ASSESSING AND EVALUATING THE ADDIS ABABA ACTION AGENDA

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Executive Summary

Monitoring and Evaluating the AAAA is challenging given the vast agenda, multiple actors in play and the huge uncertainties that come with changing climate patterns. On the one hand we need more precision in the goals and targets and in the financing of the various program and policies that will help achieve them. But at the same time we need flexibility as the uncertainties introduced by climate change do not make it easy to know ex-ante what new challenges will come and what are the dynamics of the interplay between economic development , ecology and climate change and how it might play out in different parts of the world.

Given the difficulties in monitoring the MDG's, which had 8 goals and 21 targets it is likely that the SDG's with 17 goals and 169 targets will be even more difficult and perhaps impossible to monitor. Many are too vaguely defined, and will be a challenge to measure and monitor- especially in many small LDC's. Recognizing that at this stage, it is difficult to change the goals or the targets – it would be useful to prioritize them into three tiers of 60 Top priority targets, and 100 High Priority Desirable targets and the remaining 69 targets.

The AAAA broadens the concept of FfD to include domestic financial resources for development. Such an approach widens the scope for financing from "billions" to "trillions" but makes it difficult to monitor development assistance. The AAAA reaffirms the ODA target of 0.7 % of GDP and 0.15-0.2 % of GDP for the LDC's but this target has not been met for some time now. One positive signal is that the EU has committed to collectively meet the target and this could goad non-EU developed countries to up their assistance. At a minimum the target of 0.2% of GDP for the LDC's must be met. This is important because ODA forms 60-70 % of their international financing needs. ODA also largely finances the basic poverty and public service - education, health water and sanitation and helps crowd in private finance.

The AAAA commits to modernize the ODA definition to take into account south-south financial flows with a new definition "total official support for sustainable development" without diluting existing ODA commitments. The fuller direction of climate change financing will become evident after the details of COP21 are revealed but the AAAA affirms the commitment to climate finance of $100 billion over and above existing ODA - especially for adaptation costs of LDC's, SIDS and Africa. But how to define "new and additional" was left open in the Copenhagen accord and needs to be clarified.

Policies and Programs in the AAAA: It is useful to distinguish between those programs and policies in the AAAA where concrete goals and targets have already been agreed with those which are still new ideas and need more concrete development. Among the latter **f**our new initiatives are noteworthy in the AAAA. These are the Global Infrastructure Forum to help find financing solutions and better coordination to address the infrastructure funding gap; the establishment of the Technology Facilitation mechanism to facilitate technology transfer especially for clean energy; the call to focus on illicit flows and tax avoidance (although many are disappointed that a Global Tax Institution was not set up); and a Global Strategy for Youth Employment by 2020.

Among those that have more concrete targets are the Aichi Biodiversity Goals, the Sendai Framework for Disaster Management which has agreed goals and targets to strengthen disaster response globally and the UN’s SE4ALL and its concrete targets in the Global Tracking Framework 2015 which provides the links between energy and four key development areas – food, water, health and gender is highlighted. The tracking framework also provides the analysis of the financial costs required to meet all SE4ALL objectives as well as the geographical and technological distribution of the investments needed.

The AAAA calls for the completion of the stuck Doha Round. It encourages implementation of the Bali agreement with a focus on the 10 action points and its emphasis on trade facilitation and agricultural subsidies. It also pushed for removal of fisheries subsidies which have led to large scale over fishing around the world. It does not address the issue of whether regional trade agreements - the recently agreed TPP and the upcoming RCEP will affect progress on the Doha Round.

The enormous data and monitoring needs for the SDG's are highlighted but given that many countries face problems even providing data for the limited MDG targets and indicators the SDG's present a formidable challenge. Our suggestion is to prioritize 60 TOP priority targets with associated indicators.

Building Blocks of an Evaluation Framework for the AAAA:

The AAAA identifies 7 cross cutting areas for exploiting synergies: Delivering social protection and essential public services for all, scaling up efforts to end hunger and malnutrition, establishing a new forum to bridge the infrastructure gap, promoting inclusive and sustainable industrialization, generating full and productive employment and decent work for all and promoting MSME’s, protecting ecosystems, and promoting peaceful and inclusive societies. We need a better understanding of these synergies and how different policies and programs come together to produce better outcomes. At the same time we must recognize that it’s not always win-win and that there are trade-offs as well, which must be faced.

Despite the fact that the word evaluation is not even mentioned in the AAAA we know from the MDG experience that an organized evaluation system would have helped spend resources better and accelerated progress towards the targets. There was plenty of monitoring - but even that was hampered by limited data. But monitoring is about seeing if things are done right. Evaluation is about doing the right things.

Setting up an evaluation system for the SDG's and the AAAA will not be easy. This is because we do not yet fully understand how actions in various areas work synergistically and in a dynamic framework to certain outcomes. There is also the huge uncertainty due to climate change whose impacts are not yet fully understood. It is also becoming more evident that in a globalized world it's just not actions of government but also that of non-governmental actors and private corporations that operate across the world. The world will feel its way forward in addressing global challenges – like crossing a river by feeling the stones in the river bed.

One option is to develop impact pathways analysis for various programs endorsed in the AAAA – such as the SE4ALL, the Zero Hunger Campaign, the Biodiversity Goals or the Global Youth Strategy to understand better the synergies and tradeoffs between different goals. Along with this impact pathway analysis it would be useful to set up a system of concurrent rather than only ex-post evaluation which provides more on time evaluation for course correction along these pathways. It would be useful to consider five yearly targets and to have monitoring and concurrent evaluation which could be used for course correction on various global and national programs. A system of funding which builds in such feedback mechanisms from concurrent evaluation would be helpful. The paper provides the building blocks for such an evaluation framework.

Given large gaps in our knowledge, new actors in play in the AAAA and the need to improve and update the toolkit for evaluation any evaluation framework should factor in the following:

1. The SDG's are synergistic and we need a better understanding of the interactions between different sectors to understand better outcomes. Many theory- based impact evaluations conducted in the last 15 years show that often outcomes came about in unexpected ways. Nutrition improved, not so much from nutrition programs but because incomes improved or food prices fell due to improved agricultural productivity. Maternal mortality improved because of better roads and access to electricity in addition to institutional delivery. Randomized trials also provide useful information but they are localized and can often only tell us the benefit of one intervention - not the synergies. Meta evaluations of the thousands of impact evaluations going on around the world should be collected on all the key SDG's in education, health, water, sanitation and other public services.

2. There was insufficient focus on infrastructure and the interactions between infrastructure and social sector spending in the MDG's. The PRSP's perpetuated this mis allocation with many PRSP's in Africa providing more funding for the social sector (almost 3/4th) compared to PRSP's in Asian countries - where the balance was 50:50. Even so the underfunding of infrastructure has been a major lacunae of the MDG period. Lack of water and sanitation, with links to health outcomes, malnutrition and overall progress is now better understood. The SDG's address this with Goals 6, 7 and 9 but the issue of underfunding of infrastructure remains unresolved.

3. There is growing body of evidence that governance and institutional strength matter for development outcomes but progress on broad governance indicators is slow and as most governance indicators are based on perception surveys – not easy to compare over time. Therefore more proximate indicators must be developed to help gauge progress in this area. The

current targets for Goal 16 address the Rule of Law, transparency, corruption etc. but do not address directly the capacity to deliver services for inclusive and sustainable development. Judging investment climate with Ease of Doing Business Indicators has some limitations.

4. Social cost benefit analysis was developed to handle market failure and much of that tool kit must now be updated. The finite limits to our natural capital - air, water, land (scape), forests, fisheries suggests that just using their market prices to reflect scarcity value is insufficient. But what price to attach to them needs much more work. The debate on the discount rate to use to reflect welfare of future generations is also a major unresolved issue. How much to focus on today's poor vs future generations who will be richer is also a key factor in this debate. Funding mechanisms, must come to closure on some of these issues to make correct financing decisions.

5. Evaluation of private sector activities needs to move beyond just auditing and shareholder valuation to broader social and environmental yardsticks. In some industries such as extractive industries where there have been egregious lapses in the past: common principles of behavior and operation such as the EITI have been developed. The World Bank's private sector arm the IFC has developed social and sustainable indicators to assess their operations. Such indicators could be used more broadly through interactions with international and national chambers of commerce and industry. All industry groups must be asked to come up with environmental and social yardsticks to measure their member’s performance and these should be assessed with international norms and with the help of civil society. Just having CSR programs - which allocate a part of profits to fund social projects to benefit local communities will not be enough. The basic business model must be assessed. How to incentivize the private sector to take these seriously needs attention?

6. Philanthropic Foundations have become an important source of finance. Given their rising role and the potential of new philanthropic foundations in future their work must be subject to some independent evaluation and assessment. Philanthropic foundations should be judged not just by the impact of their funding but also by the focus they bring on issues – such as inequities in a global system which leads to the need for philanthropy in the place.

7. Policy interventions - not just international funding will play a bigger role in outcomes. The impact of many policy interventions on sustainability is not well understood and must be given much greater attention. These require broader modeling and other similar techniques to better understand the unintended consequences of policies. Given huge uncertainties, more use of risk and probabilistic simulations can help decision making around many policy interventions.

The world must not just focus on monitoring: that helps in doing things right but must build a well-organized evaluation system to make sure that the right things are done. This evaluation system must be at the global, multi-lateral and national level; a cascading system of learning and feedback. With so much uncertainty about the effects of climate change we must feel our way into the future – a good evaluation system with these building blocks is vital to make informed progress.

Introduction

2015 marks the year when the world agreed to a new set of goals and targets - the sustainable development goals - SDG’s to replace the MDG’s. The SDG’s comprise 17 goals and 169 agreed targets to replace the 8 goals and 21 targets of the MDG’s. The MDG’s had some 60 indicators to monitor progress towards the targets. To ensure sufficient financing and policy coherence to achieve the SDG’s a Financing for Development framework AAAA has been agreed in July 2015 at Addis Ababa and followed up at the UN in September 2015 with an agreement on the SDG’s. A climate change conference COP 21 concluded in Paris in December and hopefully will see more concrete agreement on approaches, targets and financing mechanisms to help create a more sustainable world by 2030 including a pathway to contain temperature increase by 2 degrees C.

Whether all these agreements will have real meaning on the lives of people – especially the poor, will help contain conflict around the world and set the world on a path of sustainable development will depend very much on how the world comes together to agree on more concrete implementation arrangements , mobilization of resources and coherent policies in country and globally. Actions on the ground in country’s matter but actions globally also matter in an interconnected and intertwined world. [2]

Unlike the Monterey Conference to finance the MDG’s in 2002 which came two years after the start of the MDG’s, fortunately the Addis Ababa Conference to finance the SDG’s has come before the start of the SDG’s. The AAAA recognizes that there remains unfinished business from the Monterey Consensus and the subsequent Doha declaration in 2008 -where the global economic crisis affected resource mobilization for the MDG’s. It repeats many of the declarations from the 2008 Doha meeting on issues related to trade, public finances, international assistance, private financial flows and philanthropic assistance, but moves forward in a few new areas – particularly on climate financing and blended finance. A mapping between the SDG’s and associated targets and the text of the AAAA and shows that in almost all cases the targets and goals are included in the AAAA. This is reassuring – but by itself does not help in ensuring that adequate financing or specific implementation arrangements and accountability will be there to meet the targets.

In this paper in Section II we first assess the monitor-ability and evaluability of the SDG’s given the difficulties we have had with a much smaller number of goals and targets during the MDG period. We suggest a method of prioritization for the SDG’s. We then break up the problem of monitoring the AAAA into two parts – a) finance and b) policies and programs. While recognizing that finance and policy and programs are inter-related we believe a monitoring system which tracks finance separately will be needed given the complexity of the agenda. In Section III we try and assess the AAAA on what it promises by way of financing of

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[2] Kishore Mahbubani – the Singaporean diplomat and thinker – put it across the best in a blog when he said we are no longer 193 boats and ships in a global ocean but we are 193 cabins of various sizes in a global ship and need to manage our cabins but also need someone to steer the ship through turbulent waters.

the SDG's and what are the prospects of raising more resources. The AAAA moves away from the traditional North-South aid model and recognizes that financing for development requires many other channels for financing. But it also runs the risk of diluting the accountability and responsibility of any one financing source. In Section IV we assess what are the concrete programs and policies in the AAAA that will take the SDG agenda forward. We distinguish between those that are more concrete, from those that still need further definition. In Section V we try and provide the building blocks of an evaluation framework for the AAAA and the SDG's. The final section concludes.

II: Challenges of Assessing Progress on the Sustainable Development Goals

The SDG's came out of a deliberate consultative bottom up process. They reflect the collective thinking of many different constituencies summarized into 17 goals and 169 agreed targets. They have the enthusiastic endorsement of all 193 countries and regional bodies. Now comes the harder part of getting focus on their implementation and ensuring that the world can come together to implement the SDG's.

The comprehensive agenda will be much harder to monitor and keep track of as a substantial number of targets will be hard to measure and therefore will be hard to track. Just to give a few examples : Target 10.2 – By 2030 empower and promote the social, economic and political inclusion of all ……; Target 12.2 – By 2030 achieve the sustainable management and efficient use of natural resources; Target 12.8 – By 2030 , ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyle in harmony with nature; Target 16.3 – Promote the rule of law at the national and international levels and ensure equal access to justice for all ; Target 16.12 – Promote and enforce non-discriminatory laws and policies for sustainable development .

The UN statistics commission has been tasked with finding ways to measure these targets. But even if they are able to come up with measureable indicators many countries will not have the capacity to be able to track and monitor so many targets. The Economist critiqued the SDG's by calling them the 169 Commandments and suggested reducing these to around 10. Kydland, Lomborg, Schelling and Stokey (2015) based on surveys of 82 of the world's top economists and 44 sector experts under the Copenhagen Consensus suggest that the number of targets should be reduced to 19 targets which will give the biggest return for the investment and effort.[3] These include child malnutrition, eradicating TB, freer trade, protecting coral reefs, eliminating fossil fuel subsidies and eradicating poverty. The High Level Panel on Sustainable Development suggested a more realistic 12 Goals and 54 Targets. But now that the world leaders endorsed and agreed on the 17 SDG's and 169 targets for 2030 the question is how we can find a practical and realistic way to move forward. Kenny (2015) has suggested tweaking the SDG's to make them more precise. Foster and Hatzimosoura (2015) have proposed a multi-dimensional

[3] It is however not clear how the returns to each intervention have been estimated and may simply reflect the biases of the experts surveyed.

framework for monitoring progress on the SDG's building on the methodology developed by Alkire and Foster on multi-dimensional poverty

One option maybe to create 3 target tiers: Tier 1 of 60 must focus Top targets which all countries can measure, report and monitor and which become the most critical global priorities. Tier 2 of 100 High Priority targets which would be desirable and could be the focus by at least 140 countries around the world and Tier 3 would be some reporting on all the 169 targets by a smaller group of countries – especially the OECD countries, all the G20 countries and key emerging markets. Such a tiered approach would also help decide on priorities for financing – with the Tier 1 targets getting priority financing.

How would one select the Top priority target and might they be different across countries or regions. One approach would be to carry out stakeholder surveys to get a better sense of priorities in each country. [4] The UN's My World provides the results of a survey done across the world to get people to vote on their priorities. The top seven global priorities so far are:

- A good education
- Better healthcare
- An honest and responsive government
- Better job opportunities
- Access to clean water and sanitation
- Affordable and nutritious food
- Protection against crime and violence

Some of the goals may be competing against each other. For example the goal of faster growth (at least 7 percent growth in GDP) and increasing share of industrialization will inevitably lead to higher carbon emissions. Better technology may reduce some of this tradeoff but the tradeoff will still be there. Similarly increasing access to energy for more than a billion people around the world who don't have access will also increase carbon emissions even if there is an effort made to supply some of it through renewable energy. But even with rising share of renewables as urbanization increases and rural areas get connected energy emissions will increase.

We also must be mindful of the likely tradeoff at certain levels of development between the goal of lowering inequality and economic growth. It is quite likely that at earlier stages of development inequalities will rise. Therefore countries may appear to be off track – because they are seeing rising inequality- in early stages of development, but this maybe an inevitable outcome of a development process in which some people get rich first, but that as more and more people join the middle class inequalities fall eventually. Extreme and institutionalized inequalities in any case must be addressed.[5]

More positively some of the goals may complement each other. At a simple level the target of universal education and universal health care also helps the target of gender equality.

[4] The UNDG helped carry out such a multi-stakeholder analysis under the My World Survey.

[5] See Doyle and Stiglitz (2014) on the goal of reducing extreme inequality.

Universal access ensures that girls get the same as boys and catch up. But goals may also complement in other ways. For example, health outcomes will depend on access to health but will also depend on clean water and sanitation, education (especially for girls), clean air, transport, better housing and access to modern energy among some of the key factors. How well these are provided in a coordinated package at the local level makes all the difference.

III. The Financing Framework in the AAAA

The AAAA moves out of the North-South financing model that was the focus at Monterey and builds on the Doha meeting which began to recognize that ODA will form only a small part of the overall financing needs. To get some sense of the magnitudes involved –all of external funding for development (FfD) – which includes ODA, private financial flows, remittances and other private flows adds up to around $ 1 trillion. In contrast, Domestic Resource Mobilization (DRM) provides over $ 8 trillion in financing. ODA makes up less than 15 % of external financing- but when we break up by level of development the picture changes. ODA makes up almost two-thirds of the financing needs of the LIC's, less than 20% for the LMICs and less than 5% for the UMICs. By 2030 these shares may be 50% for LICs, less than 10% for LMICs and none for UMICs. Private international finance forms almost 50% of the overall external financing – but is heavily concentrated in the UMICs. South- south financing and philanthropic financing is also rising to make a contribution to the overall financial picture of sustainable development. [6] It suggests that the title Financing for Development (FfD) – which has a top down, traditional north-south aid model connotation- should be changed to Financing of Sustainable Development (FoSD).

The financing plan for the SDG's follows the work of the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF). It classifies funding into four broad categories – domestic public finance, international public finance, domestic private finance and international private finance, including remittances. Domestic public finance and domestic private finance remains the largest source of development finance. Among the sources of international finance, private flows and remittances have emerged over the course of the MDGs from 2000-2015 as the largest source of finance as ODA and OOF have increased at a much slower rate. For the LDCs ODA still remains the major source of international financing, but remittances also make a significant contribution. More globalized forms of taxation to finance Global Public Goods is not addressed in the AAAA.

Domestic Resource Mobilization (DRM): Given that DRM makes up almost 90% of total development finance it is not surprising that AAAA devotes considerable focus on it. With growing trade liberalization – trade tariff revenues have declined in most developing countries, revenue from VAT has gone up. Collecting personal income taxes (PIT's) is difficult and corporate income taxes (CIT's) make up a sizeable (at least 10 and up to 20 %) of total revenue. Of course the pattern differs somewhat as one moves up the development scale – with LDC's

[6] It is interesting that the World Bank report from "Billions to Trillions" reflects not so much new finance but simply a redefinition of development finance to include all domestic finance, remittances and FDI and FPI.

getting more from CIT's than PIT's. DRM is also much more volatile in LDC's and fragile states than in LIC's and MIC's – partly because of conflict and partly because of heavier reliance on extractive industries.

Raising more from DRM and reducing its volatility must be a top priority of the AAAA. Getting tax revenues up to 15% of GDP for the LDC's and up to 20% of GDP for the LMIC's would be a reasonable target. For both categories of countries improved tax administration would be critical. For the LDC's as more countries shift to VAT with excise for public health reasons (such as on liquor and tobacco) and reduction on corporate tax avoidance, especially by multi-nationals –tax revenues could go up to 15% of GDP. For the LMIC's where in most cases VAT has already been introduced, the focus must be on expanding the tax base of the PIT and on corporate tax avoidance. A focus on PIT is critical given the difficulties of taxing small businesses and professionals in many LDC's and LMIC's. Any monitoring system for DRM would incorporate these indicators, with the objective of reaching those revenue targets. Funding for capacity building of tax administration must be increased and is also highlighted in the AAAA.

The AAAA rightly focuses on the need to reduce illicit financial flows by 2030. It is hard to get accurate numbers on these but are estimated to be over $ 1 trillion per year. So any reduction could raise substantial resources for SDG financing. Illicit financial flows make up three sources – commercial tax evasion, revenues from criminal activities (arms, drugs, human trafficking etc.) and corruption. The G20-OECD Action Plan on 'Base Erosion and Profit Shifting' (BEPS) is designed to improve the international tax system by helping reduce tax avoidance. The key measure here is requirement for multi-national reporting country by country to tax authorities and access to beneficial ownership by tax authorities. Universal and rigorous enforcement of such an agreement would go a long way in getting a better handle on this issue. But as this issue is very important for LIC's and many LMICs where CIT forms a substantial part of their overall revenue it is important that many more countries take part in this initiative.

As regards financial flows related to criminal activities and corruption, better coordination among tax authorities, tracking financial information (follow the money) will be important. This is an area that needs further work as much of this funding goes through well reputed financial institutions which get high returns on such transactions (and sometimes create mechanisms to encourage such transactions) but pay small penalty when they are found out.

The AAAA calls for a special focus on countries with Extractive Industries – especially as lack of transparency, corruption and tax avoidance lead to large losses to public revenues. The Extractive Industries Transparency Initiative (EITI) which has 48 members has established standards for public information on activity in oil, gas and mining sectors and also covers areas such as license transparency, transit and state oil sales. It does not cover commodity trading so far. 48 countries are now members of EITI of which 29 are now compliant. A measure of monitoring in this area would be numbers of countries who are compliant to the EITI standards – with the expectation of bringing all countries with extractive industries into compliance by 2030. Efforts to bring commodity trading into the ambit of disclosure should also be explored.

The AAAA also includes agreements on improvements in public spending. While much of these must take place at the country by country level – some broad areas of change are suggested. The most concrete of these is the suggestion to phase out fossil fuel subsidies and to tax public "bads" – such as tobacco. Total fossil fuel subsidies – direct and indirect- are estimated to amount to almost $1.9 trillion per year. [7] Eliminating these will release revenue for basic public services – public health and water and sanitation. Tracking and setting targets for fossil subsidies and tobacco and alcohol taxes should be agreed upon. Gender and Green budgeting would also help reach expenditure priorities which will be inclusive and sustainable.

Private Financing: Domestic and International: The AAAA recognizes the growing role of private financing. Private financing, domestic and international and including remittances now forms the major share of development financing. Some have criticized this approach as an abrogation of the developed world's commitment to the world's poor – especially as the developed world faced fiscal constraints after the global economic crisis. While the IECSDF made a distinction between domestic and international private finance – the AAAA combines the discussion under one broad category. There are, no doubt, many similarities in the issues related to domestic and international finance there are important differences, which are not highlighted.

Stable and transparent regulatory systems, good investment climate and sound macro-economic and financial policies which were highlighted at Monterey and on which considerable progress has been made are emphasized again in the AAAA. The fact that despite this broader progress in the investment climate – FDI remains highly concentrated in only a few countries is an issue – especially if this concentration is due to weaker labor and environmental standards in some countries, or due to special exemptions in extractive industries. While not directly cited in the AAAA, the commonly used World Bank Ease of Doing Business Index to judge a country's investment climate has limitations.

Financial inclusion is given prominence in the AAAA – but surprisingly there is no target set in the SDG's for women's access to credit and banking services. Economic empowerment of women does not find strong targets in the SDG's and forms perhaps one of its key weakness – although it does appear quite strongly in the AAAA. But without clearer targets it is not clear how progress can be assessed. Remittances are accorded special attention in the AAAA – with numeric and monitor able targets of the average cost of remittances to below 3 % by 2030 and no corridor to have remittance costs above 5 %.

The AAAA recognizes that short term capital volatility has been very costly for many emerging markets (EM's). The IMF has for many years pushed for more open capital accounts in EM's – despite evidence of the huge costs to many small economies from capital flow volatility. AAAA also gives due importance to high quality FDI and encourages policies that will encourage spillovers – especially to MSME's in developing countries. Given that FDI is highly concentrated in only a few developing countries, for various reasons the AAAA's focus on this obviously correct. Encouraging this by improving investment regimes and use of risk guarantees

[7] See Whitley (2013), IMF (2013).

is appropriate. Linking small economies to global value chains is identified but no concrete measures are proposed.

PPP's are encouraged in the AAAA and are growing but their experience is mixed. With fiscal constraints in most developing countries – PPP's provide the logical way to tap into private finance by covering policy and implementation risks and incentivizing private capital- while keeping commercial risks. But getting this mix right is not easy and is sector specific. Badly designed PPP's either stall or lead to the public absorbing commercial risk. The AAAA promises to share experience, help build capacity to negotiate contracts and develop guidelines. MDB financing in these projects could help draw in more private capital and lead to better design of PPP's while meeting social and environmental standards. The proposed Global Forum for Infrastructure could be tasked to focus on this issue as much of the PPPs are in the infrastructure sector.

International Development Cooperation: The AAAA reaffirms the ODA goals of 0.7 % of GNI for all developed countries and 015-0.2 % of GNI for LDC's. These target have not been met so far and there is nothing in the AAAA that would drive countries to meet those targets. There are a few notable European countries that have met the targets and have persuaded the EU to collectively meet the ODA targets. If this is achieved it will make a significant difference and may goad others – such as Canada, Japan and the USA to meet the targets as well. The AAAA also asks the developed world to at least meet the target for the LDC's and this may give many countries a way out by shifting more of their assistance to LDC's and thereby meet at least one of the targets, and thereby reverse the somewhat surprising decline in ODA to LDC's in the last decade.

Currently ODA is around 0.25% of GNI so if the target of 0.7% of GNI is met it would triple ODA as currently defined. This by itself would not close the financing gap for financing the SDG's but would go a long way towards it – especially as more ODA could be used to crowd in private finance and go a long way towards helping achieve the basic services goals of the SDG's – poverty, education , health, water and sanitation and housing. We take up other options for financing global public goods in the next section.

Given the rising share of support for sustainable development coming in the form of south-south cooperation, the AAAA commits to modernization of the ODA definition to "total official support for sustainable development "but without diluting existing ODA commitments. The AAAA makes a call to strengthen south-south cooperation – including by adhering to the provisions of the Nairobi High Level UN Conference on South-South Cooperation. Two important issues on ODA are not fully addressed in the AAAA. First, ODA has been surprisingly volatile in fragile states and in MIC's – especially for LMICs.[8] Some of this comes from lack of established and defined pool of resources for natural disasters – so that every time a disaster strikes there is a scramble to find funds to deal with it.

[8] See Kharas, Prison and Rogerson (15) Financing the post 2015 Sustainable Development Goals: A Rough Road Map, ODI.

Second, ODA declines very sharply after countries cross LDC and LIC status and the rising tax revenue does not make up for the shortfall – leading to a missing middle in development finance. Remittance patterns also add to this problem as they peak at the LMIC level. So countries graduating from LIC levels face a sudden sharp drop in development finance – and are not yet creditworthy enough to get substantial commercial financing. Improving tax intake would be one solution but until such capacity increases – easing the graduation would be important if the ambitious SDG goals are to be achieved. One of the ways to do this would be to increase blended MDB finance to these countries – which has been remarkably stagnant. The new financial institutions – the BRICS Bank and the AIIB could play a contributory role and also show new ways of reducing the transactions costs for MDB financing – an important factor contributing to slow growth in MDB financing.

A fuller direction of climate financing is still being developed after the Paris COP 21 meeting – whose details are yet to be finalized. In this regard it is significant that AAAA commits to raise an additional $ 100 billion by 2020 – over and above existing ODA per year from developed countries to help developing countries – especially for adaptation costs of LDC's, SIDs and Africa. Given a GNI of around $ 40 trillion for the developed countries, this would amount to about 0.25% of GNI. But how to define "new and additional " was left somewhat open in the Copenhagen Accord and needs to be given greater focus and precision so that it does not come at the expense of existing ODA or is recycled from other pledges made- especially as the distinction between development and adaptation projects on the ground is very little.

While traditional ODA appears small in comparison with other financial flows – its role is critical as well delivered ODA can be used more flexibly to meet different needs and can be used also to catalyze other financial flows. It must be noted that LDC's still rely on ODA to meet two-thirds of their international financing needs. Therefore, traditional ODA must increase from its current level of $ 135 billion. With developed country GDP of over $ 40 trillion if the target of 0.7% of GDP had been met ODA would have been close to $ 300 billion. By 2030 developed country GDP will be over $ 55 trillion. If we are able to see ODA rise to at least to 0.5% of GDP – we should expect to see a doubling of traditional ODA to $ 270 billion. Half of this would be needed for the LDC's and the other half to catalyze in private finance and meet the needs of LMIC's.

Remittances have been growing rapidly – on an average around 4% per annum – and are now close to $ 450 billion per year and could rise at that rate to around $ 750 billion per year. It could go even higher if the targets of reducing the transactions costs of remittances – close to 8% today are reduced to under 5% and perhaps even to 3% - the SDG target. Total FDI to developing countries which has risen sharply in the last 15 years from less than $ 200 billion in 2000 to over $ 700 billion in 2014. These are sizeable but yet small amounts and highly skewed to a handful of countries. If these trends continue and the investment climate improves in more and more developing countries – we should expect to see the FDI figure to at least double to around $ 1.5 trillion per year.

Portfolio capital and private equity flows, have also grown sharply to around $ 400 billion to developing countries. These flows are known to be volatile, make macro-economic management more complicated. South-south cooperation has grown rapidly but is still only financing around $ 30-40 billion – based on available data. Even if it increased five-fold it would at best finance about $ 150-200 billion of sustainable development finance. Illicit flows and tax avoidance are estimated to amount to around $ 1 trillion. With all the best efforts through BEPS and other initiatives if we could collect an additional $ 200 billion per year from these efforts – it would make a small but significant source of financing for the SDG's.

The big missing players in development finance have been the MDB's – surprising as their main function is the provision of development finance. The most recent data for MDB's shows net official flows of negative $45 billion. The MDB's were set up to leverage private financing – but they have largely become implementers of grant like assistance which could perhaps be better delivered by UN agencies with much better knowledge of local conditions. The MDB's must be recapitalized to much larger levels to raise much higher level of private finance – especially for climate change related activities. It is hoped that the new Asia Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) will demonstrate that an MDB can have good safeguards and still be quicker and more efficient. The MDB's must also focus to meet the needs of the LMIC's who see a sharp fall in ODA on graduation but are not yet attractive to private finance.

Spending Better: Better governance: through improved procurement, strengthened auditing, reduced corruption and waste all mentioned in the AAAA are ways to reduce the cost of delivering sustainable development. Mckinsey Global Institute [9]estimates that the global need of an additional spend of $ 1.2 trillion per year could be reduced by 40% through better infrastructure practices alone. Subsidies alone cost about $1.9 trillion annually world-wide, of which almost $ 300 billion is in fossil fuel subsidies. Eliminating fuel subsidies and targeting other subsidies better – especially through cash transfer programs- could release at least $ 500 billion per year. Many other spending programs – in health, education, water, sanitation and social protection could see improved delivery and transparency with better outcomes.

Improved governance and strengthened institutions are now included in a standalone SDG Goal 16. But they are difficult to measure across countries and even across time as they are based on perception based indicators and surveys (Hulme, Savoia and Sen 2014). The World Bank's Institutional and Governance Indicators (IGI), Transparency International Index (TII), International Country Risk Guide (ICRG) are often used to track improvements over time – but as these indicators improve very slowly, and are perception based, it is not clear that over the short and medium term whether any perceptible progress exceeds the margin of error. Of the 12 targets established under this goal, the first five targets deal with the Rule of Law. Five targets pertain to institutional strength and governance but are not easy to measure or track. For example Target 16.6 " develop effective and accountable and transparent institutions at all levels " and Target 16.7 – "ensure responsive, inclusive, participatory and representative decision-making at all levels " find a mention generally in the AAAA but will be very difficult to measure. The more practical definitions of good governance such as those of the World Bank –

[9] Mckinsey Global Institute, Infrastructure Productivity How to save $ 1 Trillion per year, January 2013.

which focus on state capacity to deliver services more effectively are not included in the Targets and should be used in the indicators if some meaningful measurement across countries is to be achieved.

IV. Programs and Policies in the AAAA

The AAAA breaks new ground in four areas

a) The call for establishment of a Global Infrastructure Forum to help coordinate the activities across a wide range of infrastructure funds set up by various MDB's and facilities to help fund the $1.0-$1.5 trillion infrastructure financing gap.

b) The establishment of the Technology Facilitation Mechanism to facilitate technology transfer – especially for clean technology to help mitigate climate change and provide greater access to modern energy from renewables.

c) The call to find ways to control tax avoidance and illicit financial flows and reduce the roughly $ 1 trillion of tax avoidance globally- although the demand for a Global Tax Institution was not agreed to at the conference.

d) Develop and operationalize by 2020 a Global Strategy for youth employment and implement the ILO Jobs Pact.

These are ideas which will need further development and tracking progress on them, with concrete targets will be important. It also endorses many areas where concrete agreements have already been reached and so will be easier to monitor.

For example, coping with climate change will be a major challenge for many cities in the developing world – already choking with poor air quality, congestion, poor quality housing. The AAAA recognizes these challenges and supports adoption of the Sendai Framework for holistic disaster risk management. There are 7 very sensible targets under the Sendai Framework – which have largely been incorporated into the SDG's. But given scarce resources – how do we prioritize, where should the focus be. While the framework is comprehensive in its scope and reach – there are about 50 high risk countries around the world which have much higher frequency of natural disasters and are hugely vulnerable. Going forward a special focus on these 50 high risk countries may increase development impact globally.

Another area where concrete agreements are in place are access to energy. The AAAA promises to support universal access to reliable and sustainable modern energy for all. It mentions the UN Secretary General's Sustainable Energy for All Initiative (SE4ALL). Over 1.5 billion do not have access to modern energy and estimates show that providing such access will make a very small contribution to the global carbon footprint – especially as some of it will come from off-grid renewables. The SE4ALL has 3 global targets (which are now included in the SDG's) a) ensuring universal access to modern energy services b) doubling the global rate of improvement in energy efficiency and c) doubling the share of renewable energy in the world's energy mix all by 2030. A Global Tracking Framework 2015 provides the links between energy and four key development areas food, water, health and gender. It provides analysis of the financial costs of meeting the SE4ALL objectives as well as the geographical and technological distribution of the investments that need to be made.

In some areas the AAAA marks existing agreements and also encourages further progress. The growth in global trade and trade liberalization played an important – some would say critical role in allowing so many developing countries – especially in East Asia to grow rapidly and reduce poverty. Trade and export led growth was the engine that helped poverty reduction. One of the major achievements of this period was that the world did not slide back into protectionism even after the global recession of 2008. To recover major world economies – came together at the G20 and ensured that there was no slide to protectionism. Global growth has since slowed down considerably and global trade is for the first time since 1990 growing even slower than global GDP growth. The opportunity for export led development that was utilized by many countries – especially in East Asia to grow fast and reduce poverty is less likely in the coming decade. Nevertheless for many LDC's whose share in global trade is miniscule – opportunities to export exist but require major steps in their ability to exploit these opportunities. While pushing for progress on the stuck Doha round, the AAAA focuses on progress in smaller areas. It endorses the Bali Trade package with its 10 action points with a focus on trade facilitation and agricultural subsidies.

Whether implementation of the Bali agreement will help restart progress on the Doha Round remains to be seen. In the meantime regional agreements are gathering momentum. 12 Pacific Rim countries including the USA and Japan (but not including China) have reached agreement – subject to legislative approval – on a Trans Pacific Partnership (TPP). China is pushing for the Regional Comprehensive Economic Partnership (RCEP) which involves the 12 ASEAN countries plus the 6 countries with which ASEAN has Free Trade Agreements – Australia, China, India, Japan, South Korea and New Zealand. It is hoped that these regional agreements will eventually morph into a broader agreement on the Doha Round but there is no guarantee that this will happen, and some argue that regional agreements will make a global agreement much harder to achieve.

The AAAA flags many issues which are important, where concrete agreement is feasible but more work remains to be done. For example, the AAAA calls on reduction in fisheries subsidies – which have accelerated over fishing and for control over illegal trade in wildlife, over-logging and over-mining but no concrete measures are proposed. The flexibilities in the WTO agreement on TRIPS are endorsed and countries are encouraged to accept the amendments by the end of the year and welcome the extended period of transition for all LDC's. Aid for Trade is also encouraged to ensure that LDC's and SIDS can help build the capacity and overcome trade logistics to be able to participate competitively in international trade.

National and Regional Development Bank's (NRDB's) play a vital role in the development process in many developing and developed countries. Independent evaluation findings show that where strong NRDB's operate the effectiveness and development impact of ODA and MDB financing – who often partner with RNDB's -also increases. NRDB's have better knowledge of local implantation challenges and can reach retail and small enterprises at a lower cost and carry on development activities after MDB financing has been phased out. When strong local financial institutions are absent the effectiveness of public development programs and international aid suffers. Building and strengthening these institutions must be made a monitored indicator for the SDG's.

Sub-national financing is recognized as a key aspect of sustainable and inclusive development. Strengthening the capacity and financing of local administration and municipal bodies is vital for ensuring development is bottom up and not top down. The share of revenue in the hands of local government is one indicator that could be monitored. The number of cities that can issue bonds which can raise finance for basic facilities- transport, sewage, water systems would be another. The ability to raise local revenues must also be tracked.

Debt and Debt Sustainability: The AAAA devotes considerable space on debt and debt sustainability. Debt servicing takes resources away from achievement of the SDG's by a) having less resources for public expenditure b) debt overhang can deter private investment and c) hinder new and more productive borrowing. Evidence from the past shows that debt relief has been substantial not led to any substantial increase in net ODA. It has also had mixed results in affecting the pattern of expenditure: no marked shift in more spending on education, health or infrastructure. It has also had no significant impact on crowding in private investment – but this may also be because institutional and regulatory weaknesses – which led to debt problems are not easy to fix in the short term and are also making the country unattractive to private investors.

The AAAA endorses the IMF and World Bank debt sustainability analysis – but also asks these institutions to strengthen the analysis, which has come under some criticism for its rigidities. Debt forgiveness of the MDB's has been the most difficult part of the debt forgiveness process – given their fiduciary and institutional restrictions.

The AAAA calls for improvements in sovereign debt restructuring – including the recent discussion at the "Paris Forum". But it does not discuss the concept of sovereign bankruptcy – needed in situations where a country suffers from debt overhang for long periods of time and debt write-offs are needed. It does mention the need to study more carefully the experience of debt for nature and debt for health swaps.

Other Systemic Issues: This section highlights all the global issues the world is grappling with – especially the issue of global economic governance – but provides no agreements or yardsticks for progress. It mentions the need for IMF and World Bank quota reform – with no timetable. It talks about management of the global financial system but with no specific proposals. It talks about commodity price volatility – especially on food but it can only refer to FAO's Agriculture Market Information System as a helpful step. It endorses the efforts to strengthen the Financial Stability Board, to reduce reliance on mechanistic credit ratings, address 'too big to fail" financial institutions and cross border regulatory issues.

It also talks of organized crime, international migration and policy coherence. But what is surprising is that at a time when the world recognizes that the major challenges facing the world are global – the solutions and suggestions offered in the AAAA and financing for global public goods looks like the weakest. It will most likely take further catastrophes and calamities to goad the world into stronger global action (see Annexure II).

Science, Technology, Innovation and Capacity Building: The AAAA commits to capacity building for sustainable development: especially in LDC's, LLDC's, SIDS and Africa. Technology transfer is vital if the new challenges of climate change and poverty elimination are to be achieved. The AAAA introduces the Technology Facilitation Mechanism (TFM) which was launched with the SDG's and will be composed of an interagency UN task force, a multi stake holder forum for bringing together governments, civil society, private sector and specialized agencies and an on-line platform. The task team will be composed of UN agencies and 10 representatives of civil society and the private sector appointed by the SG for a period of two years. The forum will meet once a year under the auspices of the ECOSOC and the on line platform will serve as a gateway to information from the forum and around the world.

Whether the TFM will be just another talk-shop or lead to genuine technology transfer needs to be thought through with more concrete measures – such as a technology bank and a transfer fund to help fund the transfer of technology. How all this links to the Green Climate Fund's mitigation funding is not clarified but if it genuinely helps transfer appropriate technology including from south to south it could accelerate progress towards meeting the SDG's.

Data, Monitoring and Follow-Up: The AAAA and the SDG's devote considerable attention to the issue of data and monitoring. This is good given the slow start to monitoring the MDG's – but which eventually picked up momentum. The UN statistical commission is tasked with coming up with measureable indicators for the SDG's and has made considerable progress on reaching agreement on specific indicators that will be used to measure the 169 targets under the SDG's.[10] But without prioritization this could become a giant mechanical statistical enterprise. The fact that it's not easy to find agreed indicators for many of the Targets and even where indicators have been agreed upon its likely that many countries will not have the resources or the capacity to report on them for some time – even with a huge increase in international assistance for statistical capacity.

We have suggested in Section II a prioritization of the Targets to achieve the SDG's and it would be best to make sure that data and reporting on the Highest Priority 60 SDG targets is a must for all the countries , with the next 40 targets considered desirable and the remaining 69 targets as voluntary. Trying to focus the same attention to get all countries to report on all the targets will be impossible – even if capacity development for statistics and data collection is increased hugely.

Section V: An Evaluation Framework for the AAAA

One of the big gaps in the MDG period was the lack of an organized evaluation system to assess what programs and policies helped achieve progress on the MDG's or why were there

[10] Surprisingly a large number of indicators have been agreed upon as of Nov 4, 2015 in work underway under the UN Statistical Commission.

shortfalls in meeting targets. The limited evaluations done during the MDG period identified synergies across different goals as well as trade-offs. We discuss these later in this section – especially the inadequate focus on the role of infrastructure and the excessive but unbalanced focus on social programs. The MDG's were limited in their scope and missed important aspects of economic and social development and missed the synergies needed between different sectors to reach specific outcomes.

The AAAA recognizes these synergies by identifying 7 cross-cutting areas:

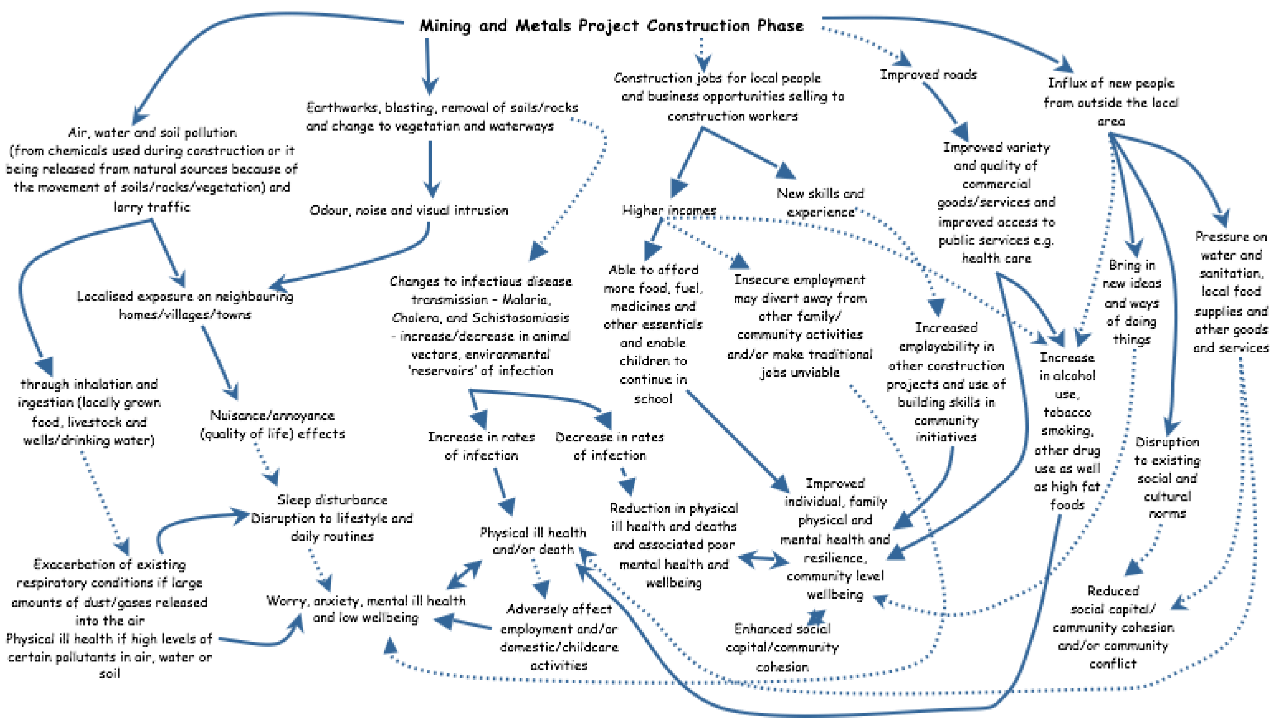
1. Delivering social protection and essential public services for all. To end poverty and finish the uncompleted MDG agenda.
2. Scaling up efforts to end hunger and malnutrition. By increasing agricultural productivity, improving social security systems, increasing market access and reducing post-harvest food loss and waste.
3. Establishing a new forum to bridge the infrastructure gap – highlight opportunities for investment and cooperation and work to ensure that investments are environmentally, socially and economically sustainable.
4. Promoting inclusive and sustainable industrialization.
5. Generating full and productive employment and decent work for all and promoting MSME's.
6. Protecting our eco-systems for all – especially with changing behavior.
7. Promoting peaceful and inclusive societies: including combating corruption and curbing illicit financial flows.

But there is no further elaboration of how these synergies will be encouraged or organized in the AAAA. Nor are there any recognition of the trade-offs that must be recognized – that it's not always a win-win. We need more comprehensive evaluation methods to understand these synergies and trade-offs better and the inter-linkages among the SDG's. Surprisingly the word "evaluation" is not mentioned at all in the AAAA although it was a major weakness of the MDG period. If monitoring is about "making sure that things are done right" then evaluation is about "making sure that the right things are done". In a world of so many goals and targets, so many actors and limited resources, getting the right combination of inputs to produce the right outputs and outcomes is of vital importance.

A typical evaluation framework looks at a results chain from inputs – outputs – outcomes to impact. Such a log frame is not easy in assessing progress towards the SDG's for several reasons that have been mentioned in previous sections. These include the growing evidence that there are a multiplicity of paths to development progress, the interaction and synergy between different policies and programs that produce outcomes, the need to strengthen methods to evaluate private sector activities, better evaluation of policy choices and the uncertainty that climate change introduces into the future outcomes.

For example a mining project being introduced in a new area has multiple impacts some positive – such as higher incomes, more employment and some negative - such as public health and environmental stress. A priori it is not clear which of these impacts will be triggered by the project, as it will depend on project design, choice of technology, safeguards, supporting policies and programs. Figure 1 illustrates some of these impact pathways for a generic mining project. Concurrent evaluation can be used to determine the strength and weaknesses of different pathways identified in this project.

Figure 1: Impact Pathway Analysis Illustrative Mining Project



Source: Publichealthbydesign.com

Any new evaluation framework must also recognize that change will not be linear. We saw this already with the MDG’s where for many LDC’s initial progress was slow but once a critical mass was achieved progress was much faster. Some of this was a statistical artifact – where targets were set in “proportion of the population “the starting point made a statistical difference.

But progress was also not linear because we now recognize better the synergies between different programs. Progress on health will come from more and better expenditure on health – but much greater progress comes also from higher incomes, better roads, provision of modern energy, and education – especially girl’s education. If we only try to achieve better health outcomes through more health spending progress will be slow because health outcomes may depend even more on other factors – such as lack of electricity, roads or education.

A new factor introducing non-linearity is the rising impact of climate change whose impact is not yet fully understood. We do not yet know, and are unlikely to know how climate change effects will play out on the economy, on society and what their regional and national impacts will be. We are in uncharted territory as well on new less carbon intensive development pathways. The past is not necessarily a good guide. So an evaluation system which focuses heavily on typical post project or program analysis will not be most useful as we move forward.

We must recognize that the SDG's and the associate targets need to be more dynamic and even the indicators may need to be assessed every five years. This is because of the uncertainty related to climate change and its impacts – which may throw up surprises as we go forward towards 2030 as we don't fully understand the assimilative and regenerative aspects of our eco-systems (Daly, 1990). The linkages between climate change and agricultural productivity in different parts of the world is still evolving. So is the link between climate change and natural disasters where the links are evident but the precise impacts are not yet certain. Concurrent evaluation maybe useful in getting quicker feedback on what is working and how improvements can be made mid-course. Such quick and dirty evaluations maybe needed but must be built into subsequent financing for the ongoing programs.

Concurrent evaluation can only work if it is built into the programs ex-ante. Many existing programs start with laudable objectives but have not built in the information base that would be needed even to monitor progress let alone do basic evaluation. Feedback loops from concurrent evaluation to funding for the next phase of the program will be vital to ensure that every five years or so we can course correct to achieve better outcomes (Figure 2).

With so many goals, multiple actor and the complementarities and trade-offs between goals building an evaluation system for the various program in the AAAA will not be easy. One approach is to cluster the SDG's into three broad categories – those that deal with the quality of human – wellbeing[11] – SDG 1,2, 3, 5 , those that deal with the resource and institutional base – SDG 4, 6, 7, 8, 9, 11, 12 and a third category that deals with global public goods – SDG 13, 14, 15, 16, 17. We could then try and develop pathways from programs in the AAAA to meet certain goals and try and see what would be the synergies or trade-offs between different goals. Such a clustering also helps analyze more clearly the synergies and trade-offs between different groups of SDG's.

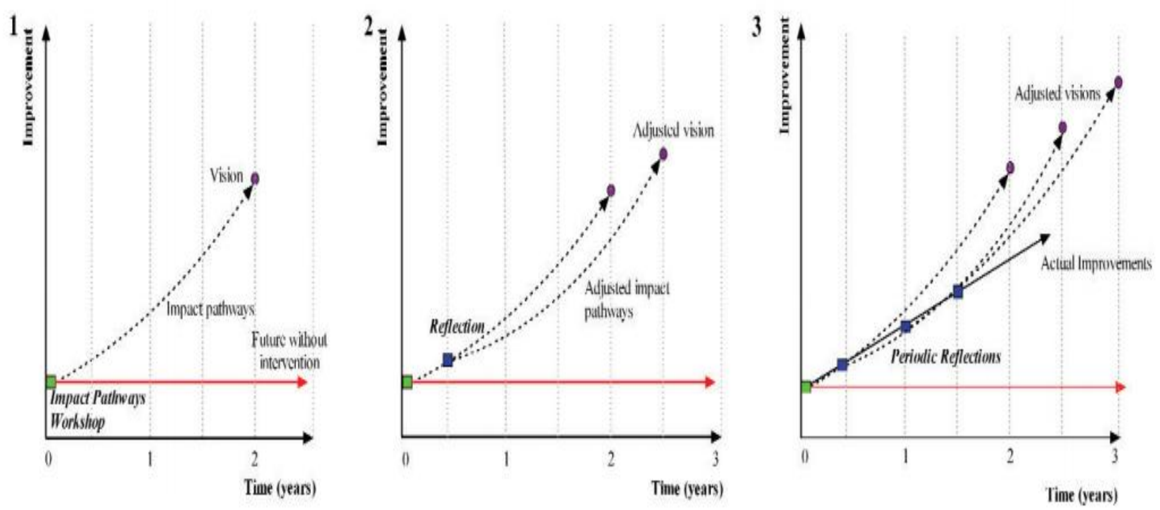
We could consider pathways where we devote resources to meet certain SDG's – such as water or energy which will produce positive impacts on SDG 1 – poverty or SDG 2 hunger but could also have negative impact on the world's climate through higher emissions and have a negative impact on SDG 13 or SDG 14 and 15. Pathways analysis originally developed to understand human biology has now been used in a wide variety of field from understanding crop yields, transport and energy systems and many other systems. Its best used to understand the

[11] SDG 4 on education could come in the first category of human well-being on the ground that education creates well-being or it could be seen as an instrument for well-being. Health could also go either way.

predominant effects of certain actions with multiple effects, while also understanding co-variant effects among the actions taken.

For example the UN's SE4ALL initiative could be assessed using pathway analysis to see how best in different category of countries it would address energy poverty on one hand with positive impacts on health, education, poverty eradication, and elimination of hunger but would also contribute to higher CO2 emissions. Pathway analysis could be used to assess how much would the developed world have to reduce CO2 emissions – under different technology combinations - to accommodate the achievement of SE4ALL. Eliminating fossil fuel subsidies globally maybe enough to accommodate- and even fund - the higher CO2 emissions that will come from SE4ALL.

Figure 2: Impact Pathways Analysis – With Concurrent Evaluation



Adapted from Flood (1999) and taken from Douthwaite et al (2008).

Pathways analysis could also be developed for other programs. A pathway analysis for the zero Hunger Goal – SDG2 would require concerted action on improving agriculture yields, better food management and distribution, income transfer programs and managing food price volatility. Improving agricultural yields would need better water management, fertilizer and energy. A pathways analysis could inform us of the necessary tradeoffs that would emerge in achieving this goal. Uncertainty would be introduced with climate change as the projected yields may not materialize, water availability may be affected and other unforeseen problems such as pests, crop diseases may affect productivity.

The nexus between unemployment, conflict and crime, and migration is another area where pathway analysis could be usefully applied – especially to get a better handle on the Global Youth Strategy by 2020. Such a pathway analysis could reveal the synergies between, education, manpower training, investment and job creation, financial inclusion and infrastructure. Evidence shows, for example, that education without jobs, creates huge potential for social conflict, migration and eventually political upheaval. A pathway analysis would identify the challenges ahead in creating the synergies among programs to address this global challenge.

The pathway analysis could also be used to better understand trade-offs and choices that must be made in the AAAA. For example the Goal of Zero Hunger would come into conflict with Goal 15 – and more specifically Target 15.4 and 15.5 which deal with loss of bio-diversity consistent with the Aichi Bio-diversity targets endorsed in the AAAA. These are further complicated by the need to limit CO2 emissions to ensure that global temperature does not rise above 2 degrees C, and by the choices to be made in the rate of urbanization, management of food losses etc. Lucas et al (2014) analyze the options through a pathways analysis, which examine three different pathways to achieve the targets.

The following three pathways that meet these goals are distinguished:

Global Technology: Focus on large-scale technologically optimal solutions, such as intensive agriculture, and a high level of international coordination

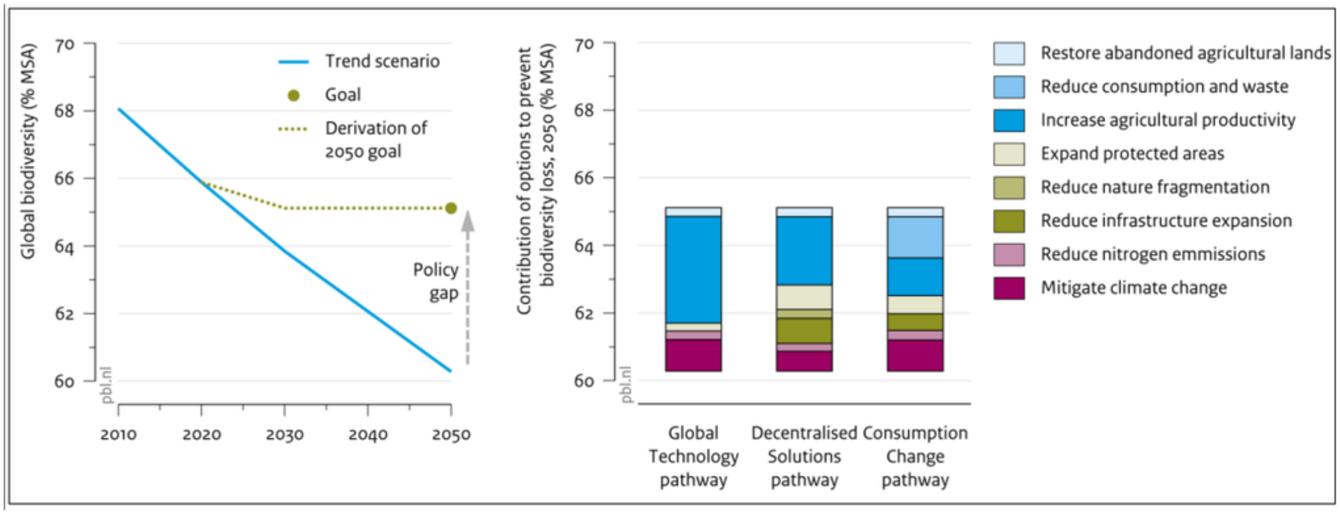
Decentralized solutions: Focus on decentralized solutions, such as agriculture that is interwoven with natural corridors and national policies that regulate equitable access to food

Consumption Change: Focus on changes in human consumption patterns, most notably by limiting meat intake per capita and by ambitious efforts to reduce waste in the agricultural production chain

The analysis addresses the level of effort required to achieve the above SDG's taking into account social, economic and technical constraints, and concentrates on the bio-physical changes required to achieve the goals Figure 3 presents the contribution of different measures for achieving the biodiversity target, taking into account the other targets, including the eradication of hunger. The pathway analysis points to important elements—included to different degrees—to eradicate global hunger and maintain a stable and sufficient food production, while reaching the biodiversity goal: alter demand for agricultural products including consumption change and reduction of losses and waste; increase agricultural efficiency; change agricultural land allocation and management, including fragmentation; and protect the most important ecosystems and their goods and services. The analysis also points to important synergies with other environmental issues, including climate change and nitrogen deposition. Finally, although not shown , improving access to food by specifically targeting food prices for the poorest households decreases the challenges arising from the elements discussed above.

All three pathways eradicate hunger and reach the global biodiversity target, but the use of different strategies to reach them varies significantly. The analysis shows that long term terrestrial biodiversity goals can be met as part of an integrated agenda of land use, food production, hunger and biodiversity protection, that also provides for access to drinking water, sanitation and modern energy while mitigating climate change. It also shows that achieving the long term biodiversity goal constrains the development of the agricultural sector and how the eradication of hunger can be achieved.

Figure 3: Illustrative Pathway Analysis for Zero Hunger and Bio-diversity Loss



Different pathways to prevent global biodiversity loss. Biodiversity is indicated by the mean species abundance (MSA) of the original species, with a value of 100% implying that the abundance equals the natural state and 50% implying the average abundance of the original species deviates by 50% from the undisturbed state.

Source Lucas, P.L. et al (2014)

Once the pathway analysis is completed, a concurrent evaluation system could be used to periodically monitor progress along these pathways with timely intervals to check on progress, and make course corrections in the programs (see Figure 2).These concurrent evaluations must be built into the programs ex-ante so that the data needed for the analysis is available. Every program would have a pathway analysis – which could be updated every five years as we understand the variance and co-variance between different parts of the program and its interaction with other programs.

We will still need the traditional ex-post evaluations to better understand fuller impacts, but these must be nested with more quick and dirty concurrent evaluation for dealing with the non-linearity and uncertainty in our knowledge of progress in a world of rapid climate change. There are also important new players – private sector, civil society whose activities have so far not been subjected to rigorous evaluation. But if they are expected to play a vital role in the AAAA they must come into the ambit of the new evaluation framework. In developing the new evaluation framework we need to keep in mind the following gaps and priorities.

First, we need a better understanding of the synergies between interventions that produce better outcomes. The few good evaluations and simulations show that context is very important and generalized solutions – especially in poverty related and social outcomes. The World Bank has developed a tool for analysis of the effects of policies and programs on MDG outcomes called MAMS (Marquette for MDG Simulations). The CGE model underlying this tool kit of course relies on assumptions inputted into it – but it can give surprisingly results. For example, in Uganda the MAMS simulations showed that Uganda's poverty reduction had less to do with delivery of public services on education and health instead household income growth was a key driver of poverty reduction along with more spending on physical infrastructure like rural roads which helped drive rural incomes and from which households increased their spending on education and health.

In another interesting impact evaluation White (2006) found that the in Bangladesh social outcomes – under-five mortality and the total fertility rate – improved rapidly. While income growth had a lot to with improved outcomes Bangladesh's social indicators improved much faster – because of a strong immunization program, the training and use of traditional birth attendants, rapid expansion of female secondary schooling in rural areas – using stipends and rural electrification. Rural electrification alone reduced under-five mortality rates by 25 per 1000 birth. Another study on Bangladesh showed that its Integrated Nutrition Program (BINP) had no impact on nutritional outcomes. Nutrition did improve but this was largely because rice prices fell due to improved agricultural productivity. And in Ghana school repair did more for school attendance than expenditure on teacher training and school materials. Skilled birth attendance is considered a key factor in lowering maternal mortality – but increasingly evidence shows that in many situations if other complimentary factors and facilities – such as electricity, clean water and post-natal care are not available. As a recent IEG evaluation[12] on maternal mortality notes "

What matters is
- Formal education and community-based delivery of service packages with interventions affecting mothers' knowledge and information for neonatal mortality
-Energy and air pollution, water and sanitation, education, and governance interventions affecting strategy and planning to affect child mortality, especially infant and under-five Mortality
- Conditional cash transfer or voucher interventions that affect mothers' ability to pay to improve skilled birth attendance rates
- Health worker training in conjunction with providing family services and increasing household
Health knowledge to improve infant mortality."

Second, a common theme that emerges from many of the MDG era evaluations is that there was insufficient focus on infrastructure spending and too much focus on social sector spending. One of the major criticism of the Poverty Reduction Strategies (PRSP's) [8] - the main instrument for providing the framework for aid to support economic development and poverty reduction has been its excessive focus on the social sectors at the expense of the infrastructure sector. In Africa more than three fourths of the funding has been on the social sectors at the

[12] IEG Paper "Transforming Our World" Aiming For Sustainable Development Lessons From Recent IEG Evaluations ".2015.

expense of the infrastructure funding and has hurt growth. In contrast in Asia the balance between social and infrastructure sectors has been better and has helped spur growth as well as better social outcomes. The SDG's attempt to correct this neglect of infrastructure with the inclusion of Goals 6 (water and sanitation), Goal 7 (energy), and Goal 9 (infrastructure). A more balanced focus on social sector and infrastructure in the SDG's may eventually lead to better development outcomes. But many of these choices must be set at the country level with a better understanding of context, level of development, local capacities and social mix. Global fads and donor preferences must not drive this balance.

Third, we know that better governance and institutional strength matter for development outcomes. There is also evaluated evidence that improved institutions help reduce corruption, deliver better services and improve the climate for investment. But improving institutional strength takes time and measuring progress on it is not easy – especially as most existing measures are based on perception surveys. We therefore need more intermediate indicators that will both help measure progress but also provide more concrete programs and policies- better procurement, e-governance, transparency and auditing are all toolkits that can be financed and measured to attribute outcome, even if the broader outcomes are not easy to measure and monitor.

Fourth, we need better and more updated tool kits for being able to assess better development outcomes (Heider, 2015). Social cost benefit analyses was a useful tool for analysis – as it can handle externalities , but what discount rate to use, pricing of natural resources remains a key issue especially with uncertainty created by our lack of understanding of climate change dynamics. If we thought for example that global forest cover is already severely depleted, the price of forests should be close to infinity. If we are already at a tipping point on water in some parts of the world then the price of water in projects there should be very high. In the transport sector how much value to put on noise or landscape in addition to congestion, air-pollution and safety remains an issue. But given the uncertainties we end up using some premiums on market prices best reflecting judgements on value. Finally, how to control excess consumption may itself be an issue which has not been directly addressed in the SDG's except by looking at rising inequality and some very broad mention of sustainable consumption.

There has been a huge expansion in randomized control trials in a variety of sector by many MDB's and civil society, academics and research institutions- 3ie, DIME (World Bank 2013), JPAL etc. These are useful evidence based experiments to understand better why some interventions work, but they may prove of limited use when we need a better understanding of the synergies among interventions and policies to produce certain outcomes, or when we need to assess large interventions which cannot be randomized such as major infrastructure projects. Nevertheless it would be useful to conduct a set of meta-evaluations which collect, collate and identify the lessons from these micro experiments to be readily available to make more informed spending and policy decisions.

Sustainable cost- benefit analysis can be a useful tool in addition to impact evaluations in going forward – but we need better valuation of natural resource use reflecting their true scarcity. Mispricing of natural resources can produce harmful decisions with faster depletion of natural capital than is sustainable. Environmental taxes can be used to correct such market failure – but where these taxes do not exist shadow pricing for the intrinsic value of natural capital must be used.

Most project financing is still using market interest rates as the discount rate – but if we are more concerned about future generations then a much lower social discount rate must be used (Stern ,2006). But this approach is opposed by others who argue that we are asking poor people today to give up consumption for future generations whose incomes would be much higher (Dasgupta, Nordhaus, 2006). One way forward is to use higher discount rate for projects in LDC's and LMIC's (where poverty is still substantially prevalent) but use lower discount rates for projects in high income countries and UMICs. This issue needs further study and consensus.

Fifth, as the AAAA puts heavy emphasis on private sector financing for meeting the SDG's the issue is how best can we assess the private sector's contribution not just to growth and job creation, tax contribution, foreign exchange earnings, skill creation, technology transfer but also to social and environmental targets and to spillovers to ancillary investments. Many private companies have Corporate Social Responsibility (CSR) programs [13] which they consider takes care of their social responsibility, by building schools, health centers, or other programs that help local communities.

But given the scale of transformation needed in production systems this issue goes well beyond having good CSR programs. One of the ways in which this could be encouraged is to use the World Bank's IEG methodology for private sector projects: which rate projects not only on financial return – but also on social and environmental contribution and towards broader private sector development. But how to incentivize the private sector to be assessed against such yardsticks still remains to be determined. Such an approach would need to be taken up with all the national and international chambers of industry and commerce.

Sixth, philanthropic foundations have grown in size and are likely to play a bigger role in future. But their work and role has not been independently evaluated. Many of them have played a vital complementary and catalytic role in areas like health and vaccines as well as in finance and IT connectivity but we need more rigorous evaluation of their work and contribution. It is not enough for them to fund useful projects and program but they must be assessed also on the policy advocacy they are willing to take on to address the inequities and unsustainability of the system that produces their funding. Martin Luther King said it best, "Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which makes philanthropy necessary ". [14]They must be judged against the objectives of the SDG's and through their commitment to the principles of the AAAA. For example they should not be making extraordinary profits through BEPS and using part of that money for financing development programs.

Finally, if the SDG's are to succeed it will not be through just more resources but also through better policies – at the national and international level and through more coordinated

[13] India even has a CSR Law which requires private companies to set aside 2% of profits mandatory for CSR activities.

[14] This is taken from Walker, Darren , "Why Giving Back isn't enough ", New York Times, Dec 17, 2015.

approaches. Food, fuel price swings can have huge effects on social outcomes but we don't yet fully understand their causes. Similarly the effects of loose monetary policies to manage the global crisis are still being worked through and many of their side effects are unknown. The impact of policy change on sustainability is also an area that needs much greater attention.

Section VI: Conclusions

The way forward from the AAAA will not be easy. Progress will require more precision and prioritization. But prioritization is also not easy because of the huge uncertainties introduced by climate change: so we need a system which progresses in smaller steps but with a longer term set of goals. This paper has tried to provide some ideas on how to go forward.

It has identified ways to prioritize. While laudable in the scope and coverage the SDG's with 169 targets are not easy to monitor or evaluate. One option is to introduce greater precision in them – but on many issues – such as governance, institutional strength, or even inequality this is not easy. Another option is to focus on the 'Highest Priority' 60 must achieve targets for all countries and a 100 desirable targets. The paper suggests ways in which this could be achieved.

The AAAA widens immensely the concept of "FfD" to include all sources of financing – domestic and international and shifts the conversation from "billions" to "trillions". The term FfD has now become less meaningful and we may instead shift to a new terminology – Financing of Sustainable Development "FoSD". This shift dilutes the responsibility of the international system to help finance development. This paper suggests that while it is important to help developing countries improve their ability to finance development domestically it is important to monitor the commitments on international sources of finance.

The AAAA endorses a wide range of programs and policies to support the SDG's. In some cases there are concrete programs with specified targets – such as the Aichi Biodiversity Goals, the Sendai Framework for Disaster Management, the SE4ALL program for sustainable energy for all. In some cases there is partial agreement such as in trade where the Bali Accord has more precise agreements but there remains much work to be done for a Doha Accord. The AAAA also introduces new promising initiatives – such as the Global Infrastructure Forum, the Technology Transfer Mechanism, the focus on illicit financial flows and BEPS, and the Global Youth Employment Plan. But these will require further work and concrete financing. The AAAA recognizes the cross cutting aspect of various targets and lists several cross cutting themes. But our knowledge of the way these synergies work remains weak as the MDG period had no organized evaluation system to better understand them.

This paper has proposed an evaluation framework to supplement the monitoring of the AAAA. Monitoring will help to do things right but evaluation will help do the right things. This is important to better understand the synergies across different goals and to be able to use resources more effectively. Developing an evaluation system will not be easy as many of the targets are not evaluable. We need more precision in the targets and fewer targets. It will also be difficult because of the uncertainties introduced by climate change. Progress will be in many cases non-linear. The paper suggests more use of pathways analysis with concurrent evaluation – with intermediate targets and feedback mechanisms for course correction. Updating and improving the tool kit of evaluation, bringing the private sector, civil society and the work of philanthropic foundations under the ambit of evaluation is also proposed in the paper.

Annexure I: The MDG Era: Achievements and Lessons

The MDGs with all their flaws and gaps achieved far greater success globally, in uniting the world towards more inclusive development than could have ever been imagined. Initially put together ostensibly by a small group of technocrats at the UN, the MDGs became the objectives around which the entire world came together to support development. They were conceived to salvage something concrete out of the Millennium Declaration, and were initially not widely accepted or recognized. The two biggest developing countries China and India, ironically the ones most responsible for their eventual success, did not even formally acknowledge them until after 2005.

But by 2010 ,when global leaders met at the UN there was widespread acceptance of the goals even though many felt by then that they were not enough to capture the complexity of development challenges. In fact several countries had even added an additional ninth goal - which they felt were important for their development - and were missing in the 8 MDGs. For example a ninth goal was added by Liberia -*water*, Mongolia -*strengthening human rights and fostering democratic governance* , Afghanistan - *enhancing security*, Lao PDR- *Unexploded Ordinance (UXO*), Albania- *good governance* and Bhutan - *Happiness* . These reflected country priorities which were not included in the global goals.

The original MDG goals were global targets - not meant as individual country or regional targets. As Vandemoortele (2014) one of the UN technocrats charged with defining the MDGs explains- these were global targets and it was not expected that all countries would achieve these targets. In fact many were not expected to - for if a target is met on average there will be some countries that will have done better than the target and some who would not have achieved the target. If all countries met the target, the global target would surely be exceeded. These are important lessons as we will see later the expectation that all countries should meet the MDG's put many LDC's at a huge disadvantage.

It is often claimed that the MDG's were a top down set of targets put together by a small group of international bureaucrats.[15] But as MacArthur (2014) explains they were a product of what he terms "iterated distillation". They were not plucked out of thin air but were built on a series of thematic conferences in the 1990's which helped build consensus on various vital issues. These were Education - Jomtien 1990, Children- New York 1990, Environment- Rio 1992, Population- Cairo 1994, Social Development - Copenhagen 1995, Women - Beijing 1995. There was also at the end of the 1990's considerable distrust of the Washington Consensus imposed on the developing world through the IMF and the World Bank. Structural adjustment programs had not worked as was expected in Africa and the IMF's handling of the Asian financial crises had led to huge distrust of the technical advice from these institutions. The MDG's proposed by the UN were seen to be a new way forward in building global interest and consensus on more inclusive development.

While initially conceived as Global goals and targets, gradually as the focus shifted to implementation somehow, the MDG goals began to be thought of as country level goals despite

[15] Mark Malloch-Brown described the creation of the MDG's as nuclear fusion.

clear evidence that several of the goals would be a stretch for many countries given their lack of preparedness and weaker institutions and systems to meet the targets. But they had a slow start at the country level. Between 2000 and 2005, there was mixed interest at the country level on the MDG's - many key ministers in many countries were not even aware of them. It was a period when the UN agencies went around the world to get countries to focus on the MDG's. The International financial institutions - especially the World Bank and the IMF - were lukewarm to them refusing to cede ground to the UN. [16]They eventually came around but even by 2010 were at best supportive of the idea of "accelerating progress towards the MDG's".

Given this history the progress on the MDG's was quite remarkable. As the UN MDG task force report 2015 summarizes -

- The percentage of poor below the poverty line (defined as $1.25 per person per day) fell from 50% in 1990 to 14% by 2015. Over 1 billion people came out of extreme poverty and the proportion of undernourished people halved.

- The primary net school enrollment rate increased from 83% in 2000 to 91% by 2015, girls increased more than boys and, in that period, the number of out of school children dropped from 100 million to 57 million. Progress was also made in access to water (although there are issue with how this progress is measured).

` - The under 5 mortality dropped from 90 per 1000 live births to 43 between 1990 and 2015. Maternal mortality dropped by more than 45 percent in this period with the fastest reduction in South Asia and Africa and more children born with skilled birth attendance. Progress was made in the fight against HIV Aids, Tuberculosis and Malaria.

Perhaps the slowest progress was in gender disparity but even so there was overall improvement in access to primary, secondary and tertiary education, parliamentary representation and in employment.

But as could be expected progress was uneven with many parts of the world making huge progress and others such as Africa showing less progress. Gender discrimination still remains a huge issue in many countries - especially in access to jobs and assets. Rural urban disparities in access to services and the basics of life such as water, housing and sanitation still remain a huge challenge in many countries with almost 50 percent of the rural population not having adequate access to these facilities. The disparity between the rich and poor not just in income but in access to basic services remains huge and rising inequality add to these challenges. Children from the bottom 20 percent of the population are twice as likely to be stunted and four times as likely to be out of school as compared to children from the top 20 percent of the population. And while recognizing their strengths in focusing the world's attention on more inclusive development the run up to 2015 also revealed their weaknesses.

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[16] As the World Bank's Independent Evaluation Group states " The World Bank group did not have a clearly articulated results chain for the MDG's nor did it have a systematic process for assessing and evaluating its contribution to the MDG's ."

Despite Goal 7 progress on the environmental front was very weak - in fact some would argue that the world went backwards on the environment. Global emissions of carbon dioxide increased by 50 percent since 1990. An area about the size of Costa Rica was lost to forest cover in 2010 and marine stocks have depleted at a huge scale. But the world is still searching for an economic development model which allows improvements in the quality of life but with a much smaller carbon footprint. Air quality has gone down in many cities in the developing world to critical levels and water scarcity is becoming so intense that it is linked to rising conflict.

Conflict and insecurity were also not directly addressed in the MDG's but played a key role in explaining why the progress on MDGs was so varied. No low income conflict affected country achieved any of the MDG's and fragile states were the most off track in achieving the MDGs. Of the 34 countries which were furthest from achieving the MDGs some 25 were conflict affected. The strong correlation between conflict and poverty does not imply causality as poverty breeds conflict and conflict makes it harder to get out of poverty – creating “poverty traps”. But clearly more focus on peace and conflict was needed in going forward from the MDGs to the SDGs.

One common feature driving better outcomes is good governance. Better government, less corruption and stronger institutions were not mentioned in the MDG’s. But much of the development literature came around to the view that it was not just resources but good institutions which explain differences in outcomes across countries whether they be in generating faster growth , poverty eradication , better service delivery and the rule of law (Acemoglu and Robinson 2010). The UN’s “My World” survey also showed what people wanted was good governance, better health outcomes, water, quality education and jobs. But the MDG targets did not address these issues.

The difficulties in meeting the MDG’s for the fragile, conflict-affected states led to the creation of the g7+, a voluntary group of 20 countries – Afghanistan, Burundi, CAR, Chad, Comoros ,Cote d’Ivoire, DRC, Guinea, Guinea-Bissau, Haiti, Liberia, Papua New Guinea, Sao Tome and Principe, Sierra Leone, Somalia, Solomon Islands , South Sudan , Timor-Leste, Togo and Yemen (Wyeth, 2012). The focus of these countries is on peace-building and state – building goals: legitimate and inclusive politics, security, justice, economic foundations and revenue and services, as a precondition to the MDG’s to address the so called “poverty traps”. The SDG’s have now put ending conflict and peace building as a central goal.

One view (Pritchett 2015) is that MDG’s were a success because the bar was set too low and the agenda was too narrow. The poverty goal – Goal 1 on halving the poverty rate- was easily achieved at the global level because China had already achieved the goal before 2000 and India was on its way to achieving that goal. The education goal – Goal 2 on primary education- of getting children into school was also too easy especially as there was no measure of school outcomes and learning. A large part of the gender goal – Goal 3 getting girl’s primary education same as for the boys-- was met once Goal 2 was achieved. In addition so much that is important in development was missing in the MDG’s that they represent a “kinky and dumbed down version of development “. In that sense the SDG’s represent a better – even if harder to define precisely- measures of a global agenda of development.

Surprisingly as the world became more focused on the MDG's – especially from 2010-2015 – international assistance for their implementation became harder and harder to mobilize. Some of this was due to the global economic crisis of 2008 when many of the richer developed countries went through a deep recession and had to deal with their own economic problems. A few developed countries – notably Belgium, the Netherlands, Norway, Sweden, and the UK maintained their aid commitments to the goal of 0.7 % of GDP but others lagged behind. Despite aid shortfalls, the momentum towards achieving the MDG's held up in much of the developing world as many countries aligned their development priorities towards the MDG's.

Judging progress on the MDG's depended also on how the indicators were measured - as these determined whether particular countries or regions were considered successful or not. Much of the headline news is that Africa is off track in meeting the MDG's. But Clemens, Kenny and Moss (1997) and Easterly (1997) show the way the MDG's were designed put a special bias against Africa. Some of the indicators were measured in absolutes, some were in proportion and some were negative as against positive indicators. In the case of Goal 1, because Africa – and for that matter all LDC's- started with lower incomes and had lower poverty income elasticities progress on the poverty indicator was biased against Africa.

The same logic applies to Goal 5 and 6 on proportional reductions in infant mortality and maternal mortality which all show an S - shaped improvement over time so the initial starting point matters. As Africa had lower starting points initial progress measured in proportions is slow even though absolute progress is much better. In the case of Goal 2 achieving universal primary education any country that started at a lower level of primary education had a bias against it even if it achieved the fastest progress - as was the case with many African countries. This bias was not true for Africa alone but also true for LDC's in general which all started with lower initial values. This also explains why we appear to have seen more progress in meeting the MDG's after 2000 - especially after 2010- compared to the 1990's some of which was great efforts in implementation , better targeted assistance but some of it was simply a statistical artifact of the way the targets were measured.

Annexure II: Under Financing of Global Public Goods (GPG's)

If the vision of the SDG's is that Mother Earth is heading for trouble and we must collectively solve global problems then the underfunding of global public goods must be addressed. GPG funding from ODA is estimated at about 10 % of the total (Birdsall and Diofasi, 2015).[17] As the world is becomes increasingly globalized the need for global public goods increases – ranging from climate change, financial stability, spread of diseases, management of conflicts, rising natural disasters, terrorism and cyber-warfare. At some level even the eradication of extreme poverty and more inclusive and sustainable development could be considered a global public good because more poverty and unequal development breeds conflict,

[17] They use a strict definition of GPG's and do not include in its Global funds such as GFATM where the funds are spent mostly at national level. But even if these were included there would still be considerable underfunding of GPG's.

increases environmental stress, state failure, terrorism, piracy and thereby increases the need for global public needed to address these issues.

Missing in the AAAA are actions that should be taken at a global level that will impact many countries such as

- A global set of standards on migration to curb exploitation and human rights standards for the migrant population.
- Better coordination of monetary and fiscal policies so as to avoid huge volatility in financial markets which have large costs on vulnerable countries.
- Strengthened global disaster response mechanism to handle increasing climate volatility and natural disasters.
- No agreement on a Global Tax Institution which was demanded by many developing countries and civil society.

There is considerable under-financing of GPG's as it is difficult to get countries to pay for activities outside their borders. International aid has fallen well short of the agreed target of 0.7 % of GDP. This problem even afflicts other sources of financing. MDB financing also underfunds regional, multi-country projects for addressing regional public goods as countries are unwilling to use their country allocations for multi-country projects even if the return on them is higher than the marginal single country project.

Global thematic funds to support specific development challenges – GAVI, GFATM, GEF and earlier funds like CGIAR have been successful in addressing specific development challenges through projects in specific countries – especially for agriculture, environment and health. They have also drawn in private philanthropic financing in addition to public resources. But global funding for global public goods has not had the same success – and systematic and sustained financing for disasters, biodiversity, and desertification and even for Ebola has been difficult.

The Green Climate Fund – which will begin its work this year and will devote 50:50 share of funding for adaptation and mitigation. But the AAAA or the SDG's do not address many of the trade-offs involved between climate change and poverty eradication. Given the need for rapid economic growth to eradicate poverty for about 50 LIC's and LMIC's, and the costs involved in shifting from brown to green growth, and their need to deal with huge adaptation costs it probably makes sense not to focus excessively on mitigation in these countries. These 50 countries would increase global carbon footprint by at best 2-3%.

Protection of bio-diversity is given specific mention in the AAA and the Global Strategic Plan for Bio-diversity for 2011-20 is endorsed along with its 20 Aichi Biodiversity Targets. But progress in meeting these targets is slow and at current trends unlikely to be achieved. The

AAAA does not address this slow progress or suggest ways to accelerate it. It does endorse the UN Convention to Combat Desertification and the African Union Green Wall Initiative – but again with no specificity on how progress on these will be accelerated. The same is true of the attention on Oceans and marine resources – where the UN Convention on the Law of the Sea is mentioned but with no concrete steps on how to finance, enforce and protect vulnerable areas especially the SIDS.

With the AAAA pushing for new ways of financing its surprising that for GPG financing more global sources of finance are not considered. At least 4 such options exist and could go a long way towards financing the SDG goals. The first is a carbon tax or auctioning of carbon emission permits. This is an idea with huge appeal as it will also help dissuade use of fossil fuels (it is a Pigovian tax or a Polluter tax) and lower emissions globally, but is opposed by all the major emitters. Carbon taxes have been used in several countries to reduce fossil fuel use without any damage to long term growth. [18] Emission permits have also been used in some countries to reduce emissions of some harmful chemicals. But they have not been used internationally.

The second is a Tobin tax – a tax on all foreign exchange transactions, which has the benefit that short term volatile capital movements which can be destabilizing – especially for developing countries (particularly small ones) will be discouraged to some extent. The third is to tax all shipping and air travel a small fee – especially as the full costs of travel pollution are not recovered. The fourth is to allow issuance of SDR's to finance GPG's.

Unfortunately all these proposals are currently being opposed especially by the major G20 countries for various reasons. While several key European countries and even some developing countries have introduced carbon taxes – many prominent countries and the fossil fuel industry is opposed to carbon taxation. The Tobin tax idea has been around now for several decades and is considered an anti-globalization proposal even if its revenues were to be used to finance GPGs.[19] Some countries, at times, have imposed a tax on foreign exchange transactions; with the explicit purpose of slowing down volatility in capital markets.

Global taxation has the connotation of supra-nationality which many rich country legislatures – especially the US would oppose. One way around this might be to specify how these resources would be used or to use them through MDB's where the richer countries have a controlling vote. To some extent the Global programs – GAVI, GFATM CGIAR and now the Green Climate Fund have done that – but their financing remains much too dependent on country budgets and not on automatic revenue raising mechanisms. National lotteries have been used in some countries to raise resources for specific causes – global lotteries could be an option in financing some specific global goods. [20] But the world must move to some global means of revenue raising if it wants to address GPG's seriously. Private financing , innovative financing

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[18] Sweden has used carbon taxes to reduce carbon intensity by 20% while remaining the 4th most competitive economy in the world. India has moved recently to reducing fuel subsidies and introducing carbon taxes.

[19] The Tobin Tax has been discussed and not agreed upon in the deliberation of indicators under the UN Statistics Commission as of Nov 4, 2015.

[20] This was suggested by Finland in the Monterey meeting.

and PPP’s can be crowded in but without more international public financing to address market failure financing the SDG’s will be difficult.

Private philanthropic foundations have played important catalytic roles – such as the Ford and Rockefeller Foundation in the 1960’s to help jump start the Green Revolution and the eventual creation of the CGIAR. A somewhat similar role has been played by the Bill and Melinda Gates Foundation for global public health. But no such foundations exists for many underfunded issues – such as disaster relief, peacebuilding, desertification etc. These types of activities can be much better funded by more globalized revenue sources. The AAAA does not even mention the need for any such revenue sources.

A key GPG is the prevention of conflict, peacekeeping and international security. Surprisingly military spending is also not touched upon in the AAAA but has increased sharply. It dropped after the Cold War from $ 1.5 trillion to around $ 1 trillion globally in the late 1990’s but has increased again to almost $ 2 trillion. Cutting military expenditure: especially in many developing countries – where it exceeds 4% of GDP – would be an important step and shifting some of those resources to peace-keeping and conflict prevention would improve public spending.

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