



Time for Global Public Investment

Leaders and experts rethink sustainable development finance



FOCUS ON AFRICA AND CLIMATE FINANCE

Foreword



Wanjiru Kanyiha

Network Coordinator, Global Public Investment Network

As Kenya gears up to host the Africa Climate Week and Africa Climate Summit in collaboration with the African Union, there is a palpable sense of anticipation surrounding the significance of this high-level summit, particularly in relation to climate change and financing for the African continent. The climate crisis is an issue that affects everyone, but its impact is far from equitable. Numerous African nations find themselves at the forefront of climate change, enduring extreme weather events, droughts, floods, and hurricanes without the necessary infrastructure to withstand such shocks. This leaves already vulnerable communities, struggling with poverty, in even greater peril.

The statistics are grim: although African countries contribute relatively little to global emissions (less than 4 percent), they remain at significant risk from the devastating economic effects of climate change. In recent times, Democratic Republic of the Congo (DRC), Rwanda, and Uganda suffered heavy loss of life, pro-

perty, and insurmountable damage of critical infrastructure in particular roads, water treatment plants and power stations from unusual rainfall intensity and landslides, whose impact on the economy is yet to be fully determined.¹

The answers to scaling up climate finance that are on the table at present rely heavily on loans, and as Mr Mahmoud Mohielden, the UN Climate Change High-level Champion for Egypt and UN Special Envoy on Financing the 2030 Sustainable Development Agenda stated: “*This is laying the foundations for the next debt crisis.*” That is why addressing the multiple crises the African continent is facing requires bold new thinking. Enter the Global Public Investment (GPI) framework—a groundbreaking public finance model that advocates for equitable contributions from all countries, both north and south, for climate finance. This approach is guided by a fair contribution formula based on capacity, responsibility, and solidarity. The concept is both ambitious and transformative,

¹<https://www.theeastafrican.co.ke/tea/science-health/east-africans-face-up-to-burden-and-loss-from-weather-4233246>



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while also being straightforward: all nations contribute, all nations benefit, and all participate in determining the allocation of funds. The need for such a framework has long been evident; despite our interconnected world, we lack a unified system for coordinating and strategizing global expenditures on shared challenges. A coordinated, equitable, and efficient mechanism for raising and disbursing international public funds is overdue.

The upcoming launch of the GPI Network's report on September 8th, titled "**Time for Global Public Investment**", represents a pivotal moment. This report assembles insights from prominent thinkers and influential figures, reflecting on GPI and its implications for the Global Financial Architecture. Distinguished individuals from various fields, thinkers, academics, activists, and thought leaders, have collaborated to offer perspectives on reimagining development finance, encompassing climate financing. Through this report, the goal is to progress

beyond theoretical discussions and initiate the practical application of GPI Principles to address the world's most complex challenges.

We hope through this report we can create pathways for implementation of GPI in climate financing in the global south and particularly Africa, to bridge the financial deficit that currently exists. We urge you all to grab a copy of this innovative and bold report and contribute to this ongoing dialogue.

The global finance system is **out of date.**

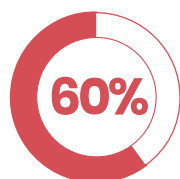
It suffers the hangovers of colonialism and isn't ready for the global challenges we face today.

What needs fixing?

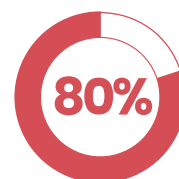
The SDG commitment to solve common global challenges such as the climate crisis **cannot be met by ODA.**

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.**



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.

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.



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.





Martha Bekele

Impact Lead at Development Initiatives

Africa can contribute, Africa must benefit and Africans must decide on financing to tackle the climate crisis

President Ruto, as the host of this year's Africa Climate Week and the Africa Climate Summit in Kenya, is onto something.

Coming fresh from the [“How dare you” summit](#), President Ruto has been vocal about championing a new global financial architecture. Expectation is heightening for Africa Climate Week that the president, as the host, will continue his quest for the creation of a fair and equitable mechanism for climate actions. It is hoped that he will be able to rally other African countries to support his ideas of ‘all contribute commensurate to their means’ with some being net contributors, and all deciding, because all pay.

The impacts of climate change are visible in the daily lives of Africans. Many of the women who would sell greens and fruits on major highways connecting Nairobi to other towns have resorted to selling cheap imported chargers and electronics. When asked why they no longer sell fruit, their response is “Jua ni kali”; Sun is too hot. And people who grew up in Nairobi not so long ago will recall that there were shops that used to sell heavy sweaters and thick pullovers, yet today we see many schools deciding to stop making them mandatory for uniforms since they are not needed as they once were.

These seemingly small shifts are however signs of a much more sinister fate

To the common person, they know that ‘the Sun is too hot’ but climate scientists are observing loss of biodiversity both in plants and animals that will ultimately be catastrophic. This will worsen food security, among other challenges. Already in 2021, [one in five Africans faced hunger](#). At a 2% increase in global warming, for instance, [36% of Africa’s freshwater fish species are projected to be extinct and over 90% of east African coral reefs will be destroyed](#).

The impacts of climate change reach far beyond food security too, and this reality brings a sense of urgency for climate action in Africa. The continent has [the largest share](#) (45%) of the global total surface area suitable for sustainable agricultural production expansion. The fact that [agriculture employs more than two-thirds of Africans, and 70% live in rural areas](#), means this is also about livelihoods and the economy. Moreover, the risk of climate-induced migration is high in our region. A [report](#) indicated that Lake Victoria Basin countries like Tanzania and Uganda will see 16.6 million and 12 million internal climate-induced migrants respectively, while in West Africa those numbers would be 19.1 million in Niger and 9.4 million in Nigeria. These figures will come to bear as early as 2030 and intensify by 2050 if there is no concrete climate and development action. Climate shocks resulting in food insecurity and internal migration are also known to contribute to conflicts, as [evidence across Africa indicates](#). For instance, a recent study found climate shocks increase the likelihood of [intercommunal conflicts by 38%](#).

Therefore, to us Africans, sustainable development can only mean climate resilient development. Concrete climate action is a prerequisite to peace and security, food and nutrition security, sustainable livelihoods, preserving our ecosystem and cultural heritage, and much more besides.

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Global Public Investment holds real promise for bringing the radical change in approach to international public financing that we need.
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There is so much work to do, and without the financing to do it, we are fighting a lost cause

Africa is not getting the funding it needs. The continent receives annual climate finance of only 11% of what it needs, [US\\$30 billion](#), compared to its estimated need of US\$277 billion.

Apart from inadequate global climate finance mobilisation, there is also the challenge of how inaccessible available funds are due to complex and [rigid application procedures](#), [misalignment of climate financing to national priorities](#) and a range of other barriers. And there has been [widespread condemnation](#) of those who failed to deliver the pledge made in 2009 to mobilise US\$100 billion annually for climate-vulnerable states.

Of course there is also a fundamental injustice to all this when Africa contributes [just 3.9%](#) of global greenhouse gas emissions yet stands to be [hurt most](#) by the world's failure to act decisively at this critical juncture.

Things have to change. Radically.

It is crucial that efforts to tackle the climate crisis are understood as a global public good where benefits are transboundary, and that a holistic approach is taken, particularly given that we know that [maladaptation is a real and evident risk](#). Where is the meaningful global solidarity and collective action Africa and, indeed, the whole world now needs? How do we move to climate financing that is sufficient, predictable, drawn based on national priorities and easily accessible?

It is time to reimagine climate financing mechanisms leading to these outcomes

Africa Climate Week 2023 is held in Nairobi, Kenya, between 4 and 8 September. It could not have come to a better place than Kenya, which lives daily with the impacts of the climate crisis and where the president has been leading the demand for a radical change in climate financial architecture. During the [Summit for a new Global Financing Pact](#) this year, President Ruto spoke unequivocally about a global financial transaction tax where all pay, saying “[we do not want anything for free](#)”, emphasising that all should contribute commensurate to their economies. The president was also unequivocal in his submission that such resources be controlled by an institution of equals where all have a right to decide because they all pay. It's important that this is followed through with practical steps to deliver this aspiration.

An emerging idea called ‘Global Public Investment’ that aligns with this thinking has been developing for the last few years and is gaining significant traction. It is premised on three principles; all contribute according to their means, all benefit according to their needs, and all decide on how it is invested. It holds real promise for bringing the radical change in approach to international public financing needed for us to rise to the increasing and deadly threat of our climate changing. Of course, as these ideas are put on the table, they must not ignore historical responsibilities and engage with existing social movements such as those working on debt relief or curbing illicit financial flows. These are thorny and controversial issues, but they are the elephant in the room and will be the most important conversations to navigate successfully if we are to deliver the truly global and collective action we need to tackle the biggest threat facing our world.



¿What are the experts saying?

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A GPI 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.



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Jean-Paul Adam

Director for Technology, Climate Change and Natural Resources, UNECA

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The implementation of a Global Public Investment (GPI) approach could however usher in a much-needed transformation in how the oceans and seas are funded. This would work in the following key ways: inclusive decision-making, more funds, reduced volatility, a catalytic effect that opens up new opportunities to blend public funds with capital from other sources, including the private sector, crowding-in finance from all sources.

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Gail Hurley

Senior Development Finance Advisor and Consultant



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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.

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Danny Gotto

Founder and Executive Director, Innovations for Development

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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 (IUCN, 2022).

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



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Saleemul Huq

Director, ICCCAD

Mizan Khan

Deputy Director, ICCCAD

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To create meaningful change and solutions in this era of polycrises, 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.

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Degan Ali

Executive Director, Adeso



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