Financing the future

How international public finance should fund a global social compact to eradicate poverty

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The number of people living in extreme poverty has fallen
Number of people living in extreme poverty (millions)

- **2011**
  - Sub-Saharan Africa
  - South Asia
  - East Asia and Pacific
  - Rest of the developing world

- **2030**

Scale: 0 - 1000
We need a new global social compact

Social protection for the poorest

Free basic universal healthcare

Free primary and secondary education for all
Available public finance and social compact costs (LICs)

- Revenue capacity available (50%)
- Aid available (50%)
- Social compact cost

$ per annum per person

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What will this cost low income countries per year?

$148 billion

$73 billion shortfall

Even if they raise taxes and use existing aid, there will still be a shortfall of $73 billion.
July’s Financing for Development summit should:

1. Commit rich countries to giving 0.7% of their national income in aid
2. Bring emerging economies into the system as contributors
3. Redirect 50% of foreign aid budgets towards the poorest countries where aid is most needed
4. Develop smarter, more flexible and long-term ways to provide aid
5. Create or expand global funds for health, education in humanitarian crises, and social protection
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