multiplier effect of large-scale investments. The private sector contribution is not replacement for financing that would be provided by the public sector, but it represents how climate resilient investment can be mainstreamed into the global public finance ecosystem. This has been one of the most successful aspects of, for example, the European Union's use of centrally mobilised public funds to invest in resilient infrastructure in new countries joining (for example, expansion in Eastern Europe) or investing in critical zones of its periphery, which has subsequently served as a magnet for additional private sector investment.

To demonstrate the importance of this leverage effect, we can refer to the potential return on investment in an African context, if upfront large-scale investment flows are channeled into adaptation. Recent studies by ECA have shown the potential for high returns in adaptation: 150% in parks in RSA, 450% from irrigation in DRC, 400% return on solar powered irrigation for agriculture in Egypt and 200% return on resilient seeds in Kenya.

A Global Public Investment approach would allow us to truly leverage the value of climate resilience for long-term prosperity. Global goal setting and accountability would allow for more efficient and targeted use of resources. Critically it also allows the scale required for system transformation, and this is what true climate resilience entails.

Gail Hurley

Senior Development Finance Advisor and Consultant
With thanks to Mohammed Ali-Hassan, Project Manajer, Development Initiatives

GPI and ocean protection

The state of the world's oceans and seas is increasingly desperate, from accelerated rates of marine pollution to ocean acidification and major declines in marine biodiversity. Marine ecosystems stabilise Earth's climate and support an extraordinary array of life and human wellbeing. The UN's World Ocean Assessment reports however that much of the ocean is now seriously degraded.

SDG 14, life under water, commits countries to "conserve and sustainably use the oceans, seas and marine resources for sustainable development." At the UN's recent (COP15), nearly 200 countries agreed to protect 30% of lands, oceans, coastal areas and inland waters by 2030. And following two decades of discussions, the was adopted in 2023 which puts in place a legally binding international agreement to protect marine biodiversity.

This is all positive and desperately needed. Less clear however is how these ambitions will be financed.

Current approaches are failing. Recent research suggests that USD 175 billion is needed annually to achieve SDG 14 by 2030. However, between 2015 and 2019, just USD 10 billion was delivered. Just 4% of the ODA received in 2020–21 by small island developing states – which combined control about 30% of the world's oceans and seas – supported ocean-related activities.

Currently, the main sources of funds are ODA, philanthropic funds and a few multilateral funds and initiatives like the Global Fund for Coral Reefs, the Global Environment Facility and the Green Climate Fund. The UN High Seas Treaty also foresees the creation of a new fund which will be financed through a mix of states' contributions, private voluntary donations and profits derived from marine activities.

These are however a 'drop in the ocean'. Moreover, stresses on the world's oceans due to climate change and global population increases are likely to intensify, further increasing financing needs.

The implementation of a Global Public Investment (GPI) approach could usher in a much-needed transformation in how the oceans and seas are funded. This would work in the following key ways:

> *Stresses on the world's oceans due to climate change and global population increases are likely to intensify, further increasing financing needs.*

1/ **Inclusive decision-making** on how and where resources are deployed to restore and protect the world's oceans. This would ensure a **fair and transparent allocation across countries**, a radical departure from the current approach where aid donors mainly decide on where to deploy funds.
2/ **More funds** for the ocean via statutory contributions from countries at all income levels, according to ability to pay.
3/ **Reduced volatility** in public finance available for the oceans and seas. The increased availability of more stable and predictable resources over time could enable longer-term ocean health initiatives to be funded.
4/ **A catalytic effect.** Increased and reliable transfers for the ocean open up new opportunities to blend public funds with capital from other sources, including the private sector, crowding-in finance from all sources.
5/ Through a common framework, **increased international solidarity and commitment**, creating long-term public value through the protection and enhancement of one of Earth's most precious resources.

Yared Tsegay

Strategic Advisor, African Monitor

The world needs GPI to respond to spiralling costs

International public finance is under the spotlight as the world marks the halfway point of the 2030 Agenda for Sustainable Development. According to the Global Outlook on Financing for Sustainable Development 2023, the SDG financing gap in developing countries was rising steadily even pre-pandemic, amounting to USD 3.9 trillion in 2020.

Since Covid-19 things have got worse, with spiralling debt costs. Between 2020 and 2025, annual external debt service in developing countries averaged around USD 375 billion, up from USD 330 billion between 2015 and 2019. Developing countries' available government revenue (after debt service payments) is expected to remain almost 20% below pre-pandemic projections into the near future.

Meanwhile there is mounting pressure on official development assistance (ODA) and developed countries have yet to fulfil the commitment of providing USD 100 billion for climate response.

Amidst these circumstances, countries like South Africa have started exploring options for course correction to deliver on the National Development Plan and the 2030 Agenda in the face of current austerity measures, including a poverty alleviation acceleration plan and a Just Energy Transition Investment Plan. They are yet to find an adequate answer to the question of finance.

Acknowledging these challenges and outlook, the Economic and Social Council Forum on Financing for Development follow-up session in 2023 emphasised the necessity of addressing systemic issues and reforming the governance of international financial institutions and multilateral development banks to align with global economic shifts. Urgent measures are advocated to amplify efforts towards achieving the 2030 Agenda and the Addis Ababa Action Agenda, including reforms in the international financial architecture.

The forthcoming SDG Summit in September 2023 is expected to provide crucial political guidance for fully implementing the 2030 Agenda. Similarly, climate finance has taken centre stage, with the upcoming COP28 focusing on high-level inter-ministerial dialogues to set future climate finance goals and address loss and damage financing. Considering the outcomes of COPs 26 and 27, the exploration of novel approaches for mobilising finance to support global public goods becomes increasingly imperative.

The concept of Global Public Investment is one such novel endeavour. It is being developed to make the case that international public finance has a critical role in tackling the climate emergency, preparing better for the next disaster, and financing sustainable development. GPI can be one part of a more extensive set of answers to our common challenges.

The call for a new, inclusive, and dynamic international finance system that aligns with our global aspirations through long-term, reliable investment in global public goods has grown stronger. This envisioned system must have public funding at its core, emphasising investments in complex global public goods with both social and economic benefits. GPI represents a novel financing paradigm poised to drive fundamental change in international public finance, ensuring its adaptability to future challenges.

As the world seeks innovative avenues to mobilise future climate finance, including for the loss and damage fund, the time is ripe to consider GPI as a pivotal concept. It holds the potential to provide new sources and mechanisms to support our shared objectives in a rapidly evolving world.

Solange Baptiste

Executive Director, International Treatment Preparedness Coalition

GPI to elevate community expertise in health

Achieving the Sustainable Development Goals targets relies on an acute awareness of their interconnectedness as no one target can be achieved in isolation. For example, according to the World Bank, ensuring universal access to affordable, quality health services is vital to ending extreme poverty by 2030 and boosting shared prosperity in low- and middle-income countries, where most of the world's poor reside.

This inextricable link poses a challenge for global health advocates, who aspire to realize what might be the most ambitious health declaration to date, universal health coverage (UHC), defined by the World Health Organization (WHO) as all people having access to the full range of quality health services they need, when and where they need them, *without financial hardship*.

After almost 40 years focused on achieving disease-specific targets (such as those on HIV and TB), health activists are now grappling with how to solve interconnected problems. The key to unlocking this challenge is to fully engage the experts that have been left behind: communities.

The current global economic downturn sets the unfortunate and debilitating context in which we need to achieve UHC. This tight global financial condition, that cuts across both developed and developing countries, means that in countries, communities, households and at the individual level, we are pressed to do more with less, prioritizing like never before and making difficult trade-offs. Inevitably, this context brings decision-making and decision-makers into sharp focus. *Who* gets to decide *what* gets funded and at *what level*?

These questions are especially important when it comes to health. All too often people who are directly affected by policy decisions have little or no input on setting priorities, they have weak channels to influence change and they end up the furthest from the benefits that are intended for them.

When it comes to elevating community expertise, Global Public Investment offers a concrete plan for a transformative way forward, diversifying decision-making and establishing mutual responsibility for how international public finance for sustainable development is mobilized and allocated.

Simply put, GPI is about how public money is used to invest in goods and services that are of global benefit. To make GPI work for civil society and not just countries or groups of countries, we must comprehensively apply and widen our understanding of the core principles of 'all decide, all contribute and all benefit'. Decision-making needs to include affected communities, contributions need to go beyond mere monetary assets and benefits should reach all people.

To attempt build UHC without a people-centered approach means that priority setting and resource allocations will continue to happen in non-transparent ways in the halls of Geneva and New York among 'founding donors' and select groups of countries. GPI resists this status quo and demands a different way of working. It calls for community input (*contribute*), meaningful engagement (*decide*) and equal access (*benefit*) to public goods for all individuals, including essential health services.

Community-informed initiatives such as the Action Agenda of the UHC Movement gives

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> *When it comes to elevating community expertise, GPI offers a concrete plan for a transformative way forward.*

voice to community priorities and pushes for concrete actions to strengthen resilient and equitable health systems, thereby advancing UHC and health security. The Action Agenda was informed by a public consultation which gathered 830 responses from over 100 countries, including 38 low- and middle- income countries. By deliberately designing a community leadership and accountability approach to UHC, governments, civil society and other stakeholders can leverage GPI across the framework of *decision-making, resourcing and equity* so that primary care is strengthened and robust health systems are built using equitable funding allocations for improved health of communities worldwide.

Community-led monitoring (CLM) is one of many community-led interventions that supports strong, responsive and resilient health systems. CLM enables communities and service users to routinely collect data – localized, actionable evidence – that can help managers and providers identify gaps and trends, and use that information to improve services, programs and policies. There are numerous examples of CLM successes across diseases including HIV (here and here), malaria, tuberculosis, hepatitis C and non-communicable diseases as implemented by recipients of care across the world. When the voices and perspectives of those directly affected are not only heard but sought as experts that provide unique and valuable contributions, we guarantee more contextually appropriate and effective interventions and much-needed fiscal efficiencies.

Despite its rising popularity in health, community-led monitoring goes beyond data collection. CLM shifts power. It shines a light directly on how governments and those with power relate to and share that very power with those on the frontlines of the consequences of policies. As GPI is implemented, claims of 'all contribute' cannot just be about countries contributing money, but must also include affected communities *contributing* their resources, their lived experiences, their unique insights, ideas and community data to co-create solutions for the issues we collectively face.

What is the way forward? Global leaders persistently call for reimagining global health and harnessing the 'lessons learned' from HIV to forge a future that achieves universal health care. However, accomplishing this vision necessitates a resolute call for action that drives the equalization and transformation of relationships, ultimately enabling real and meaningful change. Without GPI, we are merely tweaking a rotten foundation that keeps power concentrated with governments and rich countries. The 'all decide' principle of GPI offers this much-needed transformative approach to address the governance challenges faced in global health funding. By embedding and operationalizing GPI in funds like the Financing Intermediary Fund for Pandemic Prevention, Preparedness and Response and activating initiatives such as CLM, we move closer to achieving UHC and demonstrate how GPI can catalyze change from the ground up.

As we approach the World Health Summit, the Global Fund Board Meeting, the 2023 United Nations Climate Change Conference (COP28) and other critical global events, we should advocate for the adoption of GPI to help address our major health funding challenges.

Read more on community-led monitoring on the International Treatment Preparedness Coalition website on the https://clm.itpcglobal.org/

Mohga Kamal-Yanni

Senior Global Health Policy Advisor, UNAIDS and The People Vaccine Alliance

Financing innovation and access to medical products

The right to health and to the fruits of science were two of the first human rights enshrined in the Declaration of Human Rights and the WHO constitution. Despite this, most countries do not prioritise financing healthcare and medical research. Innovation and access to medical health products is not decided by public health needs but by market forces. Moreover, public health systems have been chronically underfunded for decades in most countries. In 2020, global spending on health reached USD 9 trillion, but resources were highly unequal across income groups.

The current inequality in accessing health services and medical products requires fundamental changes to prevent the catastrophes of past pandemics and ensure achievement of those fundamental human rights. National and global attitudes to financing and delivery of healthcare need to transform to facilitate raising the necessary funding, pooling the funds and fair allocation of resources.

Global Public Investment provides a different model of financing that can address the deficiencies in the quality and quantity of funding for health services and medical research. Three essential areas of healthcare would benefit from GPI:

1. Medical products: research and development (R&D), diversified regional production and equitable distribution of products according to health need and not ability to pay.

2. Scaling up and resilient public health system for universal health coverage.

3. Pandemic prevention, preparedness, response and recovery.

Currently, those countries that have money do invest in R&D and pharmaceutical companies build on public investment but eventually privatise profit from the sales of the resulting products. Intellectual property rules enable companies to monopolise the markets, so that they control three key decisions: production and supply, distribution, and price. Thus, the companies decide what products are sold, where, at what quantity and at what price.

The direct and most unforgivable consequence of this was evident at the peak of the HIV crisis when 12 million people died, mainly in developing countries. The pricing set out by pharmaceutical companies, focusing on profit, rendered the medicines that could have saved their lives unaffordable to governments and donors. The same is true for medicines currently available to treat disease like cancer. The Covid-19 pandemic is a prime example of companies' control of supply as they prioritised high-income country (HIC) markets where they maximised their profit before they allowed access in Africa.

Innovation is focused on maximising profits for pharmaceutical companies instead of public health needs. Diseases prevalent in poor countries do not provide enough profit incentives for companies to invest in R&D. Companies invest in products that have secured market in HICs where high profit is guaranteed, as opposed to where human lives can be saved. For example, the TB vaccine is 100 years old and is only temporarily effective.

Implementing a GPI approach would address the problems of financing R&D and manufacturing, and promote investment in innovation

> *A GPI approach would enable countries to achieve the human right to health and enable all populations to benefit from the fruits of science.*

that targets diseases in the South and sustainable access to medical products.

1. All decide. Countries would participate in defining R&D priorities to serve the health needs of their people through sharing their evidence, experiences, and expertise on public health challenges. By contributing to financing according to their means both financially and technologically, all countries would have a stake in prioritising the R&D agenda.

2. All contribute resources. While HICs, especially the US, would contribute more funding than low-income countries, the latter can invest the funds they dedicate to medical research in developing their research capacity: scientists, universities, national labs, and clinical trials centres. Countries that have advanced science and technologies would also share knowledge with researchers from the South. Funds for medical R&D can be pooled with or without creating a global research fund. Countries' contributions would finance R&D especially for building capacity in low- and middle-income countries in national and regional R&D centres. The pooled financing would contribute to the development of diverse regional manufacturing capacity, ensuring sustained supply of medical products especially during outbreaks, epidemics, and pandemics.

3. All benefit. Pooled resources provide funds for R&D and manufacturing as well as enabling collaboration, expanding the capacity of scientists, engineers, manufacturers, and other actors in the end-to-end chain of medical products. Application of the GPI principle enables delinking the financing of R&D from the supply and price of the products. As a result, every country can benefit from the products developed collaboratively according to their public health needs and not their ability to pay.

This approach of sharing resources and collaborative investment in R&D and manufacturing capacity will ensure a sustained supply of medical products for all countries, poor and rich. It would also enable Southern researchers to contribute to the progress of science and technology for the benefit of all humanity. Thus, a GPI approach to financing innovation and access to medical products would enable countries to achieve the human right to health and enable all populations to benefit from the fruits of science.

Christoph Benn

Director of Global Health Diplomacy, Joep Lange Institute

Applying GPI principles to global health funds

The world is badly in need of new approaches to financing global commons in health and other sectors. The needs are increasing through multiple crises while governments across the world are facing significant fiscal constraints leading to stagnant or reduced contributions to established international funds and institutions.

The principles of Global Public Investment have emerged as a critical innovation. But GPI needs to be more than a convincing theoretical construct. It requires a change of mindset among policymakers in countries all around the world. All countries need to establish budget lines to finance global issues. Traditional donor countries need to go beyond ODA budgets when it comes to financing global public goods such as climate change and pandemic response. All other countries need to recognize that they do have a role to play by making financial contributions according to their ability and supporting multilateral organizations in health, climate and other sectors.

A good opportunity for the application of the GPI principles is the Pandemic Fund created in the aftermath of the Covid crisis to support countries in preventing and addressing future pandemics. Some of us had argued in a Lancet commentary to strengthen the new fund through incentivizing all countries to contribute to pandemic preparedness and response, which is clearly a global public good benefitting all countries, and to establish an inclusive governance structure that gives countries of all income levels and geographies that make proportionate contributions the chance to be fairly represented in decision-making.

With countries such as Indonesia, China, India and South Africa making sizable pledges and with a board providing equal decision-making to investor and co-investor countries, the Pandemic Fund has made important steps towards the application of the GPI principles. At a board retreat in March 2023, the board did consider a resource mobilization strategy with strong references to GPI. However, the Pandemic Fund now needs to take the next step to encourage more countries to contribute and to empower the secretariat to do the necessary diplomatic outreach.

Another type of application is pursued by the Coalition for Epidemic Preparedness Innovation (CEPI). Their mandate is to support the development of new vaccines against existing and new pathogens. There is an increasing recognition that vaccine R&D and manufacturing should be strengthened at the regional level to increase the autonomy of these regions in case of future pandemics. Countries pooling their resources on a regional basis with shared governance and equitable access to potential products could be a viable option to achieve this important goal.

> *“GPI requires a change of mindset among policymakers in countries all around the world.*

Eloise Todd

Executive Director and Co-founder, Pandemic Action Network

Preparing for the next pandemic

Pandemic Action Network exists to make sure every country is better equipped to stop outbreaks from becoming pandemics. Global Public Investment has started to emerge in health settings and as regards pandemics and has the potential to help change power dynamics beyond financial investments.

There are at least three reasons why it has been hard to act globally when health threats emerge. Firstly, health threats test governments on one of their most fundamental responsibilities: to keep their citizens safe. Taking the global view when there is a threat at home is still too counterintuitive for many leaders. Secondly, this plays out in spending commitments. Responses during Covid-19 showed starkly that we are not yet a planet that thinks or acts globally when it comes to health threats. The UK government's estimated Covid spend, for example, was GBP 372 billion all at home, dwarfing the few billion the UK invested in the Access to Covid-19 Tools Accelerator. Thirdly, whether or not an outbreak becomes an epidemic or pandemic goes way beyond actions in the health sector; by keeping pandemics in the 'health' domain, therefore, the high politics of the security, economics, employment and other areas impacted barely get any focus.

Global Public Investment is a concept that has the potential to change our view of the national vs international investments paradigm, to help nudge our last-century thinking into 21st-century reality. The core tenets of GPI, that all countries contribute, all benefit in some way, and all get to decide, mirrors the reality of 2023: all countries are vulnerable to epidemic and pandemic threats, to tackle them effectively everyone must be treated, and everyone must be included in the political decisions on deployment of tools.

Covid-19 underlined that the level of vulnerability to these threats differs enormously between countries, and created new energy behind defining what equity in pandemic response looks like and how pandemic countermeasures should be distributed. We need to normalise mechanisms whereby every country has the right to decide on issues such as spending during international crises; the moral case can be made, but this also doubles as the self-interested case since pandemics can come to a swifter end when everyone benefits more equitably – numerous studies showed this would have been the case with Covid. We have seen the influence of the model on the emerging global health architecture, e.g. the Pandemic Fund has a wide-ranging board, split between nine contributors and nine co-investors.

Global Public Investment might not always show up described as “GPI”. But the core principles that everyone – in every country – must benefit from investments in our commons, everyone must contribute relative to their means, and everyone must have a stake in those decisions are core tenets increasingly being played out the world over.

> *“GPI is a concept that can help nudge our last-century thinking into 21st century reality.*

Harpinder Collacott

Executive Director, Mercy Corps in Europe

An evolution in the humanitarian sector

In 2022, an estimated 407 million people required humanitarian assistance, according to the 2023 Global Humanitarian Assistance Report. That's a third more than the previous year, largely due to food insecurity and forced displacement. While international humanitarian assistance reached an all-time high of USD 46.9 billion to meet the escalating need, there was still a shortfall of USD 22.1 billion, meaning upwards of 100 million people did not receive the assistance they needed. So, what can be done to bring about meaningful change?

Firstly, the system of global humanitarian financing, built after the Second World War, is out of date. Originally set up to be an emergency response mechanism, the protracted nature of the crises we're seeing means that humanitarian financing is attempting to cover too much – from emergency response, to prevention, disaster risk reduction and resilience building, to responding to developmental needs in a crisis context, and more. We need to redefine 'humanitarian response' and think about it through the lens of the Humanitarian-Development-Peace AND Climate nexus.

Secondly, the humanitarian system is still conceived as one of north-to-south flows. But as the nature of crises has changed, so has the economic wealth of countries around the world. Instead of thinking 'global' first, crisis response needs to be turned on its head. Financing must be national first, then regional and finally global.

We should look to create new regional public financing mechanisms which are created BY the region, FOR the region and are making decisions IN the region to tackle THEIR regional problems. A global public investment mechanism for crisis response then becomes a last resort for challenges which cannot be addressed only by national and regional crisis financing mechanisms.

Thirdly, we need to pivot our thinking and financing towards how you prevent a crisis and build the resilience of communities to cope and adapt. We know that short-term humanitarian aid does not build resilience.

A potential solution is to consider the role of Global Public Investment for crisis response, establishing a permanent and sustainable financing mechanism for multi-hazards that not only anticipates and responds to large-scale future crises, but also reduces risks and builds resilience.

> *"Developing this new system means building the GPI principles into the current global financial architecture for humanitarian response.*

This approach calls for a common system of global investments that are predictable and representative. Above all, it calls for a new line of international public finance that can address shared global public goods needs and global common challenges.

GPI recognises that all countries have a stake and a role to play in meeting certain common needs, and they should share decision-making and financial responsibility for those needs.

Developing this new system means building the GPI principles of 'all contribute, all benefit, and all decide' into the current global financial architecture for humanitarian response. This will widen the funding available, challenge the current assumptions of northern funding for southern crises and the power dynamics this brings, and ensure financing is responsive to the challenges of our time.

Hibak Kalfan

Executive Director, Network for Empowered Aid Response (NEAR)

Localising GPI in humanitarian financing

Today's humanitarian financing landscape, marked by complexity and scale, falls short in ensuring locally led action. This failing system, with its tendency for oversized intermediaries and one-size-fits-all solutions, reflects an outdated perspective ill-equipped to tackle today's multifaceted crises. NEAR seeks a pivot towards localisation – the very heart of our Global South movement.

Localisation, as NEAR envisions it, is a process and promise to shift power, resources, and decision-making to local and national actors who are closest to crises and best equipped to respond.

Translating localisation principles and values into the funding landscape means serious transformation and innovation. Global Public Investment, which evolves official development assistance by extending the public investment concept universally, holds potential for this transformation. GPI, aligned with NEAR's localisation policy, promotes global responsibility and solidarity.

In marrying GPI with NEAR's localisation policy, we envision a future where global public funds serve not only as an incentive for local-led action but also fuel a shift in power dynamics in humanitarian aid.

Universal participation: Encouraging all countries to contribute to and benefit from this new paradigm of international cooperation fosters shared responsibility and solidarity, crucial for localisation's success. It promotes localisation as a universal practice, not merely a principle.

Funding local response systems: Governments and international financial institutions can play a pivotal role by channelling funds directly to local and national actors. This shift from a donor–recipient relationship to an investment culture ensures local response systems have necessary resources. By doing so, local actors have the quality funding they need to lead response efforts and make decisions based on their understanding of their communities' needs.

Adopt a networked approach: Effective aid requires collective expertise, resources, and capabilities of various local and national responders. Strengthening coordination among these entities ensures efficient resource use, minimises duplicated efforts, identifies gaps in response, and enhances knowledge exchange. This collaborative learning fosters a comprehensive and adaptive response system.

Addressing inequality and sustainability: Governments should broaden their focus to include issues of inequality and sustainability. Through international cooperation, investments can be made in a manner that takes into account the long-term sustainability of communities, including their ability to withstand future crises.

Co-creation with stakeholders (or devolving decision-making?): International financial institutions and NGOs must value co-creation and believe that international cooperation needs to be designed, built, and governed by the stakeholders it will affect. This belief aligns with localisation's core principle of putting local response systems at the heart of supporting communities. Collaboration with local stakeholders results in support systems that are more responsive to community needs.

Accountability to communities: Ultimately, all efforts must be accountable to the communities we serve. Ensuring transparency, inclusivity, and accountability in the decision-making process validates the trust placed in us by the communities.

Cecilia Alemany

Officer-in-Charge and Deputy Regional Director of the UN Women Regional Office for the Americas and the Caribbean

The case for GPI in care societies

According to the UN Economic Commission for Latin America and the Caribbean (ECLAC), only 25% of the SDG targets are on track in the region, and structural inequality is at the heart of the problem. Financing for development in Latin America has always been linked to the most difficult challenges: an unfair global financial and international architecture; a trade system that negatively affects developing countries; and inequalities across and within countries. At the national level there is incomplete tax reform, weak social protection, and an extractivist economic model that is increasing environmental crises and climate change.

These challenges – national and international – affect women, and increasingly indigenous women, rural women, Afro-descendant women, migrants, and refugees, among other women facing multiple discrimination. Gender equality is still peripheral in public policy and national budgets' allocation. If there isn't a shift, it would take another 286 years to achieve gender equality globally, according to UN Women. Women's organizations and environmental human rights defenders are struggling to survive in the current funding scenario, particularly in LAC.

In 2022, LAC states agreed to the Buenos Aires Commitment. This new framework, promoted by women's groups and feminist organizations in LAC, is now part of the new generation of poverty- and inequality reduction policies that are under development and will contribute to accelerating several SDGs. It calls for, "a transformative recovery with gender equality aimed at the sustainability of life and for the transition to a care society" and commits the states to setting "progressive fiscal policies [...] aimed at reversing gender inequalities and guaranteeing the rights of women, adolescents, and girls, including the right to care."

One potential area for Global Public Investment is national, regional, and global care value chains. Care systems require co-responsibility from the state, the private sector, households, and communities. Care is a new sector that requires not only national public investment, but also regional and global public investment, in line with GPI proposals. The return on investment in care systems and policies has been documented and experienced in several countries in LAC, and it has a longer history in some developed countries.

Global Public Investment is needed in basic social services as well as social protection pillars. The existing instruments, such as traditional official development assistance rules attached to GDP-per-capita criteria, are outdated. However, they should not be erased, given the many humanitarian, development and democratic crises and other calls on finance.

As care emerges as a new pillar of social protection and the welfare state – a new sector to transform the international and sexual division of labor – GPI can contribute to its centrality, connecting innovative instruments with traditional ones.

> *One potential area for GPI is national, regional, and global care value chains.*

Gunnel Axelsson

Policy Advisor, ACT Church of Sweden

GPI for universal social protection

Social protection is increasingly recognised as a key strategy to manage crises, promote human development and fulfil several of the SDGs. The Covid-19 pandemic made it clear that social security not only mitigates risks at individual level but is also necessary from a macroeconomic perspective.

Universal systems of social protection are building on the same basic principles of solidarity as Global Public Investment. All benefit, according to need and vulnerability, such as sickness, age, disability, unemployment, etc. All contribute according to capacity, usually through a combination of direct contributions and indirect contributions (taxes). All decide, provided there is democratic governance.

> *Universal systems of social protection are building on the same basic principles of solidarity as GPI.*

The same principles have been present in the evolution of the local initiatives which in many countries have built national systems gradually from below. Even in countries where national social protection is totally inadequate, there are local health mutuals, funeral societies and other institutions where people pool resources to support each other and handle risks.

The GPI principles help us distinguish universal social security from more limited 'safety nets' or simplistic 'charity' and 'poor relief'. These are approaches based on the idea that the well-off support the poor, and usually come with weak rights, if any. In reality, international support to the expansion of social protection is heavily dominated by safety nets, under names such as poverty targeted cash transfers, adaptive social protection, etc. These attempt to target the benefits to an elusive group of 'the poorest', but inevitably, exclude large sections of the intended target groups.

The only way to leave no one behind is to let social assistance complement programs built on the principle of universality – such as child benefits and old age pensions to all persons below or above a certain age – in a system based on the principle that all individuals benefit, contribute and decide, although at different times and situations in life.

Social protection is a national responsibility, a public good. Can it still be argued that it is a global concern that should be financed through GPI? What's the benefit in pooling resources for countries which already have comprehensive systems of social security? The answer is that the indirect spillover effects of the *absence* of social security in other parts of the world are considerable, including social and political instability and migration. The benefits of avoiding these effects should be visible enough to all countries.

Just as it is the duty of national governments to provide social security and other human rights, according to human rights it is the duty of the international community to support the 'progressive realisation' of economic, social and cultural rights. A small proportion of ODA is allocated to social protection today, and there are growing calls for a global fund or other financing mechanism which would strengthen international support to social protection and make it more coordinated and long term. GPI principles will be useful in the development of such a mechanism.

04

Building momentum for GPI

Over the coming months and years, GPI needs to secure buy-in through engagement with a wide range of stakeholders, including governments at all income levels, multilateral organisations and civil society groups, as well as social movements and publics.

A transformation in how we finance global objectives is urgently needed. We need more international public money – much more than we currently have – but it is not just about quantity. This money must be raised, managed and spent in a new way for a new era.

Until decision-making power is more representative, decisions will continue to be made that favour a small group of countries over broader global interests. While a growing number of voices are rightly calling for the decolonisation and localisation of aid, this is not just about transforming the aid debate: GPI proposes a new paradigm of fiscal policy for the 21st century.

With countries under huge fiscal stress, there has never been a greater need for swift, debt-free public resources from international sources, rather than the status quo of having to beg for charity or rely on ad hoc voluntary commitments. Global Public Investment is the right approach because it responds to the complex, intersecting challenges the world faces in 2023.

With much work still left do to refine and begin to implement the GPI approach, the growing network of organisations working on GPI must continue to:

Sharpen the proposal

Continue to co-create the concept such that it becomes, in the words of the Expert Working Group, 'a technically feasible and politically attractive proposal'.

Apply GPI in practice

Despite this being a 'universal' scheme, GPI offers the flexibility to be adapted and adopted in different forms. Trailblazers need to take the lead in applying GPI principles to specific opportunities. These could be governments, multilateral organisations, or other parts of the international cooperation ecosystem, including non-governmental organisations and think tanks.

Mobilise support

At some stage, national representatives will need to agree to this new framework, having worked out the specific parameters and formulas for themselves. This will take some years, but 2030 provides a reasonable point in time to have a full GPI system in place for the post-SDG era.

Complement other initiatives

As the era of neoliberalism comes to an end, we need a renewed confidence in public money for public objectives and human rights, with public spending at the international level enhancing and complementing national spending. GPI should link to regional leadership, ongoing campaigns – such as those on tax, unregulated private capital and debt that are re-emerging in this post-Covid era – and climate (the call for a global green new deal).

Lysa John

Secretary-General, CIVICUS

> *Global Public Investment offers a more effective and equitable way of structuring how we prioritise international public needs.*

An investment in distributed power and shared decision-making

Since the landmark adoption of the Sustainable Development Goals in 2015, rapid changes in every sphere of our collective experience – political, economic, environmental and technological – have made it impossible to predict the future of international development. One aspect of our global future however remains unchanged: the awareness that the future of humankind and the planet is directly dependent on the investments we make in changing how power is shared and exercised within and across communities.

Climate justice, for instance, is a global issue that demands a new kind of global solidarity, supported by a new type of global public financing framework. This framework needs to be much more ambitious, seeking to increase not only volumes of funding but also the governance around it to ensure it is utilised in the most effective way and reaches those who need it most. Better governance structures can be designed to redistribute decision-making power and enable all parts of society to engage more meaningfully — offering greater opportunities to influence outcomes that serve the needs of diverse populations.

Without the ability to organise and assert their rights, communities are unable to participate in decisions that affect their lives and hold duty bearers accountable for meeting the needs of all people. That is why civic space is so important. Without a fully empowered, networked and resourced civil society supported by enabled civic space it is unlikely that the needs of the most excluded populations will be effectively represented or prioritised. Concerted civic action is needed to push governments to increase investments in areas that serve the interests of the most marginalised, and to push the international community to provide funding that helps under-resourced countries in the South bridge significant finance gaps.

Through its emphasis on representative decision-making and policy design, the proposed system of Global Public Investment offers a more effective and equitable way of structuring how we prioritise international public needs. It provides a framework to firmly reinforce the principle that every human being must have a say in decisions that affect their lives, and that governments have a duty to meet the needs of all people, without any discrimination. Such a process would enable stakeholders to define problems, select the most appropriate solutions, agree technical details and build political support.

We know that for international cooperation to be effective, it must draw on diverse experiences, and the knowledge and perspectives of all stakeholders, which give it legitimacy. The proposed system of Global Public Investment requires that relevant parties co-create new modalities with all relevant stakeholders. It challenges us to move away from a donor–recipient mentality and towards more horizontal partnerships across stakeholders, including civil society. All countries would have a stake in the system by contributing based on a fair-share formula. They would have a voice in how funds are spent and share accountability with each other to drive equitable growth and sustainable development.

The core attributes of Global Public Investment – availability, motivation, concessionality, expertise, accountability – assume a critical role for civil society at local, national, regional and global levels. It offers a template to facilitate grassroots-led monitoring mechanisms to ensure progress and adherence to commitments. Global Public Investment recognises that social accountability is a prerequisite for more appropriate and sustainable public investments.

As we mark the mid-point of Agenda 2030 this year, there is recognition that national governments cannot be the only legitimate entities to govern and determine global development priorities, even when they are the major contributors of finance. A much wider range of stakeholders is critical to ensure the legitimacy, effectiveness and accountability of development interventions. Global Public Investment offers a framework to navigate a more diverse and equitable pathway for global decision-making, in line with the range of reforms that have been proposed in recent years to 'unmute' civil society and re-imagine existing systems for global governance and international financing. It is a necessary shift in how contributions to global cooperation can be reframed for the greater good of people and the planet.

Michael Sheldrick

Co-founder and Chief Policy, Impact and Government Affairs Officer, Global Citizen

The global public must meet the moment

Traditional means of development finance have achieved significant milestones, from reducing child mortality to improving healthcare access and treatment. Yet, it's clear that our development financing and institutions are ill-equipped to meet the needs of the 21st Century. Promises remain unfulfilled, and critical needs go unfunded.

I recently visited the Amazon Rainforest, a dynamic ecosystem home to 33 million people. These communities provide a vital global public benefit to us all – sustaining the Amazon as the lungs of the Earth. Yet, their important stewardship lacks support, and these guardians deserve more than empty promises; they need tangible pathways out of poverty.

The traditional divide between the North and South is blurring. Issues like pandemics, severe weather, and the ramifications of conflict touch everyone, irrespective of geography. Our interconnected world demands mutual stakes in its safety and prosperity.

This is where the concept of Global Public Investment comes in. Around the world, leaders are embracing the principles that underpin this idea, from President William Ruto of Kenya to Prime Minister Mia Mottley of Barbados. Communities are stepping up regardless of their geography or the size of their economy, expressing their desire to contribute to global challenges while having a say in the decisions that impact us all. Reforms once unimaginable in global governance, long the purview of great power politics, are now being seriously considered.

The door to new possibilities has been pushed slightly ajar by the events of recent years. Pushing that door fully open, however, will only be achievable if committed citizens raise their voices in support of those leaders pushing for change. Building the foundations of such a powerful public constituency rests on the actions of a core, dedicated vanguard of global citizens. According to Harvard political scientist Erica Chenoweth, any social movement involving around 3.5% of the population has the power to bring about change. This is a feasible goal – provided this nascent movement has the funding and support it needs to truly scale.

We are living amidst an unprecedented moment in history where the actions we take today could greatly improve the lives of those in coming decades. From North to South, and from East to West, a newfound yearning exists for a more evolved approach to collectively address our shared challenges. It's time for us to meet the moment.

> *"Change will only be achieveable if committed citizens raise their voices.*

Stephen Chacha

Director, Development Initiatives Africa Hub

Martha Bekele

Delivery, Quality and Impact Lead, Development Initiatives

Promoting African leadership in cocreating GPI

Development Initiatives (DI) is committed to socialising GPI in Africa. This reflects our firm belief in the importance of the meaningful inclusion of African voices in the co-creation of an equitable financing architecture that serves the interests of African countries.

Initial conversations with a wide range of African stakeholders have confirmed that the current global financial architecture is seen as outdated and working against the quest for inclusive, just, equitable and innovative alternatives by African countries. They also revealed the existing trust concerns between the Global South and Global North that render the messenger as important as the message when it comes to the co-creation and co-ownership of innovative development cooperation solutions.

Our partners, including some of Africa's most prestigious organisations, have held policy dialogue roundtables to introduce the GPI concept and contextualise the applicability of GPI principles in their respective country, subregion and the continent at large. National stakeholders engaged in these dialogues include: ministries of finance and planning; central banks; government offices responsible for pandemic management, the environment and the SDGs; think tanks; academics; and civil society organisations.
In line with the growing calls for reforms by African politicians, leaders, think tanks and civil society leaders, these roundtables have emphasised the need to decolonise aid, mobilise fresh money, shift away from donor dependence, and shape narratives in our own terms to address the complexity in access, cost and decision-making in the current global financial architecture, in particular:

- The timeliness of the GPI principles of "all contribute", "all benefit", and "all decide" in addressing 21st-century transboundary challenges.
- The need for mutually reinforcing Regional Public Investment, focusing on regional public goods of specific importance to Africa (such as infrastructure and intra-African trade) and Global Public Investment focusing on global public goods (such as climate change, pandemic preparedness, digital transformation).
- The complementary nature of GPI to existing calls for justice such as debt restructuring and cancellation, climate justice and curbing illicit financial flows.
- The need for more data, evidence and use cases on the application of the GPI principles at regional, continental and global levels.

Given the growing interest in Global Public Investment and Regional Public Investment, DI's Africa Hub will be working through partnerships to: interrogate current systems (failures, successes and limitations); map existing funds at regional and global level to learn from innovative approaches to cost and benefit sharing; and highlight meaningful involvement in decision-making. The data, evidence, knowledge products and use cases this generates will inform the application of GPI principles in Africa and globally.

Alicia Ely Yamin

Senior Advisor on Human Rights and Health Policy, Partners In Health

Joel Curtain

Senior Director of Advocacy, Partners In Health

GPI and human rights

As Thomas Kuhn noted in his famous analysis of how revolutions in the physical sciences happen, when the dominant paradigm that organizes our thinking and action increasingly clashes with the reality people experience, that paradigm is ripe for change.

The global response to the pandemic made clear that the architecture of multilateral cooperation – whereby rich donor countries set priorities and dole out aid – is ripe for such change. Instead of incentivizing technology transfers and knowledge-sharing as global public goods, COVAX was a poorly designed emergency facility for pooling donated vaccines, which failed to meet even its dismally low aspirations for low- and middle-income countries.

Then, despite tremendous advocacy efforts, a handful of powerful countries tightened their grip on the World Trade Organization, prompting it to reject any meaningful intellectual property waiver and subordinating the common good to pharmaceutical monopoly interests. And now the World Bank's Financial Intermediary Fund for Pandemic Preparedness and Response appears set to repeat mistakes of the past, with control of the fund held by a relatively small club of donors.

Three major lessons from the Covid-19 pandemic underscore the urgent imperative of building movements to shift that cooperation paradigm and advance health and other social rights.

First, in terms of how people fared, the formal enshrinement of health rights norms mattered less than the political culture and the infrastructure that existed to ensure in practice the effective enjoyment of the right to health and other rights. Covid-19 brought global attention to the desperately underfunded state of healthcare systems in much of the world. All other social determinants of health – which shape how diverse people can live their lives during a pandemic or in normal times, from education to social protection to digital networks – also require more sustained funding and long-term investments.

Second, proclamations to increase 'international assistance and cooperation' without changing the rules of the game are radically insufficient to make a dent in the political economy of global health. International assistance will always pit domestic interests against aid for 'others out there' while maintaining status quo power relations. The G7 countries' refusal to meaningfully regulate multinational pharmaceutical monopolies or encourage the sharing of know-how and decentralization of vaccine and therapeutics production is not just morally repugnant, it undermines the well-being of the whole planet. In other words, pandemic preparedness and response is a common good – and a shared responsibility.

Third, Covid-19 revealed that rhetorical acknowledgement of the universality, indivisibility, and interdependence of rights is simply not enough to tackle the structural drivers of the interrelated challenges our world faces. Preventing future pandemics and advancing

> ***"There may be no greater human rights imperative than working to restructure the global economy towards delivery of broadly shared goals for the global common good.***

global health equity is inextricably tied to food security and climate justice, which in turn are also related to conflict and gender inequality. None of these intersecting challenges can be met through crisis-driven aid and rituals of fund replenishment; all require statutory budget assignments for sustained global and/or regional public investment from pooled international sources.

The 'cruel pedagogy' of this pandemic stripped away the false inevitability of the global economic architecture, which breeds nihilism and poses one of the greatest barriers to social change. There is a window of opportunity to move toward a model of financing based on Global Public Investment (GPI), which incentivizes collective pooling and spending on *global and regional public goods* and common needs that transcend borders.

GPI is a simple concept: all countries pay (according to ability); all receive benefits; and all have a say in how the money is spent via a constituency-based model. Consistent with human rights principles, a GPI model also shifts governance of development mechanisms away from the status quo, whereby decision-making power is concentrated among a handful of Global North countries, to a plural model that takes seriously democratic decision-making, including a meaningful institutionalized role for civil society.

For the last two years, Partners In Health, along with many other organizations, has contributed to co-creating the GPI model because we believe it is a crucial complement to the many other efforts to promote the structural conditions that underpin health and other social rights, including tax justice, debt forgiveness, intellectual property reform, and principles of rights-based economies.

But GPI cannot become another tool for technocrats to discuss and deploy behind closed doors. We need a GPI movement that intersects with other progressive movements, including human rights, which are aimed at changing the structure of our institutionalized social order.

Changing global paradigms is daunting, but not impossible. The Sustainable Development Agenda wrested control over the political narrative of progress in the world from the club of donors who gave us the top-down Millennium Development Goals (MDGs). Civil society played a major role in that shift through, among other things, the Open Working Group process.

Now, to achieve a world in which swathes of people are not 'left behind,' let alone systematically crushed, we urgently need a similarly transformative paradigm shift in development finance, one that reclaims a central role for public money as an engine of sustainable development, as opposed to a gap-filler for market failure.

Advancing GPI will undoubtedly call for experimentalist strategies before and after the post-2030 development agenda is financed – and that's a good thing. Piloting models and exploring contrasting strategies encourages institutional architectures that are open to revision in light of the embodied experiences of diversely situated groups, which is key from a human rights perspective.

Nonetheless, there is always a danger that the powers-that-be block the meaningfully progressive shift that GPI could help to catalyze – and an equally significant danger that they coopt it.

The human rights community has enormous expertize to contribute to a GPI Network to ensure that the design and implementation of GPI in government budgets and multilateral funding are consistent with human rights principles and genuinely transformative. There may be no greater human rights imperative than working to restructure the global economy "towards delivery of broadly shared goals for the global common good."

An edited version was first published in Open Global Rights.

Patrick Watt

Chief Executive Officer, Christian Aid

The aid sector is running out of road

The aid sector is running out of road. The Covid pandemic and war in Ukraine showed just how many people are vulnerable to systemic shocks, and how in many parts of the world states are unable or unwilling to provide economic security to citizens. International cooperation is often weakest when it is most sorely needed, leading to major public goods failures – most recently over the roll out of the Covid vaccine in the poorest countries. Humanitarian emergencies are on the rise, driven partly by the climate crisis: the UN-based response system is under-funded and breaking at the seams. These failures should spur a fundamental rethink of how resources are mobilised and allocated, and about whose voices count.

Bringing development finance into the 21st century requires a new vision: Global Public Investment is one piece of a wider jigsaw of economic, social and political reforms needed to create a just and sustainable world. However, experience suggests that whatever its intellectual merits, GPI is unlikely to get the necessary political traction without a dynamic movement of active citizens campaigning for change. This is because what is being proposed involves a significant power shift.

Campaigns for debt cancellation and tax justice, in which Christian Aid played a central role, are object lessons in the importance of civil society shaping a narrative, advocating towards decision-makers, and mobilising concerned citizens. Yet these campaigns also underscore the need to deal with the underlying causes of a problem. The Heavily Indebted Poor Country (HIPC) Initiative may have been a high-water mark of multilateral cooperation, but as the current debt crisis shows, the fundamental causes of debt distress were not addressed. Many of the world's poorest countries continue to cut social investment in order to service unsustainable debts.

Similarly, while campaigning for greater tax transparency led to some modest progress, it has mainly resulted in slightly higher tax revenues in already rich countries. While glimmers of a fairer approach lie in the prospect of a UN Tax Convention, international power dynamics stand in the way.

The GPI approach recognises these power dynamics, but for it to become a reality, civil society needs to be nimble, tell better stories, and be smarter in its campaigning and advocacy, building coalitions of unusual suspects who can open up influencing spaces and reframe debates. As it becomes increasingly clear that the UN Sustainable Development Goals will not be met, and the debate moves to what comes after 2030, now is the moment for civil society to make itself heard.

> *"GPI is one piece of a wider jigsaw of economic, social and political reforms needed to create a just and sustainable world.*

Paty Alemañy

Programme Officer, Global Nation

Youth movements for GPI

Who does today's international cooperation system represent? The current system largely overlooks youth representation, despite the fact that we constitute over 40% of the world's population. Of these, 89% reside in the Global South. Young people are instrumental in driving transformative change towards a more just, equitable, and sustainable society, and we are the ones who will witness this system succeed or fail.

As the inheritors of the consequences, we cannot risk being excluded and must actively participate in building a better future. Globally, young people actively engage in local and national activism. Internationally, our top concerns, according to a Glocalities survey, include human rights abuses, climate change, and extreme poverty. Oxfam's calculations reveal that the collective 'debt' incurred due to the failure of northern countries to meet the 0.7% Official Development Assistance (ODA) target over the past five decades stands at a staggering USD 5.7 trillion. This substantial sum, resulting from a history of unfulfilled commitments, undeniably shapes our approach to engagement.

The role of international public finance is crucial to battle these major concerns. Creating a representative, structured and long-term system is essential. The limited engagement of youth in the cooperation system may stem from feeling unheard, but effective solidarity relies on collaborative and sustainable efforts, and requires the establishment of co-creation infrastructures that facilitate the empowering and proactive engagement of youth.

Considering the challenges we are facing, the persistently broken promises, and the dire consequences that the Global South must bear due to decisions made in the Global North, we emphatically demand a renewed political commitment to international cooperation and power redistribution. We insist on a fundamental shift from a charity-based system to one firmly grounded in principles of **justice**.

We cannot continue to pursue short-term measures; we must invest in structures that place horizontal principles and a historical analysis of power relations at their core. It's time to break free from the inertia of unfulfilled promises and superficial approaches that fail to reflect our genuine needs and aspirations.

While there are reform initiatives proposed across various conferences and summits, a critical aspect remains unaddressed: creating a statutory approach for public investments within today's global priority areas. This is the space that Global Public Investment aims to fill.

> *"As the inheritors of the consequences, we cannot risk being excluded and must actively participate in building a better future.*

Luca De Fraia

Deputy Secretary General, ActionAid Italy

Who is really in charge?

Who is really in charge? Who rules over official development assistance and international development cooperation? As we ask these questions, we are saddled with the doubt that a straightforward answer won't suffice this time. The first port of call would be the rich countries setting the rules for the whole world through the workings of the OECD Development Assistance Committee (DAC) in Paris, France. The DAC sets the reporting directives that tell you what counts as official development assistance, directives that have been challenged vocally, mainly by civil society organisations, on the grounds that they paint too big a picture of the resources actually reaching partner countries.

Then, when it comes to the quality of development cooperation, we turn our attention to the Global Partnership for Effective Development Co-operation (GPEDC), the caretaker of an effectiveness agenda redefined in the global meeting that took place in Busan, Korea, in 2011. Despite being rooted in the DAC, the GPEDC is a big departure point bringing together all kinds of operators under a unique governance that includes all country types, the private sector and CSOs to improve the ownership, transparency and inclusiveness of their partnerships.

But an even newer metric has been under construction recently. Total Official Support for Sustainable Development aims to track all kinds of public flows that support sustainable development in recipient countries – and the private moneys they leverage. Differences to previous approaches include less focus on concessionality and more prominence for international public goods. This new process is managed by an ad hoc international task force with plans to move to a standalone international forum soon. Finally, the UN Stat Department deserves a mention due to endorsement of a new indicator 17.3.1 in 2022 that include a good mix of flows, from official grants to FDI.

So, with all these rules and measures, who is connecting the dots into a coherent framework? Any overhaul of the aid system towards Global Public Investment needs the right governance in place, with the UN at the centre.

> *Global Public Investment needs the right governance in place, with the UN at the centre.*

Martin Drewry

Director, Health Poverty Action

Time to shift the narrative

Global Public Investment can be transformative. It addresses the three most fundamental flaws of the aid system.

Firstly, aid actively maintains postcolonial power relationships.

There are donors and recipients, and one has power over the other. Indeed, so-called 'soft power' (although often not that soft) is openly used as an argument for aid. Yet at the same time, almost everyone today is talking about decolonisation (so much so that the word risks becoming trivialised, co-opted by those seeking to retain the status quo). But decolonisation and the aid system are simply incompatible. People don't choose to be poor; they're forced into it. Ultimately, poverty is about lack of power. The aid system pretends it's possible to tackle poverty while sustaining the power disparities that cause it. That's fundamentally flawed.

Secondly, the aid narrative generates public hostility.

Instead of building international solidarity, the narrative creates division. It tells working people in one country that working people in other countries are their dependants. That leads to victim blaming. It contributes to the rise of populism and xenophobia. It also creates a climate in which people are receptive to media stories about aid being wasted. In the end, the aid narrative is politically self-defeating. It generates public hostility to the finance it's seeking to raise. Again, GPI transforms this. Where the aid narrative divides, GPI builds a sense of solidarity, cooperation and global community.

Thirdly, the aid narrative is fundamentally dishonest.

It portrays a false picture of the true economic relationship between donor and recipient countries. It fosters the belief that rich donor countries are the benefactors of poorer countries. But the truth is the opposite. Far more wealth flows from the poorest countries to the richest than goes back through aid. It's really the poor who are the benefactors of the rich. The aid narrative hides this. It diverts attention from the true causes of poverty and extreme inequality – such as trading relationships, tax dodging, unaccountable power, inadequate corporate regulation, effects of the War on Drugs, unfair burdens of climate change – and calls for reparations. Shifting from aid to GPI doesn't necessarily shine a light on these things, but it removes a smokescreen.

To truly tackle poverty, our primary focus should not actually be on poverty itself, but rather on tackling inequality – of both wealth and power, as each of those is a determinant of the other. The aid system has inequality hardwired into it, but GPI can be a key component of more equal global relationships – all benefit, all contribute, all decide.

> *GPI builds a sense of solidarity, cooperation and global community.*

Nana Afadzinu

Executive Director, West Africa Civil Society Institute

Nothing about us without us

In recent years, the concept of co-creation has gained prominence as a means of fostering inclusive decision-making, ownership, and accountability across various sectors. While initially popularized in the business realm, co-creation has now extended its reach to civil society and government domains.

Civil society organizations (CSOs) play a vital role in holding governments accountable, facilitating learning and research, and amplifying citizens' voices. They enhance advocacy efforts, conduct research, promote ownership, and drive innovation. By leveraging their knowledge, expertize, and partnerships, CSOs ensure that local perspectives and resources are recognized, leading to transformative change. They can contribute to the co-creation of a more inclusive development architecture through their active engagement in the Global Public Investment model.

"Nothing about us without us" – the 'public' has to be a part of creating this new paradigm. Traditional top-down development models have failed and been characterized by power imbalances and growing inequalities. The Covid-19 pandemic brought this to the fore.

The global financing system has failed to adequately address inequality and poverty in Africa. Through their involvement in the GPI initiative, CSOs can foster advocacy, research, ownership, and innovation, promoting equity and equality in economic cooperation and development.

Co-creation in GPI has the potential to drive transformative change by incorporating local knowledge, resources, expertize, and partnerships into decision-making processes, particularly in regions where inequality and poverty persist and where governance systems stifle citizens' voices in the decision-making spaces. People-centred development will then become more than a slogan.

> *Co-creation in Global Public Investment has the potential to drive transformative change.*

David McNair

Executive Director at The One Campaign, Non-resident Scholar at the Carnegie Endowment for International Peace, and Council Member at the European Council on Foreign Relations

The context is right to push for GPI

"We do not want anything for free [...] we will pay commensurate to our economy and we want those resources controlled, not by the IMF and World Bank, because IMF and World Bank you have the final say [...] We want another organisation of equals where you have as much say, because you pay, as we do, because we also pay [...] We need a new financial architecture where governance, where power is not in the hands of a few people."

This statement was made by Kenyan President, William Ruto, at a summit convened by French President Emmanuel Macron, in June 2023. His comments reflect a growing frustration among leaders from the Global South demanding a meaningful seat at the tables where decisions affecting their countries are made.

> *Embedding the principles of Global Public Investment in the governance of global institutions is starting to look less like an aspiration and more like a geopolitical reality.*

In the wake of Covid-19 and Russia's invasion of Ukraine, many countries in the Global South find themselves facing significant fiscal pressures. The 25 countries most vulnerable to debt distress are home to 1.5 billion people. Yet many of these countries are not represented in the governance of the institutions that could help resolve this problem and, as a result, solutions are not being found.

Russia's invasion of Ukraine has highlighted that – in a world of great power competition – southern countries are willing to exercise choices in whom they partner with. Nineteen countries have applied to join the BRICS grouping, driven in part by the fact that Western partners are failing to bring a significant offer to the table.

The urgent imperative of climate change has also introduced a new dynamic. Advanced economies are increasingly working to transform their economies through green industrial strategy. But many of the minerals essential for this transition are in Southern countries.

Add to this a trio of Southern leadership of the G20 between 2023 and 2025 – India, Brazil and South Africa – and the leverage of Southern voices looks increasingly powerful. As a result, their demands are starting to be heard. A proposal for a permanent African Union Seat at the G20 now has the support of China, India, the US, EU, Japan, France, Germany and the UK.

A raft of proposals for reform are now being driven by campaigners north and south, and perhaps best embodied in the Bridgetown Initiative spearheaded by Barbadian Prime Minister, Mia Mottley. This includes reform of the World Bank through an 'evolution roadmap' that has been requested by the G7, proposals for reform of the debt architecture, and new climate bank.

Embedding the principles of Global Public Investment in the governance of global institutions is starting to look less like an aspiration and more like a geopolitical reality. Providing a meaningful seat at the decision-making table will likely bolster multilateralism through renewed legitimacy and better decision-making.

06

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If your organization is interested in becoming a member of the network or if you have any inquiries, please feel free to contact us via email to wanjiru@globalpublicinvestment.net

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