

MDG COSTING ESTIMATES

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GOAL	COST*	SOURCE	YEAR
TOTAL EXTREME HUNGER AND POVERTY (GOAL 1)	79-102¹	World Bank/CFFA	2002/2008
1. ERADICATE EXTREME HUNGER AND POVERTY			
a. Reduce by half the proportion of people living on less than a dollar a day	54-62 ²	World Bank ³	2002
b. Achieve full and productive employment and decent work for all, including women and young people	na	na	na
c. reduce by half the proportion of people who suffer from hunger	25-40 ^{4 & 5}	CFFA ^{6&7}	2008
TOTAL EDUCATION (GOAL 2 AND 3)	7.2⁸	UNESCO⁹	2008
2. ACHIEVE UNIVERSAL PRIMARY EDUCATION			
a. Ensure that all boys and girls complete a full course of primary schooling	----	----	----
3. PROMOTE EQUALITY AND EMPOWER WOMEN			
A. Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015	----	----	----
TOTAL CHILD AND MATERNAL HEALTH (GOAL 4 AND 5)	10¹⁰	Countdown to 2015¹¹	2008
4. REDUCE CHILD MORTALITY			
a. Reduce by two thirds the mortality rate among children under five	----	----	----
5. IMPROVE MATERNAL HEALTH			
a. Reduce by three quarters the maternal mortality ratio	----	----	----
b. Achieve, by 2015, universal access to reproductive health	----	----	----
TOTAL HIV/AIDS, MALARIA, TB (GOAL 6)	13-14.2	UNAIDS/ONE INT.	2007
6. COMBAT HIV/AIDS, MALARIA, AND OTHER DISEASES			
a. Halt and begin to reverse the spread of HIV/AIDS	----	----	----
b. Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	----	----	----
SUBTOTAL (indicators a & b)	8 ¹²	UNAIDS ¹³	2007
c. Halt and begin to reverse the incidence of malaria and other major diseases	5-6.2 ¹⁴	One International ¹⁵	2007

* Unless otherwise specified, all costs are estimates of what is needed in addition to existing funds (e.g: ODA, national budgets, and other funds), and are annual figures in billions of USD
na- information not available
(x)- information not included in totals

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GOAL	COST*	SOURCE	YEAR
TOTAL ENVIRONMENT (GOAL 7)	139-155.6	Various	Various
7. ENSURE ENVIRONMENTAL SUSTAINABILITY			
a. Integrate the principles of sustainable development into country policies & programmes; reverse loss of environmental resources (mitigate and adapt to climate change)	na	na	na
b. Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	31-47.6 ¹⁶	UNFCC ¹⁷	2007
c. Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation	45 ¹⁸	Convention on Biological Diversity ¹⁹	2006
d. Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020	56.3 ²⁰	WHO/JMP ²¹	2000/2008
	6.7 ²²	Millenium Project Task Force ²³	2005
TOTAL GLOBAL PARTNERSHIP (GOAL 8)	40	Spratt	2006/2007
8. DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT			
a. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system	(14.2-18.8) ²⁴	(Institute for Agriculture and Trade Policy) ²⁵	(2006)
b. Address the special needs of the least developed countries	(8.8) ²⁶	(UN) ²⁷	(2008)
c. Address the special needs of landlocked developing countries and small island developing States	na	na	na
d. Debt sustainability	40 ²⁸	Spratt ²⁹	2006/2007
e. provide access to affordable essential drugs in developing countries	na	na	na
f. make available the benefits of new technologies, especially information and communications	na	na	na
TOTAL ALL MDGs	288.2-329		
2003 ESTIMATED TOTAL FOR ALL MDGs (Millenium Project, Projected for 2006)	121		
2003 ESTIMATED TOTAL FOR ALL MDGs (Millenium Project, Projected for 2010)	143		

* Unless otherwise specified, all costs listed are estimates of what is needed in addition to existing funds (e.g: ODA, national budgets, and other funds), and are annual figures in billions of USD
na- *information not available*
(x)- *information not included in totals*

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References

¹ Please note that the World Bank figures are extracted from a full MDG costing estimate which is based around goal 1, the foundation of which is that addressing income poverty will help lead to the achievement of other goals.

² Estimate based on additional investment needed by calculating the average growth required to reach the income poverty goal based on existing poverty level and income distribution. Calculations assume that the international trading system will remain essentially unchanged, the poor share equally in benefits of growth, and the existence of absorptive capacity (countries are only able to absorb a limited amount of aid depending on how "good" their policies and institutions are). For a critical perspective on World Bank costing models, please see Heuty, Antoine, "Overview of MDG Costing Methodologies," UNDP, (http://mdgr.undp.sk/PAPERS/Overview_of_MDG_Costing_Methodologies_-_Literature_review.doc), accessed: 4 April 2009.

³ Devarajan S. and al. "Goals for Development: History, Prospects and Costs," World Bank Policy Research Working Paper 2819 (World Bank), 2002.

⁴ Estimations include projected costs for food and nutrition security, social protection, agricultural development, and functioning food markets.

⁵ Approximately one third of the funds are needed "to finance immediate requirements in terms of food assistance, agricultural inputs and budgetary and balance of payments support, and two thirds to invest in building longer-term resilience and contributing to food and nutritional security...the majority of the reminded is need for food assistance and nutrition interventions and social protection".

⁶ High-Level Task Force on the Global Food Security Crisis, *Comprehensive Framework For Action*, (<http://www.un.org/issues/food/taskforce/cfa.shtml>), July 2008.

⁷ Based on early estimates from High Level Task Force on Food Security member agencies and organizations as well as international research organizations. Disclaimer: The Comprehensive Framework for Action (CFA) is not a funding document or an investment program, it does not provide for detailed costing.

⁸ Includes some of the costs of meeting MDG goals 2 & 3, including universal primary education, early childhood care and education, and adult literacy in the world's low income countries. Number was reached by subtracting the amount of current aid for these education initiatives (\$3.8 billion annually) from the total annual funds required (\$11 billion USD) according to UNESCO sources.

⁹ UNESCO, *EFA Global Report 2009, Summary, Overcoming Inequality: Why Governance Matters*, (<http://unesdoc.unesco.org/images/0017/001776/177609e.pdf>), 2008.

¹⁰ Estimate includes the child, maternal, and reproductive health goals of MDG goals 4 & 5. The Global Health Council puts slightly higher estimates than UNESCO on the additional funds needed, estimating that an additional \$6.7 billion USD is needed for maternal health and an additional \$6.7 billion USD to reach child and newborn health goals for a total of \$13.4 billion USD (Global Health Council, *Women's Health: Needs and Costs*, (http://www.globalhealth.org/womens_health/needs_cost/), accessed: 4 April 2009.)

¹¹ Countdown to 2015, *Maternal, Newborn, and Child Survival Fact Sheet*, (<http://www.countdown2015mnch.org/documents/Fact%20sheets/countdownfactsheet.pdf>), 2008, accessed: 3 April 2009.

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¹² Estimated difference between resources needed and resources available in 2007. UN Aids estimates that in 2009, a total of \$19.8 billion USD are needed for HIV services in 132 low- and middle- income countries (source: UNAIDS, *What Countries Need: Investments Needed for 2010 Targets*, February 2009).

¹³ UNAIDS, Resources and Funding for AIDS, (<http://www.unaids.org/en/PolicyAndPractice/ResourcesAndFunding/default.asp>), accessed: 3 April 2009.

¹⁴ Estimate includes fighting malaria (\$1.9-3.1 billion USD annually) and TB (\$3.1 billion USD annually). The Stop TB Partnership has also estimated the additional investments needed to fight TB to be around \$3 billion USD annually (Source: World Health Organization, Report of the Commission on Intellectual Property Rights, Innovation, and Public Health, *Public Health: Innovation and Intellectual Property Rights*, 2006, (<http://www.who.int/intellectualproperty/documents/thereport/ENPublicHealthReport.pdf>), accessed: 14 April 2009).

¹⁵ One International (www.one.org), accessed: 3 April 2008.

¹⁶ Based on an estimate of an additional \$248-381 billion USD in investment necessary in 2030. This number is averaged over a period of eight years (2007-2015). Estimates include additional investments needed for adaption including agriculture, forestry, and fisheries, water supply infrastructure, increased cases of diarrhoeal disease, malnutrition, and malaria due to climate change, beach nourishment (process of dumping or pumping sand from elsewhere onto an eroding shoreline) and dykes, additional new infrastructure. Numbers also include additional investments needed for mitigation including technology development and deployment, forestry, and agriculture. It should be noted that estimates of the additional finance required for climate change mitigation and adaptation vary greatly, UNDP numbers reaching \$86 billion USD in additional annual funds. Please see Nicholas Stern, *Key Elements of a Global Deal on Climate Change*, London School of Economics and Political Science, 2008. Oxfam International estimates the total cost of adapting to climate change in developing countries (including existing funds) will cost at least \$86 billion USD (OXFAM International, Oxfam Briefing Note, *Financing adaptation: Why the UN's Bali Climate Conference must mandate the search for new funds*, 4 December 2007, (http://www.oxfam.org.uk/resources/policy/climate_change/downloads/bn_bali_adaptation.pdf?m=234&url=http://www.oxfam.org.uk/resources/policy/trade/downloads/bn_wdr2008.pdf), accessed: 9 April 2009).

¹⁷ United Nations Framework Convention on Climate Change, *Investment and Financial Flows to Address Climate Change*, Dialogue Working Paper 8, 2007.

¹⁸ Estimate of additional funding necessary to secure the ecosystem services of the world's 100,000 protected areas

¹⁹ Secretariat of the Convention on Biological Diversity, *Global Biodiversity Outlook 2*, 2006.

²⁰ Number was reached by subtracting the estimated world wide funds allocated towards water and sanitation by governments and external support agencies (\$15.7 billion USD annually) from the estimated total investments needed (\$72 billion USD annually), yielding an estimated funding gap of \$56.3 billion USD annually. The WHO estimates that it will cost \$4 billion annually for water and \$14 billion annually for sanitation, totalling \$18 billion annually to provide access and services to those currently without services. However, to maintain existing structures and account for population increases, the total expenses for water reach \$36 billion annually and sanitation would also cost \$36 billion annually for a total of \$72 billion annually. These estimates average the cost over a period of 9 years (2005-2014). According to Gary Hutton and Jamie Bartram in "Global Costs of Attaining the Millennium Development Goal for Water Supply and Sanitation", comprehensive data on global expenditures on water and sanitation (particularly for household and NGO spending) are lacking. The UN & WHO Joint Monitoring Program for Water Supply and

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Sanitation (JMP) estimates that in the 1990s, government and external support agencies spent \$12.6 billion USD annually on water and \$3.1 billion USD annually for sanitation for a total (WHO/United Nations Children's Fund, Water Supply and Collaborative Council, *Global Water Supply and Sanitation Assessment Report*, Geneva and New York, 2000). A different estimate from puts the total annual investment (domestic and foreign= between 14-16 billion USD (Statement by Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs on Financing Water and Sanitation: The Way Forward, Istanbul, Turkey, March 17, 2009, (http://www.un.org/esa//desa/ousg/statements/2009/20090317_water_sanitation.html), accessed: April 9, 2009. NOTE that these investments do not include household and NGO spending so in actuality, the funding gap might be much smaller than presented here. The climate change adaptation of water structures is covered under the adaptation and mitigation of climate change estimates in this paper, which is estimated at \$11 billion USD overall.

²¹Gary Hutton and Jamie Bartram, "Global Costs of Attaining the Millennium Development Goal for Water Supply and Sanitation", *Bulletin of the World Health Organization*, Volume 86/1, (<http://www.who.int/bulletin/volumes/86/1/07-046045/en/index.html>), January 2008; WHO/United Nations Children's Fund, Water Supply and Collaborative Council, *Global Water Supply and Sanitation Assessment Report*, Geneva and New York, 2000

²² Based on total estimation of \$67 billion USD to achieve the indicator 7d. Figure is divided over a period of 10 years (2005-2015).

²³ Millenium Project Task Force 8 in UN-Habitat, *Strategy for the Implemenation of the Millenium Development Goal 7, Target 11*, Nairobi, 2005.

²⁴ Based on the total annual projected cost of an expanded Aid for Trade agenda (2004, excluding adjustment costs) minus the current annual pledges towards Aid for Trade (\$4-8.6 billion USD). Aid for Trade describes several categories of trade-related assistance which aim to "help developing countries, particularly least-developed countries (LDCs), to build the supply-capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade". Contention over should be included under the Aid for Trade agenda remains contentious. The WTO identifies the following as part of the expanded Aid for Trade agenda a) trade policy and regulations b) trade development c) trade related infrastructure d) building productive capacity of a country to produce e) trade related adjustment f) strengthening country ownership of aid, donor response, and monitoring and evaluation tools of Trade for Aid programs. For brief overview please see Oxfam International, Oxfam Briefing Note, *Scaling up aid for trade: how to support poor countries to trade their way out of poverty*, 15 November 2005, (http://www.intermonoxfam.org/UnidadesInformacion/anexos/2941/0_2941_301105_Scaling_up_aid_for_trade.pdf), accessed: 14 April 2009.

²⁵ Carin Smaller, *Can Aid Fix Trade?: Assesing the WTO's Aid for Trade Agenda*, The Institute for Agriculture and Trade Policy (Minneapolis), (<http://se1.isn.ch/serviceengine/FileContent?serviceID=47&fileid=9ADDA0D6-C3EB-4569-AF9D-9531250AFB1C&lng=en>), 2006, accessed: 14 April 2009.

²⁶ Recommended increase to annual allocation of ODA to the least developed countries between 2008 and 2010. This number is not included in the final estimated total as it is not specified to be in addition to funds available but rather a reallocation of a portion of these funds.

²⁷ United Nations, MDG Gap Task Force Report 2008, *Millennium Development Goal 8: Delivering on the Global Partnership for Achieving the MillenniumDevelopment Goals*, (http://www.un.org/esa/policy/mdggap/mdggap_recommendations.pdf), 2008, accessed: April 9, 2009

²⁸ This number covers 100% debt relief for most low income countries and is based on assumption that most low-income countries will qualify for 100% debt relief on MDG sustainability grounds as outlined by Spratt in *External Debt and the Millenium Development Goals: A New Sustainable*

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Framework (In 2006, debt service from low income countries was a little over \$40 billion USD). Please note that this number does not include debt relief and restructuring required for middle income and some low income countries. Also note that this figure covers cost of granting a one time 100% debt cancellation to most low income countries. Although further debt cancellation in either full or partial form is likely in subsequent years, no detailed estimates are available. Spratt argues that in order to debt to be MDG sustainable, debt must be restructured so that payments correspond to what countries can afford after their MDG expenditures have been met. In order to reach MDG sustainable debt firstly, some countries should be eligible for 100% debt relief. Eligibility is based on ratio of required MDG expenditure to available government revenue. Secondly, for those countries who only qualify for partial debt relief, remaining debt should be converted to MDG bonds so that re-payments move in direct proportion to surplus government revenue (surplus revenue is defined as available government revenue minus what is needed to meet MDG expenditures). The Jubilee Debt Campaign estimates that a total of \$400 USD billion is needed in debt cancellation to allow countries to meet their basic needs. Divided over an 8 year period (2008-2015), this number yields \$50 billion USD in annual debt relief (Jubilee Debt Campaign, *Unfinished business: 10 years of drop the debt*, (<http://www.jubileedebtcampaign.org.uk/Unfinished%20business%3A%2010%20years%20of%20drop%20the%20debt+4362.twl>), May 2008, accessed: 3 April 2009)

²⁹Steven Spratt, *External Debt and the Millenium Development Goals: A New Sustainable Framework*, commissioned for UNDP, (<http://www.undp.org/poverty/docs/debtflow/Debt-2-Spratt.pdf>), 2007, accessed: 9 April 2009;

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Disclaimer

Estimating the financial resources necessary to achieve the Millennium Development Goals is problematic; this is particularly true when attempts are made to reach global, long-term estimates. I will document here some of the problems inherent in this particular presentation as well as with the sources themselves. Firstly, the data which was gathered together to compile this document came from a wide variety of sources. Some of these clearly outlined their methodology and data sources whereas others provided no information at all and were mainly descriptive in nature. As Antoine Heuty argues in his article, *Overview of MDG Costing Methodologies*, much of the global development costing models do not rely on reliable or comprehensive data. Although somewhat dated, Heuty's discussion of the deficiencies of various costing approaches is still a useful resource for anyone wanting more information. Another serious difficulty with costing the MDGs is that there are not clear outcome indicators available. For example, Goal 7 (environmental sustainability) has an indicator to "reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation" but does not indicate the level of sanitation service needed nor does it indicate whether wastewater treatment should also be included. Another issue is that costing on a global level assumes an average unit cost when in fact these can range enormously from one country to another and may change over time. Global costing models also usually do not effectively incorporate extraordinary circumstances such as the global financial crisis, natural disaster, etc. In addition, most do not account for the extent to which available funds are actually disbursed and whether funding necessarily yields the intended effect on beneficiaries. Of course, one of the greatest challenges of creating a global costing of the MDGs and one of the greatest deficiencies of this particular presentation is that it does not account for the interconnectedness between the different Millennium Goals. For example, reducing poverty (goal 1) may increase the general wealth of a country, allowing it to improve its education system and offer more and better schooling opportunities for children (goal 2). Yet, how are such interconnections to be measured? Simply totalling all of the individual goal estimates leads to double counting and a clear distortion of the numbers. The total cost estimate of the MDGs presented in this document should therefore be utilized with great caution and reservation.

Tony Addison and others, in *Debt Relief and New Sources of Finance for Meeting the Millennium Development Goals*, call for country-specific and immediate cost estimates to avoid, or at least mitigate, some of the problems of global MDG costing which are mentioned above. Sanjay G. Reddy and Antoine Heuty in *Achieving the Millennium Development Goals: What's Wrong with Existing Analytical Models?*, argue that it is imperative to avoid using a "one size fits all" analyses of how to achieve the MDGs and keep away from basing policy on global costing estimates. Although utilizing global costing estimates have some uses, they must be continually re-evaluated in light of new information.

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Recommended Additional Sources

MDG Costing (General)

Heuty, Antoine, "Overview of MDG Costing Methodologies," UNDP, ([http://mdgr.undp.sk/PAPERS/Overview_of_MDG_Costing_Methodologies - Literature review.doc](http://mdgr.undp.sk/PAPERS/Overview_of_MDG_Costing_Methodologies_-_Literature_review.doc)), accessed: 4 April 2009.

Jan Vandemoortele & Rathin Roy, "Making Sense of MDG Costing," Poverty Group UNDP, Bureau for Development Policy, August 2004.

UN Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, New York, 2005.

UNDP, *Needs Assessment, Costing and Financing Strategies*, (<http://www.undg.org/index.cfm?P=82&SO=DATE>), accessed: 4 April 2009.

Sanjay G. Reddy and Antoine Heuty, "Achieving the Millennium Development Goals: What's Wrong with Existing Analytical Models?," DESA Working Paper No. 30, September 2006.