ODA+ for UHC

Five paradigm shifts for a new era of global health funding

DRAFT FOR COMMENT

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ABSTRACT
As major geopolitical and economic shifts play out across the globe, the debate about the future of aid for global health is well underway. On the one hand there are those who see the whole aid enterprise slowly coming to an end, as global poverty and health figures improve. They point to the increasing availability of domestic finance, complemented by private flows from outside, as a reason to move on from concessional international public finance. On the other hand, there are those whose instinct is that there is still much that aid or aid-like interventions can achieve, but who lack a clear vision for what is needed.

*This paper provides that vision. It argues that **ODA+** has important characteristics that make it a crucial part of the health financing mix even as GDP/capita figures improve. And it suggests five paradigm shifts related to the ambition, function, scope, contributors and narrative of **ODA+** to help understand its future. Its intention is to underpin efforts to build a powerful campaign for more and better **ODA+** for health in the 21st century.*

[1] Jonathan Glennie is Senior Research Associate with the Joep Lange Institute. The paper is the culmination of at least two years organising, listening, researching and writing about this issue. It emerges from concerns expressed by activists, practitioners and officials about the future of development assistance for health (DAH), and is part of a bigger project about the future of aid more generally i.e. beyond the health sector. Much of the thinking presented in this paper has been jointly developed with Gail Hurley, UNDP, although she was not involved in writing this particular paper. Thanks are due to Richard Manning, Thomas Pogge, Guido Schmidt-Traub, Simon Reid-Henry, Gorik Ooms, Lilianne Ploumen, Myles Wickstead, Christoph Benn, Peter van Rooijen and others for their comments on an earlier draft. This paper is still in draft form. Any errors are the author's own.

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One page summary

In the early 2000s a successful campaign for "more and better aid" led to huge increases in international health spending which contributed to great progress in global health. How could a similar campaign be built again today, in a very different global context. The argument of this paper is that one aspect of such a campaign should be a renewed/rethought/revamped understanding of the role and nature of ODA+ (a term we define), and the narrative that goes with it.

This paper presents a renewed a theory/vision/understanding/narrative of ODA+ for global health intended to:

- *Respond* to the higher **ambitions** set out in Agenda 2030
- *Reflect* the emergence of **South** providers
- *Lead* to **increases** globally
- *Enhance* **impact** and effectiveness
- *Democratise* **governance** and accountability
- *Garner* **legitimacy** from civil society
- *Emphasise* **global** common benefits
- *Use* a **language** that is modern and non-paternalist
- *Secure* strong and stable **support** from critical constituencies

There are five main elements to the rethink we propose which are explored in turn in the five main sections of this paper. Notably, while narrative/language/comms is an aspect of the change required, it is only one of the five paradigm shifts we propose (the last in the list above). The others are to do with raising our ambitions for the potential of ODA+, understanding better the way ODA+ operates in different country-types (including middle income countries), recognising the implications for ODA+ interventions in terms of time-scale, and democratising the structures and governance of the system:

1. Ambition: From survive to thrive
The international community needs to raise its ambitions beyond its comfort zone in response to the UHC agenda.

2. Function: From quantity to qualities
ODA+ is not just for filling gaps, it is for overcoming traps and promoting global benefits.

3. Scope: from temporary to permanent
Recognising this heightened ambition means setting out longer term plans than currently conceived

4. Contributors: From north-south to multi-directional
The arrival of "emerging" donors must be allowed to shake up aid governance for the better

5. Narrative: From "foreign aid" to "global commitment"
Words matter. A new vision must be accompanied by more modern language.

The paper begins with an introduction to the current context, and ends with a conclusion and proposed next steps. The annexes are important additional material, but have been removed from the main paper to facilitate better flow. They look at some of the objections and dilemmas raised by this approach, and how it might be applied beyond the realms of first of ODA, then of health.

Introduction: ODA for a new era

As the international community seeks to build momentum behind the Sustainable Development Goals (SDGs) the question of funding is, as ever, at the top of everyone's priorities. In the field of health, the ambitious idea of Universal Health Coverage (UHC) will require significantly more funding than was ever envisaged during the MDG era. It is widely agreed that all appropriate sources of finance must be mobilised to meet the SDGs and the UHC challenge.

In this context, ODA for health is faring quite well. After a wobble in 2014, when it fell for the first time in at least a decade, 2017 figures show it continuing its staggering rise from around $6bn at the turn of the century to nearer $25bn today. According to Development Initiatives, 32% of ODA spent on health is spent on HIV/AIDS, on which the US focuses 64% of its health spend.[2]

However, overall ODA is under pressure. Net ODA fell by just over US$200 million in 2017, the first fall since 2012, and it also fell as a proportion of donor GNI (from 0.32% to 0.31%).

It may appear obvious that a continued expansion of ODA is required to meet the ambitious new set of SDGs, including the call for UHC, given the important role ODA has played in responding to global health and other development challenges in the past. But in more and more conversations today the important insight that the world needs to look beyond ODA for more sources of development finance, merges into a more worrying implication: that ODA has actually entered its final phase.

There are a number of contextual reasons for this.

Economic uncertainty in donor countries. Questions are increasingly being asked in major donor countries about sending scarce public money abroad, as their own economies continue to face problems. Concerns about impact and effectiveness are raised, sometimes justified, sometimes not, and often misused to discredit ODA in general.

Development progress is being reported across the world. Ironically, and happily, one of the main reasons ODA finds itself squeezed is because of the progress on health and poverty reduction more generally in lower income countries. A resurgent global South gives the impression of dynamism, which serves to take the pressure off the traditional source of ODA in the North.

Competition with other sectors. For the global health sector, the threat to ODA feels particularly pronounced given health's privileged position in recent years. Six of the 8 MDGs had one or more explicit health related target, but there is only 1 health SDG, alongside 16 others. Although complementary SDGs will support health goals[3], direct funding for health is now facing fiercer competition.

But alongside these contextual factors, there is an even more fundamental constraint threatening ODA: the limited and limiting theory, vision and narrative of "aid".

A major challenge for those who want to defend continued high levels of ODA is thus the dominant understanding which holds that as countries reach a certain level of economic development (often characterised as "middle income") and pass certain minimum health thresholds they no longer require international support.

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[2] All numbers in constant 2016 dollars, from http://devinit.org/post/2017-oda-data/

[3] All the SDG issues are interrelated and represent a holistic framework. So spending on better roads, for instance, is likely to improve access to key health facilities, better sanitation will lead to reduced disease, a focus on gender will lead to better outcomes for women etc. Hardly any of the SDGs can be reached without making progress on the others.

This paper will challenge some of the beliefs at the heart of an outdated understanding of aid, including that it is just a temporary stop gap, a last resort in extreme circumstances, a voluntary act of charity. The traditional understanding of "aid" no longer inspires confidence in a range of stakeholders who know that international public money is still needed, but who are looking to modernise the way we approach the 21st century problems set out in the SDGs.

- A narrow focus on extreme poverty served the MDG era well, but is anachronistic as the SDGs spell out a much wider set of global priorities. Those that ought to be relied upon to defend ODA find the language of "aid" increasingly outdated.
- The special characteristics (qualities) of ODA have been glossed over, and the idea that it can simply be replaced by other sources of funding has been allowed to gain ground.
- The developed-developing split no longer fits a rapidly changing reality, as geopolitical relationships shift, new actors emerge and development finance continues to evolve.
- The cultural implications of the "aid" narrative can be patronising and harmful, especially to people of the South who increasingly resent being seen as recipients rather than partners.
- The way international public spending is governed requires an overhaul.

What do we mean by ODA+?

This paper will use the term ODA+ to refer to *concessional international public finance for sustainable development*, where international public finance (IPF) means money raised by governments and spent on international development (for more on IPF see Annex B). ODA+ is thus similar to traditional ODA but differs in at least two major regards. *First*, the contributors of ODA+ are not limited to OECD members, and *second*, ODA+ may not fit the precise ODA definitions regarding the level of concessionality. The term is sub-optimal, as we want to move on from an OECD-based view of international development assistance. However, the other options are long-winded and unfamiliar, while the term ODA+ has the advantage of being immediately understandable.

From billions to trillions?

In Addis Ababa, in April 2015, a few months before the SDG agenda was acclaimed in New York, a financing Action Plan was drawn up. The World Bank (along with the IMF and the regional development banks) contributed a relatively short discussion paper called *"From Billions to Trillions: Transforming Development Finance."*[4] This catchy title has since become part of the development lexicon, with most people agreeing that the scale of ambition implied is more or less correct i.e. that to achieve the SDGs the international community needs to shift its thinking from the need to find billions of dollars, to trillions.

The language of *"billions to trillions"* is not just an assessment of the scale of the problem. It is an oblique reference to the need to move on from what was perceived as an over-emphasis of the role of ODA in the MDG era. ODA is in the billions (close to $150bn in 2017), goes the thinking, but we are going to need trillions to meet the SDGs.

[4] DEVELOPMENT COMMITTEE (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries) (2015) FROM BILLIONS TO TRILLIONS: TRANSFORMING DEVELOPMENT FINANCE POST-2015 FINANCING FOR DEVELOPMENT: MULTILATERAL DEVELOPMENT FINANCE

This is self-evident. The strong focus on ODA which dominated MDG thinking needs to be balanced with a widening of the search for SDG money to all kinds of investment. It is neither possible nor desirable for ODA to cover even the MDGs, let alone the SDGs. All sources of funds, and all appropriate policies, need to be maximised if the world is going to get anywhere near meeting the SDG targets, including tax (the need to raise domestic resources in a more effective manner), the role of the private sector, and the role of philanthropy (see Annex B for more on the enabling context required to deliver UHC and the SDGs).

But while lip service is paid to the idea that ODA remains important, and although many still call for the 0.7% ODA target to be met, a recurrent undercurrent pervades most of today's development finance discussions: *the belief that ODA needs to be gradually drawn down and, eventually, eliminated altogether.*

As countries reach middle income status, as defined by the World Bank, so they "graduate" from concessional international public finance ("aid"). The assumption that ODA+ should be gradually reduced as countries income/capita passes a particular threshold is at the heart of traditional aid theory. In the words of one influential economist, Paul Collier, *"There is basically no role for international development cooperation in middle income countries."*[5] It has often been said that the job of the aid industry is to do itself out of a job.

That theory is today being played out in practice. In the past 20 years, many countries have reached the "middle income" threshold and are, as a consequence, experiencing the reality of reduced ODA+ receipts.

Eventually, according to this conventional aid logic, all countries will graduate, and there will be no more need for ODA+ at all. But is this the right approach? Is it true that we are now entering the endgame for this great seven-decades long experiment in concessional international public finance?

The contribution of ODA+ to UHC

The importance of ODA+ for health can be overstated; it has been an important step forward that non-ODA+ elements of the financing jigsaw are now commonly recognised as important to achieving the health goals. In particular, domestic resources (through progressive taxation policies) and building risk pools are essential other components to support health objectives. Furthermore, aid can have complex and sometimes negative impacts.[6]

But if it is important not to *over*-claim for the impact ODA+ has made on health progress, it is important not to *under*-claim either. The fact that other policies and sources of finance are important does not mean that ODA+ is *un*important. It has played a significant role in the delivery of health progress in the past, and it can continue to play that role in the future.

In some countries (especially the very poorest ones) and on some specific areas of health (such as HIV/AIDS, vaccines and malaria) its role has been definitive – these are the countries considered most "in need of aid". But ODA+ has also played an essential complementary role in other countries where lack of professional capacity and/or political will has undermined building systems for health service delivery and inclusion of vulnerable populations. The rise of the great global funds, in particular, is

[5] Conversation with Andy Sumner on IDS website http://www.mixcloud.com/ids/paul-collier-and-andy-sumner-in-discussion-on-the-ids-paper-the-new-bottom-billion/

[6] My book "The Trouble with Aid" (Zed Books, 2008) is a decent reference for the complex and often negative impacts of aid dependency.

generally judged to have been a great success, demonstrating a way of delivering ODA+ that most analysts think should be emulated and expanded.[7]

Table 1 below sets out eight possible sources of development finance. All money flows can be categorized into this grid. In each category, the flow may or may not go to development purposes. First, development finance can be divided into domestic (national) and international – these are the rows in the diagram above. Then each of these categories can be divided again into public, private (for-profit), philanthropic and household. The table gives examples (non-exhaustive) of each type of finance (there are also many examples of overlapping "blended" finance, such as public-private partnerships, co-financed aid projects). International public finance (IPF) is in the bottom left corner and is one source of money available to finance development. Within IPF we can find the elements of ODA+, such as grants and concessional loans.

Table 1: Eight possible sources of development finance[8]

	Public	Private (for-profit)	Philanthropic	Household
Domestic	• Government budget (incl. hypothecated taxes) • Natural resource revenue streams • Sovereign wealth funds (domestic investment) • Specific sovereign bonds • Conditional cash transfers • National savings	• Illicit capital flight (including transfer pricing) • Licit capital flight • Domestic bank equity • Domestic investment • Private sector (large, medium and small-scale enterprises)	• National charities • National foundations • Corporate philanthropy (national) • Individual giving • Community philanthropy	• Household spending • User fees
International	• Sovereign wealth funds (foreign investment) • Climate finance (public) • International taxes, carbon levies etc • Export credits • Grants • Concessional Loans • Debt cancellation/swaps • Non-concessional official loans, incl BoP support	• Climate finance (private) • Portfolio investment • Foreign market loans • Foreign bank equity FDI (and repatriation of profits), mergers and acquisitions • Innovative' e.g. advance market commitments, risk financing • Social impact bonds	• International NGOs • International foundations • Corporate philanthropy (multinational) • Individual giving	• Remittances

In a strange contradiction the international community is pulling out all the stops to increase seven of the eight types of finance, to support the delivery of the immensely ambitious SDGs, but one of them is set to reduce over time! This odd situation is summarised in the Table 2 below.

Table 2: Seven finance types set to rise; but confusion about the eighth

	Public	Private	Philanthropic	Household
Domestic	↑	↑	↑	↑
International	?	↑	↑	↑

[7] ODA for health tripled from US$11.6 billion in 2000 to US$ 35.9 billion in 2014 https://www.who.int/topics/millennium_development_goals/post2015/en/

[8] *Source: Author's own elaboration.* Note household expenditure is perhaps not "development finance" – it is consumption. However, it is a relevant source of funds worth noting here. While user fees are controversial, and household out-of-pocket spending is intended to decrease as a proportion of household expenditure, it is hoped that rising incomes will lead to more household financing available for health-related spending – so in this sense household spending on health is expected to rise.

While ODA+ is, of course, only one of the financial interventions required to make the SDGs a reality and – in most countries – not usually the most important, it is nevertheless essential. You don't have to be a naïve aid optimist to be clear that, on balance, it is something worth fighting for. While many think they see the beginning of the end for ODA+, in fact they are witnessing the end of the beginning. This report will set out a new vision for ODA+ in the 21st century.[9] We now look in turn at five paradigm shifts we propose to renew our understanding of ODA+ and prepare it for a new era.

[9] This paper is not written for aid sceptics i.e. those who simply don't agree with aid; we don't have space to take on that particular set of arguments. Rather it is written for those who recognise the value of aid but may be unsure about its future direction. Even with this caveat, we have still had to condense a great deal of evidence and discussion into a relatively short policy paper, which means treating some major issues quite briefly.

1: Ambition – from survive to thrive

Conventional analysis: ODA should alleviate the most extreme deprivations and deliver primary healthcare. The responsibility of the international community ceases when a certain minimum level of health outcome is achieved.

Our proposal: ODA+ should support all investments required to achieve UHC, helping build strong and sustainable health systems. The international community's job is to continue to work towards global health equality.

The past fifty years, and particularly the last twenty (the era of the MDGs), have seen "remarkable" progress in global health on a range of measures, according to the World Health Organisation, with many new records being set.[10] To take just three of many possible examples:[11]

- The *adolescent fertility* rate has fallen in all regions, perhaps most spectacularly in the Middle East & North Africa. Globally, it has fallen from over 80 births per 100,000 15-19 year olds in 1960 to just over 40 in 2016.

- The *infant mortality* rate has fallen significantly in all regions. In sub-Saharan Africa it fell from over 100 per 1,000 live births in 1990 to under 60 in 2016, while in South Asia it fell from over 90 to under 40.

- The increased reach of *vaccinations* has been one of the major successes of recent years. The proportion of one-year-olds immunised against measles has risen in all regions since 1980 (although progress appears to have plateaued in sub-Saharan Africa).

This progress is to be celebrated. But what about the next twenty/fifty years? One thing everyone agrees on is that the job of the MDG era is far from done. The glass may be half full, but it is also half empty.

First, MDG targets have still not been met. For instance, while child mortality decreased by 53% in the MDG period, that is short of the 67% target. Ditto maternal mortality, which fell by over 40%, but not the 75% hoped for. Meanwhile, the global prevalence of underweight children under-5 declined from 25%, but is still at 14%.[12] Meanwhile, the number of chronically undernourished has risen in recent years to at least 821m according to the FAO[13], while others argue that is an undercount.[14] Regionally, there has been little if any progress in sub-Saharan Africa on many health indicators, while South Asia has seen progress but continues to lag far behind other regions.

Second, while some of the averages look good, further detail provides a picture of continued health inequality. Although most poor people now live in so-called middle-income countries, the evidence shows that it is too simplistic to assume that as countries grow richer they can and will provide social and financial protection to their citizens. Development is not a simple function of economic growth. It is now accepted that 'pockets of health poverty' are found in all countries at all income levels including:

- Pockets of disease burden (hot spots in concentrated as well as generalized epidemics)

[10] https://www.who.int/topics/millennium_development_goals/post2015/en/
[11] See Annex D for graphs of these three indicators.
[12] See Annex D for graphs of these two indicators (maternal and infant mortality)
[13] www.fao.org/state-of-food-security-nutrition/en/
[14] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2823609

- Pockets of vulnerability (key populations, young women, refugees, etc.)
- Pockets of gender inequality (structural violence against women, education of young girls, girl-brides, etc.)
- Pockets of injustice or criminalisation (discrimination, promotion and protection of human rights).

Third, even where progress has been made, it is often not consolidated, and regression is still possible. Without strong systems in place, gains can be reversed.

So just to reach and maintain the objectives of the MDG era remains a significant global challenge. But the adoption of the SDGs encourages the international community to go much further.

One of the consequences of the MDG-era focus on extreme poverty is the perception that when the worst forms of deprivation are dealt with, the job of the international community is largely done. But the SDG approach counters the idea that ending extreme poverty is the only real goal of international cooperation. On the contrary, when the worst forms of poverty are ended (and we are still some way from that), the job of sustainable development has still *only just started*.[15]

Universal health coverage, a radical new ambition

After bubbling under the surface at conferences for decades, the concept of "Sustainable Development" has now been adopted as the major framework for international development thinking and practice, replacing or rebalancing the tight poverty eradication focus of recent years under the Millennium Development Goal (MDG) framework.[16]

The SDGs widen the scope of international cooperation for health almost exponentially. Where the MDGs focused on selective primary healthcare, SDG3 sets out ambitions for all levels of healthcare – primary, secondary and tertiary. This is well beyond what the drafters of the MDGs had in mind, and it opens the door to a radically more ambitious vision for global health for the 21st century: universal health coverage.

The fact that some Southern countries are now able to provide many basic health services without international assistance emphatically does not mean that the job is done. People across the world rightly expect much more than containment of the direst health problems. In fact, they increasingly expect convergence with the standards of healthcare enjoyed by citizens of wealthier countries.

While the limited MDG-level ambition – finally ensuring that everyone everywhere has access to basic health care – is in itself a huge and complex task, the idea of health equality for all is vastly more ambitious, and has serious implications for the way we view international development cooperation.

In other words, what if we set out a vision of health equality, whereby the place you happen to be born does not dictate the quality of your healthcare? One way of understanding this shift is as a move from concern with absolute poverty to a concern for relative poverty, for equality, both inter-nationally (between countries) and intra-nationally (within countries). One of the most important lessons of the MDG era was that while progress has generally been made at a global level, and in many countries, it has been uneven and unequal. Particular groups have been left behind, be it for reasons of gender, race, geography or socio-economic class. Intra-national inequality is not only rising in many of the world's poorest countries, but across the Global South, and also in the North;[17] the poorest and

[15] Adolf Kloke-Lesch, a former Managing Director at GIZ, the German development agency, came up with a memorable quote at a meeting of the UN Development Cooperation Forum: *"Development only really begins when extreme poverty is eradicated."*

[16] The concept of sustainable development emerged in the 1970s but has taken four decades to become the overarching theme directing development plans and cooperation.

[17] http://www.oecd.org/els/soc/dividedwestandwhyinequalitykeepsrising.htm

most marginalised groups are still being left behind on primary health targets, in so-called middle-income countries as well as in low-income countries and fragile states.[18] Economic inequality contributes to inequalities in access to health information and services.[19]

The call for Universal Health Coverage is now accepted by many of the major development players and governments, even if there are still definitional discussions. While UHC does not mean full equality of health access, an ideal that is not met in any country, it is a step down that road. Crucially, a focus on system strengthening has finally risen to the top of the global health agenda; systems and institutions need to be in place to ensure long term and sustained health provision.

Global benefits

In public communications, cooperation on global health is generally seen as country-focused i.e. wealthier countries help poorer ones solve national health challenges, and this remains the core of the work. But in the SDG era we are encouraged to see health as a global challenge affecting everyone in the world. Action will lead to benefits for all countries, just as inaction will lead to problems for all. We are in a transition period from one which focused almost exclusively on 'national development' to one which now also comprehends cross-border challenges (sub-regional, regional and global). In the health sector this includes a renewed focus on the importance of collective international action in the control of communicable diseases, non-communicable diseases, drug resistance and neglected tropical diseases.

These, and many other global concerns with direct or indirect health linkages, will make increasing demands on ODA+ over the next decades. If national public finance is intended, broadly, to support national public goods, it seems natural that a clear objective of international public finance is to support global public goods, and this is, indeed, a fast-growing area of debate and action. As with national public goods, support for regional/global public goods can come from a realization of the collective efficiency gains they bring. Whether fighting MDR TB or global warming, the international community can make more cost-effective progress if it works together.

The international community needs to break out of its comfort zone. Its responsibility does not come to an end when extreme poverty is eliminated, nor when basic health coverage is achieved for all, nor when countries turn middle income – it persists as long as there is inequality of access and services within and between countries – a high ideal, but one that is appropriate for the 21st century, and increasingly accepted as the inevitable corollary of the SDG vision. UHC is a practical vision to begin the implementation of this ideal, in accordance with the wording of SDG3: Ensure healthy lives and promote well-being for all at all ages.

[18] The drivers of inequality are similar across the world, namely the channelling and coalescing of wealth in the hands of the few because of the nature of modern wealth creation, and the inadequacy of governments to put policies in place that ensure fairer distribution. Inequality is a result of dominant economic paradigms that determine the way businesses are run, the power given to financial markets and the lack of guiding policies and legal protection.

[19] It is also behind the rise in nationalism, nativism and populism which characterises recent political trends in many countries.

2: Function – from quantity to qualities

Conventional analysis: ODA is needed in exceptional circumstances to fill a financial gap.

Our proposal: ODA+ has a unique set of characteristics and cannot simply be replaced by other types of finance. It can help overcome a variety of "traps" despite the availability of other sources of finance.

We have established that the international community's ambition for global health should be much higher than often implied – it should be aiming for UHC as part of a belief in health equality both within and between countries.

But how can such an ambition be delivered on? Many improved policies and financing instruments will be required and ODA+ is, quite obviously, only one small part of the answer (in Annex X we set out how it fits in to a much bigger "enabling environment" for UHC). But the fact that it is relatively small, does not make it unimportant.

While only a few aid critics argue that aid should be ended to the world's very poorest countries, the so-called low-income countries, it is fairly common, and indeed conventional wisdom, that aid should begin to be reduced, and eventually ended, when countries cross a certain income threshold. These "middle-income" countries, so the argument goes, should now be able to "pay their own way" and no longer need financial support from other countries.

It is certainly true that as economies grow the role and relative importance of international public finance evolves. If growth is relatively balanced, household incomes will improve, and domestic revenue collection will likely increase. Meanwhile private investment from abroad will be attracted by better opportunities and improving infrastructure.

This correct generalisation has led the international community to a point whereby, when countries pass a certain income/capita threshold, it now assumes that aid should end altogether to such countries. There is no evidence to support this assumption. While dependency on aid should decline[20], and while the out-dated language of "aid" needs to evolve (see below), the role played by concessional IPF remains important as countries pass the middle-income threshold.

The current confusion about the future of ODA+ is founded on two common errors:

First, a limited understanding of the size of the funding gap. If we set out ambitions high, as set out in the previous section, the funding gap is far higher than previously assumed in many MDG spending analyses. In short, meeting the SDGs and funding UHC will be far more costly than meeting the MDGs. Many of the countries often thought to have achieved health targets must now, again, be seen as very far from having met them.

Second, a limited understanding of the role concessional IPF plays at relatively low levels. ODA+ is generally thought of only as a "last resort" to be turned to in circumstances where no other money is available i.e. to fill a budget gap. But different sources of finance are not interchangeable in this way. They are effective in meeting different needs and cannot simply replace each other. It is not just the quantity of ODA+ money that matters, its unique characteristics, its qualities, matter too.

[20] From high to low aid: a proposal to classify countries by aid receipt, Glennie & Prizzon, 2012 https://www.odi.org/publications/6383-high-low-aid-proposal-classify-countries-aid-receipt

We now look at each of these in turn.

Filling gaps

The role aid plays in filling gaps is well-known; the major difference in our proposal is simply the level of ambition. If we accept the challenge to radically raise our ambition, our calculation of the health financing gap increases significantly. Most so-called middle income countries still have very significant gaps in public budgets for reducing poverty and achieving a more sustainable path to development. In some, towards the poorer end of the spectrum this is still linked to an absolute lack of resources; in others, it is related to poor revenue mobilisation or other governance problems. So old-fashioned large-scale financial transfers will remain crucial for them, just as they are for low income countries.

As countries climb the income ladder and (in most cases) more funds become available domestically or from international private sources, countries will rely less on external public finance in the form of aid. This is progress. But the fact that countries may not *need* aid as much as before does not mean that it may not still be a very important contribution to development. Development cooperation should be oriented to complement and encourage MIC capacities.

Prioritising scarce resources towards the very poorest countries should not be mistaken for needs analysis of slightly wealthier ones.

- Almost half of Guatemala's under-fives are chronically malnourished. It has been a "middle income" country for decades.[21]

- More than one third of the world's malnourished children live in India, where prevalence is double that of sub-Saharan Africa. India has been a "middle income" country since 2007.

Some make the case that these countries have the means to deal with poverty, if they were only to allocate resources better, and it is true that there is inequality is severe in many MICs. But there are two problems with this argument. *First*, the international development community is in danger of placing too much stall with an exaggeratedly stingy definition of poverty, intended to identify the most destitute people on the planet not to stipulate an acceptable standard of living. Even if MICs had the wherewithal to deal with $1.25/day poverty, thresholds nearer $5 or $10/day would better imply resilience against the possibility of falling back into extreme destitution (Sumner, 2013).

Second, the political feasibility of redistributing wealth and income is over-estimated in such scenarios. India, for example, has a Gini coefficient on a par with most developed countries (and significantly below that of the United States). While desirable, there is no reason to expect radical redistribution.

Overcoming traps

While the gap-filling role of aid is well-known, less well understood is its role in overcoming what we can call development traps. It can do this not because of the <u>quantity</u> of money made available – which is often small compared to other sources – but the <u>qualities</u> of that money, its unique set of characteristics. ODA+ and the policies and expertise that accompany it can underpin a coherent and effective sustainable health financing strategy <u>complementing</u> other types of finance, rather than <u>substituting</u> for them. Far from being a last resort, IPF has particular characteristics which mean that it is sometimes the single most important or desirable source of finance available to meet a specific need, in all country types, not just the poorest countries.

[21] https://www.aljazeera.com/news/2018/09/chronic-malnutrition-guatemalas-children-end-180911105550474.html

For instance, the differences between public and private money are well understood by the general public when it comes to the national or sub-national level. While private spending is primarily interested in benefitting the spender (be that a household or an investment firm), the primary purpose of public spending should be to benefit society as a whole. Private finance does a poor job at financing public goods, does not *a priori* focus on delivering government priorities and certainly doesn't link strongly to human rights. Most notably, private capital is driven by the possibility of profit. It therefore tends to concentrate in specific sectors (such as natural resource extraction and exploitation of comparative advantage in labour-intensive industries) as well as in certain countries (middle-income and resource-rich countries) where expected returns on risk are higher. Public finance covers areas where private financing is either insufficient or impossible. A significant amount of public spending is needed in any well-functioning state to provide public goods, things that wouldn't be available if we were all just left to our own devices.

But this fundamental distinction between 'private' and 'public' funding is often overlooked in discussions around development finance. Private finance is frequently touted as a substitute for insufficient public resources for development, despite the fact that several areas crucial for UHC by their nature attract insufficient private financing. These include financing for social services, long-term investments (in particular in infrastructure, including health facilities and systems), high-risk investments (such as building (insurance) risk pools, research, science and new technologies and financing for small and medium-sized enterprises) and financing for global public goods (such as preserving the global commons and dealing with communicable diseases). International capital flows are also highly mobile and have become shorter-term in orientation.[22]

But the non-profit motive of ODA+ is not the only characteristic that makes it an attractive option, even when other sources of finance are available. We identify <u>six</u> critical positive characteristics of ODA+ that mark it as a necessary complement to the other types of finance in achieving sustainable development.

Six positive characteristics of ODA+

- *Motivation*: ODA+ is primarily intended to support national or international public health objectives, rather than to make a profit.

- *Concessionality*: ODA+ is concessional. Private capital is sometimes theoretically available, but is unaffordable or provided at maturities which would enable countries to make longer-term investments.

- *Expertise*: ODA+ is often associated with important technical expertise from the provider agency which can be shared as part of the intervention.

- *Accountability*: ODA+ should be transparent, open and accountable, and is making progress in this direction.

- *Availability*: ODA+ is often available when other types of finance (private or domestic) are not e.g. in risky contexts, in economic downturns (countercyclical), does not follow changing national public opinion or electoral cycles.

- *Flexibility*: ODA+ can often be more flexible than other options, making it useful for innovative activities that otherwise might not take place. Recipient countries might not be able to use their

[22] In the United States, for example, the average holding period for stocks fell from eight years in the 1960s to six months in 2010.

own funds, for which they have to answer to their own people, but can use ODA+, whose accountability trail is different, although no less specific.

Importantly, while ODA+ shares a number of characteristics with domestic public finance, there are also differences, which leads us to question the idea that domestic taxation can eventually remove the need for ODA+. The specific attributes (advantages and disadvantages) of concessional international public finance have to be put against the background of a new set of financing channels and flows that have emerged in full view during the last few decades.

ODA+ has a pivotal role in helping to correct market failures. It can also help to drive forward innovation through its support for research, science and new technologies. International public finance is also critical for emergency interventions from humanitarian emergencies to financial crises. IPF can, of course, be blended with other types of finance to incentivize greater private sector investment in global health through measures to reduce risk, share risk and/or increase investment reward. In many cases, however, decision-makers will still need to intervene in markets to redress market barriers and other distortions, including pro-cyclical tendencies, in order to drive investment flows in particular directions.

In 2014, Alonso et al identified five particular ways that concessional IPF can help overcome common development traps.[23] All are applicable to the health sector.

Five ways ODA+ can help "overcome traps"

1. *Encouraging improvements in policies/politics.* Whether the level of cooperation is large or small, the incentivising effect has always been a crucial part of its effectiveness, and will continue to be so.

2. *Supporting non-government actors.* As the development problem gradually shifts from absolute lack of resources to their poor distribution, the advocacy and accountability roles of civil society, broadly understood, become even more important.

3. *Leveraging and adding value to private finance.* Just as it can at the national level, international public money can play a crucial role in bringing private funds forward to invest in public-interest projects.

4. *Capacity development (individual and institutional).* There is not a reduced need for technical capacity building in MICs, just an evolving one.

5. *Risk coverage, including environmental disasters and financial shocks.* Some MICs are among the countries most exposed to natural disasters, and they are more likely to be at risk of financial shocks than LICs, as they are generally more integrated into global financial markets.

The fact that more and more countries are now both contributors and recipients of IPF, in health and in other sectors, further gives the lie to the idea that it is just about filling financing gaps. Why are countries making contributions to e.g. global health funds rather than using that money domestically on their own programmes? Because of the special characteristics of international public money, and because they want to be a part of a bigger project. Other countries should do the same, leading to a

[23] Alonso, J. A., Glennie, J., & Sumner, A. (2014). Recipients and contributors: Middle income countries and the future of development cooperation (DESA Working Paper No. 135, ST/ESA/2014/DWP/135). Retrieved from http://www.un.org/esa/desa/papers/2014/wp135_2014.pdf

situation in which most countries are both contributors and recipients (just as at a national level even the poorest regions pay tax but are effectively reimbursed).

One of the biggest problems in campaigning for continued ODA+ is the misconception that it can be replaced by other types of money, most obviously domestic public investment but also private spending. According to such an analysis, ODA+ is considered something of a last resort, still being made available to those countries which have severely limited access either to domestic or private financial options, but eventually to be phased out as such countries become an even rarer phenomenon. But ODA+ is not simply a stop-gap. It is a unique source of funding whose qualities make it well-qualified to play a significant pro-development role in countries of all income levels. ODA+ will remain crucial not because it rivals private finance for quantity, but because of its inherent characteristics, furthering mutually agreed international goals, flexible and available counter-cyclically (i.e. when the business cycle has entered a downturn) and in parts of the world where there is little profit to be made, bringing with it principles of social and environmental integrity and the expertise of public servants. No longer a last resort, ODA+ should be a first thought depending on the specific context and need.

3: Scope – from temporary to permanent

Conventional analysis: **ODA** should come to an end as soon as other finances are available and/or such limited health needs are met.

Our proposal: **ODA+** will remain useful (and often essential) indefinitely, in most country types, and for cross-boundary objectives.

Conventional analysis tells us that aid should be temporary, and that we are entering its endgame. Pockets of poverty persist, so aid will be drawn down gradually, but this symbol of global collective action that has lasted seven decades will now, according to most analyses, be wound up.

Whatever side of the political spectrum you sit on, and whatever your views on the effectiveness or otherwise of aid, you are unlikely to disagree with the notion that aid should be decreased as recipient countries' incomes rise, bringing to an end an experiment intended to kick-start growth in sluggish contexts, but not to last in perpetuity. The job of aid, according to this analysis, is to do itself out of a job.

Thus, in a speech given in 2013, the then International Development minister, Justine Greening, gave a talk entitled: "Global trade can help us end the need for aid."[24] While boosting DFID's budget, the UK government is softening the blow to UK taxpayers by arguing that it is a short term boost, and that, in time, aid will no longer be needed.

But, considering the heightened ambition we propose, and the realisation that ODA+ is (at a minimum) useful and (more often) essential to deliver it, it is logical to conclude that ODA+ should no longer be conceived as a temporary exercise, to be ended fairly shortly. Instead, we should reconceive ODA+ as a fixed and permanent component of the global financing ecosystem, to be honed and appropriately re-allocated as the world evolves, but not to be reduced, much less eliminated.

Raising our ambitions in the ways proposed has major implications for the scope of the international community's work to support global health. The current expectation is that as countries hit certain minimum health targets, and pass certain income/capita thresholds, the role of the international community diminishes significantly. It is no longer needed. But a UHC-level of ambition means the international community will stay engaged long after countries reach "middle-income" status, as their "need" is redefined upwards. Most middle income countries are a long way from achieving even MDG targets, let alone UHC.

From graduation to gradation

What does this mean in practice? Global poverty has declined sharply since 1990 due to a range of factors including better policies, technological advance, economic growth and demographic change.[25] Only around 30 of the world's 196 countries are now classified as "low income", down from 61 in 2000.[26] The international development community is now working out the implications of supporting progress in a world in which the majority of countries are now described as "middle income".

[24] http://www.cuts-international.org/30thanniversarylectures/pdf/Global_trade_can_help_us_end_the_need_for_aid-Justine_Greening.pdf
[25] Defined as the number of people living on less than USD1.25 per day in purchasing power parity terms – PPP
[26] https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups

As countries move up the income scale, ODA+ becomes less important in terms of their quantity, and other issues will become even more important to provide an "enabling environment" for poverty reduction, sustainable development and the provision of UHC. As a rule “middle-income” countries are more attractive to private money markets and are able to raise larger amounts through domestic taxation, so the need for international public money is said to reduce.

Nevertheless, as we saw in the previous section, ODA+ can still be effectively invested in countries well up the income scale, depending on their particular circumstances.

Most poor people have for some decades lived in countries which rely very little on ODA+, well under 1% of their GNI.[27] As we have seen, IPF is not just valuable when it is large-scale, filling budgetary gaps; it can be an important pro-development intervention even in these “low aid” countries, as a small proportion of GNI, catalysing change and overcoming blockages and traps. The European Union is perhaps the best-known example of this, where large amounts of IPF have been redistributed from richer to poorer countries (first in the south, then in the east) for the last few decades.[28]

An evaluation characterised ODA spent in Colombia in the first years of this century as follows: "The evaluation found that in certain fields – such as the environment, institutional strengthening, and productive system support, as well as problems related to the struggle against inequality, internal displacement and human rights violations – the selective use of aid financing, expertise and shared experience was a 'determining factor in achieving better development results'."[29]

The debate about aid to "middle income” as well as “low income” countries is constrained not only by the political and economic context (i.e. growth in the South and stagnation in the North) but also by the lack of a convincing theory of ODA+ to support such spending. But there is strong empirical evidence that ODA+ plays a gap-filling and trap-overcoming role in countries at all income level. In MICs that have transitioned out of concessional public DAH, we have seen evidence that key and vulnerable populations are falling between the cracks, that health systems require strengthening and that civil society (gender and human rights work) needs to be supported. With relatively little money, such efforts could be sustained and countries given more time to adjust and build appropriate responses that might take some decades. Similarly, despite the UHC rhetoric, minimal packages are being delivered because of lack of money, and “difficult” diseases such as HIV and TB are left out of UHC plans because there is still vertical funding for them (often from the Global Fund). In the above examples, continued ODA+, if targeted well, could make a difference. In the UHC context, ODA+ could focus on building both better taxation mechanisms and truly inclusive risk pools to reduce out-of-pocket payments (OOP).

Countries will not “graduate” from ODA+, rather their receipts of ODA+ will be gradated according to their specific needs.[30] This idea is increasingly recognised in mainstream publications[31] and is in line with approaches which seek to erode the distinction between LICs and MICs (e.g. the IMF’s uses the concept of Low Income Developing Countries (LIDCs) which includes approximately the poorer half of LMICs in addition to LICs).[32]

[27] From high to low aid: a proposal to classify countries by aid receipt, Glennie & Prizzon, 2012 https://www.odi.org/publications/6383-high-low-aid-proposal-classify-countries-aid-receipt
[28] Glennie and Hurley, https://www.theguardian.com/global-development/poverty-matters/2014/may/07/europe-aid-eu-middle-income-countries
[29] Evaluation of the Paris Declaration by Wood et al, 2011. http://www.evropa.gov.rs/Documents/Home/DACU/12/129/130/The%20Evaluation%20of%20the%20Paris%20Declaration_EN.pdf
[30] See Sagasti et al referenced in http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Development%20Cooperation%20and%20Finance/UNDP-ODI--Where-Next-for-Aid-the-Post-2015-Opportunity-FINAL.pdf
[31] Reference Kharas and Rogerson
[32] Gaspar et al. 2019. Fiscal Policy and Development. Spending Needs for Meeting Selected SDGs

Regional and global objectives

In the previous section we saw that global cross-border objectives, including global and regional public goods, will require large and increasing amounts of financing. The private sector is unlikely in most cases to step in due to problems of exclusivity (it is impossible to exclude individuals from consumption). There is thus a clear market failure which must be addressed by governments through a combination of financing and public policy measures.

Although public goods are a key feature of the new international policy landscape there is no single blueprint for supplying them. Multilateral cooperation is essential and in principle it is possible to finance GPGs through national taxation and provide them through internationally coordinated expenditure programmes (i.e. pooled resources). In practice, this has so far proved difficult to achieve; countries have found it very difficult to allocate nationally-collected tax revenues to cross-border purposes. A growing number of contributions to the literature on development finance are focusing specifically on the question of how to generate sufficient public resources for the provision of GPGs. Some ideas include internationally coordinated financial transactions taxes and carbon taxes as well as an enhanced role for the IMF's SDRs.

IPF for knowledge and research[33]

A ramping up of ODA+ spent on research could solve two problems with current global knowledge on key health and other development issues, namely that there is still not enough of it and that much of what there is is privately owned. Spending much more money on research into key public interest issues, such as diseases and clean technology, is likely to result in cheaper, better technology, appropriate to specific contexts. The current intellectual property regime militates against sharing tech advances – investing far more public money in research would help overcome this.[34]

The magnitude of the knowledge divide between countries, and the need to focus on structural economic transformation, indicates that increasing scientific and technological capacities is an urgent task; initiatives launched during the last decades fall short of meeting the challenge of mobilizing knowledge and innovation for global health. ODA+ could play a crucial role in three ways:

1. Promoting knowledge exchange
2. Investing in publicly available research for sustainable development
3. Expanding the level of resources allocated to help developing countries to build endogenous science and technology capabilities via new institutional structures to raise, administer and channel a significant amount of resources.

Sagasti and others have suggested a new "Global Knowledge Facility" tasked with bridging the knowledge divide between rich and poor nations. Such a facility should be able to take in contributions from different types of partners, commensurate with their relative financial strengths. Those responsible for the management of such a facility should be free from interference by political or commercial interests, but with clearly defined lines of accountability to all stakeholders participating in the scheme. CGIAR is an example of the kind of organisation the world could see much more of in the years ahead.[35]

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[33] This section draws heavily on the ideas of Francisco Sagasti and his team. In particular: Knowledge and Innovation for Development: the Sysiphys challenge of the 21st Century, Cheltenham, UK, 2004.

[34] www.guardian.co.uk/global-development/poverty-matters/2011/jul/15/aid-money-research-clean-technology

[35] https://www.cgiar.org/

ODA+ is not only necessary in the very poorest countries, but also as countries turn "middle income". MICs can make good use of international public funds to complement domestic finance (public and private) and international private finance, whether to respond to traps (quality of funding) or gaps (quantity). It is also important for global cross-border priorities, both regional and global. Although there is downward pressure on ODA in many OECD countries, the progress of many countries up the income ladder should not be seen as an excuse for reductions, when the real reasons are domestic. More ODA+ is needed; whether it is provided is one of the major choices facing the international community.

4: Contributors – from north/south to multidirectional

Traditional analysis: Wealthy countries provide **ODA** to poorer ones.

New paradigm: All countries contribute to **ODA+**, according to ability to do so, and all can benefit from it, according to need.

The bolder ambition for health and other aspects of human progress encapsulated in Agenda 2030 coincides with, and is in part a consequence of, profound shifts in the global political and economic situation. The BRICs already have a combined output matching that of the Euro Area and hold close to $1 trillion cumulatively in foreign direct investment abroad, and they are being joined by a second tier of countries as the new motors of the global economy.[36] Many of the world's poorest countries are also growing fast, expanding their domestic tax bases and accessing money from the private markets in record numbers.

One of the implications of these seismic geopolitical shifts is that many more countries are now engaged in the provision of development assistance, variously defined. So-called "South-South" cooperation has existed for over sixty years in various forms but has increased in prominence over the last decade[37]; with the largest providers today being Brazil, China, India, Saudi Arabia, Turkey and, until recently, Venezuela.[38] The number of non-DAC providers doubled in size in the first decade of this century, while the amount of their contributions more than tripled.

Development cooperation from non-OECD countries (sometimes called "emerging" or "non-traditional" donors) tends to involve a heterogeneous mix of aid-like (ODA+) and non-aid-like interventions. Many governments offer partnerships that bundle investment, trade, technology, concessional finance and technical assistance. The mix of financial assistance varies from country to country, but loans (concessional and non-concessional) are a predominant form. While traditional aid stagnated last year, if you add in all the finance and non-monetised co-operation from non-OECD countries, ODA+ is at an all-time high.

- Chinese investment in Africa increased from an estimated USD 210 million in 2000 to over USD 3.17 billion in 2011, though numbers are difficult to substantiate. China has also pledged to provide Africa with over USD 1 trillion in financing by 2025 through direct investment, concessional and commercial loans.[39] China has bought or invested in European assets worth over $300bn over the last decade, despite European living standards being far higher.[40] Not to mention the huge "One Belt One Road" initiative.[41]

- In Latin America, where a particular brand of SSC is developing fast, countries do not check to see which is richer in per capita terms before engaging in mutually beneficial cooperation.[42] Brazilian technology to use breast milk to help premature babies has not only been shared via government programmes with Mozambique and Ghana – Spain and Portugal have also benefited.

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[36] According to a HSBC analysis, Peru and the Philippines are among those predicted to be the world's richest countries in the coming decades: https://www.reuters.com/article/emerging-economies-2050-idAFL6E8CB55620120111
[37] UNDP's 2013 Human Development Report was aptly titled, 'The Rise of the South' and chronicled the recent expansion of so-called 'South-South Cooperation'. UNDP, Human Development Report 2013, The Rise of the South: Human Progress in a Diverse World: http://hdr.undp.org/en/2013-report
[38] UNCTAD, Trade and Development Report 2015: www.unctad.org/en/PublicationsLibrary/tdr2015_en.pdf
[39] Sun Yun, China's Aid to Africa: Monster or Messiah? 201 www.brookings.edu/research/opinions/2014/02/07-china-aid-to-africa-sun
[40] https://www.bloomberg.com/graphics/2018-china-business-in-europe/
[41] https://www.theguardian.com/cities/ng-interactive/2018/jul/30/what-china-belt-road-initiative-silk-road-explainer
[42] https://www.segib.org/en/ibero-american-cooperation/south-south-cooperation/

- Having an aid programme increasingly looks like a symbol of having emerged as a strong nation in the 21st century. Mexico founded AMEXCID, the Mexican Agency for International Development Cooperation in 2011.[43] In 2014, even Kazakhstan announced its intention to do the same with KazAid.[44]

- Several emerging economies have also founded or proposed new institutions for financial and technical collaboration amongst themselves, such as the Asian Infrastructure Investment Bank (AIIB) which will support infrastructure construction in Asia and the Pacific.[45]

So the landscape of contributions is changing dramatically – but the traditional conceptualisation of "aid" does not allow for this evolution. Under a traditional aid understanding, it makes no sense for countries to be both recipients and contributors of international public finance, even though many emerging economies are just that.[46]But it does begin to make sense when we remember that ODA+ is not just about gap-filling – it is also about overcoming traps, as well as furthering political and economic relationships.

Universal targets, universal contributions, universal benefits

"Universality" is a key concept of the SDG era, representing another paradigm shift. For the first time, high-income countries face targets that are just as important as those of poorer countries. In one sense, we are all developing now. The aspiration is not only for convergence (i.e. poorer countries come up to the standard of richer countries) but for progress in all countries, including wealthier ones.

We propose to apply this vision of universality not just to the targets of the SDGs, but also to who contributes/receives support to make them a global reality. While only "developed" countries were expected to assist others to reach the MDGs, we propose that in the SDG era all countries should contribute to global welfare, just as all countries will benefit from global progress towards the SDGs.

Radically, we propose that this principle should extend not only to the upper middle or even lower middle income countries, but to _**all**_ countries, including the very poorest. Obviously, the richer countries should continue to shoulder most of the ODA+ burden, and poorer countries would receive far more ODA+ than they contribute. But the involvement of even the poorest countries will be important for what it signifies – that this is a global effort involving all countries not just a few, and that therefore all countries should take part in decision making.

Why would poor countries aspire to become donors? The aid industry often fails to understand that, as well as being a developmental financial transfer, aid-giving is a symbolic, political act.[47] It enables donors to translate their material dominance into social and moral dominance – not to mention pushing through their economic and political objectives.[48] This is the reason its beneficiaries so often rail against it.[49]

Encouraging all countries to contribute to efforts to meet global development goals would help cement a paradigm shift in the way we conceive of development, away from charity given by the rich

[43] See: AMEXCID: www.amexcid.gob.mx
[44] UNDP, Start of KazAID marks significant transition in Kazakhstan from aid-recipient to donor, 2014: www.eurasia.undp.org/content/rbec/en/home/presscenter/articles/2014/11/3/start-kazaid-significant-transition-kazakhstan.html
[45] www.aiib.org/
[46] There are a number of good books on this, including Emma Mawdsley's *From Recipients to Donors*, 2012
[47] http://www.jstor.org/discover/10.2307/4177404?uid=3738032&uid=2&uid=4&sid=21102046407757\o
[48] http://www.businessweek.com/articles/2013-03-18/its-time-to-reform-usaid/o
[49] http://www.presidency.gov.rw/interviews/339--president-kagame-we-are-far-from-exhausting-our-potential/o

and towards everyone playing their part, no matter how small, towards the collective good.[50] Poor countries are increasingly keen to capitalise on global power shifts to rejig their place in the world, and are tired of being singled out by development efforts, as epitomised by the millennium development goals (MDGs).[51]

But the effects of even the poorest countries' contributions would also be felt, in two main ways. *First*, as rich countries quibble about how much they can spare to safeguard the planet and help people leave extreme poverty, the poorest countries would begin to shame richer countries into doing the right thing by allocating a proportion of their meagre resources for the common good.

Second, the power relations of the aid industry would be shifted. Obviously, the biggest players would still exercise their own authority. But the countries that most need aid to work would at least have their feet under the table, arguing for their rights and interests from a position of fellow contributor, not just recipient.

The obvious objection to this proposal is that poor countries should spend their limited resources on their own people – in economically challenging times, this protestation is even heard regularly in wealthy countries. But poor countries would still receive far more than they contributed.

Indeed, while this might sound radical to some, it is in fact already happening. A number of major global programmes receive contributions from middle and even low income countries. For instance, 12 African countries give financial support to the Global Fund, with cumulative contributions ranging from over USD28m from Nigeria to just USD75k from Burkina Faso.[52] They may give relatively small amounts compared to the money generally granted to them, but this represents an important intent on behalf of these governments to be engaged in global development efforts as contributors as well as recipients.

It is sometimes conveniently forgotten that India is very close to the low-income threshold, at about $1800 per capita GNI, just below Djibouti and Nigeria. And yet India's international public finance (not necessarily concessional) is now more than double the ODA it receives (USD 1.3 billion in "foreign aid" expenditures versus USD 655 million in aid receipts in 2014-2015).[53] Bhutan, Ghana, Sri Lanka and Sudan were among India's top ten IPF recipients between 2005-2010; all have higher per capita incomes.

Towards a more contributory, multilateral system

IPF contributions would either be bilateral, probably to nearby countries – thus building regional ties and supporting regional development – or, more straightforwardly, multilateral, to major funds like the Global Fund to fight poverty and disease. Poor countries could even buy small shares in the development banks, wielding shareholder power as campaigners have done recently in major businesses.

ODA is usually considered a voluntary act offered on an ad hoc basis as per the autonomy of the donor, but over time, ODA+ payments could evolve from being voluntary gifts to stable contributions according to an agreed formula, so that key multilateral funds can be replenished, and major crises responded to in an orderly way. It is absurd that when disaster strikes a country, for instance, it should

[50] The 0.7% target could be extended to all nations. The financial impact of middle-income countries contributing 0.7% of their GNI to global causes would be significant: about $150bn more in concessional IPF would become available. Figures from Wickstead, Glennie & Sumner (forthcoming)

[51] Africa was the only continent specifically mentioned in the Millennium Declaration, an indignity it did not suffer in the SDG preamble.

[52] The African governments listed as donors on the Global Fund government donor website are Benin, Burkina Faso, Cote d'Ivoire, Kenya, Namibia, Nigeria, Senegal, South Africa, Togo, Uganda, Zambia, Zimbabwe. https://www.theglobalfund.org/en/government

[53] www.devex.com/news/in-latest-indian-budget-aid-spending-dwarfs-aid-receipts-82915

have to wait in hope that other countries are feeling generous in their response – there should be permanent funds available, just as there are at the national level, and in some regions e.g. the European Union. And the same goes for other development priorities. An agreed formula could also replace the triennial begging-bowl rounds in which multilateral banks and international financial institutions (including PPPs) seek voluntary contributions from their members. While it will be hard to enforce such a system, peer pressure could help it work sufficiently well to be useful – the CERF and UN membership contributions are examples of where it has already been tried (although with mixed results to date).[54] Countries would direct their contribution to the objectives and organisations that most tallied with their priorities.

It is politically correct to talk of "partnership" in development circles. But in a meaningful partnership, all partners contribute something important. Re-modelling aid so that all contribute a fair share would help remake the case for aid to sceptical publics, rebalancing the power dynamics that so often taint the dealings of donors and recipients.

The upheaval in the world of aid and international development should be an opportunity to remake the basis of international financial cooperation. In a new settlement, all countries would pay into a new universal source of finance for our global goals, given their universal nature. No longer reliant on a handful of countries. Targets for all; financed by all. Countries that have long felt alienated from the ODA system, as they are excluded from major decision-making, would be able to engage fully in a new way of working.

[54] https://cerf.un.org/

5: Narrative – from foreign to global

Traditional analysis: ODA is a charitable, voluntary, gift to foreign countries

New paradigm: ODA+ is a statutory contribution to our global common good

As the South rises, so the traditionally powerful North is facing economic and political challenges it has not seen for almost a century. The financial crash of the late 2000s ended a long period of growth and austere economic circumstances have led to a resurgence of populism and nationalism in many western countries, with a consequent undermining of internationalist rhetoric that dominated for some years. This political reality is somewhat in tension with the bold global ambitions signed up to by world leaders in September 2015 and it means the rapid increases in ODA that accompanied the first decade of this century and the MDG era have not been matched at the onset of the SDG era. In this context, the concept of sending money to far-flung places without even the assurance that it will achieve its objectives is proving a hard one for many politicians and their constituents to fathom. Surely, they argue, their limited resources should be focused on their own people rather than spent on foreign aid.

Meanwhile, as Southern countries discover a bolder voice on the global stage, the traditional language of aid, of donor-recipient, and of charity is being questioned more than ever. Criticisms that have been made for many decades are rising to the fore, as countries demand more respectful dialogue, less patronising language, and more power over how international public finance is spent in their jurisdictions and globally.

Standards of living in the North remains far ahead of the South, even if the donors are currently in recession and the recipients growing fairly well, not to mention historic obligations related to colonialism (which are a major factor in political discussions over aid) so there is no sense in which wealthier countries can declare their moral obligations at an end.

But there does need to be a change in the narrative. ODA+ contributions should no longer be seen as support to other, foreign, countries, but to the global commons. It has long been recognized that poverty and conflict anywhere in the world can be a threat to stability and prosperity in places thousands of miles away. In the era of climate change and planetary resource limits this is ever truer. The concept of mutual benefit is already firmly embedded in south-south cooperation rhetoric and needs to become more common among traditional ODA+ providers.

The universality of the SDGs, breaking that patronizing separation between developed and developing countries, implies a new era of equal treatment, whereby standards of living enjoyed by the wealthiest countries should now be in the purview of historically poorer ones. In fact, the very concept of sustainable development has global equality indelibly associated with it. In a world of limited resources and a growing population, sharing things out more fairly in the 21st century may be the only way humanity can survive into the 22nd.

The SDG manifesto means reducing inequality within as well as between countries. Failing to do so would mean a widening gap between rich and poor everywhere, including in donor countries. So, IPF is not only a moral obligation but a smart investment. Citizens need to be inspired that they can support politicians that want reduced inequality that will contribute to a fairer and more sustainable distribution of wealth.

From charity/aid to investment/commitment/contribution

The conventional understanding of IPF, based on an aid mentality which has held firm since the 1940s, is that it is a transfer of resources from rich to poor, couched very much in terms of charity, although sometimes also recognising mutual benefit in the long term. It would be absurd, according to this understanding, for poor countries to contribute to global development spending, and even more absurd for a country to be engaging in international development activities in another country with a higher per capita income. But, as we have seen, this is precisely what is happening. No wonder people are confused.

A shift in rhetoric is required away from the idea that countries are paying for other people's development, and towards an understanding of our shared destiny. The language of "aid" and "donors" needs to become a thing of the past. ODA+ is not charity, it is a demonstration of responsibility for global welfare.

Country-level resource redistribution, while very different, is useful analogy. In most countries, wealthier parts of the country do not begrudge the payment of a premium in taxes to subsidise healthcare provision and support less well-off parts, or invest in public goods, even if they do not use them personally. In this instance we don't use language of donors or charity – it is simply an appropriate way of spending tax receipts. Just as at the national level citizens accept the concept of taxation to pay for national public goods (welfare, conservation, national parks, policing and defence, infrastructure) so we need to develop language to make that analogy at a global level. The institutions and modalities will be very different, but the fundamental concept is the same.

There is a place for charity, of course, but for too long we have been caught up in a misnomer, describing as "foreign aid" something that would be better conceived as global public investment, similar to the investment made in individual countries, but on a global scale. The term "investment" 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. Some organisations, including the Global Fund, already use the concept of "investment" very widely.[55]

It is likely that over time this way of viewing ODA+ will be fairly popular with western publics, which will be more contributor than recipient. There is mixed evidence on public support for international cooperation in traditional donor countries, but some evidence suggests that western publics respond positively to the idea that aid might help prevent a pandemic reaching their shores, for example.

Expanding our horizons to include foreign countries as part of our responsibility is a significant conceptual frontier, but it is logical as global communication improves and our world shrinks. There are plenty of elements of the "aid" narrative that we need to hold on to; but there are aspects that need to evolve. Indeed, the very word "aid" may be one of the things we need to ditch in the 21st century, as many have already observed.[56]

[55] The UN Millennium Project's 2005 report on financing the MDGs was called "Investing in Development" – one of many examples. https://www.who.int/hdp/publications/4b.pdf

[56] Back in 2011, the Busan Declaration relegated the word "aid" to only occasional use, while the then Chair of the OECD-DAC explicitly suggesting ditching the word: https://www.theguardian.com/global-development/poverty-matters/2011/jul/27/aid-and-development-coordination

Conclusion

While some argue that the importance of ODA+ is falling in the world, as it declines in size relative to other financial flows, the opposite may actually be true. As economies grow, the role and relative importance of ODA+ evolves, but does not end, and its unique characteristics make it ever more useful and relevant.

But we need to change the way we think about and deliver ODA+ if we are going to live up to the promise of the SDGs and UHC. ODA+ has been through many changes over the years, from the "big push" rhetoric of the 1960s (rekindled in the early 2000s), the setting of the 0.7% target in 1970, structural adjustment in the 1980s and 1990s, and, most recently, the era of the MDGs, with its focus on extreme poverty.

Each of these eras contains important narrative elements that must be preserved. But today, in the era of the SDGs, theory needs to catch up with reality and the sector needs to offer a new inspiring discourse to prod decision makers in the right direction. The common default understanding of the role of ODA+ is now out-dated, and the narrative remains hemmed in by a number of conceptual constraints which prevent it from fulfilling its potential.

That is why, building on the trust of the general public in the national-level public sector, we propose five paradigm shifts for a new international public finance model for global health in the 21st century.

Table 3: Five paradigm shifts

Issue	Paradigm shift	Conventional analysis	Our proposal
Ambition	*From survive to thrive*	**ODA** should alleviate the most extreme deprivations and deliver primary healthcare. The responsibility of the international community ceases when a certain minimum level of health outcome is achieved.	**ODA+** should support all aspects of health and related investments required to achieve UHC, helping build strong and sustainable health systems. The international community's job is to work towards global health equality.
Function	*From quantity to qualities*	**ODA** is needed in exceptional circumstances to fill a financial gap.	**ODA+** has a unique set of characteristics and cannot simply be replaced by other types of finance. It can help overcome a variety of "traps" despite the availability of other sources of finance.
Scope	*From temporary to permanent*	**ODA** should come to an end as soon as other finances are available and/or such limited health needs are met.	**ODA+** will remain useful (and often essential) indefinitely, in most country types, and for cross-boundary objectives.
Contributors	*From north-south to multi-directional*	Wealthy countries provide **ODA** to poorer ones.	All countries contribute to **ODA+**, according to ability to do so, and all can benefit from it, according to need.
Narrative	*From foreign to global*	**ODA** is a charitable, voluntary, gift to foreign countries	**ODA+** is a statutory contribution to our global common good

From contradiction to coherence

The job of the international development community is not to "do itself out of a job" but to build the next part of the platform of international cooperation for sustainable development, and ODA+ must play a pivotal role. We are not at the beginning of the end of ODA+. Rather we are at the end of the beginning.

While some of the paradigm shifts set out above may seem radical, they are actually a reflection of the changes already underway in the development cooperation sector. Both south-south cooperation and, increasingly, "traditional" donors are acting in this new way. But they lack a coherent understanding/vision/narrative to explain why.

We need to move on from confusion to clarity, because while much of this evolution is taking place naturally, there is still much to fight for in terms of quantity, quality and governance. By moving in the direction we propose, we hope to see a stronger global campaign for health in at least six ways:

1. We will be more likely to mobilise larger amounts of the right kind of money to achieve development and global health progress. For the first time, development (as defined through the 17 SDGs) will be treated as a global common good to which all countries contribute.

2. We can hope to see stronger and more sustainable support for long term spending and other forms of development cooperation.

3. The SDGs will be treated as intended i.e. a holistic system of interdependent areas of development. The relationship between North and South will change, as southern actors assert themselves more powerfully, rebalancing decades of skewed decision-making. The process of development finance will increasingly be steered by net-recipient countries based on their own investment plans, specifying when, where and how ODA+ can contribute.

4. Current aid practice could change for the better, with new players using their influence and instincts to complement the best of traditional aid. The focus would increasingly be on embedding systems and spurring research into global threats and solutions.

5. The role of global funding mechanisms (such as, in the health sector, GF, GAVI, GFF, UNITAID) would change from channelling donor funding towards facilitation of a market place for ODA+.

6. The negative effects of transition away from certain countries and graduation out of aid will cease. Quite the opposite – ODA+ will be useful in countries which currently do not see themselves as aid recipients.

We say we need to pull out all the stops, but we cannot clearly explain the future of one of the most important pieces of the development puzzle. We say our ambition is hugely higher, but we act as if we are still only really concerned with primary health. We say we understand the different roles of private and public money, but we still engage in "gap" calculations as if all money is interchangeable. We say we need to move on from aid, but we don't know where to move to.

Embracing a more ambitious and coherent concept will help resolve these contradictions and ensure sustained investment in things that matter to the world, including global health targets and UHC. Of course, a more modern understanding of ODA+ will be only a part of the conundrum – ingrained beliefs will take time to evolve, and words are just words until actions and policy decisions also shift. But it will be an important step in the right direction.

Annex A: Queries & objections (Q&A)

Shouldn't we be prioritising the poorest countries?

Recent research by the Overseas Development Institute demonstrates that aid per capita in low income countries is *lower* than in middle income countries, an anomaly that must clearly be rectified, as a priority.[57] Whatever the size of the ODA+ pot, priorities always have to be made and the most egregious examples of poverty and ill-health must be tackled first.

But sometimes people confuse not needing so much so urgently, with not needing anything at all – confusing needy with *most* needy. The language of $1/day poverty, while useful, may have skewed our understanding of what constitutes *need*; prioritizing scarce resources should not be confused with assessing actual need. Need can be absolute, and it can be relative, just like poverty. When the MDG extreme poverty health targets have been met, do communities still "need" support for better health?

The case being made in this paper is not that money should be directed away from LICs and towards MICs, but that the poverty and sustainability needs in MICs should be recognised, as well as the role ODA+ can play in responding to them. This implies that we will continue to need a growing pot of ODA+ in the years to come, to satisfy need in MICs as well as LICs.

Don't MICs have access to other forms of finance?

It is clear that UHC is very far delivered in MICs. But aren't MICs, especially UMICS, now wealthy enough to pay for the constant improvements in health required by SDG3? Shouldn't an increasing domestic tax take replace the need for foreign public cash, as the economy grows and tax management improves? Do they really still require help from abroad? In short, why should foreign taxpayers help when there is enough domestic tax and private finance

There are two main problems with this optimistic outlook. First, as we have seen, the need is far greater than usually assumed. The calculations generally made regarding domestic tax opportunities respond to a very limited (some would say stingy) ambition for health outcomes. It may be that some countries could reach the most basic health provision by themselves (although most can't), but to deliver UHC will require far more public finance than is available, even in UMICs.

The second problem with this assertion is that it is over-optimistic regarding the political feasibility of a redistribution of wealth and income rapid and large enough to meet global objectives. It is to be welcomed that more government agencies and international analysts (including the OECD and the IMF) are emphasising the problems of intra-country inequality and the crucial redistributive role of taxation. But the likelihood of significantly fairer distribution in a relatively short timeframe is low. Trying to persuade the haves to share wealth and opportunities more generously with the have-nots is long term; the kind of shifts in taxation and public spending required generally take place over decades, rather than years. India, for example, like many developing countries (whether Low or Middle Income) has a Gini coefficient on a par with most developed countries (and significantly below that of the United States). Reductions in inequality in Latin America have been important but minimal, and always at risk of reversal. There may also be significant limitations in terms of access to private capital markets.

MICs can make good use of international public funds to complement domestic finance (public and private) and international private finance, whether to respond to traps or gaps. Given the stubborn

[57] Manuel M. et al (2018) Financing the end of extreme poverty, ODI https://www.odi.org/publications/11187-financing-end-extreme-poverty

reality of deep inequalities over the centuries, and the fact that in many countries they are getting worse, the idea that middle income countries should exit ODA+ is over-optimistic.

Why should the poorest countries contribute?

It may seem odd to think of the poorest countries contributing to global health and other global benefits. There are two reasons to think this could be a sensible way forward. *First*, the amount they pay in will be far less than the amount they receive (just as poorer regions of a country still pay tax towards the national treasury but receive back a lot more). *Second*, as contributors, poorer countries will be able to demand more say in how funds are managed and delivered. *Third*, the symbolism of this action will contribute to a new way of viewing global joint interventions, no longer dependent on a handful of countries, but including all countries, rich or poor, small and big. *Fourth*, while this sounds radical, it is already happening – some of the world's poorest countries already contribute to regional and global development funds, and to the UN and regional banks.

Will Southern countries agree?

Some Southern countries may object to the idea of contributing, although many of the major players already do so. They insist, rightly, that the North has historic and moral obligations to fulfil that cannot be shared out with the South.[58] This is correct, and this proposal does not seek to challenge those important historic principles. The North will always have larger obligations. However, in a changing political context, many in the South will see this as an opportunity to engage more fully in global governance and influence the future in a new way.

How will contributions be enforced?

There is no way of legally enforcing these contributions to ODA+. Most OECD countries fail to live up to their 0.7% pledge, while some are even behind in their UN contributions, and this can be expected to continue, depending on the political leadership in any given country. This proposal does not expect basic politics and pressures on budgets to cease. What it does is propose a new framework under which renewed efforts can be made to build ODA+ into a force for major global change in the 21st century. It will be far from perfect, as is any major international intervention, but it could be an important next step for financing global goods.

Countries give ODA+ for their own national interest, not global good

A critical attribute that ODA+ shares with national public finance is that it is not, in theory, primarily motivated by profit (although in practice, when the state is taken over by private interests, it is certainly possible for public finances, domestic or international, to be used for private profit). What then does motivate ODA+? The motivations of ODA+ providers can be plotted on a spectrum between solidarity on the one hand, and self-interest on the other. Enlightened self-interest, including the desire to maintain an international context adequate for their own national development efforts, primarily through the provision of international public goods, sits somewhere in the middle of the spectrum. This balanced motivation of ODA+ represents huge potential for effective financing for global health in the future.[59]

ODA+ isn't much money – why focus on it?

It is true that as Southern economies have grown, ODA+ has become smaller relative to other sources of finance. Remittances, for instance, have grown exponentially in many countries, while domestic taxation is also higher than ever. But size isn't everything. The importance of ODA+ is as much in they

[58] This is a particularly key argument in UN negotiations led by the G77

[59] Gulrajani N. et al (2019) The principled aid index: understanding donor motivations. ODI https://www.odi.org/publications/11294-principled-aid-index-understanding-donor-motivations

type of money, its qualities and characteristics, as in the amount. Many countries (from India to Nigeria to Colombia) have received very little ODA+ relative to the size of their economies for decades, but still can use it wisely to catalyse progressive change.[60]

The public won't support it

As the West recovers from financial meltdown it is understandable that all budgets are under great pressure, including the ODA+. But that does not mean there is less *need* – it means it is harder to muster the political will to provide for that need. But it is possible. The UK, currently going through its worst economic crisis in decades, with cuts to public services across the board, but still able to meet its 0.7% ODA commitment. If the UK can manage that, other countries could do the same; France and Germany are also increasing and on a path towards 0.7%.

A new narrative, emphasising raised global ambitions, continued global need, joint global benefits, and the impact of ODA+ even in "middle income" countries, could spark renewed commitment for a great new global endeavour.

The politic context is hardly supportive at the moment!

It is true that, in some countries, politicians are emerging emphasising a new nationalism and disregard for global concerns. But that will not last forever. We need a powerful vision to respond to concerns about globalisation and global development efforts, both to counter narrow national visions, and to be ready when the political opportunity emerges to take back the initiative.

Won't external support reduce pressure domestic political change (moral hazard)

It is possible that when there is access to external funding sources, domestic political pressure to modernise and democratise the tax/spend system may be undermined. But this has always been true, in countries of all income levels – so it is not an argument to be wielded now. Furthermore, it is likely that as aid reduces compared to the size of the economy (i.e. aid dependency reduces) this moral hazard will be mitigated. In other words, aid at low levels relative to the size of GDP is unlikely to significantly slow progress to a more equitable use of resources – on the contrary, in many instances, when it is carefully oriented in terms of good incentives, it may further the pressure for change.

[60] From high to low aid: a proposal to classify countries by aid receipt, Glennie & Prizzon, 2012 https://www.odi.org/publications/6383-high-low-aid-proposal-classify-countries-aid-receipt

Annex B: Beyond ODA+ – the bigger picture

This paper is about the need for a strong and sustainable supply of ODA+, but it does not labour under any illusion regarding the importance of such ODA+ relative to other factors required to achieve UHC.

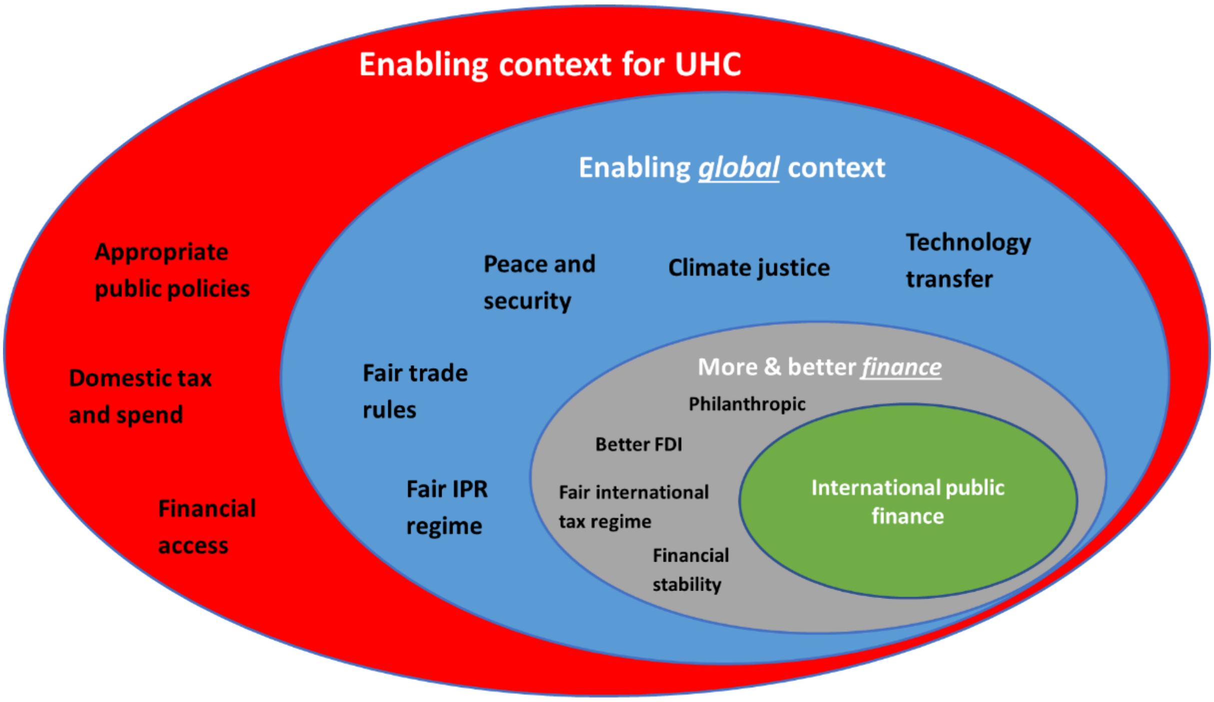
An enabling context for UHC

The factors driving progress in health are many and varied, and other issues are many times more important than external financing for the delivery of UHC.

Impressive economic growth in many Southern countries has meant more money available both to governments and to individual health consumers to safeguard their needs. At the same time, health technology has continued to improve, reducing the cost of life-saving and life-enhancing interventions. Finance itself is only one component of the enabling environment required for UHC, let alone ODA+, which is only a subset of finance.

The diagram below visualises some of the issues on which progress is required.

Figure A: Situating IPF in an enabling environment[61]



First and foremost are the domestic policies and financing arrangements, including some of the issues in the **red** oval.

At the international level a range of policies must be implemented to create an "enabling environment", including a fairer trading system, ensuring that the global average temperature remains within 2^{o}C of pre-industrial levels – these are in the **blue** oval.

Part of the global context is financial – **grey**. A more stable global financial system to encourage developmentally-useful private foreign investments, and efforts to reduce illicit capital flows and tax

[61] Source: Author's own elaboration

evasion and to increase stolen-asset recovery. Philanthropic finance (i.e. private but not-for-profit) is also increasingly playing a role.

Finally, international public finance also plays a part – the **green** section. ODA+ is itself just a sub-set of IPF.

International public finance explained

In this report we have used the term ODA+ to refer to concessional international public finance used for global development purposes. But other types of international public finance are also very important, increasingly so.

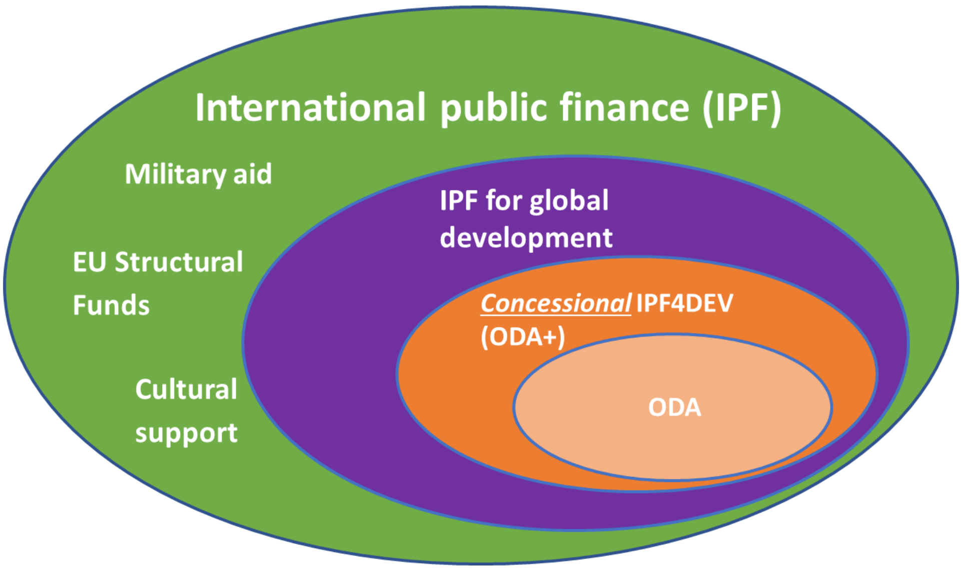
IPF is a very broad concept, far broader than most people think. It simply means finance raised publicly, either from national public revenue (e.g. income tax) or international-level resource mobilization (e.g. a financial transaction tax or airline levy), which is spent on international objectives, either in another country or on some kind of international project. This covers a lot of spending that is very far from ODA.

Much IPF is non-concessional, and indeed seeks a market rate of return on investments. Many sovereign wealth funds and export credits fall into that category. Some of these elements, those that do seek to further global development, would typically count as 'Other Official Flows', and would be included under the OECD's proposed new metric of Total Official Support for Sustainable Development (TOSSD).

Furthermore, much IPF is not intended to promote development, as conventionally understood. Military aid to other governments, support for cultural activities and space exploration are examples of that. Since the onset of the SDGs and the expansive concept of sustainable development, previously "non-development" motivations might now find themselves indirectly or directly relevant to broader sustainability e.g. the cooperation between countries on aeroplane security, the CERN hadron collider.

The diagram below sets out how concessional IPF for development, which we call ODA+, is only a subset of overall IPF. ODA is a part of ODA+.

Figure B: Situating ODA+ within broader IPF[62]



[62] Source: Author's own elaboration

Given economic pressures in OECD countries, some OECD member states are pressuring to expand the ODA definition (e.g. to include security-related expenditures) and to count non-ODA development related expenditure (which has led to the TOSSD initiative).

IPF does not include philanthropic giving which comes from private sources, such as foundations, NGOs or households, although it does share some characteristics i.e. frequently motivated by similar goals, often concessional. Accountability structures tend to be different, which can be both positive and negative.

Each of the eight types of development finance (see Table 1 on page 7) has a unique combination of characteristics that make them all important for different tasks. Just as at the national level you can't just substitute private or philanthropic money for public money and expect the same health results, the same is true internationally. Thus, the characteristics of ODA+ we set out in the section on Function are similar for other types of IPF, with different qualities coming to the fore in different types of IPF.

Applying the same paradigm shifts more widely

In our view, much of the same analysis that we have applied to ODA+ can be applied to the other types of IPF and indeed other major policy issues that need to evolve in pursuit of UHC. The international community needs to rethink the economic paradigms that have, yes, brought the world unprecedented wealth, but also have created an unsustainable focus on profits and consumption, leading to rising inequality among other things. There is broad agreement in progressive economic circles that we need to work towards more sustainable and inclusive economic models. Global health advocates should review how currently dominant economic paradigms and practices have impacted health access and delivery.

Annex C: Beyond health

In this paper we have focused on the health sector, but new ambition characterises all the SDGs, not just health. The vision of Agenda 2030 is transformative. The international development community has perhaps placed too much emphasis on an exaggeratedly stingy definition of extreme poverty. The international poverty line of $1.25 a day was intended to identify the most destitute people on the planet, not to stipulate an acceptable standard of living.[63]

The Sustainable Development Goals (SDGs) represent a profound paradigm shift which many in the international community, especially those concerned with aid and finance, are still some way from properly comprehending. Perhaps the most obvious change is the one implied by the name itself i.e. a focus on environmental sustainability. Central to Agenda 2030, and now commonly accepted by most analysts, is the realisation that there are natural limits within which the global economy operates and that our development model is jeopardising the well-being of future generations without even meeting the needs of the present. Threats to oceans and forests, unsustainable approaches to land use and food production and, of course, climate change, are among the most urgent issues we face. The international community has formally recognized the need to live within the natural boundaries of the planet (even if that recognition is not yet represented in sufficient public policy shifts).

Going beyond direct health spending, estimates for infrastructure needs in developing countries are huge, with one study suggesting that "the incremental investment spending across emerging markets and developing countries is estimated at around $1 trillion a year more than what is currently spent", with electricity, water and transport accounting for the bulk of this.[64] Most of this spending will, inevitably, take place in MICs and while much of this money will be raised domestically or from the private markets, international public finance will continue to have an important role to play, given its particular qualities.

The MDGs had one goal for environmental sustainability (7) with four targets: integrating the concept of sustainable development into country plans; reducing biodiversity loss; access to water; and improving the lives of slum dwellers. And even this goal was generally considered something of an afterthought.[65] By contrast, seven of the proposed SDGs focus on environmental sustainability, including the need

But although these changes are underway, they lack a coherent theory to explain them in practical terms, and a new narrative to persuade sceptical stakeholders, often including large sections of the public. Old ways of thinking are hindering new ways of acting – the classic scenario for a paradigm shift.

More and better ODA+ overall will, of course, benefit the health sector by reducing the need to compete with other sectors for scarce resources, and because progress in other related sectors can help improve health outcomes, often just as much as direct spending on health issues.

[63] Thresholds nearer $5 or $10/day would better imply resilience against the possibility of falling back into extreme destitution. See Sumner, 2013

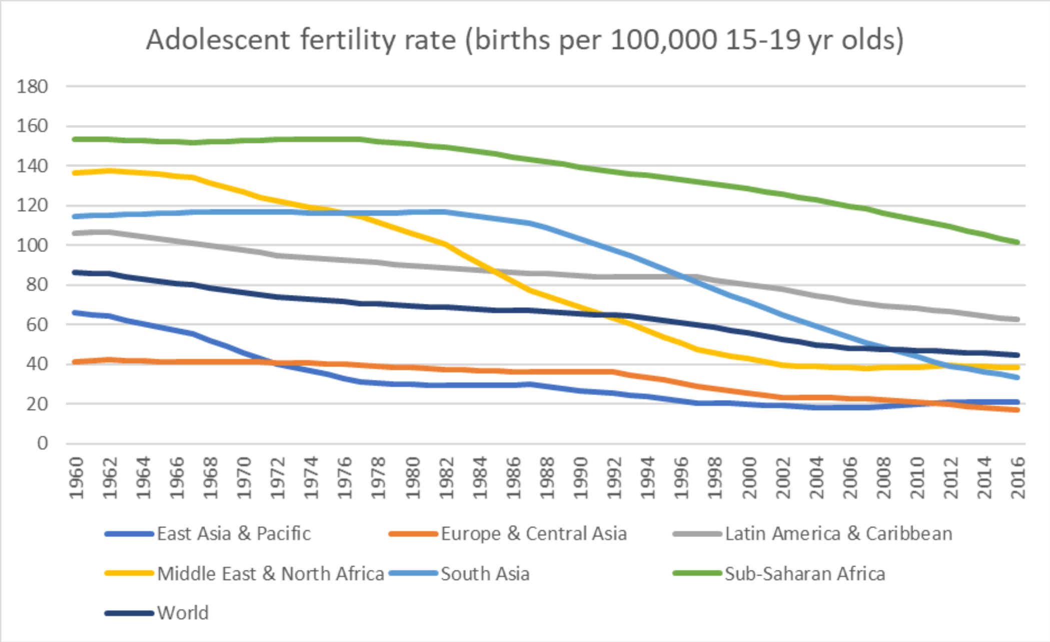
[64] Bhattacharya et al, 2012

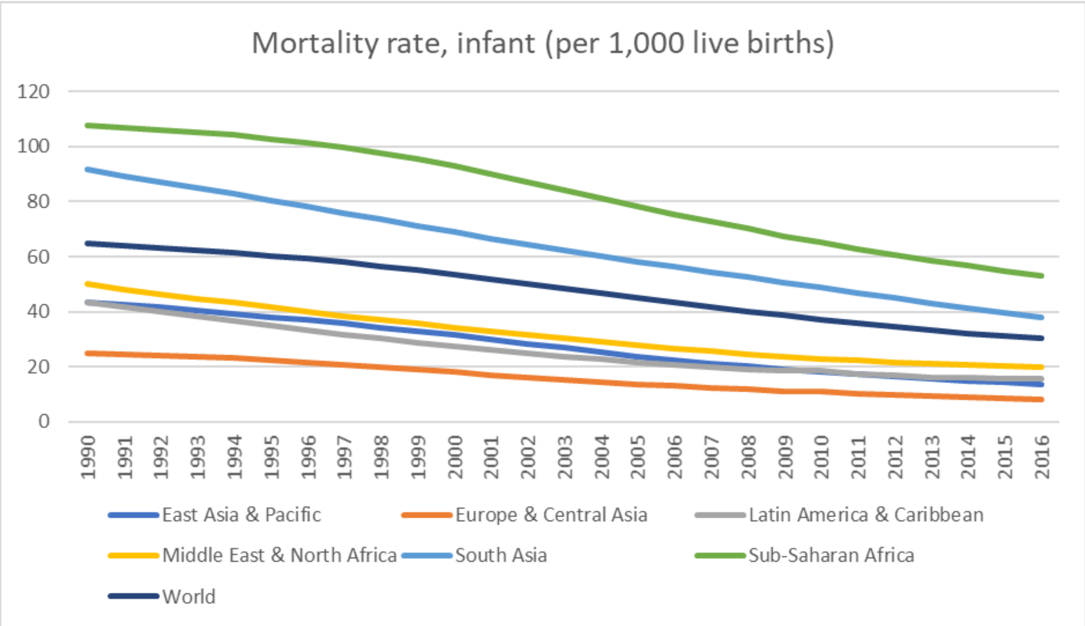
[65] This is according to an anecdote told by Mark Malloch-Brown, the former UNDP administrator, who claims to have added MDG7 at the last minute when reminded by a colleague from UNEP "on the way to the printer".

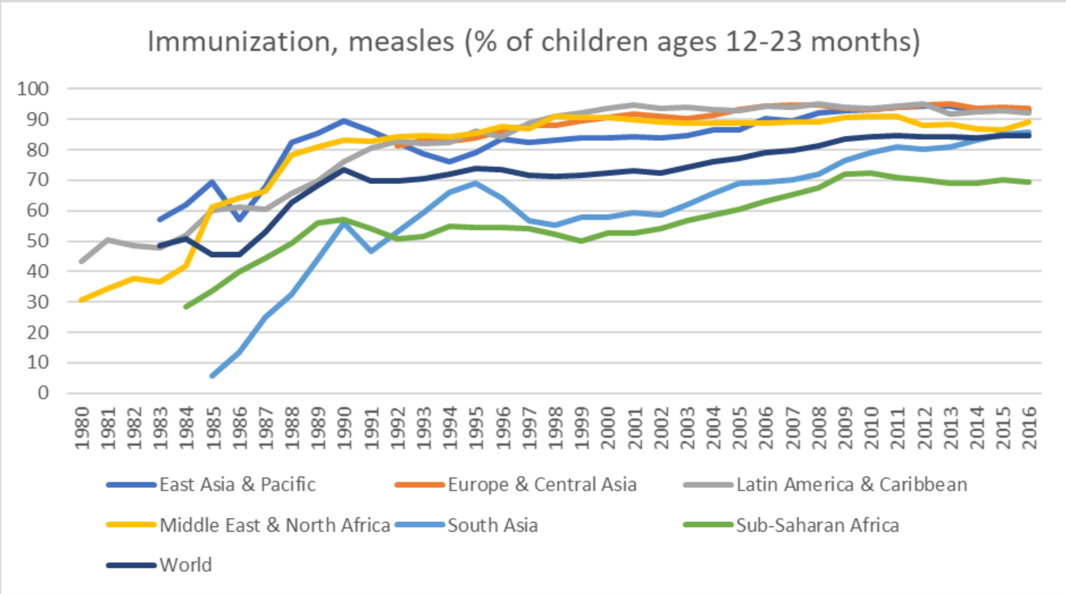
Annex D: Examples of global health progress

These graphs are referred to in the Ambition section. All data sourced from *World Development Indicators.*

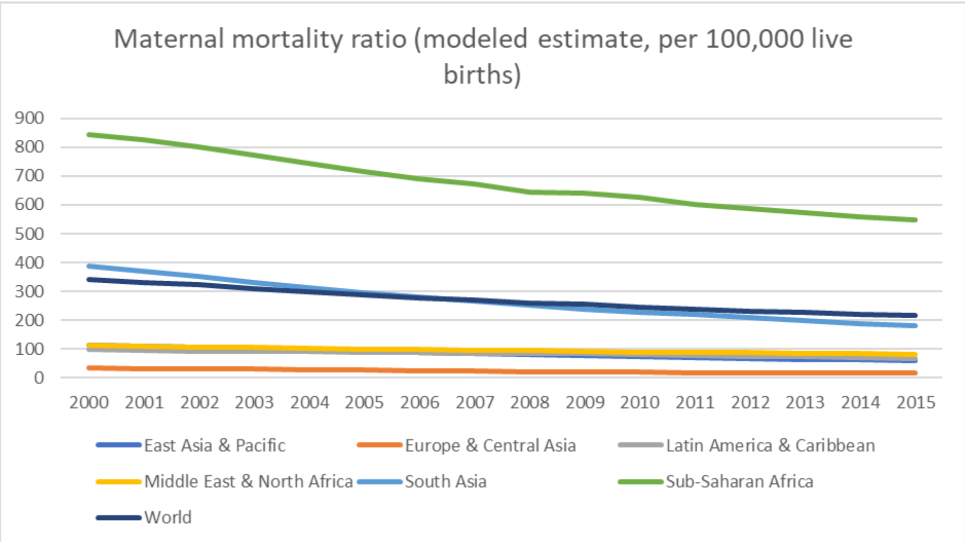
Two decades of progress…

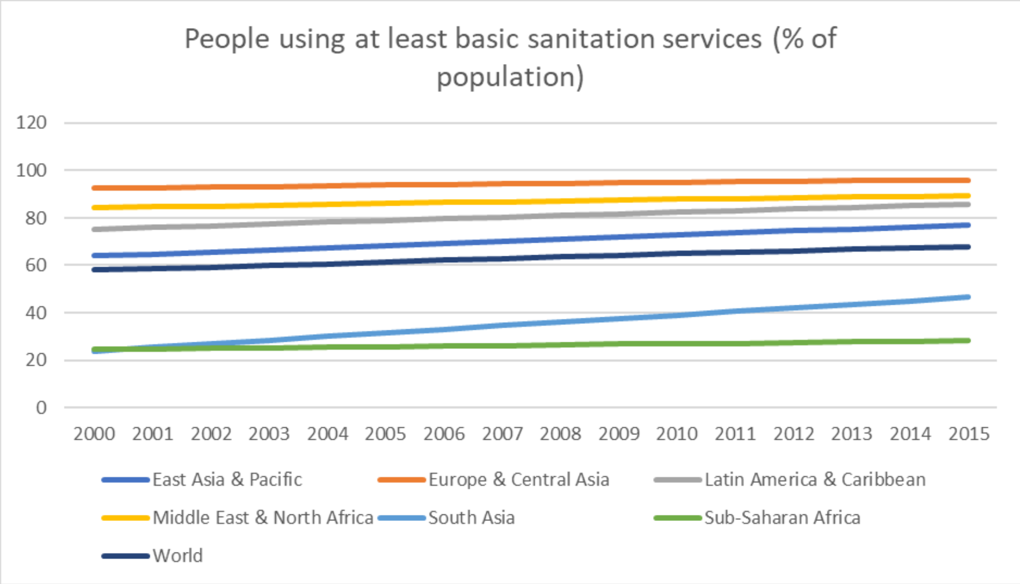






...but most of MDG objectives have not yet been met




People using at least basic sanitation services (% of population)
120
100
80
60
40
20
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
East Asia & Pacific
Europe & Central Asia
Latin America & Caribbean
Middle East & North Africa
South Asia
Sub-Saharan Africa
World