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## Promises to Keep

### Crafting Better Development Goals

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# Promises to Keep

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## Crafting Better Development Goals

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**T**he United Nations has always had lots of targets, goals, and declarations. You probably didn't know, for example, that 2014 is the International Year of Family Farming and the International Year of Crystallography—or that you are currently living through the Decade of Action for Road Safety. Such initiatives often reflect good intentions but rarely prove consequential. Between 1950 and 2000, at least 12 UN resolutions called for some form of universal education. In 1961, the so-called Addis Ababa Plan pledged that primary schooling in Africa would be “universal, compulsory and free” within two decades. Twenty years later, nearly half of all African children were still out of school. Countless other efforts promised equally lofty achievements, from gender equality to world peace, that never materialized.

But in 2000, something remarkable happened: the UN channeled its noblest aspirations into something more concrete. One hundred heads of state and 47 heads of government—the largest meeting of world leaders in history—descended on New York for the UN Millennium Summit and embraced a short list of ambitious challenges that later became known as the Millennium Development Goals (MDGs). The objectives—to reduce poverty, fight disease, get kids in school, and so on—essentially boiled down to nine specific, verifiable targets, subject to a hard deadline: December 31, 2015.

In the years since, governments, international institutions, and private foundations have backed the goals with billions of dollars, and much has improved. The promise to halve the proportion of the world's hungry is a case in point. In 1990, the baseline year for all the targets, almost

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24 percent of those living in the developing world were starving. By 2012, that figure had fallen to roughly 15 percent. If current trends hold, it will reach 12.2 percent by the end of 2015, just shy of the goal.

With the deadline nearing, discussion is now turning to what happens next. Some, including the philanthropist Bill Gates, favor keeping the focus on the current goals—essentially launching MDG II. Many others want to tackle a larger number of issues. A dizzying array of high-level panels, working groups, and researchers are already busy pumping out reams of competing recommendations. According to one online tracker, those efforts have resulted in over 1,400 proposed targets.

Having 1,400 targets is like having none at all, and so governments need to make some hard choices, deciding which targets will offer the greatest returns on investment. Of course, economics alone should not determine the world's top development aims over the next decade and a half. But ignoring costs doesn't make difficult choices disappear; it makes them less clear. Without common points of reference, the goals would likely skew toward causes with the greatest public relations value: the cutest animals, the most viral videos, the flashiest celebrity endorsers. And the world would risk wasting a monumental opportunity, as the next set of targets could influence how donors spend an estimated \$2.5 trillion in aid over the next 15 years.

## **GOALKEEPERS**

Whereas a long and inclusive process is now under way to determine the new goals, the original MDGs were drafted by UN Secretary-General Kofi Annan and a close circle of aides, with little public deliberation or government participation. Annan and his staff also waited until after world leaders had signed off on the proposed list to hash out the details, working behind closed doors with technocrats at the International Monetary Fund, the Organization for Economic Cooperation and Development, and the World Bank. That explains why the end result was so short and sweet: just eight goals and 18 specific targets.

Over time, funders pared down the targets even further by essentially ignoring nine of them. This made perfect sense. Whereas the promise to halve the proportion of people living in poverty by the end of 2015 was clearly a worthy global goal, others were decidedly less so. Target 8C, for example, bowed to a special interest by imploring the world to “address the special needs of landlocked developing countries and small island developing states.” (Why not also consider the needs

of, say, mountainous or low-lying countries?) Target 1B, calling for “full and productive employment and decent work for all, including women and young people,” was inherently problematic. Every government, after all, already works to increase employment levels. Moreover, full employment is not actually desirable: labor markets need enough churn to allow people to switch jobs.

At the same time, there were also some notable gaps. For instance, the MDGs sidestepped the world’s biggest environmental challenge: indoor air pollution. Almost three billion people cook and keep warm by

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*Having 1,400 development targets is like having no targets at all.*

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burning twigs and dung, creating fumes that lead to one out of every 13 deaths globally. Donors could prevent many of these fatalities by expanding access to electricity, which would power basic stoves and heaters while fueling productivity in

agriculture and industry. Another issue the MDGs skirted was free trade, which is possibly the best means of pulling people out of poverty. World Bank models suggest that a global free-trade agreement, if passed today, could add \$5 trillion to the world’s GDP by 2020, \$3 trillion of which would go to developing countries. And by the close of this century, such a deal could increase global GDP by more than \$100 trillion, with most of the gains accruing outside developed nations.

Yet when it comes to the nine priorities that received the bulk of the funding, the progress has been spectacular. Take poverty: 43 percent of people in the developing world lived on less than \$1.25 per day in 1990. By 2010, five years ahead of schedule, the world had met its goal of reducing that share by half. Today, the poverty rate is on track to reach 15 percent by the end of 2015. Or consider drinking water: in 1990, around 30 percent of people in the developing world lacked access to a reliable source of clean water. In 2008, the world reached its goal of halving that proportion, to 15 percent; by the end of 2015, the share will likely fall to 11 percent. Meanwhile, maternal, child, and infant mortality rates in the developing world have plunged by nearly 50 percent since 1990. Then, 12 million children died annually before reaching their fifth birthdays. Today, fewer than seven million do.

Some goals remain out of reach. It’s safe to say that universal education will not be in place by the end of 2015. But that’s hardly a surprise. Promises to deliver 100 percent of anything should always invite suspicion. And even if such a goal were achievable, it would carry

a prohibitive cost. Still, nearly nine out of ten students now complete primary school in the developing world, up from less than eight in 1990.

To be sure, some level of improvement in these areas would likely have occurred anyway. Although the number of people living in poverty took a significant dive after the goals were launched, much of the decline owes to China's furious economic growth, not international aid efforts. And well before the Millennium Summit, access to clean drinking water had been slowly and steadily expanding. (As the destitute grow less poor, one of the first things they seek out is clean water.) In other cases, the MDGs clearly played an outsize role. The goals directed international aid dollars toward education and health care, boosting primary school enrollment and reducing child and maternal mortality rates. Global spending on vaccines has tripled since 2000; they now save between two and three million children in developing countries annually.

Perhaps most important, the goals helped galvanize public support for international development more broadly. Freed from the demands of Cold War competition, the world's rich countries substantially reduced their foreign aid budgets in the 1990s. With the introduction of the MDGs, governments embraced a renewed interest in development, reflected by a two-thirds increase in global giving. Today, however, governments are tightening their budgets even as the demand for assistance increases. So with such high expectations surrounding the next round of goals, donors will still have to squeeze the greatest possible gains out of every available dollar.

## **TO-DO LIST**

Over the next year, governments, international institutions, and non-governmental organizations will perform a complex dance to draw up the successors to the MDGs, with the new goals running from 2016 to 2030. Unfortunately, the most recent of several prominent efforts to draw up a new list, run by the UN's Open Working Group on Sustainable Development Goals, has buried itself in a giant pile of targets, as every nation and interest group lobbies for its favorite projects. The group includes representatives from 70 countries; by the middle of 2014, they had come up with a dizzying 212 targets. Although the participants recognized that a dramatic reduction was needed, no nation wanted to relinquish its favorites, opting to combine multiple targets instead. But the exercise was largely superficial: the

# A Report Card for Development Goals

## PHENOMENAL

### Tobacco Control

“Strengthen implementation of the Framework Convention on Tobacco Control in all countries as appropriate.”

### Early Education

“By 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.”

### Reproductive Health

“By 2030 ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.”

### Financial Services

“Increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services including affordable credit and their integration into value chains and markets.”

## GOOD

### Exports

“Increase significantly the exports of developing countries, in particular with a view to doubling the LDC [less developed country] share of global exports by 2020.”

### Child Labor

“Take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child soldiers.”

### Gender Equality

“Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.”

### Climate Hazards

“Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.”

The Millennium Development Goals are set to expire at the end of 2015, and governments are debating what should come next. The UN's Open Working Group on Sustainable Development Goals, one of the most prominent forums for determining the new objectives, has come up with hundreds of proposed targets. To help policymakers choose among them, Bjorn Lomborg asked 32 economists to rate their potential for good. Here's a selection.

## FAIR

### Drinking Water

"By 2030, achieve universal and equitable access to safe and affordable drinking water for all."

### Energy Efficiency

"Double the global rate of improvement in energy efficiency by 2030."

### Local Fisheries

"Provide access of small-scale artisanal fishers to marine resources and markets."

### Traffic Accidents

"By 2020 halve global deaths and injuries from road traffic accidents."

### Poverty

"By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions."

## POOR

### Social Services

"Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable."

### Sustainable Tourism

"By 2030 devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products."

### Renewable Energy

"Increase substantially the share of renewable energy in the global energy mix by 2030."

### Full Employment

"By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities."

group excised 43 targets but only 20 words, bringing the total word count to 4,369. Compare that to the nine most important MDG targets, which fired up the world's imagination with just 139 words.

The proposed targets range from the ambitious (eliminate tuberculosis and malaria) to the peripheral ("promote sustainable tourism") to the impossible (provide affordable housing for all). In essence, they promise virtually everything to everyone. For example, after guaranteeing free preschool, primary, and secondary education every-

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*Donors must squeeze the greatest possible gains out of every available dollar.*

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where, they also pledge that "all learners acquire knowledge and skills needed to promote sustainable development, including among others through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development."

The original MDGs worked precisely because they were limited in scope. If the next goals are going to have any chance at success, the UN needs to concentrate on where dollars can do the most good, parting with most of the currently proposed targets and sharpening those that remain. To that end, my think tank, the Copenhagen Consensus Center, has launched a project to determine which proposed targets are most likely to do the greatest good and categorize them accordingly. Together with top economists, the center has tested this approach on the Open Working Group's various draft lists. Simultaneously, we are collaborating with an even larger group of experts to produce thousands of pages of peer-reviewed research about the effectiveness of 50 of the most prominent targets. The results will be published throughout the fall and winter of 2014. Then, in early 2015, three Nobel laureates will evaluate all the research to create an authoritative ranking.

To distinguish among various targets, we use a basic color scheme. We highlight the very best targets in dark green—those that will do more than 15 times as much economic, social, and environmental good as they cost. We color those that will bring between five and 15 times as much benefit in light green and paint the mediocre ones yellow. And we make red those that will cost more than they yield in benefits. These simple categories are meant to help the world's busy decision-makers



focus on picking the most effective targets. In our assessment of the Open Working Group's final list, we identified 13 dark green goals and nine red ones. Some of the results were intuitive and others were provocative. Taken together, they drove home a critical message: not all targets are equally worthwhile.

We highlighted fighting malaria, for example, in dark green. The costs are small because the solutions—supplying artemisinin-based combination treatments, bed nets, and indoor bug spray—are simple, established, and cheap. (Preventing one malarial death costs only \$1,000.) The benefits, meanwhile, are large, because combating the disease not only saves lives but also improves societal productivity. Another phenomenal goal was removing fossil fuel subsidies. In such developing countries as Libya and Venezuela, gasoline sells at less than \$1 per gallon, providing an unnecessary privilege to those who can afford cars. Shrinking these subsidies would help relieve strained government budgets while reducing the greenhouse gas emissions that cause climate change. The political ramifications of taking away any sort of entitlement are always treacherous, but identifying subsidies in a high-profile list of global goals could help leaders justify the cuts.

An unnerving outcome was that tackling HIV/AIDS came out yellow. Because the necessary drugs are relatively expensive and the treatment is lifelong, the price tag for preventing a single HIV fatality totals roughly \$10,000—as much as it costs to save ten people from dying of malaria. Another popular goal, to “increase substantially” the share of the world's energy consumption from renewable sources, ended up red. Although solar panels can power cell phones and light bulbs, the world's three billion poor people still need fossil fuels to run refrigerators and stoves, and carbon-based energy sources remain the cheapest means of fueling large-scale economic growth. The International Energy Agency estimates that increasing the share of renewable energy from 13 percent today to just 18 percent by 2035 would cost over \$240 billion in annual subsidies until 2030—likely more than the world's total development budget in 2030. What's more, the resulting reduction in greenhouse gas emissions would probably amount to less than six percent, lowering temperatures by two one-hundredths of a degree Fahrenheit. Also, the shift would come at the expense of overall access to electricity. According to a 2014 study by the Center for Global Development, a \$10 billion investment in renewable energy in Africa could bring 20 million people out of darkness, whereas an equivalent

investment in natural gas could connect 90 million people to the electricity grid. In other words, prioritizing renewable energy risks leaving nearly three out of four people in darkness who could have been given light.

Such red items underscore why economic data provide such crucial information. Imagine sitting in a high-class restaurant with a menu that lacks descriptions or prices. You would not know whether the caviar cost \$20 or \$2,000, or if it would be enough to feed just you or your entire party. Unless your expense account was exceptionally generous, you would probably hesitate to order. Similarly, donors need a menu of targets with prices and portion sizes. That said, money is not the only important consideration; just because champagne is expensive doesn't mean it isn't worth paying for. But you also need to know how much money will be left over to spend on dessert.

In November 2014, UN Secretary-General Ban Ki-moon will face the unenviable task of deciding what to order off several lengthy menus, including the one drawn up by the Open Working Group. Understandably, he may be reluctant to dispense with goals agreed to by over 70 countries. He also knows that any wish list that is substantially longer than the MDGs will have little chance of emulating their success. Now is the time for Ban to muster the courage to act decisively and depart from his typical caution: with his term ending in late 2016, the new goals could represent his most significant legacy. Moreover, shedding all but the most effective targets would make the new package of goals far more palatable to the wealthiest countries, whose increasingly anxious taxpayers will be footing much of the bill.

Ranking the targets according to their likely effectiveness represents an obvious first step toward a sharper, shorter list of goals. Yet politics will still shape the final outcome. Leaders in developing countries will be understandably reluctant to cut fossil fuel subsidies, for instance, fearing social unrest, and politicians in wealthy countries will not be keen to back off costly but popular investments in renewable energy. Policymakers everywhere will not be eager to steer funding away from combating HIV/AIDS to fight malaria. But if dispassionate analysis can help just one great target replace a bad one, the impact could be enormous, redirecting tens of billions of dollars toward a goal that will bring about many times as much good for each dollar spent—a result ultimately worth hundreds of billions. When trillions of dollars are at stake, even small adjustments can make a world of difference. 🌍