

The Move Humanity Initiative

UN Sustainable Development Solutions Network

June 11, 2018

The Sustainable Development Goals (SDGs) are the world's goals to end extreme poverty, achieve decent work for all, promote social justice, and protect the natural environment from human-caused harms. They are an agreement by all 193 UN member states of the priorities for a prosperous, fair, and sustainable world. They are time-bound to 2030, a universal agenda for every country rich and poor, and to be monitored annually. At a global UN summit in September 2019, heads of state and government will assess progress towards the SDGs.

Achieving the SDGs will mean that every girl and boy, woman and man, has the chance for lives of dignity, prosperity, and safety from devastating environmental harms. The SDGs will promote peace and security by contributing to more prosperous and inclusive societies. They will foster economic growth through increased investments in health, education, infrastructure, and environmental conservation. Their achievement will require international cooperation, public-private partnerships, and increased investments in priority areas. In short, the SDGs call on all nations and stakeholders to invest in the future, and to mobilize the financing necessary for those investments.

Move Humanity is a new global initiative to raise philanthropic funding for the SDGs, with a special emphasis on support for the world's poorest countries. The new initiative aims to raise large-scale philanthropic support for the SDGs from the world's "Ultra-Ultra High Net Worth" individuals (UUHNWIs), notably the estimated 2,208 billionaires as of 2018 and those who will join this group in the years to come.

For high-income countries, the SDGs generally require a shift in investment spending from unsustainable investments in polluting industries to sustainable investments in green technologies. Moreover, in many high-income countries, the quality of investments in health and education should also be bolstered, at little incremental cost or even with net savings.

For many upper-middle income countries, the SDGs will require new net investments, but usually at a cost that is well within the means of the countries involved. Some upper-middle-income countries may have to improve their tax collections and the functioning of their domestic capital markets, but the overall costs of the SDGs will be within the national means.

For the poorer countries, however, including both the low-income countries and many of the lower-middle-income countries, domestic revenues and market borrowing will not be sufficient to cover the incremental investment needs of the SDGs. There are two reasons for this. First, these poorer countries are still at the stage of installing basic infrastructure, urbanizing, and building up education and health systems. They have a long way to go in building capital, as their current low-income levels reflect. Second, due to the low-income levels of the average

citizen and insufficient GDP, these countries lack the domestic tax base and creditworthiness to raise the needed funds on their own.

The overwhelming SDG challenge for these poorer countries is to mobilize the needed resources and direct them towards high-priority SDG investments. There are several potential sources of incremental funds. First, these countries should attract foreign direct investments that bring capital, skills, technologies, jobs, and connections to the world economy. Second, these countries should attract Official Development Assistance (ODA), meaning grants and sub-market-interest-rate loans from the governments of donor countries and international development institutions. Third, the poor countries should encourage philanthropic giving to enable them to meet the investment needs on behalf of their impoverished citizens.

Official and private development assistance is not meant to be open ended or permanent. Such help is needed until the time that economic growth and development enables the poorer countries to finance development on their own. The shift from aid to self-financing is known as “aid graduation.” Since aid dependency is no easy matter, almost all poorer countries look forward to the day when they graduate from the need for development assistance.

Move Humanity believes that all types of SDG financing need to be enhanced in the poorer countries. The poorer countries need to raise domestic tax revenues to the extent possible to cover SDG investments. They need to cut waste and corruption. They need to foster a business environment conducive to foreign investment. And they need to establish national policies to use development aid effectively, guaranteeing that donor funds are well targeted to the priorities of health, education, infrastructure, conservation, and other SDG needs.

The high-income donor countries have long promised to provide 0.7 percent of their gross national income (GNI) as development aid. The combined income of the high-income donor countries is now around \$50 trillion, so 0.7 percent would mean around \$350 billion in annual aid. In fact, only a handful of donor countries reach or exceed the 0.7 percent promise. The average aid of the donor countries is only around 0.3 percent of GNI, or closer to \$150 billion per year.¹ This represents a shortfall of \$200 billion per year from what has been promised. The United States Government, while a large donor in absolute size, is one of the lowest aid providers when aid is measured as a share of GNI. US giving is around 0.17 percent of US national income, roughly a fourth of the 0.7 standard.² The shortfall from the US amounts to around \$100 billion per year in view of America’s \$20 trillion GNI.

Move Humanity believes that all high-income countries should fulfill the long-standing commitment to reach 0.7. The approximately \$200 billion extra per year would enable the poorest countries to close the financing gap on most or all of the SDGs. Yet time is of the essence and the share of aid in GNI in most donor countries is stagnant or falling. Indeed, in the US, recent tax cuts have greatly bolstered the wealth of the country’s richest citizens and the corporate sector, yet the resulting increase in the budget deficit and anti-aid attitudes in Washington make near-term increases in development assistance very unlikely.

¹ Source: OECD (2018), DAC Statistics.

² Ibid.

For this reason, Move Humanity is urgently calling on the world's richest individuals to step up and enable the world's poorest people to achieve the SDGs. As of 2018, the world's billionaires have a combined net worth of around \$9.1 trillion.³ Just 1 percent of this total, if allocated to the SDGs, would finance \$91 billion of incremental SDG investments. The world's billionaires could thereby close around half of the gap currently left by donor governments and thereby save lives, educate young people, protect the planet, and enhance the conditions for peace.

The extra \$91 billion would enable every child in the poorer countries to have basic health care and education through secondary school. Current estimates suggest a shortfall for health funding in the lowest income countries of \$40 billion and another \$40 billion for education, totaling roughly \$80 billion in all.⁴⁵ Millions of lives would be saved, and today's youth in the poorest countries would be enabled to gain job skills for the 21st century, empowering them to become productive citizens and contributors to modern economic life. If the increased philanthropic giving is also combined with greater resource mobilization within the poor countries and greater development aid by donor governments, then all of the SDGs – health, education, infrastructure, conservation, and others – could be successfully financed.

We firmly believe that most of today's ultra-ultra-high-net-worth individuals are well disposed to help the world achieve the SDGs, especially when they learn more about them, and about how they can be effectively financed. Many very wealthy individuals are citizens of developing countries and want to help their own countries to advance. Many have business operations in developing countries and realize that shared prosperity is crucial for their businesses as well. Many appreciate that great wealth brings great responsibilities and opportunities to contribute to the world.

Move Humanity aims to establish the norm that the world's wealthiest individuals and families should contribute at least 1 percent of their net worth each year to the SDGs, or contribute in a comparable way through personal leadership, advocacy, technology sharing, and creative problem solving. We believe that most of the world's wealthiest individuals will respond affirmatively to this call to action, both as an expression of enlightened self-interest as well as a moral commitment. For the few who do not voluntarily contribute, Move Humanity will work with governments to promote an SDG Levy of 1 percent of net worth to channel the urgently needed funding through Official Development Assistance rather than private philanthropy.

³ Source: Forbes: The World's Billionaires 2018

Available at <https://www.forbes.com/billionaires/#1d849443251c>

⁴ Jamison, D. T., H. Gelband, S. Horton, P. Jha, R. Laxminarayan, C. N. Mock, and R. Nugent, editors. 2018. Disease Control Priorities: Improving Health and Reducing Poverty. Disease Control Priorities (third edition), Volume 9. Washington, DC: World Bank. doi:10.1596/978-1-4648-0527-1. License: Creative Commons Attribution CC BY 3.0 IGO

⁵ Paper commissioned for the EFA Global Monitoring Report 2015, Reaching education targets in low and lower-middle income countries: Costs and finance gaps to 2030

One barrier to mobilizing larger philanthropic giving is widespread skepticism over the efficacy of development assistance. Too often, development aid has been used by donor governments to promote short-term foreign policy interests of the donor countries rather than the long-term development needs of the recipient countries, making aid look bad and ineffective.

Development assistance works well when it is designed to achieve development objectives rather than the political objectives of the donors or the corrupt interests of recipient governments. Consider two stellar programs in public health: The Global Fund to Fight AIDS, TB, and Malaria (GFATM) and the Global Alliance for Vaccines and Immunizations (GAVI). Both GFATM and Gavi provide development assistance that is rigorously targeted at identifiable, measurable, development purposes. In the case of GFATM, the purpose is to control the three epidemic diseases, HIV/AIDS, TB, and malaria. In the case of Gavi, the purpose is to ensure access to vaccinations in the developing countries, including to newly developed vaccines. Together, they have saved millions of lives in recent years.

GFATM and Gavi share key design features that explain their operational successes. Both vehicles are multi-donor funds that: pool the resources from public and private donors; require complementary financing by the recipient country; disburse funds based on programs designed and led by the host-country government; involve independent expert reviews of proposed national programs; set clear metrics against which programs are evaluated and make continuing disbursements conditional on successful implementation; monitor and evaluate their funded programs to ensure compliance and efficacy; apply zero tolerance for corruption; and promote innovation in technologies and service delivery.

Based on these design principles, GFATM and Gavi have saved millions of lives at very low cost, and with the very high confidence and trust of both the donors and recipients. Therefore, these two funds offer a powerful template for financing many of the SDGs, including basic education, primary healthcare delivery, biodiversity conservation, and access to basic infrastructure. For each of these critical SDG investments, Move Humanity envisions at least one pooled fund to support national strategies, with expert oversight and rigorous monitoring and evaluation.

Move Humanity will be organized around ten guiding principles (see the table below). These principles establish the overriding priority of the SDGs, such as the end of poverty (SDG 1), universal health coverage (SDG 3), universal basic education (SDG 4), gender equality (SDG 5), universal access to renewable energy (SDG 7), and biodiversity conservation (SDGs 14, 15). Ultra-high-net-worth giving will aim to help close the SDG financing gap in the LICs and the LMICs. The primary institutions for aggregating and disbursing development assistance will be pooled financing vehicles such as the Global Fund to Fight AIDS, TB, and Malaria, Gavi and others. UUHNWI giving will be monitored and reported.

Move Humanity's Ten Guiding Principles

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| 1. The 17 SDGs are the world's global development priorities, constituting the globally agreed framework for the years 2015-2030. |
| 2. The Low-Income Countries (LICs) and some Lower-Middle-Income Countries (LMICs) require development assistance, both public and private, to achieve the SDGs. |
| 3. Development assistance should be complementary with domestic financing, and conditional on strong national financing efforts. |
| 4. Development assistance should be directed to LICs and LMICs in order to close the SDG financing gaps in these nations. |
| 5. Official Development Aid (ODA) by each donor country should reach the long-standing target of ODA of at least 0.7 percent of GNI. |
| 6. Private Development Aid (PDA) should reach at least 0.3 percent of donor GDP, with giving by UHNWI's constituting the largest portion of PDA. |
| 7. PDA by UHNWI's should equal at least 1 per cent of their net worth per year, with extra giving in one year carrying over for later years. |
| 8. UHNWI development assistance should be monitored and reported annually. |
| 9. UHNWI funding should be directed largely towards pooled SDG Funds that support national SDG strategies and ensure rigorous monitoring and evaluation of all funding. |
| 10. Ultra-high-net-worth giving should be based on voluntary giving supplemented by an SDG levy on high-net worth individuals for those who do not contribute voluntarily. |