

The background features abstract, overlapping green geometric shapes in various shades, creating a modern and dynamic feel. The shapes are primarily triangles and polygons, some solid and some semi-transparent, arranged in a way that suggests movement and depth. The colors range from light lime green to dark forest green.

International Public Investment and the Future of the Global Fund

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Abstract

- ▶ The Global Fund is a great invention but it needs reinventing for a new context.
- ▶ Its model has worked well up to now, but at the heart of an influential future for the Global Fund will be its ability to mobilise new financial resources.
- ▶ If it is to continue to lead the response to HIV/TB/Malaria, as well as lead thinking as a beacon of innovation in international development, it needs to emerge from a series of conceptual constraints that are holding back its evolution.
- ▶ Shifting away from thinking about aid or ODA towards a vision for international public investment is the key conceptual shift required to make the case for a continued powerful Global Fund.

Context (STC policy)

- ▶ While in many senses “traditional” aid continues much as it always has, the changing global context means more questions than ever are being asked of it
- ▶ Ever-increasing focus on results, which while welcome can have distorting effects when it incentivises investments in shorter term, more easily measurable impacts
- ▶ Shift in rhetoric and, sometimes, practice, away from a donor-beneficiary way of viewing aid, to one of more mature international partnerships
- ▶ Vacuum when it comes to the theory of international aid in the modern world. As the old country divisions erode, as recipients become contributors, as economies grow, the question is being asked - what is aid now for?
- ▶ The fundamental constraint preventing the Global Fund maintaining and even expanding its programmes is financial - the size of the ODA cake is stubbornly limited
- ▶ The ambitious scale of the SDGs means competition is fierce for limited ODA resources

2 advocacy avenues

1. To ensure that the money available is spent as wisely as possible
2. To keep up the argument for increased international health funding

Opportunity = health community takes a lead in redefining the role of international public investment (a new way of viewing “aid”), with consequent progress for important health priorities.

BUT NEED TO OVERCOME CONCEPTUAL CONSTRAINTS

On the nature of development

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect. The text is centered on the left side of the white background.

CC1: Countries move up a “development continuum”

- ▶ Binary division of countries into developed and under-developed/undeveloped/developing is analytically simplistic and morally patronising. Global Fund has already ditched it
- ▶ However, its use of the term “development continuum” that countries “move up” is a conceptual hangover. It implies that countries all follow more or less the same developmental route as their economies grow. Unhelpful
- ▶ Countries at similar income levels (whether very high or very low) can have vastly different institutional arrangements and types/standards of public service provision
- ▶ This is only too obvious in the health sector - range of policy responses better grouped by region or political system than income-related “continuum”
- ▶ E.g. work around HIV and TB requires working with key populations, addressing stigma, discrimination, gender equality and human rights
- ▶ It might be better just to say “as countries get richer”

CC2: Things can only get better

- ▶ The tone of the Global Fund's STC policy implies a strong assumption that countries only move forward, not backwards
- ▶ Looking only at per capita income, many countries have regressed from middle income to low income status over the decades
- ▶ Shocks such as natural disasters, conflict, disease outbreaks and macroeconomic shocks can set countries back years or decades on some development indicators
- ▶ Rather than closing down, Global Fund could maintain a minimum presence in all countries, evolving as the need evolves, increasing and decreasing different types of support as appropriate

CC3: Inequality can be overcome fairly quickly

- ▶ Deep inequality is entrenched in most countries, and has been for centuries
- ▶ But the Global Fund STC policy implies it is possible to see fairer redistribution of growing wealth in a reasonably short space of time, say three or five or 10 years
- ▶ The STC policy does recognise the long term nature of political change on the face of it; it calls for “significant political advocacy” to ensure that internationally supported programmes shift to domestic country budgets
- ▶ But this analytical recognition is contradicted by three year time frame in which likelihood of significant change is close to zero

CC4: Poorer countries cannot expect decent modern health services

- ▶ The language in the STC is pretty ambitious with regard to what the GF hopes to leave countries with when it transitions out
- ▶ However, the transition plans still imply that the countries out of which the GF is transitioning should expect worse health services than would be expected in richer countries
- ▶ There is a tendency in some international development circles to think that ending extreme poverty is the only real goal of international cooperation
- ▶ “We will leave you with good enough responses to HIV/TB/Malaria, but not actually good responses, not ones we ourselves would be happy with.”
- ▶ But Global South expect much more than containment of the direst situations
- ▶ This paradigm of convergence is at the heart of the EU Structural and Cohesion funds, whereby EU’s wealthier countries transfer billions to other relatively wealthy countries
- ▶ With adoption of SDGs, door for applying “convergence” to a broader global context seems wide open

On the role of international public finance

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CC5: Income remains the primary allocation criterion

- ▶ The STC policy recognises that development should not be assessed simply in terms of economic growth, an obvious point but one worth emphasising, and it takes into account not only “disease burden” but also other contextual factors to influence allocation
- ▶ However, while recognising complexity in the analysis, the actual proposal still retains income per capita as the most important criterion for fund allocation
- ▶ A new system could be devised whereby income per capita is just one of a number of criteria for allocating funds, building a spectrum of need rather than a handful of arbitrary cut off points

CC6: International public investment is charity

- ▶ The STC policy is progressive with most of the language it uses, as we have seen, preferring to talk of “contributions” than “aid”
- ▶ However, it still draws on the concept of “donors”, a term generally associated with charitable givers
- ▶ While contributions to the Global Fund are voluntary they should not be seen as simply charitable. Instead, they are a demonstration of responsibility for global welfare
- ▶ The best analogy is the way wealthier regions subsidise healthcare provision in poorer parts of a country
- ▶ To help, it might be useful to ditch words like “aid” and “assistance” in favour of referring to this spending as “international public investment” (IPI). This language conveys a much stronger sense that there is a return for the investor, and reflects the way health and other public investments are described domestically. The Global Fund already uses the concept of “investment” very widely
- ▶ It is likely that over time this way of viewing international finance will be fairly popular with western publics

CC7: International public money is just like any other money

Important positive characteristics of IPI include:

- ▶ *Motivation: IPI is primarily intended to support national or international public objectives, rather than to make a profit*
- ▶ *Concessionality: IPI is frequently concessional*
- ▶ *Flexibility: IPI can be more flexible than private finance, depending on context (it can be counter-cyclical for instance)*
- ▶ *Availability: IPI is often available when other types of finance are not*
- ▶ *Expertise: IPI is managed by entities with specific knowledge in supporting development*
- ▶ *Transparency: IPI should be transparent, open and accountable*
- ▶ *Sustainability: IPI does not follow changing national public opinion or electoral cycles*

CC8: International public investment is temporary

- ▶ Perhaps the biggest conceptual constraint of all is that aid is a temporary fix that eventually, possibly quite soon, will no longer be necessary
- ▶ However, because IPI is important as much for its unique features as for its size, it should be considered a permanent part of the development finance mix. There are constantly new challenges requiring international cooperation, and international public investment
- ▶ IPI has been a regular part of the European Union's grand settlement, with countries as wealthy as Ireland and Spain benefiting hugely from financial resources, not to mention the many new entrants from Eastern Europe
- ▶ As IPI becomes a permanent feature, contributions should move from being voluntary to mandatory, so that funds (health and otherwise) can rely on a steadier income

Conclusion - from “aid” to IPI

- ▶ Shifting the analysis underpinning the work of the Global Fund will put it in a much stronger position to continue to make a powerful difference into the third decade of the 21st century and beyond.
- ▶ Not easy. Political context was more welcoming some ten years ago, before the financial meltdown in the West and the consequent austerity policies and sense of crisis. Rather than looking outwards to new ways of partnering and cooperating across the world, important parts of the western polity are now looking inwards; international aid budgets and international cooperation more generally are under pressure.
- ▶ But that is one of the reasons it is so vital now. Traditional arguments, while still useful, have run their course for many parts of the public. They tend to reinforce a world view that divides rather than unites.
- ▶ Advocates involved with the Global Fund have proven themselves capable of winning impressive advocacy battles in the past, including those that require fundamental paradigm shifts.

THANK YOU

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