



EXPERT WORKING GROUP  
ON GLOBAL PUBLIC INVESTMENT

# GPI in Numbers

Part of the Global Consultation on  
Global Public Investment

July-October 2021



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Equal



# Acknowledgements

*This paper is an introduction to the concept of GPI and accompanies the [Report on Progress](#) by the Expert Working Group on Global Public Investment (EWG-GPI), convened by Equal International.*

We are grateful for the active engagement of many partners and colleagues who have supported the GPI cocreation journey. We are particularly grateful to Joep Lange Institute, Queen Mary's University London, The Wellcome Trust and The Bill and Melinda Gates Foundation for their financial support.

**Secretariat:** Equal International is overseeing the global consultation on the Report on Progress of the EWG-GPI and is committed to promoting and helping to facilitate the ongoing cocreation of GPI. For more information on Equal International please visit <https://www.equalinternational.org/>

For more information on the EWG-GPI Members, Terms of Reference and papers, visit <https://globalpublicinvestment.org>



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# Introduction

This document is intended as an introduction to the concept of Global Public Investment. For those that want more detail on some of the intricate governance and financial questions, please take a look at the recently published *Report on Progress of the Expert Working Group on GPI*.

Since its inception, GPI has been a process of cocreation, from defining the problem, to setting out the principles and proposals for a solution. Years of consultation and discussion with colleagues all over the world, and from every sector and organisation-type, led to the creation of a diverse Expert Working Group, whose thinking is now being shared with a broader group of stakeholders. Ensuring that cocreation for GPI is also grounded in an evidence-based process means that, in addition to legitimacy, the cocreation process can generate additional credibility. On this basis a pathway can be plotted to a proposal that is both technically feasible and politically viable.

## Who we are

### Equal International

Equal is a specialist consultancy group that provides high quality global development expertise. Equal focuses on supporting thought leadership, strategy development, implementation support, research, monitoring, evaluation and learning to influence and improve the development of inclusive policies and programmes. Equal supports engagement with and between civil society, government ministries, UN agencies, community groups and the corporate sector. Equal International worked to establish and serves as the Secretariat to the Expert Working Group on Global Public Investment.

Equal International is overseeing the Global Consultation on the Report on Progress of the Expert Working Group and is committed to promoting and helping to facilitate the ongoing cocreation of GPI. For more information on Equal International please visit <https://www.equalinternational.org/>

### Expert Working Group (EWG) on Global Public Investment (GPI)

The EWG on GPI was brought together to provide expert guidance and input into the ongoing conceptualizing of GPI to ensure the approach is technically feasible and politically viable. The EWG-GPI includes representatives from across the political spectrum, from all the world's major regions, from national government agencies, non-governmental organisations, policy makers and community activists, and multilateral bodies – including UN agencies and philanthropic foundations. By assembling an Expert Working Group in this way and reporting on its progress, we open for a democratic and transparent route to international public spending fit for the 21<sup>st</sup> century.

For more information on the Expert Working Group (EWG), please visit <https://globalpublicinvestment.org/who-we-are/#team-member>

While there is already strong support for Global Public Investment from across the world, important questions still need resolving into a coherent plan of action, a technically sound and politically attractive roadmap that governments, multilateral organisations, civil society and other stakeholders can enthusiastically support.

We hope this document enables colleagues and interested parties from a variety of geographies and sectors to join the cocreation of Global Public Investment.

To engage with the Global Consultation please visit [www.globalpublicinvestment.org](http://www.globalpublicinvestment.org)

# 1

## ONE... big idea

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Global Public Investment is a big idea whose time has come. The three words each means something important.

The concept of Global Public Investment (GPI) is being developed to make the case that international public finance has a critical role to play in tackling the climate emergency, preparing for the next pandemic, and financing the Sustainable Development Goals. We need a concrete system of meeting our global ambitions through long-term, reliable investment in the goods, capital and infrastructure they require.



### Global

The new system needs to be truly **global**, with all countries contributing, all benefiting, and all having a say in what decisions are made. It needs to respond to the massive global challenges we face in the 21<sup>st</sup> 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 the public will, be held accountable by the public, and be directed at public goods, services and infrastructure. Private money will be crucial as well, but it can't substitute for the unique nature of public spending.



### Investment

And we need to think of this system as **investment** intended to realise social and economic returns, through building social infrastructure, and securing the provision pathways of complex global public goods which would otherwise go under-supplied (if left to individual nations and private actors alone).

Global Public Investment can only be one part of a much larger set of answers to our global challenges; international finance needs to complement profound structural change at the national level and fairer global relationships. But it is a critical piece of the jigsaw.

# 2

## TWO... centuries

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International cooperation, and concessional international public finance in particular, has never been more needed as we contemplate how to secure sustainable livelihoods the world over. But the current system is outdated and ineffective. GPI reflects the need for a different cooperation system for a very different time. It is the right idea at the right political moment.

### 20th CENTURY

#### 20<sup>th</sup> century

The current system of international cooperation was built in the middle of the 20<sup>th</sup> century, as the world emerged from the chaos of World War Two and entered the Cold War. International aid was formalised as Official Development Assistance (ODA) in the late 1960s and the OECD, a group of the world's richest Western countries, claimed ownership of the concept and its management. Seven decades later, governance and decision-making processes are still dependent on the whims of rich countries; African, Asian and Latin American countries were hardly (if at all) involved in building the present system, and are still excluded. Moreover, the system is based around voluntary commitments, which cannot be expected to provide enough international public financing to address today's global crises or help the world's countries meet the ambitious SDGs. It's a 20<sup>th</sup> century system. No wonder it isn't working.

### 21st CENTURY

#### 21<sup>st</sup> century

As the Covid-19 pandemic continues, the world is still struggling to find the necessary financing to ensure all countries can respond effectively. Nobody can say that the status quo is delivering what the world needs. Even before Covid-19, economic marginalisation in almost all countries had led to a resurgence in us-versus-them nationalism and big questions being asked about the future of multilateralism. Today, for the first time in decades, the world and its leaders are looking for the sort of joined-up approach that GPI proposes: a way of addressing the collective action problems that undermine our ability to properly finance things which, on paper, everybody agrees the world needs. In contrast to ODA, the concept of Global Public Investment was developed in recognition of the fact that, because of its unique characteristics, international public finance should have an ongoing role in responding to current and future global challenges in all countries. But this is not just about transforming the aid debate: it represents a new paradigm of fiscal policy for the 21<sup>st</sup> century. The GPI approach moves us beyond a system where we pay for our global objectives via limited, fragmented and often bilateral assistance to a system based on co-responsibility and reciprocity – reflecting the modern world of the 2020s not the colonial world of the 1950s.

# 3

## THREE... universals

GPI comprises three universal aspects, reflecting a more horizontal approach to addressing the world's challenges. No more top-down decision-making; no more patronising donor-recipient narratives. It's time for all countries to work together.



### All benefit

Given the host of challenges the world will face in the coming years, we need a more appropriate means of allocating international public finance. We should always prioritise the poorest people and increasingly that means recognising the poverty, inequality and sustainability needs in middle-income as well as low-income countries, including narrowing gender and ethnicity gaps. Under a GPI approach, countries will not “graduate” – instead their receipts would be calculated according to a transparent fair-share arrangement, as would their contributions. Many factors would be considered in country assessments as we move beyond GDP per capita as the main measure of need.



### All decide

One of the biggest problems with international governance in the economic arena is the lack of effective country and sectoral representation. GPI would involve a more representative decision-making structure, including civil society, leading to enhanced legitimacy and effectiveness. In the short-term vision for GPI, such principles would be incorporated via tweaks and amendments to existing governance arrangements. In the longer-term vision for a more structured GPI approach, a new institutional arrangement would be needed.



### All contribute

The simplest way to source GPI is via country-level contributions, extending the 0.7% ODA commitment to all countries, but at a tiered level of contributions. Where GPI would differ from “aid” is that it would fall at the more statutory end of the international public finance spectrum: while incentives would be the main driver, sanctions could also help deal with non-compliance issues. These upfront country contributions, possibly backed by new wealth taxes, would be sufficient to operationalize GPI in the first instance. They could be complemented by international sources such as transnational taxes, special drawing rights, debt cancellations and possibly bonds.

# 4

## FOUR... pillars of GPI

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Implementing GPI in practice will rely on four fundamental policy pillars: the four C's. Together these pillars can extend the unique role of public money to the international scale.



### Universal and Fair Share Contributions

From the limited and outdated approach whereby "donor" countries give to "recipient" countries, to an all-contributor approach to international public finance enabled by fair-share arrangements linked to country capacity.



### Ongoing Commitment

From the flawed insistence that countries "graduate" from international support after achieving a relatively low level of income per capita, with the implication that "aid" must surely come to an end, to an ongoing commitment to investing in future prosperity and public returns, at the national, regional and global levels.



### Representative Control

From the entrenched power relations associated with the current governance arrangements to a more democratic and accountable approach, not just around decision-making structures, but also the type of outcomes prioritised in the first place. Experiences from South-South Cooperation (SSC) as well as ODA could help GPI governance develop.



### Ensuring Cocreation

From a ready-made financing arrangement oriented to yesterday's problems to a more dynamic process that can adapt to the challenges of the future, with countries and their citizens co-designing impactful solutions relevant to their needs, and flexibly responding to new challenges.



## 5

# FIVE... evolutions in international cooperation

In order to understand why GPI is needed and how it would work, we need to push for five major evolutions in our approach to international public finance, to underpin the next fifty years of development cooperation.



## **Ambition: From a narrow focus on reducing poverty, to meeting broader challenges of inequality and sustainability**

Foreign aid has been primarily intended to reduce poverty, individual and national. But this focus, while important, has led to a stingy understanding of human obligations, as if the job of international solidarity is done when minimum (very low) welfare standards are met. The challenge of eradicating extreme poverty remains, but today tackling inequality and enabling all countries to converge with relatively high living standards is a bolder aim, in line with the world's new global objectives, the Sustainable Development Goals (SDGs). Furthermore, global and regional public goods are moving centre-stage, especially with the call for a Global Green New Deal to combat climate chaos and ecosystem destruction, and the realisation that we need an internationalist approach to public health, both of which will require vast sums of money to achieve. GPI reflects these bolder long-term ambitions.



## **Function: From seeing international public money as a temporary last resort, to valuing it as a permanent force for good**

Fine, so we need to find more money. But won't private money do? And can't poorer countries pay with their own tax take? And can't billionaires help out with philanthropy? Foreign aid has traditionally been considered nothing more than a stop-gap, necessary only in exceptional circumstances to fill a gap in a country's finances; as other types of finance become available, this temporary support comes to an end. But public finance has a unique set of characteristics, at the international as well as the national level, which means it cannot simply be replaced by private, domestic or philanthropic funds. Even when other funds come on stream, a system of GPI is still often the best type of finance for some interventions, not a last resort, but a first thought, prodding societies in the right direction and promoting global benefits.



### **Geography: From one-directional North-South transfers, to a universal effort, with all paying in and all benefitting**

Changes in global wealth and power have shaken up international development practice for the better, with emerging economies now contributing more than ever to global objectives, even as they continue to receive financial support. It no longer makes sense to split the world into rich “donors” and poor “recipients”. All countries, even the very poorest, should contribute funds for global sustainable development according to their ability to do so, and all, even the very richest, should receive, according to their need. Of course, by far the heaviest burden still rests on the world's richest countries.



### **Governance: From outdated post-colonial institutions, to representative decision-making**

While aid has often been a force for good, it has also been misused and wasted, in part due to the institutions and processes through which it is managed, with a handful of countries taking the major decisions and contributions fluctuating depending on “donor” circumstances. An improved system of GPI requires more democratic decision-making about the size, purpose and accountability of contributions, moving away from a donor-recipient mentality and towards more horizontal partnerships with all countries and other stakeholders (including civil society) sat at the decision-making table. There is no easy answer to the problem of global governance – power is power – but, if we get it right, GPI could push new types of partnership which will be the difference between an era of global progress and one in which we are unable to curtail the constant jostling of nation states for supremacy, to the detriment of marginalised communities and our planet as a whole.



### **Narrative: From the patronising language of “foreign aid”, to the empowering multilateralism of a common endeavour**

Words matter. They can convey respect or condescension – and too often in the world of “aid” it is the latter. The commonly-used language of the aid sector is outdated, misleading the public, patronising recipients and entrenching an embarrassing saviour complex. A new vision for GPI must be accompanied by a narrative more appropriate to today's reality. Spending on global goods and services is not a question of charity, but of sensible investment in mutually beneficial objectives (just like public sector spending at the national level). It should be an obligation, not a voluntary gift, and while it should expect a return, that return is not a financial one, but rather social and environmental impact for our global common good.

# 6

## SIX... reasons to back GPI

The Expert Working Group has identified the following six major reasons to back Global Public Investment. You may be able to think of others as well...



### More money

One of the most basic reasons the GPI option is attractive is its potential to bring additional finance to the table. This is sorely needed at a time when most national governments are taking on more debt. By increasing the overall number of contributors, tied to a fair share calculation, GPI can raise fresh money for global common needs.



### Better money

It is not only about quantity but also quality, ensuring the right sort of money is raised and spent well. There is copious evidence that public spending is most effective when intended beneficiaries are fully involved in managing and monitoring it – the GPI concept has recipient ownership and power-sharing hardwired into it. GPI financing would also allow for greater investment in things which require ongoing commitments over a longer period of time, such as infrastructure and public services.



### Public money

Structural economic trends combined with a political acceptance of inequality have resulted in a growing concentration of private economic power over the past few decades, in rich and poor countries alike. GPI provides the blueprint for how we rebuild the international sphere on behalf of publics everywhere. Public services are needed because they ensure the provision and maintenance of public goods irrespective of ability to pay e.g. the public good of global health requires a functioning international health architecture and capable national health systems. Private suppliers may contribute towards this end, but they cannot guarantee it. Building from 20<sup>th</sup> century (national) redistribution to 21<sup>st</sup> century (international) cooperation, GPI offers a way to build social cohesion both within and beyond the nation state, and to reinforce the multilateral system in the process.



### A response to global ambitions

The sheer scale of the challenges confronted by societies today – from growing inequality to climate change, from funding the SDGs to countering health threats like Covid-19 – requires the mobilisation of unprecedented levels of finance over the longer-term. And that in turn will depend on collective international action and collaborations on a scale never seen before. All countries – sooner or later – will need to commit.



### **A response to multilateral bottlenecks**

GPI has the potential to revitalise multilateralism, revolutionising the outdated, mid-20<sup>th</sup> century governance arrangements that determine how international public finance is presently managed. It could overcome some of the existing gridlock in international affairs by creating a forum in which all countries find their interests better represented, including a strong focus on regional governance and solutions. There are many different countries, with different interests, developing in different ways. But they are all doing so in the context of a single world economic system, which is why a coherent but adaptable GPI approach is needed.



### **A compelling modern narrative**

GPI is an ambitious and potentially transformative undertaking, but at the same time it is a simple and intuitive concept: all countries pay in, all receive, and all have a say in how the money is spent. The effort of creating such a framework is long overdue: we have inhabited a globalized world for a long time, but we still lack a globalized system for organizing and planning how we spend money on global problems. Imagine a country with no central bank or finance ministry to decide where roads are needed or how to raise and spend the right money on education. The world is not a country, and it has no government – let alone a common fiscal system. Yet as global citizens we are all vulnerable to certain problems that exceed the capacity of any one nation state to address on its own – even the most powerful. We need a more coordinated, fair and effective mechanism for raising and spending public money internationally.

## 7

# SEVEN... ways to engage

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GPI represents an overdue transition in international public finance that will need to take place over time. Help cocreate it! Below we suggest seven ways to engage, either as organisations or as individuals.



## Reply

The first thing you can do is to participate in our Global Consultation by replying to the questions on SurveyMonkey. This will help the Expert Working Group and others working on GPI to build an even stronger proposal, bringing in diverse perspectives, ideas and experiences.



## Convene

As part of the Consultation, you could organise a meeting of interested people and organisations to think through GPI and give consolidated feedback on what you have read.



## Amplify

The Expert Working Group members and secretariat are working hard to get the word out about the Consultation and, more generally, about the ongoing cocreation of GPI, but they could do with your help promoting the idea and the process by which people can engage. This could be via social media, in meetings, via emails etc.



## Promote

Actively promote the principles, narrative and evolutions proposed by GPI. The history of campaigning suggests that often technical or other barriers fall away when politicians realise that an idea is popular. Organisations with significant interaction with publics throughout the world should consider adopting GPI principles to help establish modern approaches to international cooperation and finance. This could mean including it in advocacy strategies.



## Pilot

As with any new idea, trailblazers will be needed to take a lead. These could be governments, NGOs, think-tanks, multilateral organisations or other parts of the international cooperation ecosystem. Despite being a "universal" scheme, GPI will need to be adapted for different contexts, as stepping-stones to the broader objective. What might applying GPI mean in your sector or even in your organisation? As more and more organisations adopt the GPI approach, its viability and usefulness will be tested and demonstrated, and the concept further refined.



## Fund

Some people and organisations will be in a position to support the GPI work financially, either through core funding for the Consultation and the ongoing work of the Expert Working Group, or other types of research and advocacy.



## Partner

Those that can't help financially but want to be part of the push for GPI can support actively in other ways, using human resources and energy. Perhaps you could write something on the application of GPI to a particular sector or geography. Or perhaps you could host roundtables. Or do you have design skills that could communicate GPI to a wider audience.

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