

# FOREWORD

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**A**pril 30, 2003. Twenty years ago, in preparation for the G8 summit held in Evian in June of that year, President Jacques Chirac invited representatives of civil society to the Élysée Palace. It was on this occasion that he initiated a discussion on financing development and, beyond that, global public goods. He entrusted Jean-Pierre Landau, assisted by the author of this foreword, with the chairmanship of a working group on new international financial contributions. We should recall the context. A few months earlier in South Africa, Jacques Chirac had called out: “Our house is on fire and we are looking elsewhere.” And the first half of 2003 was taken up with the war in Iraq. Nevertheless, the G8 summit would take place and give impetus to dialogue with Africa and to financing water infrastructure. After the summer, when he brought together the twenty members of this group, Jacques Chirac expressed his own feeling very matter-of-factly: “Globalization should pay for globalization.” It may also be remembered that a few months earlier, and despite international tensions, the process that led to the innovative and unconventional financing of GAVI, the Global Alliance for Vaccines and Immunization, had been initiated. In that instance the idea was to borrow early, massively, and before donations were received in order to finance large-scale vaccination campaigns and avoid endless, more modest campaigns. The amounts involved were substantial. They would be repaid over time, thanks to the commitments made by governments on a longterm basis. If country X pledged \$500 million over five years (e.g. \$100 million/year), it then became possible to borrow the sum (i.e. \$500 million immediately) and make a bigger impact. The group convened by President Chirac had this example in mind. Its work went

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even further, resulting in the first international tax, what has since been called the “Chirac tax”, or a tax on airline tickets (beneficiaries of globalization), intended to finance global medical research (impacted by globalization) (Landau, 2004). That would lead to the creation of Unitaid. We can see that twenty years ago, creativity was the order of the day. Moreover, governments were ready to work together to find innovative solutions to the issue of financing global public goods, which had burst onto the scene following the adoption of the Millennium Development Goals. It must be said that this enthusiasm has since had its ups and downs. In particular, we should recall the year 2015, which saw the unanimous approval of the Sustainable Development Goals by the United Nations General Assembly, followed by the signing of the Paris climate agreements. The financial aspect of these commitments did not make headlines at the time. Parallel to this, the author of this foreword had overseen the report “*From Billion to Trillions*”, which emphasized the need for a change of scale. Where traditionally the talk had been of billions of dollars, we now needed to begin talking of trillions of dollars if we were to be serious about achieving these collective, universal goals. In reality, what was on people’s minds at the time was almost blind faith placed in an invisible hand that would steer the market in the right direction. Since the goals were commendable and approved by all, they were adopted. Support was to follow, along with the means to finance our collective ambitions. Of course, financial and macroeconomic models were produced and – to some extent – discussed. Figures were debated. The 2008 financial crisis popularized the term “trillion”. It became the new international unit of account. We needed a few of them each year for fifteen years, and we would be all set. Trillion served to underscore the gigantic scale of our ambitions and enhance their prestige. But at the time we didn’t really think about the tools or market mechanisms that would have enabled us to finance our commitments. Eight years later, we’re still not there. And the invisible hand has not completely done its job. That’s why the following pages and the contributions of our various authors are so important. The challenges are known. They are immense. But imagination has failed us. Both for the tools and the paths of cooperation. We are once again at a turning point. The summit convened in Paris in June 2023 by French President Emmanuel Macron on the new global financial pact underscored the difficulties we face. Yet there has never been so much talk of global public goods. Globalization is going badly. And multilateralism is suffering. Among other questions raised in Paris were the following: do climate change and its financing run the risk of replacing traditional development policies and the fight against poverty? What role should the financing of global public goods occupy

in the financing of multilateral financial institutions? Simply speaking of how climate and poverty are both equally important no longer suffices. Doubts are cropping up. Tensions are running high against the backdrop of the emergence of the “Global South”. A statement signed by thirteen heads of state reiterated at the opening of the conference that the fight against climate change must not leave anyone by the wayside (Project Syndicate, 2023). The message hit home. It now needs to be translated into action. At a time when collective enthusiasm is waning.

This issue of the REF is intended as a contribution to the discussion on financing the creation and protection of global public goods. We are now at a turning point. Much has been thought about, written, and said. Now is the time to act. It’s time to move beyond the double tragedy of horizons and the commons and remake “planet”.

*September 1, 2023*

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