

Realizing Agenda 2030:

Will donor dollars and country priorities align with global goals?

A BASELINE REPORT

Tanya Sethi, Samantha Custer, Jennifer Turner, Jacob Sims, Matthew DiLorenzo, and Rebecca Latourell

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AIDDATA

A Research Lab at William & Mary

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You can access the pilot *Tracking Financing for Sustainable Development* data at aiddata.org/sdg.

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Acronyms

AfDB	African Development Bank
CRS:	OECD Creditor Reporting System
CSO:	Civil Society Organization
DAC:	OECD Development Assistance Committee
HIPC:	Heavily Indebted Poor Countries Initiative
IATI:	International Aid Transparency Initiative
IDA:	International Development Association
IMF:	International Monetary Fund
LICs:	Low-Income Countries
MDGs:	Millennium Development Goals
MICs:	Middle-Income Countries
NGO:	Nongovernmental Organization
ODA:	Official Development Assistance
OECD:	Organization for Economic Co-Operation and Development
SDGs:	Sustainable Development Goals
SSA:	Sub-Saharan Africa
TOSSD:	Total Official Support for Sustainable Development
UAE:	United Arab Emirates
UN:	United Nations
USG:	United States Government

Introduction: What can the MDGs tell us about the SDGs?

Policymakers often claim that agenda-setting exercises like the Sustainable Development Goals (SDGs) help secure political commitments, galvanize financial resources, and incentivize collective action. But actions speak louder than words. To what extent are governments and their development partners willing to align their investments and policy priorities in support of a common vision?

Past Official Development Assistance (ODA) spending can tell us a great deal about the revealed priorities of development partners and how these actors respond to global development agendas like the SDGs and their predecessor, the Millennium Development Goals (MDGs). While countries have more choice than ever before in mobilizing resources for sustainable development (United Nations, 2014; Prizzon et al., 2016), ODA will still play an important role, particularly in the world's poorest countries (Development Initiatives, 2015; Martin & Walker, 2015).¹

However, global goals must not only motivate international donors, but also influence the priorities and development strategies of domestic leaders (Seyedsayamdost, forthcoming). If national-level policymakers buy in to global development goals and adopt them as their own, they are more likely to allocate precious time, money, and effort to realize progress in these areas than if they do not (Martin & Walker, 2015; Custer et al., 2015). In forecasting the type of response we can expect to the SDGs, we can learn much from their predecessor – the MDGs.

In this report, we seek to uncover the extent to which global goals crowd in international financing, inform domestic policy priorities, and navigate progress toward development outcomes in low- and middle-income countries (LICs and MICs). Specifically, the authors have two objectives for this research: (1) to provide a historical perspective on how ODA financing was aligned with the MDGs and the perceived influence of these global goals in shaping domestic

priorities; and (2) to offer a baseline of ODA financing to the SDGs and a forward-looking perspective in translating past lessons learned from the MDGs era into actionable insights to realize the 2030 Agenda for Sustainable Development.

Using a pilot methodology developed by AidData – a research lab at the College of William & Mary – we analyze ODA flows during the MDGs era (2000-2013) and approximate baseline financing for each goal prior to the adoption of Agenda 2030 in September 2015. While there is a growing body of evidence on aid allocation patterns subsequent to the signing of the Millennium Declaration,² this study's unique contribution is that it leverages historical spending data to project future funding trajectories. In addition, we draw upon AidData's novel *2014 Reform Efforts Survey* to assess how national-level policymakers perceive the MDGs in light of their domestic reform priorities and what this may mean for the SDGs. For this analysis, we draw upon the responses of nearly 7,000 public, private, and civil society leaders from 126 LICs and MICs.

The remainder of the report is organized as follows. In Section 2, we provide an overview of the approach we use to track ODA to each of the SDGs during 2000-2013. Taking a historical perspective, Section 3 examines the alignment of ODA flows to the MDGs. In Section 4, we analyze the extent to which leaders in LICs and MICs were familiar with the MDGs and viewed the goals as influencing priorities in their countries.³ To provide a baseline at the start of the SDGs era, Section 5 analyzes the amount of historical ODA spending against each of the 17 SDGs. We conclude in Section 6 with a discussion of how these retrospective findings can inform strategies to maximize the agenda-setting power of global goals in the post-MDGs era and help countries realize Agenda 2030.

¹ Estimates of the "price tag" to realize the SDGs range from \$3-5 trillion per year, with an annual gap of \$2.5 trillion in low- and middle-income countries (UNCTAD, 2014). A Government Spending Watch report calls for "an additional US\$1 trillion in concessional international public finance" to match domestic financing for sustainable development (Martin & Walker, 2015).

² Thiele et al., 2006; Bisbee et al., 2016; Bourguignon et al., 2008; Friedman, 2013; Kenny & Sumner, 2011; Fukuda-Parr et al., 2014; and Martin & Walker, 2015, to name a few.

³ Survey participants assessed the influence of 100+ international assessments (including the MDGs), with which they were familiar, on the policymaking process.

Section 2

Approach: How do we measure ODA to the MDGs and SDGs?

In this section, we provide a brief overview of our approach to approximating historical financing to the MDGs and baseline financing to the SDGs. For this preliminary report, we use project-level data on ODA (2000-2013) from AidData's Research Release 3.1, which includes both ODA reported to the OECD Creditor Reporting System (CRS),⁴ as well as additional information on ODA from several emerging powers that do not participate in the OECD's Development Assistance Committee (hereafter referred to as "non-DAC" development partners) collected by AidData.⁵

AidData's *Tracking Financing for Sustainable Development* methodology⁶ is based on an analysis of ODA project descriptions and involves two critical steps: (1) creating a mapping between AidData's activity coding scheme and the 169 SDG targets;⁷ and (2) splitting the dollar value of an aid project across the associated SDG targets. These steps allow us to estimate the total financing at both the goal and target level for the SDGs. In addition, we mapped the relationship between the MDGs and the SDGs.

The first step – mapping the AidData activity codes to the SDG targets – is central to this methodology. Activity codes are based on the OECD's CRS sector and purpose codes, but go one step deeper, providing a more disaggregated breakdown of development activities that are relevant to each CRS code. To map AidData activity codes to SDG targets, we reviewed each of the 544 activity codes and assigned one or more SDG targets to each SDG-relevant activity.⁸

In the second step, we split the dollar value of an aid project equally across its constituent activities. While we recognize that components of an aid project may receive differing levels of resources in practice, the available project documentation seldom contains this level of granularity on how money is distributed at the sub-project level. Therefore,

we split dollar values equitably across activities, the best available option in the absence of perfect information.

For projects without activity codes (40 percent), we used less granular purpose codes to estimate the types of activities likely to be included in a given project.⁹ Having split the dollar value of a project across unique activities, we next distribute those activity-dollar amounts across the SDGs, weighting an activity's contribution to the SDGs proportional to how often the targets associated with a goal appear in the mapping between that activity and the targets. Figure 1 includes an example of a sample education project with a value of \$100.

In tracking financing to the SDGs using an existing aid categorization schema (e.g., AidData activity codes), we encountered a few challenges. First, the SDG targets are interrelated by design, which makes tracking discrete project amounts to individual targets difficult. The activity-coding schema allows multiple codes to be assigned to one project; however, we only capture the aspects of a project that are explicitly mentioned in the description. For example, a clean energy project may be theoretically relevant to the climate change goal (SDG13), but if this connection was not explicitly stated in the description, none of the financing for such a project would be assigned to that goal. Similarly, funding towards SDGs that are more crosscutting in nature – like gender equality (SDG5) – is harder to track. Many projects aim to improve gender equality but as a secondary focus, and therefore may not explicitly mention this objective in project descriptions.

Second, in some cases, there is a distinct mismatch between activity codes and SDG targets. This is most evident in the case of SDGs that recorded little funding per our methodology, particularly those focused on the environment (e.g., SDGs13-15). While there may be some truth to donors paying less attention to the environment, there is likely a methodological issue at play as well. The SDGs lay out a very

⁴ Extracted from the OECD CRS aligned database available via aiddata.org to represent historical, project-level aid accounting from all development partners (2000-2013).

⁵ These non-DAC development partners do not report their flows to the OECD CRS, but publish them through annual reports and datasets on websites. AidData has collected this official data and added it to the OECD CRS to provide a more complete picture of ODA. In our efforts to collect these new types of data we often found the most complete information on commitments rather than disbursements. This is true especially for multilateral agencies as well as bilateral donors that are not members of the OECD-DAC. While annual disbursements are useful to see the annual outlay of funds by a donor, we believe commitments represent a more accurate picture of the donor's intentions and allocation decisions. Examples of these non-DAC actors include Saudi Arabia, Romania and Taiwan. See Appendix 2B for a complete list of donors included in our dataset and their ODA contributions.

⁶ We apply the second iteration of AidData's *Tracking Financing for Sustainable Development* methodology in this report.

⁷ The use of AidData's activity codes provides researchers and policy makers with the clearest available picture of exactly how interventions might affect development outcomes. The two primary advantages of this coding schema lie in: (1) its granularity to ensure that the cross-cutting SDGs are captured accurately; and (2) its compatibility with DAC-5 purpose codes to specify the sub-sectoral focus of each project, which are used by the OECD and the International Aid Transparency Initiative (IATI), two widely respected industry reporting standards. This granularity and compatibility means that the records of all development partners reporting to the OECD CRS and IATI (and which include DAC 5 purpose codes in their documentation) can now be mapped across the SDGs with a greater degree of accuracy.

⁸ Some activities were not relevant to any SDG targets, so financing for these activities is not included in SDG estimates.

⁹ In particular, we assume that any activity that appears under that purpose code is equally likely to have been part of a project.

specific set of environmental targets under distinct goals related to climate change, oceans, and land ecosystems. However, AidData’s activity coding schema groups many environmental projects together under categories such as “general environmental protection”. Since this category is too broad to be linked to any specific SDG, projects that were assigned this activity code are not counted as contributing to the SDGs.¹⁰

To address some of the shortcomings related to the mismatch between SDGs and AidData activity codes, AidData is now moving toward a process of direct coding to the SDGs, whereby human coders read project descriptions and assign SDG targets directly to the project descriptions. This has the potential to more accurately track financing to the SDGs, particularly at the target level.

Nonetheless, any methodology to track financing to the SDGs is likely to be limited by several additional factors. Donors may not give aid in ways that map well to SDG targets, resulting in projects that cannot reliably be assigned specific SDG targets. Both versions of our methodology also depend on the quality of project documentation, which is far from uniform across donors. This makes the process of accurately assigning codes for projects with limited descriptions doubly challenging.

Finally, while aid alone does not provide us with a picture of the total financial resources available for sustainable development, it serves as a starting point and a foundation that can be built upon. AidData is working with government, civil society, and private sector partners in Colombia to extend this methodology to capture a broader set of public and private financing for sustainable development (see Section 6).

Figure 1

Weighting an activity’s contribution to the SDGs

Project Description	Assigned Activity Codes	Linked SDG Targets	Financing Assigned to Each SDG Target
Donation of school supplies and hospital equipment	11220.05: Primary education: provision of learning materials, equipment, supplies (\$50)	<p>4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p> <p>4.a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all</p>	<p>4.1: \$25</p> <p>4.a: \$25</p>
	12230.03: Basic health medical equipment and supplies (\$50)	3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8: \$50

¹⁰ For example, a project aimed at preserving marine ecosystems is not counted as contributing to oceans (SDG14) even though there is an SDG target directly related to that activity (Target 14.2). This is because the only

relevant activity code is “general environmental protection,” which is too broad to be linked to SDG14.

Alignment: Did donors align their financing with the MDGs?

When Agenda 2030 was adopted in September 2015, UN Secretary General Ban Ki-Moon captured the aspiration of many, calling the ambitious slate of 17 SDGs a “clarion call” to rally support from the international community to make this vision a reality. It remains to be seen whether and how public, private, and civil society actors will respond to the development priorities outlined in the SDGs in light of their national interests or organizational imperatives. In forecasting what type of international response we can expect to the SDGs, it may be instructive to learn from their predecessor – the MDGs.

For better or worse, the MDGs are often credited with having “communicative power” to mobilize and direct ODA towards a common set of international development priorities (Sumner & Tiwari, 2010; Fukuda-Parr, 2014; Melamed, 2015). Yet, there are divergent views on whether the focusing power of the MDGs inadvertently creates perverse effects: a “reductionist” development agenda that privileges some development goals at the expense of others (Fukuda-Parr et al., 2014). Education spending, for example, looks dramatically different for universal primary education, which saw its share of aid quadruple between 2000 and 2008, versus secondary education, which did not attract similar attention from development partners, according to Melamed (2015).

In this section, we attempt to better understand whether and how development partners align their ODA distribution with international agendas. If development partners aligned their ODA with the MDGs, we would expect to see higher and increasing levels of financing for those goals that were closely associated with the original MDGs than those that are arguably new with Agenda 2030.¹¹ Using data during 2000-2013, we examine the degree of alignment with the MDGs for development partners overall, for three donor cohorts (DAC bilateral partners, multilateral development banks and non-DAC bilateral partners), and for six individual donors within these cohorts.¹²

To test our hypothesis, we divide the 17 SDG goals into two groups: those that are associated with, or map to the MDGs

(MDG-like goals), and those that do not (new goals).¹³ We then look at the trends in ODA from all development partners during the MDGs era (2000-2013) to these two groups of goals. In creating these two groups, we first conducted a detailed mapping between the MDGs and SDGs at the target level. On this basis, all but five SDGs were matched to at least one MDG. Given the highly specific nature of the SDG targets, we subsequently conducted a mapping at the goal level to ensure we were effectively capturing goals whose intent was clearly aligned with a given MDG. On this basis, we were able to reduce the unmatched goals down to three¹⁴ that we could not map back to the MDGs at either the goal- or target-level. These “new goals” include: SDG 9 (industry and infrastructure), SDG 10 (inequality) and SDG 16 (peace and justice).¹⁵ Figure 2 visualizes the final result of this mapping exercise.

In the remainder of this section, we examine how development partners overall responded to the MDGs and whether these patterns change when we compare different types of donors. Five key insights emerge from this analysis:

- Global goals have limits as a focusing narrative: donor financing met the minimum threshold, but donors fell short of strongly aligning their ODA with the MDGs
- As a group, DAC bilaterals aligned their ODA spending most closely to the MDGs
- US and Japan’s top spending priorities were largely “on strategy”, but the US consistently increased its ODA commitments to the MDGs through 2013, while Japan’s enthusiasm waned
- The World Bank substantially increased its ODA financing to MDG-like goals; however, similar to the AfDB, only three of its top five spending priorities aligned with the MDGs
- The UAE and Kuwait’s similar historical ODA investments reflect a shared development experience, with three of top five spending priorities aligning with the MDGs

¹¹ One important caveat: as Melamed (2015) notes, the Millennium Declaration included a much broader set of commitments, while the MDGs refer to a more circumscribed set of targets and goals that came after the original Millennium Declaration of 2000. For this analysis, we examine donor responsiveness to the smaller set of MDGs, as the dominant paradigm shaping the post-2000 development discourse.

¹² We recognize that MDGs may only be one of many factors explaining patterns of ODA. For instance, ODA trends may be driven by changes in countries’ IDA classification (if they become ineligible to receive aid), the capacity of countries to use the funds effectively, or change in sources of financing (through the private sector playing a bigger role for instance).

These factors may result in substantial shifts in ODA at the macro-level, independent of the MDGs.

¹³ The MDGs included eight goals and 21 targets. The SDGs have 17 goals and 169 targets which are more comprehensive and specific compared to their predecessor.

¹⁴ Five SDGs were not a direct match to the MDGs at the target level, including: energy (SDG7), industry and infrastructure (SDG9), inequality (SDG10), oceans (SDG 14) and peace and justice (SDG16). We subsequently matched SDG7 (energy) and SDG14 (oceans) to environmental sustainability (MDG7) at the goal level.

¹⁵ The exhaustive mapping can be made available upon request.

Figure 2

Mapping of goals between the MDGs and SDGs



Global goals have limits as a focusing narrative: donor financing met the minimum threshold, but donors fell short of strongly aligning their ODA with the MDGs

We assess the historical alignment of donor financing with the MDGs using two metrics. The sheer volume of funding to MDG-like goals compared with new goals is the first measure. We would consider donors to be meeting a standard of “minimum alignment” if the dollar amount to MDG-like goals, overall, was higher than new goals for most of the 2000-2013 period. However, this is admittedly a weak standard, as one might expect the MDG-like goals to receive more funding by virtue of being the larger group (14 goals), as compared to the new goals (3 goals). A higher bar measure of alignment would be to compare the growth trajectory of funding levels between the two groups. We would consider donors to be “strongly aligned” with the MDGs if ODA to the MDG-like goals was increasing over time relative to the trend for new goals.

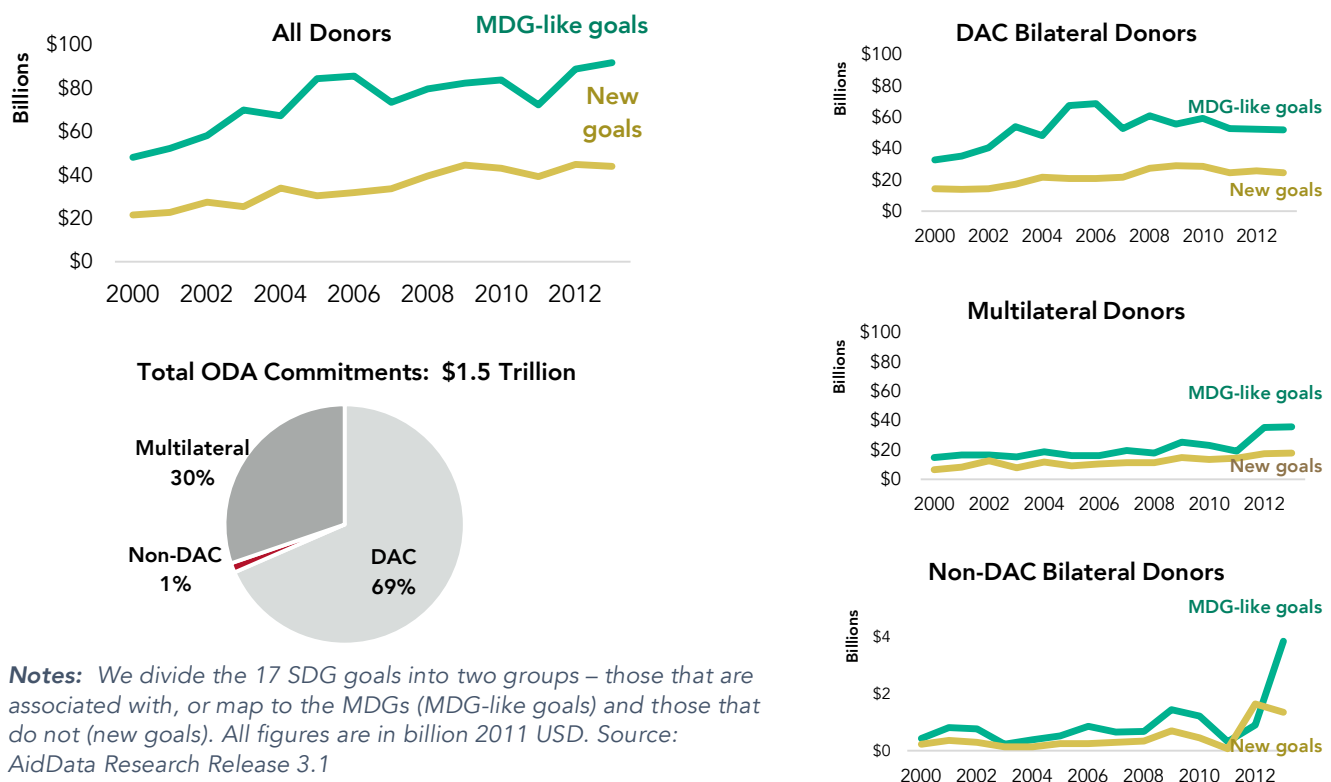
So, how did development partners measure up? Overall, we find that donor financing met the minimum alignment threshold, but donors fell short of strongly aligning their

ODA with the MDGs. Donors gave roughly double the amount of ODA to MDG-like goals than new goals (see Figure 3). They were most committed to the MDGs narrative in the early years: between 2000 and 2005 donors increased their ODA allocation to the MDG-like goals by 76 percent compared with 41 percent for new goals.

However, donor attention appeared to wane in later years. Between 2006-2013, donors pivoted to new priorities, increasing their ODA to MDG-like goals by only 7 percent, compared with 37 percent to issue areas captured by the new goals. Financing trends for the MDG-like goals were also more volatile than the more gradual increase in ODA allocated to new goals such as: industry and infrastructure (SDG9), reduced inequalities (SDG10), and peace and justice (SDG16). This suggests that donors may redistribute aid across goals in different years, balancing trade-offs between alignment with international agendas and their own (evolving) organizational imperatives.

Figure 3

ODA Commitments to MDG-like goals versus new goals by donor cohort (2000-2013)



As a group, DAC bilaterals aligned their ODA spending most closely to the MDGs

While overall ODA flows were only weakly aligned with the MDGs, this top-level picture may mask important differences between different donor groups. To test this assumption, we grouped the 78 donors in our dataset into three cohorts:¹⁶ DAC bilateral (28), multilateral¹⁷ (41) and non-DAC bilateral (9).

Of the three groups, we find that DAC bilaterals were the most closely aligned with the MDGs and channeled twice as much of their ODA to MDG-like goals as new goals (see Figure 3).¹⁸ Comparatively, multilateral organizations were less definitive. They directed more of their ODA to the MDG-like goals than new goals for most of the time period, but the magnitude of the difference was not as substantial, except for a noticeable spike after 2011.¹⁹

Non-DAC bilaterals were the least concerned of all donor groups about aligning their ODA with the MDGs. Only a modest difference exists in their ODA to MDG-like goals

versus new goals for most of the time period in review. One plausible explanation for this trend is that most non-DAC bilaterals are strong proponents of non-interventionism in the domestic affairs of other countries and, as such, may give more discretion to the countries receiving their assistance to determine sectoral priorities.²⁰

Interestingly, this trend changed somewhat towards the tail end of the MDGs era. Subsequent to 2011, non-DAC bilaterals substantially increased their spending on both groups of goals, but particularly towards MDG-like goals. This coincides with the same period where funding from DAC bilaterals for the MDG-like goals tapered off. This could signal an attempt on the part of non-DAC donors to reposition themselves within the aid landscape through greater alignment with global development goals.²¹ Alternatively, this change could be driven less by the donors and more by the most pressing priorities of their partner countries.

Section 3.3

US and Japan's top spending priorities were largely "on strategy", but the US consistently increased its ODA commitments to the MDGs through 2013, while Japan's enthusiasm waned

Although the DAC bilaterals were more aligned with the MDGs than other groups, when we compare the United States (US) and Japan, it is evident that there are pronounced differences in how individual donors within this cohort deployed their ODA during the MDGs era. From a modest start, the US substantially increased its spending toward the MDG-like goals over time, from \$5 billion in 2000 to over \$13 billion in 2013 (see Figure 4). In contrast, after an initial spike prior to 2005, Japan gradually decreased its ODA towards the MDGs post-2005, ending the period much

where it began. This suggests that the US more consistently aligned its spending with the MDGs than Japan.

Going beyond groups of goals and aggregates, we now look at funding to each of the 17 SDGs from the US and Japan. If these development partners align their ODA to the MDGs, we would expect the top five goals ranked by ODA dollars to all be closely associated with the MDG-like goals. Using this metric, it appears that both the US and Japan only have one new goal in their top five respectively – for the US, this is

¹⁶ See Appendix 2B for a full list of donors in these three cohorts.

¹⁷ Even though the OECD calls this group "multilaterals" without the DAC/non-DAC distinction, it should be noted that some of these donors did not historically report to the OECD CRS (before the year 2000).

¹⁸ Looking at the trend in financing over time using 3-year averages, we find that increase in ODA towards the new goals was 72 percent compared to 45 percent to MDG-like goals. However, ODA for MDG-like goals during 2000-2005 increased by 70 percent, compared to 47 percent for new goals. In later years, ODA towards MDG goals decreased by 17 percent, and increased by 17 percent towards the new goals, perhaps suggesting that donors started investing in areas they thought would gain ground under the new agenda.

¹⁹ The data on multilaterals used in this report has been sourced from annual reports and websites, which were deemed to be more accurate than what was reported to the CRS. Most of the multilateral data was fully activity coded, so the SDG mapping for multilaterals is more specific to activity codes than the bulk of the CRS bilateral donors, which only have some of their data activity coded.

²⁰ Non-DAC donors also typically disclose comparatively little information about their preferences and strategies for how they allocate ODA. This makes it difficult to gauge their expressed alignment to global agendas such as the MDGs.

²¹ In recent years, donors such as Kuwait and UAE have articulated their commitment to helping countries achieve the SDGs.

peace and justice (SDG16) and for Japan, this is industry and infrastructure (SDG9).

Despite historical skepticism of the United Nations among the US public and its elected officials,²² four out of five of US ODA spending priorities between 2000-2013 were aligned with the original MDGs (as opposed to newer goals). Specifically, the US committed \$265 billion primarily to five goals: peace and justice, good health and well-being, zero hunger, global partnerships, and sustainable cities.²³

These ODA spending patterns also reflect the US's domestic priorities during this period. Strong US support to health was related to multiple US commitments on HIV/AIDS and other infectious diseases, with US contributions skyrocketing in 2010 following the five-year reauthorization of PEPFAR in 2008 (PEPFAR.gov) and the launch of President Barack Obama's Global Health Initiative (GHI) in 2009.²⁴ Meanwhile, the heavy spending on peace and justice programs was consistent with stated US priorities to reduce instability and global terrorism, as affirmed in the 2006 National Security Strategy and the 2009 Quadrennial Diplomacy and Development Review. It is also possible that US policymakers viewed peace and justice as the bedrock of development – and therefore essential to progress in other areas, even if not an explicitly stated global goal.

Japan had a different set of priorities from the US during this period, and primarily focused its ODA towards five goals between 2000-2013: sustainable cities, global partnerships, industry and infrastructure, renewable energy, and clean water. Japan was aligned with the original MDGs agenda in

four of five of its spending priorities, the exception being the inclusion of industry and infrastructure, which was new to the SDGs and not part of the original MDGs in our mapping. It is worth noting that Japan devoted a significantly higher percentage of its ODA to sustainable cities, industry and infrastructure, and energy as compared to other development partners.

From recipient to provider of assistance to other countries, Japan's approach as a development partner is shaped by its unique geography, history, and domestic circumstances (Menocal & Wild, 2012; OECD, 2014).²⁵ High levels of Japanese ODA targeted towards sustainable cities (SDG11) may reflect heightened domestic appreciation for this development priority, as well as an opportunity for Japan to contribute its expertise on a global stage in an area of comparative advantage (Smart Cities Council, 2013).²⁶ Furthermore, Japan's investment in energy (SDG7) spotlights Japan's interest in using its ODA to catalyze private sector investment and generate "mutual benefits" from aid that opens doors to trade (MOFA, 2014; Menocal & Wild, 2012).

Notably, Japan's financing for health was lower than would be expected given its stated commitments, such as a 2005 Health and Development Initiative which pledged \$5 billion to the sector over five years, and the inclusion of health as a key pillar of its development assistance in Japan's 2010 International Cooperation White Paper.²⁷ Yet, financing to this goal has remained low, ranking only 10th in total investment out of the 17 goals, with less than \$5 billion in commitments over the entire period.

²² A 2013 Pew Poll found that while 58% of Americans have a positive opinion of the UN, support varies considerably by political party, income, education level, and age. A 2006 poll revealed similar differences along demographic and party lines. See <http://www.pewglobal.org/2013/09/17/united-nations-retains-strong-global-image/> and <http://www.pewglobal.org/2006/12/20/new-un-chief-heads-an-organization-that-faces-both-skepticism-and-support/>.

²³ The top five SDGs are those that received the most ODA during the period 2000 to 2013.

²⁴ A five-year reauthorization of the act was signed into law in 2008, triggering another spike in spending for programs related to health (SDG3).

²⁵ ODA is a critical tool for Japan to advance its economic and security interests, as the country's 1947 constitution restricts the size and mandate of Japanese security forces. In 2014, Japan celebrated its sixtieth anniversary as a provider of Official Development Assistance and its

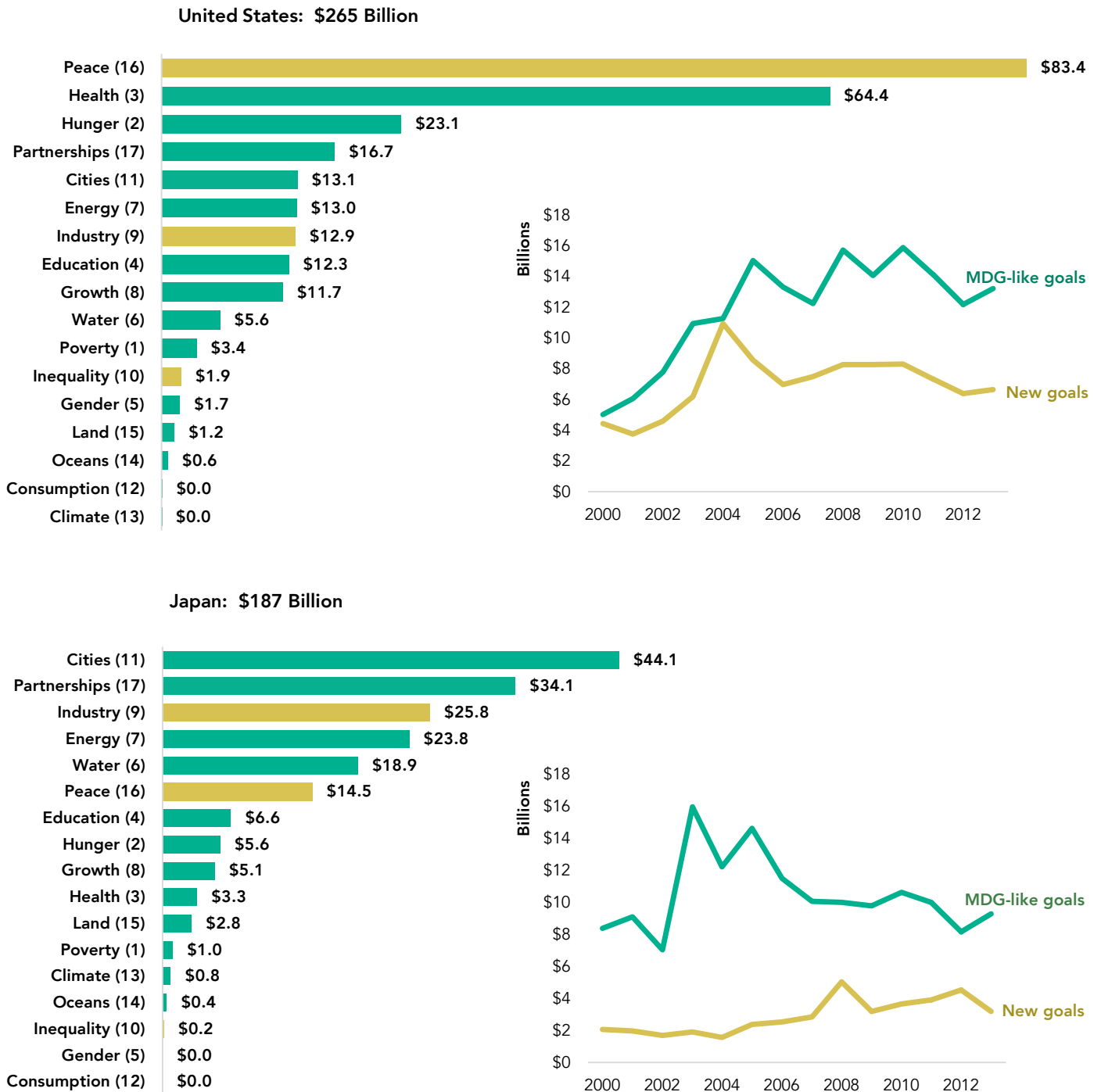
Ministry of Foreign Affairs (MOFA) reflected on its trajectory from an aid recipient in the post-war 1950s to one of the largest providers of ODA beginning in the 1990s. See: <http://www.mofa.go.jp/files/000120346.pdf>

²⁶ Japan has become a world leader in piloting ecologically and economically sustainable "smart cities" as a domestic priority since the 1990s (Smart Cities Council, 2013; Pham, 2015; Accenture, 2015). According to Woods (2013), Japan launched its first smart city in 1997 and now has four demonstration projects that integrate smart grid and smart energy innovations with an emphasis on creating sustainable and resilient communities.

²⁷ In 2010, Japan also established the Global Health Policy 2011-2015, pledging \$5 billion over five years beginning in 2011. This was complemented by Japan's Education Cooperation Policy 2011-2015 that pledged \$3.5 billion for education access (MOFA 2010).

Figure 4

United States and Japan: ODA commitments to MDG-like goals versus new goals (2000-2013)



Notes: We divide the 17 SDG goals into two groups – those that are associated with, or map to the MDGs (MDG-like goals) and those that do not (new goals). All figures are in billion 2011 USD. Source: AidData Research Release 3.1

The World Bank increased its ODA financing to MDG-like goals; however, similar to the African Development Fund, only three of its top five spending priorities aligned with the MDG

As discussed in Section 3.2, multilaterals were somewhat less aligned with the MDGs in their ODA allocations than their DAC bilateral counterparts. This general trend appears to hold true when we look in greater detail at two major multilateral providers of ODA – the World Bank²⁸ and the African Development Fund.²⁹ The World Bank channeled a growing amount of its ODA to MDG-like goals between 2000 and 2013; however, it also increased funding to goals outside of the original MDGs (see Figure 5). Comparatively, the African Development Fund's ODA spending was relatively stagnant, with minimal changes in funding for either MDG-like goals or new goals.

Going beyond groups of goals and aggregates, we now look at funding to each of the 17 SDGs from the World Bank and the African Development Fund. Three out of five top investment priorities for the World Bank and the African Development Fund were explicitly in alignment with the original MDGs, compared with four out of five for the US and Japan. This suggests a relatively lower level of alignment to the MDGs.

The World Bank committed a combined \$164 billion mostly to five goals during this time period: peace and justice, industry and infrastructure, education, sustainable cities, and good health and well-being. However, we would consider two of these investment priorities not to be part of the original MDGs, but rather newer goals within the broader SDGs agenda: peace and justice (SDG16), and industry and infrastructure (SDG9). Notably, the World Bank's contributions to its top funding priority far surpassed other goals: it spent almost three times as much on projects devoted to peace, justice, and institutions (SDG16), as compared to education.

Policy coherence is a tall order for the World Bank, given the proliferation of special and cross-cutting themes, policy priorities, strategies, and sub-strategies in its IDA replenishment documentation alone,³⁰ not to mention innumerable other guiding frameworks and sector plans.³¹ Although the World Bank's top five ODA investment areas are consistent with its twin strategic pillars of "investing in people" (e.g., education, health) and "promoting sustainable growth" (e.g., industry and infrastructure and sustainable cities),³² these spending patterns may reflect the collective preferences of its member states more than the priorities of the institution itself (World Bank, 2005; Lyne et al. 2009).

Like the World Bank, the AfDB's investment decisions are also subject to the interests of its shareholder countries. Through its African Development Fund, the AfDB committed \$29.4 billion primarily to its top five investment priorities: sustainable cities, peace and justice, global partnerships, industry and infrastructure, and zero hunger. Similar to the World Bank, two of these investment priorities are not associated with the original MDGs, per our mapping: peace and justice (SDG16) and industry and infrastructure (SDG9).

The AfDB's ODA investments appear to be largely in line with its documented institutional priorities.³³ For example, the AfDB highlighted infrastructure and agriculture in its strategic plans for 2003-2007 and 2008-2012. The AfDB (2002) attributed its interest in agriculture (which is crucial to reducing hunger) to the need to counterbalance relative inattention on the part of other funders. Meanwhile, the AfDB explicitly identified infrastructure as a core strategic priority for the African Development Fund's 2008-2010 funding cycle.

²⁸ The financing included in this analysis includes only that which meets the OECD threshold for ODA: primarily development in intent and concessional in character, including a grant element of at least 25 percent. The majority of relevant World Bank funding that meets this classification is from the International Development Association (IDA), with a smaller amount (\$90 million) from the International Bank of Reconstruction and Development (IBRD) financing window. IDA provides assistance to the world's 77 poorest countries and is the primary provider of concessional lending that qualifies as ODA. IDA is a large provider of "support through grants, concessional loans, and debt relief programs for countries with a per capita gross national income below \$1,215" (Runde, 2016).

²⁹ Similar to the World Bank's IDA, the AfDB's African Development Fund provides concessional financing to 38 low-income African countries, with three-year funding cycles financed by 29 contributing countries.

³⁰ Even though multilateral development banks are often viewed as more neutral and credible development partners (Custer et al., 2015), the interests of its shareholder countries and Board of Governors still substantially shape the World Bank's development priorities. While the President of the World Bank Group provides day-to-day leadership of the Bank's activities, the 25 Executive Directors on the Board are the ultimate arbiter of many strategic decisions on aid allocation, from approving country assistance strategies to vetting new policy priorities (Runde, 2016; World Bank, 2016). This dynamic is particularly true with IDA, which is not "self-sustaining" in the same way as other World Bank financing windows (Runde, 2016). Every three years, the 173 shareholder nations of the IDA meet to replenish the IDA's funds and review its policies and priorities in

light of progress in the previous period (World Bank, 2016). The replenishment cycle offers shareholder nations a policy window to advocate for changes in World Bank norms, goals, and priorities (Runde, 2016).

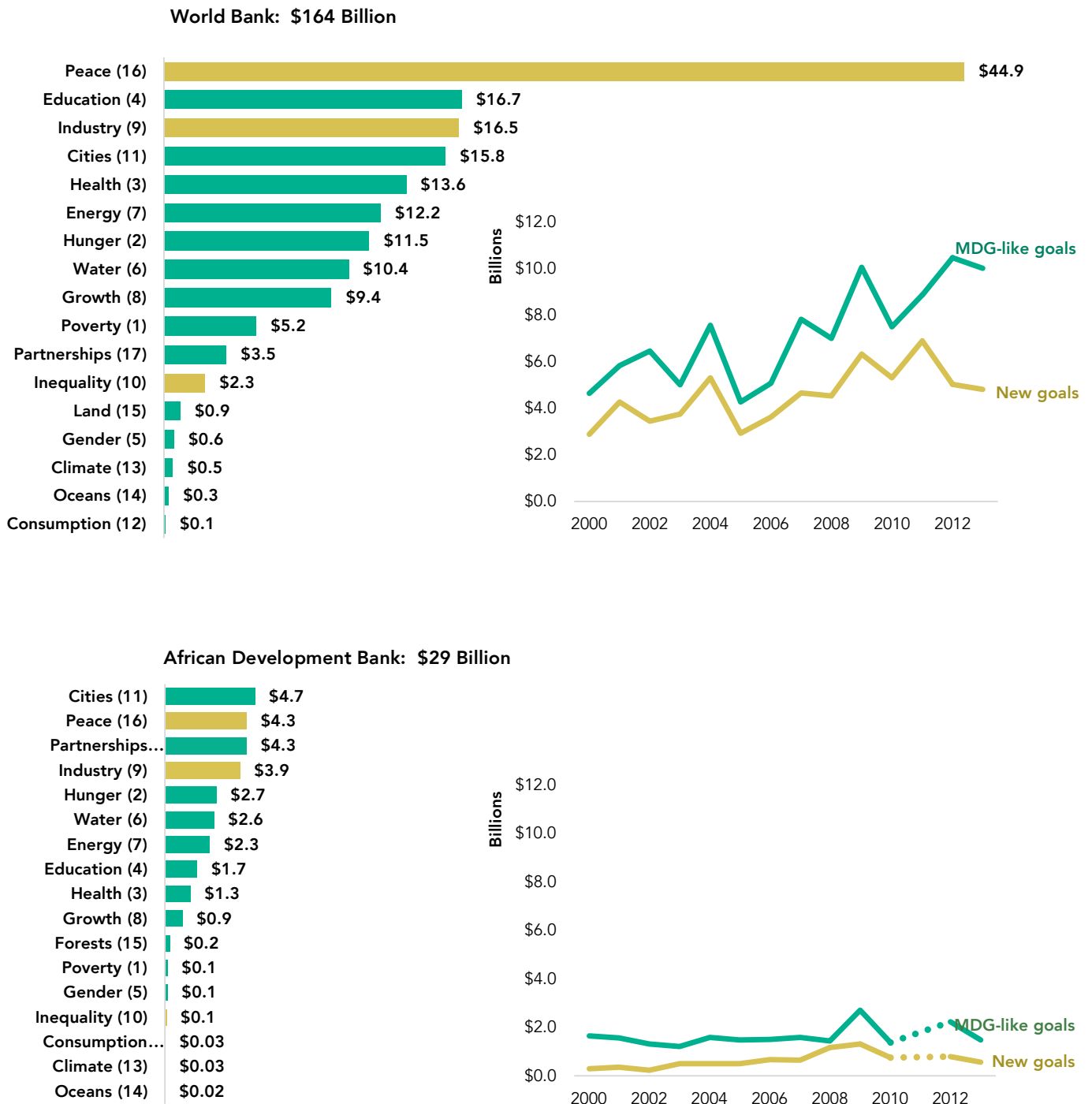
³¹ A growing number of academic studies have begun to assess the political determinants of multilateral aid flows. See for example: Morrison (2011); Andersen et al (2006); Fleck and Kilby (2006); Kilby (2006); Neumayer (2003); and Frey and Schneider (1986). Morrison (2011) summarizes the academic literature as typically finding four drivers of World Bank (and other multilateral) aid allocation patterns: the needs of recipient countries, existing policies in those countries, political factors, and development partner institutional incentives. With regard to political motivations, shareholder influence is of particular interest. In a study of non-concessional lending from the World Bank's International Bank of Reconstruction and Development, Kaja and Werker (2010) find that the World Bank's loan commitments to a given country increase when that country holds one of the rotating Executive Director positions. Other studies have focused on the politics of the US and its leverage as the largest shareholder and contributor to IDA to tie its participation to the implementation of its preferred policy priorities (see Gwin, 1997; Fleck & Kilby, 2006).

³² These were the strategic pillars during a part of the MDGs era, and these may have been revised for the SDGs agenda.

³³ There is much less information regarding the Fund's specific priorities compared to the AfDB, possibly because the Fund is administered by the Bank. Accordingly, we refer to the AfDB's strategies and priorities while discussing the funding patterns of the Fund.

Figure 5

World Bank and African Development Bank: ODA commitments to MDG-like goals versus new goals (2000-2013)



Notes: We divide the 17 SDG goals into two groups – those that are associated with, or map to the MDGs (MDG-like goals) and those that do not (new goals). No data is available for African Development Bank in 2011. All figures are in billion 2011 USD. Source: AidData Research Release 3.1

The UAE and Kuwait's similar historical ODA investments reflect a shared development experience, with three of the top five spending priorities aligning with the MDGs

Previously, we observed that non-DAC donors as a group appeared to be least concerned about aligning their ODA spending with the MDGs overall. In this section, we examine in greater depth the historical spending patterns of the two largest non-DAC providers of ODA in our data – the United Arab Emirates (UAE) and Kuwait – to confirm whether these broad trends hold true.³⁴ With the benefit of this more granular perspective, we find that three out of five of the top ODA investment areas for both the UAE and Kuwait were, in fact, aligned with the original MDGs, which is not dissimilar to what we observe for multilaterals like the World Bank and AfDB.³⁵

The UAE and Kuwait had fairly similar investment priorities: sustainable cities, industry and infrastructure, peace and justice, and clean energy topped the list for both donors. Rounding out the top five, the UAE also heavily invested in education, while Kuwait emphasized water. Of the top five goals, we would consider all but two (specifically, industry and infrastructure, and peace and justice) to be MDG-like according to our mapping. The high degree of uniformity in the ODA spending of these non-DAC donors is noteworthy because we do not see the same dynamic in play with the multilaterals or DAC bilaterals.³⁶

Of course, this affinity between the ODA investment priorities of the UAE and Kuwait could have more to do with shared geography than their status as non-DAC donors. Historically, Gulf donors have focused aid more heavily towards infrastructure projects, specifically in transportation, energy provision, and water access (Tok, 2015).³⁷ It is also unsurprising to see that energy is a comparatively strong focus for both countries, given that they are members of the Organization of the Petroleum Exporting Countries (OPEC). In other words, UAE's and Kuwait's investment decisions may reflect a similar development experience and expertise that Gulf donors seek to impart to other developing countries.

However, there are still subtle differences. Kuwait's emphasis on investing in water and sanitation projects³⁸ abroad may arise from its growing risk of water shortages at home.³⁹ For

example, the World Resources Institute placed Kuwait on its list of the world's most "water-stressed" countries by 2040 (Maddocks et al., 2015), prompting the country to experiment with desalination and wastewater treatment techniques (Ismail, 2015). As Kuwait seeks to bolster its own water security, it may be able to share its growing expertise with other countries facing similar challenges.

In recent years, non-DAC donors like Kuwait and the UAE have increasingly signaled their commitment to help countries achieve a broader set of global development goals. The World Bank (2010) reports that the focus of these Gulf donors has expanded over time to include spending on the social sector (e.g., agriculture, health, and education). KFAED's annual reports of its loan expenditures between 2000 and 2015 are consistent with this trend – the social sector has been among the top five sectors receiving loans from the agency since 2004-05. The UAE's Ministry of Foreign Affairs, meanwhile, has highlighted eight priority SDGs in its foreign assistance policy for 2017-2021 that will guide its future aid investments (MOFA, 2016).

Overall, we find that development partners differ in the extent to which their ODA flows were aligned to the eight MDGs during the MDGs era. While they all invested heavily in cities, we also see some evidence for specialization among donors in certain sectors. As the two largest donors globally, the US and the World Bank prioritize investments in improving governance and building strong institutions. Japan, the African Development Fund and the UAE prioritize cities, while Kuwait has invested significantly in energy.

Having viewed alignment with the MDGs from a development partner perspective, in the next section we assess the extent to which these global goals made inroads with policymakers in LICs and MICs. Specifically, we draw upon the *2014 Reform Efforts Survey* results to examine the reported influence of the MDGs in convincing domestic policymakers and practitioners to adopt certain priorities and reforms.

³⁴ To date, AidData has collected project-level information on the investments of nine non-DAC donors, which are included in the global analysis of ODA spending by cohort in Section 3.2. While the aid investments of Kuwait and the UAE have traditionally been less transparent than those of Western development partners, both countries have released more information on their development aid activities in recent years. In 2010, the UAE became the first country outside the OECD-DAC to provide detailed aid flow information to the OECD's CRS, but only for the period of 2009-2013. The Kuwait Fund for Arab Economic Development (KFAED) is the only agency from the country that reports project-level data, and so the actual flows from Kuwait are likely to be much higher than what we present here.

³⁵ The data for UAE covers the period from 2009 to 2013.

³⁶ If we compare the top two donors in each cohort, we find that there is very little alignment between the US and Japan (only one shared goal out of

their top five), some alignment between the World Bank and the African Development Fund (three shared goals out of their top five) and strong alignment between UAE and Kuwait (four shared goals out of their top five).

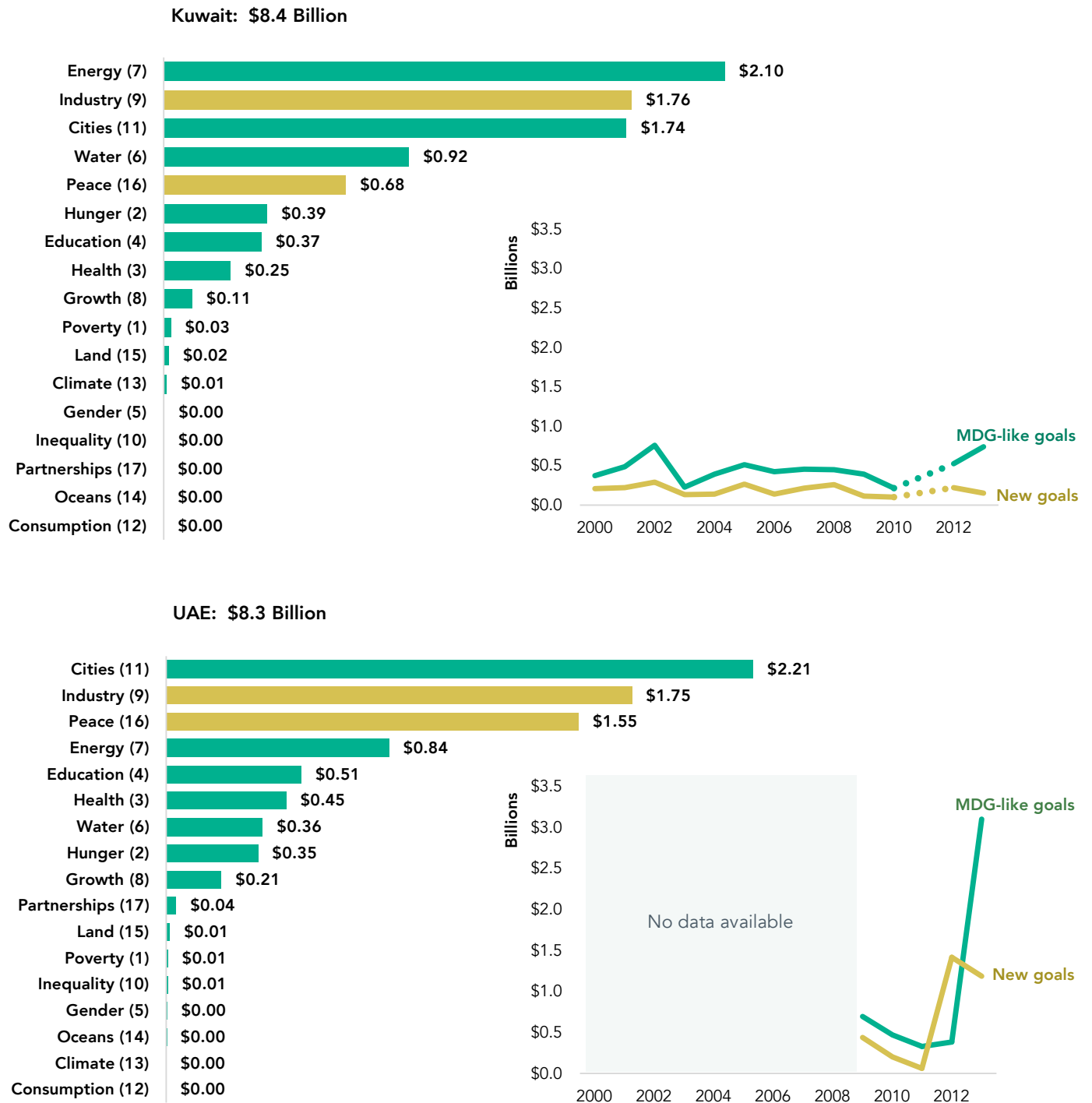
³⁷ Even during the financial crisis, Arab financial institutions continued to support primarily infrastructure sectors such as transportation, energy, and water, and financial assistance to support infrastructure-related projects grew during 2008-2010 (Rouis 2011).

³⁸ Kuwait's strong interest in water and sewage is also confirmed by KFAED's annual reports, which provide supporting evidence that water and sewerage is among the top five sectors receiving loans from the agency between 2000 and 2016 (KFAED annual reports).

³⁹ According to Ismail (2015), "with no permanent rivers or lakes, groundwater is Kuwait's only natural water resource".

Figure 6

Kuwait and UAE: ODA commitments to MDG-like goals versus new goals (2000-2013)



Notes: We divide the 17 SDG goals into two groups – those that are associated with, or map to the MDGs (MDG-like goals) and those that do not (new goals). Data for the UAE is mostly available post-2009 which is when the UAE started to report its official flows to the OECD CRS (data is available for the years 2000 and 2007, but the amounts are very small in comparison to what we have post-2009, so we do not report these). There is no data for Kuwait for the year 2011. All figures are in constant 2011 USD. Source: AidData Research Release 3.1

Influence: To what extent did the MDGs shape domestic priorities and reforms?

Global goals must do more than motivate international donors if they are to spur development progress in LICs and MICs. Domestic leaders must also view these goals as relevant to their national development strategies and influential in shaping country-level priorities. While the MDGs were criticized for not adequately representing the views of the people they were supposed to impact, negotiations around the SDGs ushered in a more “inclusive”, consultative approach (Guardian, 2015).⁴⁰ National consultations related to the SDGs were held in 88 countries and via public discussion forums online and offline (Clark, 2015). Yet, beyond providing perfunctory “input at the outset” (Clark, 2015), to what extent do policymakers from LICs and MICs buy into international agendas?

In this section, we use AidData’s *2014 Reform Efforts Survey* of public, private, and civil society leaders to put this question to the test. Nearly 7,000 leaders from 126 countries who held positions of decision-making authority in their organizations between 2004 and 2013 responded to the survey.⁴¹ Participants identified whether they were familiar with the MDGs and, if they were, the extent to which they

felt that the goals influenced their government’s decision to adopt certain policy priorities or undertake reforms.⁴² The survey responses can inform our thinking in the post-MDGs era about the perceived influence of global goals in shaping domestic development priorities and the likely salience of the SDGs. **Three key insights** emerge from this analysis which we preview here and discuss at length in the remainder of the section:

- Global development agendas can be visible domestically: the majority of leaders were familiar with the MDGs, across stakeholder groups, regions, and most sectors
- Global goals can resonate with domestic actors: the MDGs moderately influenced national priorities, according to government and CSO leaders
- Leaders want global agendas to help them identify practical solutions to policy problems, complement existing domestic reform efforts, and signal credibility internationally.

⁴⁰ An Open Working Group (OWG) comprising 30 seats shared by 70 member states developed the proposal for the SDGs over a two-year process (SustainableDevelopment2015.org, 2017). Representatives of those member states with no seat in the OWG could also participate in the meetings. The SDGs were the result of 13 sessions held by the OWG between March 2013 and July 2014 to seek inputs and build consensus on the 17 goals.

⁴¹ Participants in AidData’s *2014 Reform Efforts Survey* included: (1) senior and mid-level executive branch government officials who formulate and execute policies and programs in a specific set of policy areas; (2) representatives of the country offices of bilateral and multilateral aid agencies and foreign embassies (DFID, World Bank, UNDP, IADB, USAID, etc.) who maintain a policy and programmatic dialogue with government

authorities; (3) leaders of domestic civil society organizations; (4) leaders and members of business associations knowledgeable about government programs and the domestic policy-making process; and (5) independent country experts who monitor reform patterns and processes and donor relationships with host governments.

⁴² In total, survey participants assessed the influence of up to 100+ international assessments of government performance with which they were familiar – from cross-country benchmarking exercises and watch-lists to country-specific diagnostics and conditional aid programs – on their policymaking process. The MDGs were one of the response options.

Global development agendas can be visible domestically: the majority of leaders were familiar with the MDGs, across stakeholder groups, regions, and most sectors⁴³

People will not be swayed by an international agenda that is unfamiliar (or unknown) to them. If visibility is the first hurdle to clear on the road to buy-in, the fact that a vast majority of leaders reported being familiar with the MDGs is a good signal of its reach (see Figure 7). Unsurprisingly, given their strong connections with international organizations, development partner organization staff (based in country) and CSO leaders were most familiar with the MDGs (76 percent). However, host government officials were not far behind: 73 percent of them reported familiarity with the MDGs.

Despite the limited emphasis on public-private partnerships in the MDGs, 53 percent of company representatives still reported being familiar with the goals. If a majority of private sector leaders have even basic familiarity with global development agendas like the MDGs, this is an encouraging sign for the SDGs. Given the much larger anticipated role for private sector investments in achieving Agenda 2030, particularly in sectors related to infrastructure, food security, and climate change (UNCTAD, 2014), we would expect awareness of the SDGs to be even higher among private sector leaders in the future.

The MDGs were best known among those working in sectors that were explicitly referenced in the goals. Over 70 percent of leaders working in health, family and gender, environmental protection, education, and social protection and welfare were familiar with the MDGs (see Figure 7).⁴⁴ This is clearly in line with the MDGs' emphasis on topics related to: health (MDGs4-6), gender (MDGs2-3, and 5), environmental sustainability (MDG7), education (MDG2), and poverty alleviation (MDG1).

Nonetheless, global agendas may have a broader reach beyond the likeliest suspects. While issues related to their expertise were not as prominently covered in the MDGs, over 68 percent of leaders working in foreign policy, trade, agriculture and rural development, and energy and mining were familiar with the agenda (see Figure 7). In the post-2015 era, it is likely that the SDGs will be even more ubiquitous with policymakers working in these areas, given the inclusion of goals related to clean energy (SDG7), industry and infrastructure (SDG9), and food security and agriculture (SDG2). These findings give some credence to the idea that international agendas can palpably increase the

visibility of global development goals among domestic audiences.

Leaders from Latin America and the Caribbean (79 percent), as well as sub-Saharan Africa (78 percent), were most likely to be familiar with the MDGs (see Figure 7). These two regions were home to large numbers of low-income countries at the start of the MDGs era, which may partly explain why leaders from these areas were highly familiar with the goals, particularly if they were under scrutiny by international donors to meet targets and report on their performance over time. Sub-Saharan Africa (SSA) is case in point: in monitoring the MDGs, international donors routinely emphasized the poor performance of countries in the region against global targets (Easterly, 2007). In this respect, these benchmarking exercises likely increased the visibility of the MDGs among SSA leaders that were concerned about unfavorable comparisons with other regions.

During the initial years of the MDGs, advocacy efforts focused on committing and mobilizing resources from bilateral and multilateral donors and governments to achieve the goals (McArthur, 2014). The period from 2002 to 2005 saw major donor pledges, culminating in the September 2005 UN World Summit. This was where governments committed to align their national development strategies to achieve the MDGs. Therefore, we examine whether engagement or communication with international donors facilitates exposure of local actors to global goals such as the MDGs.

Respondents in countries where host government officials communicated frequently with development partners were more likely to be familiar with the MDGs than those in countries that did not.⁴⁵ Familiarity was highest in cases where host government officials communicated with development partners almost daily or once a week (over 77 percent).⁴⁶ In contrast, familiarity with the MDGs was lower (55 percent) in countries that communicated with development partners only once a year or less (see Figure 7). This suggests that international donors were most effective in spreading the word about the MDGs where they were in frequent communication with their host government counterparts.

⁴³ The only policy domain in which fewer than 50 percent of participants were familiar with the MDGs was customs.

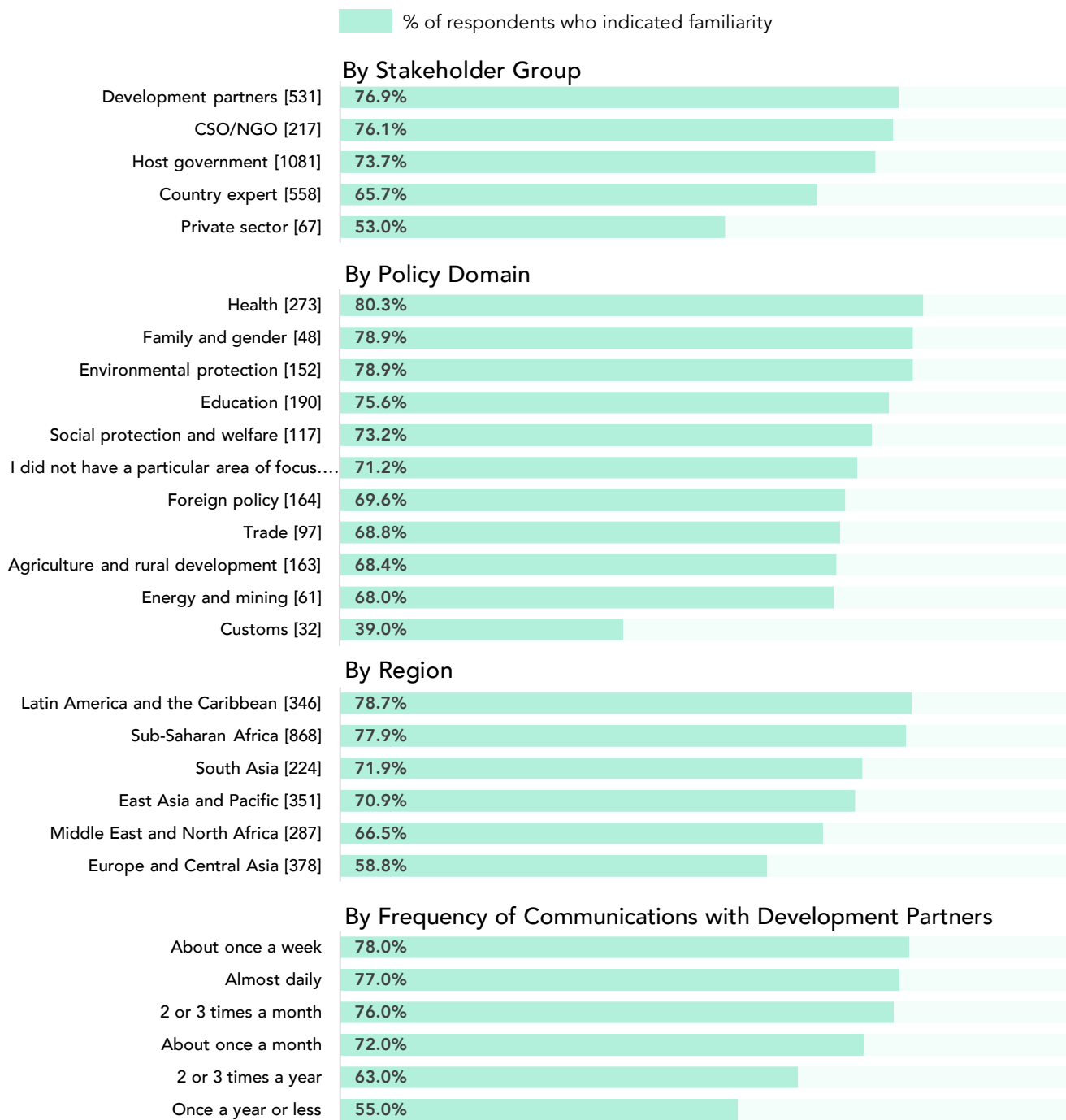
⁴⁴ Even though the survey listed 24 policy domains, not every respondent was shown the list of 100+ external assessments. In the case of the MDGs, only respondents from health, family and gender, environmental protection, education, social protection and welfare, foreign policy, trade, agriculture and development, energy and mining, and customs were asked to rate the MDGs on familiarity.

⁴⁵ Around 3,400 host government officials were asked to report the frequency of their interaction with the development partners with whom they worked directly on a scale of 1 to 6, with 1 indicating once a year or less and 6 indicating almost daily communication. Frequency of communication was only asked to host government officials, while familiarity was asked to all stakeholder groups. Our hypothesis is that communication between governments and donors makes its way to leaders in other stakeholder groups such as CSOs, through articulation of objectives, country strategies and performance goals, which may often be related to the MDGs.

⁴⁶ Since each government official selected the frequency of communication with every single donor that she directly worked with during 2004-2013, here we take the maximum frequency reported.

Figure 7

Familiarity with the MDGs



Note: Figures in parentheses are the number of respondents. Host government officials were asked to identify which development partners they communicated with on issues related to their policy domain of expertise and with what degree of frequency between 2004 and 2013. Frequency of communication is measured on a scale of 1-6, where 1 means "Once a year or less", 2 means "2 or 3 times a year", 3 means "About once a month", 4 means "2 or 3 times a month", 5 means "About once a week" and 6 means "Almost daily". Source: AidData 2014 Reform Efforts Survey.

Global agendas can have salience with domestic actors: the MDGs moderately influenced national priorities, according to government and CSO leaders

Visibility is essential, but insufficient, to shape domestic policy priorities. Influence – the ability to inform how policymakers decide what to focus on in their reform efforts – is another critical ingredient. Among those familiar with the MDGs, host government and civil society leaders perceived the goals to be moderately influential in their government’s decision to address a particular policy problem or design related reforms.⁴⁷ Conversely, development partner organization staff members (based in country) were more somber in their assessment. Despite having the greatest familiarity with the goals, they felt that the MDGs had relatively less influence in shaping domestic priorities (Figure 8).⁴⁸

The influence of the MDGs by policy domains appears to be more in line with familiarity levels. Leaders whose primary area of focus was family and gender or health perceived the MDGs to be most influential in the government’s decision to pursue reforms to solve specific challenges in these sectors. Again, this finding may reflect the strong focus of the MDGs on health, with explicit targets and indicators attached to the

three health goals: reducing child mortality rates, improving maternal health, and combatting HIV/AIDS, malaria and other diseases. MDGs were perceived to have the lowest influence among respondents in the trade and energy and mining domains.

Similar to what we observed with familiarity, respondents from sub-Saharan Africa ranked the MDGs as the most influential compared to their counterparts in other regions (Figure 8). Again, this higher reported influence on domestic priorities in SSA may be a byproduct of the intense scrutiny international donors placed upon the region as countries fell short of achieving their MDG targets. If international donors tied aid to performance against MDG targets, it is understandable that domestic leaders would view the MDGs as influencing their priorities and reform efforts. It remains to be seen whether the megaphone of international donors will be as pronounced in the post-2015 era, as countries have more options in how they choose to finance their national development strategies (e.g., public, private, international, and domestic finance).

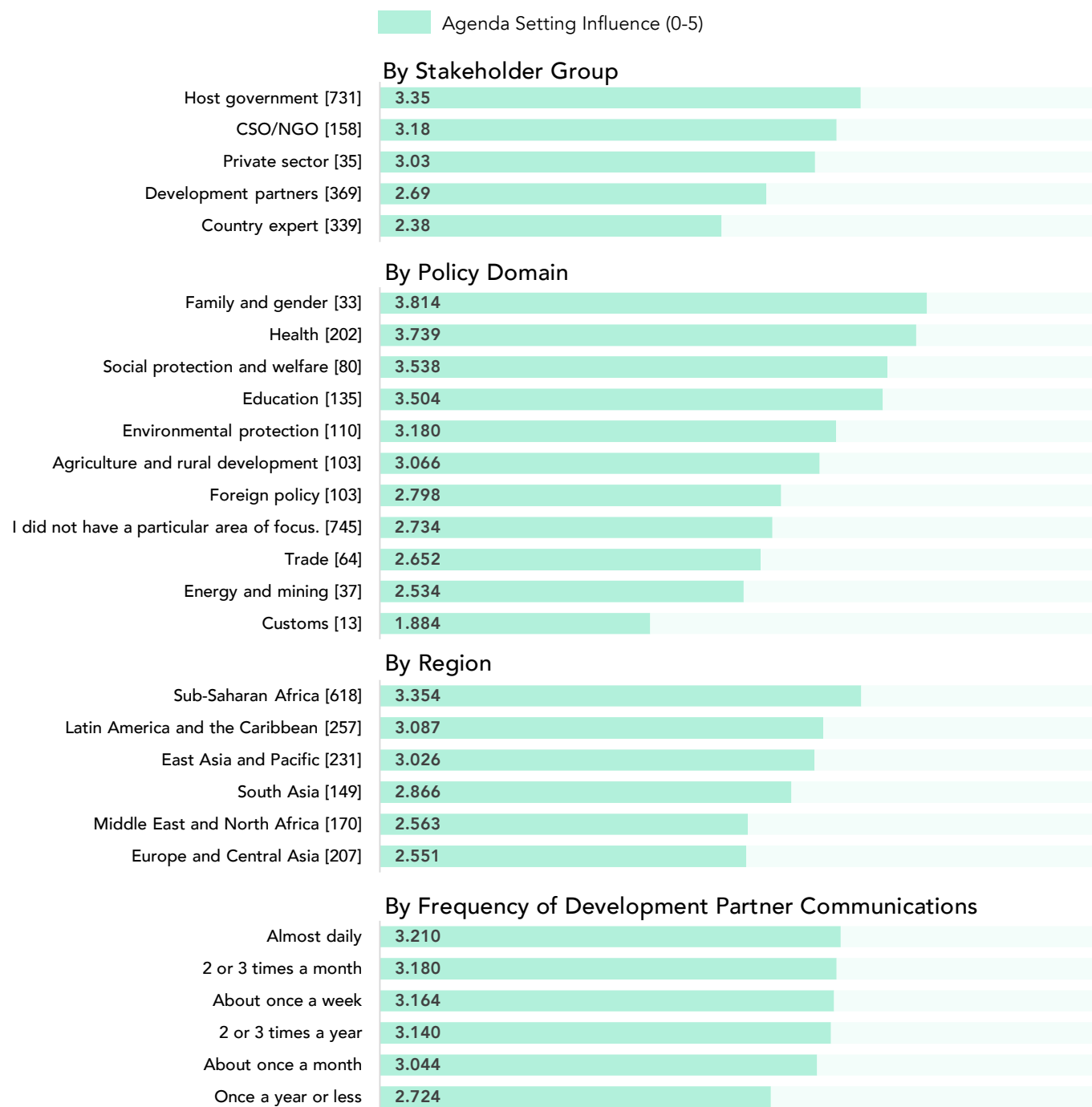
⁴⁷ Participants were asked to rate the influence of assessments on their country’s decision to undertake reforms to solve three specific, self-identified policy problems on a scale of 0 to 5, with 0 signifying no influence and 5 indicating maximum influence.

⁴⁸ We asked respondents to rank the MDGs on its influence on (1) the country government’s decision to pursue sectoral reforms focused on solving self-

identified problems, and (2) the design of the country government’s sectoral reform efforts. The responses of stakeholder groups in terms of influence of the MDGs for both these questions is similar, and for brevity’s sake, we only present the former.

Figure 8

Influence of the MDGs on the government's decision to pursue sectoral reforms



Figures in parentheses are the number of respondents. Influence was measured on a scale of 0 to 5, where 0 means no influence at all and 5 means maximum influence. Data labels represent average scores for respondents in each category. Host government officials were asked to identify which development partners they communicated with on issues related to their policy domain of expertise and with what degree of frequency between 2004 and 2013. Frequency of communication is measured on a scale of 1-6, where 1 means "Once a year or less", 2 means "2 or 3 times a year", 3 means "About once a month", 4 means "2 or 3 times a month", 5 means "About once a week" and 6 means "Almost daily".

Source: AidData 2014 Reform Efforts Survey

Leaders want global agendas to help them identify practical solutions to policy problems, complement existing domestic reform efforts, and signal credibility

Consistent with the theme of country ownership, nearly a third of leaders familiar with the MDGs attributed the agenda’s influence to its complementarity with existing domestic reform efforts or alignment with host government priorities (see Figure 9). This finding calls into question the validity of the critique that the MDGs were imposed on developing countries at the expense of local priorities.

However, global agendas do appear to shape domestic perceptions of which problems and solutions merit attention by leaders. Just over a third of survey participants pointed to the ability of the MDGs to help authorities acknowledge policy problems or identify practical solutions as the most important reason for the agenda’s influence.⁴⁹ A possible explanation for this might be that leaders view having the clearly defined goals and measurable targets within the MDGs as useful to that prioritization process.

Finally, approximately 15 percent of survey participants cited the importance of the MDGs in highlighting the government’s policy credentials to international development partners as a driver of its influence. On the one hand, this could indicate a reasonable desire on the part of national policymakers to ‘get credit’ for progress on things that the international community has agreed upon as common goals. On the other hand, this interest in bolstering the government’s credentials vis-à-vis international donors

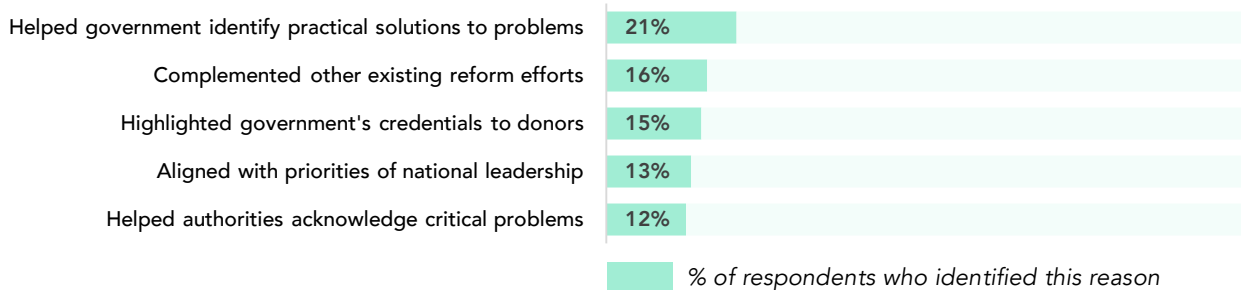
could create perverse incentives for domestic policymakers to divert attention from other valid national priorities if adopting the MDGs is seen as a precondition to accessing assistance from multilateral development banks or bilateral aid agencies.

This retrospective view of the visibility and influence of the MDGs with leaders in low- and middle-income countries is helpful in anticipating the likely salience of its successor, the SDGs. The preliminary results from the *2014 Reform Efforts Survey* give credence to the argument that the reach and influence of global agendas does not stop with bilateral aid agencies and multilateral development banks alone. Instead, we find that domestic policymakers and practitioners are highly familiar with the MDGs, consider them to be influential in shaping national development priorities, and view them as largely complementary to their own agendas.

In the next section, we transition from looking at the MDGs to taking stock of the baseline financing landscape for the SDGs prior to 2015. For this analysis, we examine ODA flows between 2000 and 2013 towards each of the 17 SDGs. From this baseline, we can identify which goals have claimed the lion’s share of attention from development partners to date and parts of the 2030 agenda that may be at risk of being left behind, barring any changes to ODA allocations.

Figure 9

Top reasons for the perceived influence of the MDGs



Note: Respondents were asked to select the one statement that best explains the influence of the MDGs on the government’s sectoral reform efforts, and this figure shows the five most important reasons selected. Source: AidData 2014 Reform Efforts Survey.

⁴⁹ Helping the government identify practical solutions to policy problems was the most important reason noted by government officials and domestic CSO/NGO leaders.

Baseline: How much financing did sustainable development receive pre-2015?

The 2030 Agenda, the 17 SDGs, and their associated targets and indicators may be new packaging, but the vast majority of the underlying ideas they represent predate the post-2015 era. Given the widespread narrative of the influence of the MDGs in mobilizing money and attention, one of the rationales for codifying the broader set of 17 goals was to crowd-in additional resources for aspects of development that were not explicitly included in the original eight MDGs (Sumner & Tiwari, 2010; Kharas, 2014). As Lisowska (2016) explains, “all eight MDGs were brought forward to the new standard [i.e., SDGs] and only six [SDGs] are truly original”.

It is reasonable, therefore, to assume that historical financing for the SDGs is not zero. For advocates, policymakers, and citizens to effectively mobilize and monitor future resourcing against the 17 SDGs – we need a new baseline (Melamed, 2015). With such a yardstick, it becomes possible to measure changes in sustainable development financing over time, align future investments with areas of greatest need, and assess progress in the lead up to 2030.

In this section, we analyze ODA flows during 2000-2013 towards each of the 17 SDGs to determine a historical baseline of aid financing for sustainable development. We then group the 17 goals into three categories and look at

the funding trajectories towards each group of goals during the MDGs era. Based upon our preliminary analysis, we can identify **four key insights** about the current financing picture for sustainable development at the start of the post-2015 era:

- Peace and justice (SDG16) received the most attention from development partners overall; education (SDG4) and health (SDG3) may be under-funded relative to anticipated costs to achieve them
- Development partners took a multi-dimensional approach to fighting poverty, emphasizing health (SDG3) and education (SDG4)
- Industry and infrastructure (SDG9) and sustainable cities (SDG11) attracted the most ODA among goals tackling the pressures of economic growth
- Environmental sustainability – climate change, oceans and marine resources, and land and biodiversity (SDGs13-15) – received comparatively little attention from development partners pre-2015 and may be at risk of being left behind.

Section 5.1

Peace and justice (SDG16) received the most attention from development partners overall; education (SDG4) and health (SDG3) may be under-funded relative to anticipated costs

Following a period of marked decline in the 1990s, overall ODA experienced resurgence in the era of the Millennium Development Goals (UN, 2011; Kenny & Sumner, 2011). The goal that attracted the most ODA during 2000-2013 was peace and justice (SDG16). This goal received nearly twice as much ODA as the goals that ranked second (health, SDG3) and third (partnerships, SDG17), which each received around \$175 billion.⁵⁰ Among the least-funded goals were sustainable consumption (SDG12), climate (SDG13), oceans (SDG14), as well as goals related to reducing inequality, both

specific to gender and overall (SDG5 and SDG10). Each of these goals received less than \$10 billion.

While these trends give us a good sense of where we stand vis-à-vis funding towards each of the SDGs, they do not tell us whether funding levels were appropriate in light of the projected costs to reach the goals. Even goals that have historically received relatively more financing than others may still be experiencing a shortfall in what is needed to achieve them. Though not an apples-to-apples comparison, there is a sufficient overlap between the MDGs and SDGs on topics related to education (MDG2/SDG4), health (MDGs4-

⁵⁰ As a robustness check, we carefully examined the project descriptions of the top 100 projects that were mapped to SDG16. We find that approximately two-thirds have a clear connection and the rest have varying degrees of alignment with Goal 16. Though our methodology over-

estimates the amount of ODA towards SDG16, our calculations suggest that even if we adopted a more conservative estimate, SDG16 is still likely to have received the most ODA during 2000-2013.

6/SDG3), and the environment (MDG7/SDG13-15), to serve as a rudimentary yardstick to assess baseline financing for the SDGs in light of projected costs needed to achieve these goals.

Although forecasting the costs of achieving the goals is a messy science, we are able to draw upon credible estimates from a few sources to compare historical spending versus anticipated needs. Devarajan et al. (2002), for example, calculated the estimated annual financial resources developing countries would need to meet each of the MDGs by 2015. These rough estimates need to be interpreted with caution, but they do provide a departure point for a discussion about areas of the SDGs agenda that are likely to be under-funded in light of historical trends if countries are unable to mobilize additional funding from various sources to close the gap.⁵¹

To meet targets related to education, Devarajan et al. (2002) estimated that countries would need additional ODA to the tune of \$10-30 billion every year. Our estimates put baseline ODA financing for quality education (SDG4) over the 2000-2013 period at approximately \$10 billion annually on average. However, since the original MDG was narrowly focused on primary education and the corresponding SDG is broader in scope, baseline ODA funding likely falls short of what would be needed to achieve this goal in its entirety. Similarly, financing needed to meet the MDGs related to health was estimated at \$20-25 billion (Devarajan et al. (2002). Health was the second highest funded goal among the 17 SDGs. Yet, at about \$12.8 billion a year on average, it seems to have fallen short of the required financing estimates.

Finally, Devarajan et al. (2002) estimate the financing need for meeting the environmental goals at \$5-21 billion.⁵²

According to our calculations, combined baseline funding to the three environmental SDGs (SDGs13-15) was \$1.7 billion annually between 2000-2013.⁵³ This divergence certainly prompts the need for closer monitoring of potential financing gaps; however, we would stop short of saying that that these goals are under-funded relative to costs due to the difficulty of accurately capturing all possible financing for environment-related goals. From 2010 to 2012, developed countries reported about \$35 billion in fast-start finance (FSF)⁵⁴ to the UN Framework Convention of Climate Change, the bulk of which was in the form of ODA (Kharas, 2016).⁵⁵ Yet, our estimate of historical ODA spending on environmental goals does not appear to capture this financing.

Since our coding is only as strong as the specificity of the descriptions of ODA projects reported by donors, if the documentation is too general or broad, we cannot accurately attribute these investments to the three specific environmental SDGs (see Box 1). A second factor that might be driving this likely undercounting of environmental financing is due to the fact that some SDG targets related to the environment may be more granular than the activity codes in our schema and, as a result, are not accurately being captured and counted.

So far, we have presented the baseline level of financing towards each SDG. In the remainder of this section, we compare aid spending patterns between and within groups of related goals, including those which: fulfill basic needs and conditions to mitigate extreme poverty (SDGs1-6); tackle the pressures of economic growth (SDGs7-12); and address environment-related challenges and international cooperation (SDGs13-17).⁵⁶ Table 1 provides a breakdown of these groups

⁵¹ Devarajan et al. (2002) use two approaches to provide estimates. The first is estimating additional ODA to meet MDG1 by 2015 and assuming that achieving this goal will imply substantial progress towards other goals. The second is a rough breakdown of cost estimates to meet the social goals – education, health and environment. We present the latter estimates here.

⁵² Devarajan et al. (2002) also present estimates related to the targets subsumed under MDG7. However, either due to uncertainty in estimates or the lack of direct mapping to the SDGs, we do not present those estimates here. For instance, financing needed to meet the target on urban slums under MDG7 is estimated as \$3.5 billion a year. The corresponding SDG is sustainable cities (SDG 11), which received an actual annual funding of around \$9 billion. This does not imply that SDG11 was over-funded, because SDG11 is broader than urban slums, and may require much more financing to meet the other targets under this goal.

⁵³ Taking a broader view of environmental goals and including clean energy (SDG7) to calculate actual ODA commitment towards environment, we find that donors spent \$8.4 billion on average annually.

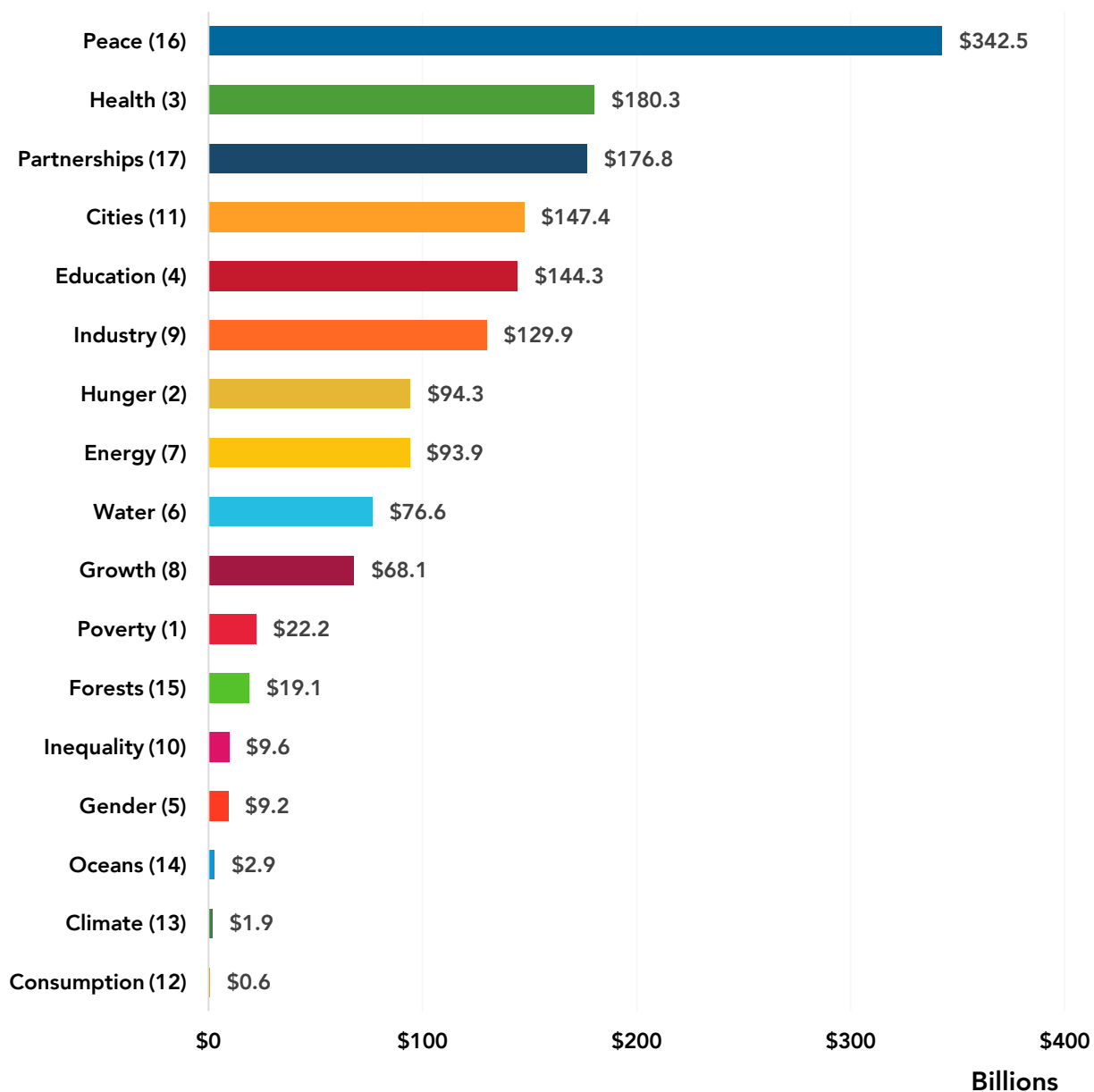
⁵⁴ During the Conference of the Parties (COP15) held in December 2009 in Copenhagen, developed countries pledged to provide new and additional resources, including forestry and investments, approaching USD 30 billion for the period 2010-2012 and with balanced allocation between mitigation and adaptation. This collective commitment has come to be known as ‘fast-start finance’.

⁵⁵ It is noted that none of the top 10 recipients of FSF are currently low-income countries.

⁵⁶ These ideas were adapted from “The Periodic Logic of the UN Global Goals”, an article by Puvan Selvanathan (2015). These categories could also be viewed as representing a trajectory of maturation for countries and their economies – from basic subsistence (e.g., income poverty, hunger, education, health, equality) to managing economic growth (e.g., energy, infrastructure, sustainable cities, technological improvements in the use of labor and capital) and ensuring prosperity is sustainable and inclusive for all (environmental challenges, international cooperation and collaboration).

Figure 10

Baseline ODA Commitments to the SDGs, all donors (2000-2013)



Notes: All figures are in billion 2011 USD. Source: AidData Research Release 3.1

Measurement challenges in capturing financing to environmental goals

While tradeoffs are often seen between increasing economic growth and environmental protection, the SDGs attempt to integrate environmental sustainability into development. The three environmental goals – climate change (SDG13), life under water (SDG14), and life on land (SDG15) – represent a significant broadening of focus from the MDGs, which limited consideration of the environment to one general overarching goal (MDG7, ensure environmental sustainability).

Although more attention is being paid to the environment within the SDGs, our baseline analysis for financing during 2000-2013 indicates that investments in these goals appear limited. Very low levels of financing were recorded for the three SDGs focused on the environment, with each of these goals ranking in the bottom six for total investment between 2000 and 2013.

Investments in the environment may be lower than those in other sectors, but our current methodology also likely undercounts financing directed at these goals. This methodology is based on a mapping between AidData activity codes and SDG targets (see Appendix 1 for a more detailed explanation). The AidData activity coding schema is modeled on OECD purpose codes, which categorize development projects by the “sector of destination of a contribution.” The OECD codes, however, do not align neatly with all SDG goals and targets. While there was strong alignment for some goals, including health (SDG3), education (SDG4), and water and sanitation (SDG6), this was not the case for the SDGs targeting the environment.

Under the activity coding schema, many projects were assigned a general “environment” activity code rather than a code showing the more specific area of focus. This resulted in cases where projects relevant to the SDGs could not be mapped to a specific SDG target, since the assigned activity code was too general to map to an SDG target. For example, a project to “develop climate change policies” would have received an activity code for “environmental policy.” Since this code is not specific enough to map to any of these three SDGs, projects given this code were excluded from analysis and their financing was not assigned to any SDG.

A limited amount of financing to SDG13, SDG14, and SDG15 was trackable through a few specific activity codes that better defined the subsector of the environmental project (see table below). However, we found few specific activity codes that were relevant to these goals, and the number of relevant codes varied greatly among the three SDGs. Although life on land (SDG15) received much more financing than the other two goals, this is likely due to the fact that we were able to map 27 activity codes to this SDG, compared to six for life under water (SDG14) and three for climate change (SDG13).

As a next step, AidData is developing an updated methodology to code to the SDGs by directly assigning SDG targets to project descriptions. Under the new methodology, a “climate change policy and planning” project would be coded as SDG13.1 (Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries). This new schema will bypass the activity code-SDG-mapping, thus eliminating the problem of misalignment between activity codes and SDG targets.

SDG	# of activity codes mapped	Relevant categories of activity codes
Goal 13	3	flood prevention/control; erosion control; river/sea flood control
Goal 14	6	marine pollution control; fishing sector policy and capacity building and stock protection; marine research
Goal 15	27	forestry policy and capacity building, afforestation; erosion control; desertification; forestry research; biodiversity; natural reserves; species protection

Table 1: Grouping the SDGs

Mitigating extreme poverty	
SDG1	End poverty in all its forms everywhere
SDG2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
SDG3	Ensure healthy lives and promote wellbeing for all at all ages
SDG4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
SDG5	Achieve gender equality and empower all women and girls
SDG6	Ensure availability and sustainable management of water and sanitation for all
Tackling the pressures of economic growth	
SDG7	Ensure access to affordable, reliable, sustainable and modern energy for all
SDG8	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
SDG9	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
SDG10	Reduce inequality within and among countries
SDG11	Make cities and human settlements inclusive, safe, resilient and sustainable
SDG12	Ensure sustainable consumption and production patterns
Addressing environment challenges and achieving international cooperation	
SDG13	Take urgent action to combat climate change and its impacts
SDG14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
SDG15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss
SDG16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
SDG17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

Development partners took a multi-dimensional approach to fighting poverty, emphasizing health (SDG3) and education (SDG4)

The amount of baseline ODA funding directed towards ending poverty (SDG1) was surprisingly modest (\$22 billion) and fairly stagnant between 2000-2013. In comparison, efforts to zero out hunger (SDG2) attracted substantial funding within this cohort of goals in the first few years of the new millennium, and was soon eclipsed by an upswing in financing for education and health. These trends could point to the growing prominence of a multi-dimensional view of poverty – including lack of access to food, education and health – and a broadening of strategies to bolster the assets of the poor with a human capability approach (Narayan et al., 1999; World Bank, 2001).

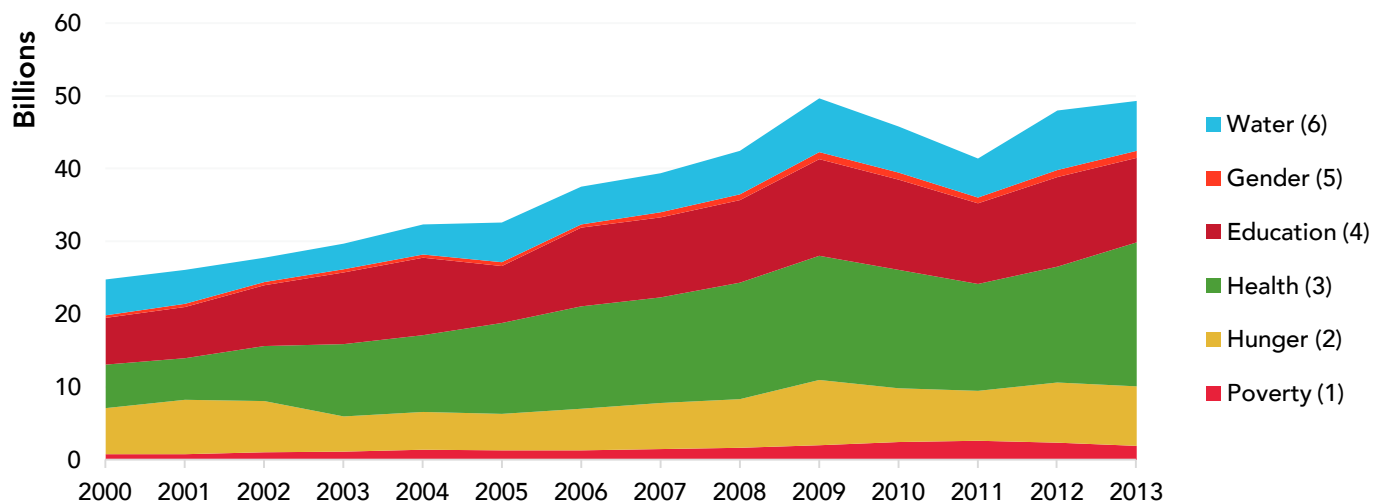
While baseline financing for health (SDG3) and education (SDG4) may be low compared with the anticipated costs to achieve these goals, it is notable that donors did substantially increase their ODA spending in these areas between 2000-2013. The upward trajectory for health financing is consistent with a proliferation of new donor-funded programs in areas such as HIV/AIDS and child health during this period (UN, 2011; Kenny & Sumner, 2011; Fukuda-Parr et al., 2014). This intensity of aid financing may also reflect the significantly stronger domestic political support for life-saving health programs than for other types of foreign assistance (Olesen, 2006; Busby, 2007).

Quality education (SDG4) also received a steady stream of ODA financing during this period. Development partners made a renewed commitment to Education for All in 2000, with the World Education Forum adopting the Dakar Framework for Action after a decade of lackluster progress in the sector, and aid allocation patterns appear to match this rhetoric (Osttveit, 2014).⁵⁷ These trends in education and health appear consistent with a common refrain in aid allocation studies post-2000 that point to a shift in development partner priorities from the productive to social sectors (Thiele et al., 2006; Kenny & Sumner, 2011; Melamed, 2015).

At first glance, low levels of baseline financing for gender equality (SDG5) make for a sobering story, but a few notes are in order. First, health and education programs often incorporate efforts to reduce gender divides, such as the provision of sanitary pads to increase school attendance rates among girls or projects focused on maternal health. Many of these may be captured under health or education goals, as only financing for projects that explicitly reference reducing gender inequality would be attributed to SDG5. Therefore, we may be underestimating financing towards this goal. Second, since our methodology is based on how detailed project descriptions are, it is particularly difficult to track funding towards reducing gender inequality, which may not always be part of the project description.

Figure 11

ODA commitments to SDGs that address basic needs (2000-2013)



Notes: All figures are in billion 2011 USD.
Source: AidData Research Release 3.1

⁵⁷ The first World Conference on Education for All was held in 1990 in Jomtien.

Industry and infrastructure (SDG9) and sustainable cities (SDG11) attracted the most ODA among goals tackling pressures of rapidly growing societies

Decent jobs, rising inequality, cheap energy, and healthy cities are all pressing concerns to rapidly growing economies, particularly in low- and middle-income countries. Baseline ODA financing appears to reflect a growing recognition by development partners between 2000-2013 of the combustible mix of high rural-urban migration, oversubscribed urban infrastructure, and displacement creating conditions for vulnerability and insecurity (Davis, 2007). Figure 12 shows a breakdown of the baseline ODA financing for six goals related to tackling pressures of rapidly growing societies.

Industry and infrastructure (SDG9) and sustainable cities (SDG11) received the largest shares of ODA in this cohort for most of the period (Figure 12). Clean energy (SDG7) and economic growth (SDG8) also saw an overall increase in financing. The post-2000 prominence of these issues coincides with an upsurge in documentation on the urbanization of poverty – defined as the share of the world’s poor living in urban areas (Ravallion, 2002; Ravallion et al., 2007).

Interestingly, there is a club of five donors that appear to be driving most of the funding for these top-funded goals related to rapidly growing societies, including: Japan, the European Union⁵⁸, the World Bank, Germany, and the United States.⁵⁹ For the bilateral donors and the European Union, their interest in energy, industry, cities, and economic growth may signal their desire to use ODA to catalyze future private sector investments and strengthen trading relationships in areas of comparative advantage. Meanwhile,

the World Bank is historically one of the leading investors in infrastructure and energy projects, particularly in light of a reported “overall decline in private sector investment in infrastructure in the developing world” (World Bank, 2014).

Similar to what we saw with gender equality, it appears that ODA financing of activities related to reducing inequalities overall has been historically low and saw little change throughout the 2000 to 2013 period. Again, this could be attributed to a deficiency in our tracking methodology, which may have a greater difficulty capturing crosscutting activities. Nonetheless, this could also signal chronic underinvestment in efforts to reduce inequalities. At minimum, this apparent status quo should prompt donors, governments, and watchdog agencies to take a closer look at their investments to assess whether and how they level the playing field for vulnerable populations and ensure “no one is left behind”.

Since we are restricting our analysis to ODA financing alone, it is somewhat unsurprising to see that investment in responsible consumption and production (SDG12) barely registers historical aid spending. While this result can in part be attributed to limitations of our methodology in capturing all of the flows towards this goal, it is also possible that international donors may view this goal as more closely aligned with the private sector and expect companies and national governments to foot more of the bill to achieve progress in this area. In future research, the authors would like to integrate analysis of private sector contributions to the SDGs to test out this theory in practice.

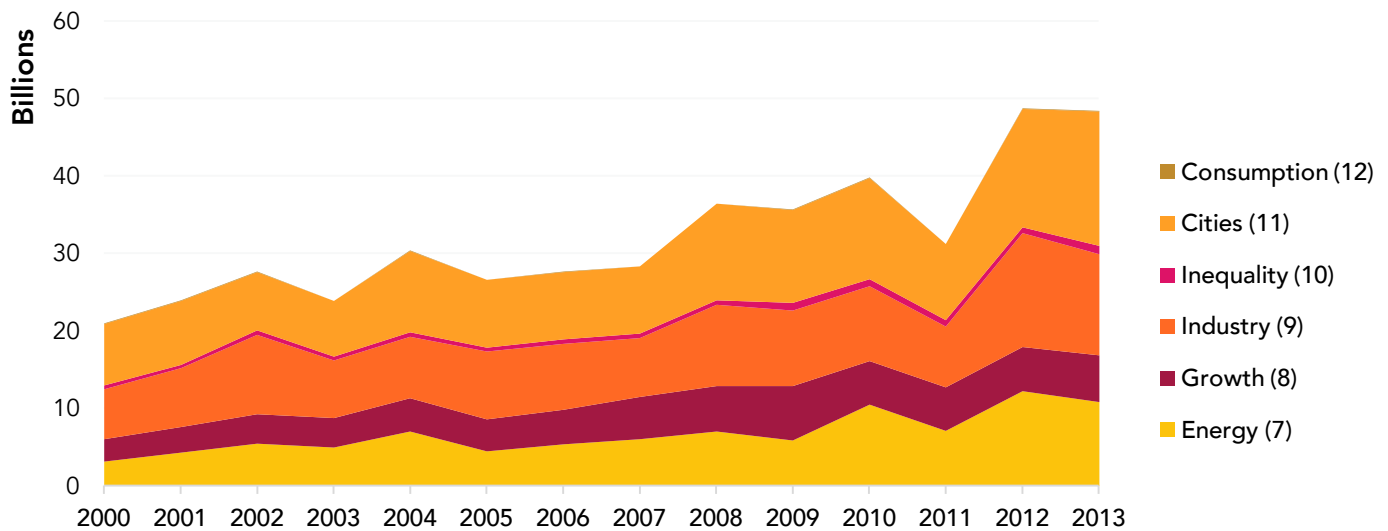
⁵⁸ Since the AidData Research Release captures historical data, this was recorded as European Communities, which originally comprised the European Economic Community, The European Coal and Steel Community, and the European Atomic Energy Community. The EEC was subsequently

called the European Community (EC), and was legally replaced by the EU in 2009 as its institutional successor (Gabel 2014).

⁵⁹ In the case of sustainable cities, France takes the number 5 slot, but Germany is close behind as the 6th largest funder of activities towards SDG11.

Figure 12

ODA commitments to SDGs that support rapidly growing societies (2000-2013)



Notes: All figures are in billion 2011 USD. Source: AidData Research Release 3.1

Section 5.4

Environmental sustainability (SDGs13-15) received comparatively little attention from development partners and may be at risk of being left behind

As discussed in Section 5.1, baseline ODA financing for peace and justice (SDG16) appears to dwarf all other goals. As shown in Figure 13, peace and justice not only received the most ODA within the third cohort of goals related to environmental challenges and international cooperation, but was also the number one funded area of the entire SDGs agenda during the 2000-2013 period. Donors appeared to pay some attention to the global partnership for the goals (SDG17), but baseline financing for the three goals related to environmental sustainability – climate change, oceans and marine resources, and land and biodiversity (SDGs13-15) – has been negligible by comparison.

The unusually high volumes of ODA towards peace and justice could arguably reflect a mainstreaming of interest among development partners in helping countries address challenges of conflict and poor governance in order to break free from “development traps” (Collier, 2007; Andrews, 2013).⁶⁰ Consistent with this view, development partners may perceive strong institutions and effective governance as necessary conditions to achieving progress on other goals such as quality education and economic growth. However, it

is also important to state that our methodology may be overestimating ODA financing to SDG16, since any project descriptions that specify that they are building the capacity of domestic institutions get mapped to this goal (see Box 2).

The volatility of financing for SDG17 may be influenced by the inclusion of ODA directed towards debt forgiveness, rescheduling, and refinancing. For example, assisting developing countries to attain long-term debt sustainability and address the external debt of highly indebted poor countries to reduce debt distress are among the targets associated with SDG17.⁶¹ Following the 1996 launch of the Heavily Indebted Poor Countries (HIPC) initiative, the World Bank and the International Monetary Fund (IMF) subsequently extended the program to include a larger set of countries in 2000, 2002, and 2004. These expansions coincide with the peaks in financing for SDG17 in 2001, 2003 and 2005. The decline in financing thereafter could reflect countries reaching the “completion point” under the initiative (World Bank, 2014).⁶²

⁶⁰ For example, multilaterals such as the World Bank have emphasized public sector management, rule of law, and accountable public services (Santiso, 2001). Meanwhile, bilaterals such as the United States have focused on democracy promotion, parliamentary strengthening, and civil society development (Tarnoff and Lawson, 2016).

⁶¹ A breakdown of financial flows by targets within SDG17 validates this – most of the ODA towards SDG17 is towards target 17.4 (assist developing

countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries (HIPC) to reduce debt distress).

⁶² The “completion point” is the second milestone, at which countries receive the balance of the debt relief that the international community committed to at the decision point. This is when they graduate from the program. To

In contrast, three goals related to environmental sustainability – climate action (SDG13), life below water (SDG14), and life on land (SDG15) – attracted only minuscule increases in aid financing during this period. The goal to protect life on land – through restoring and promoting sustainable use of terrestrial ecosystems, managing forests, combating desertification and halting land degradation and biodiversity loss – was marginally better off among the three environmental goals. Baseline financing for this goal may have received a boost from the explicit inclusion of targets related to protecting forests and reducing biodiversity loss that were included within the MDG related to environmental sustainability (MDG7).

Transnational efforts to curb climate change and protect oceans face a classic collective action conundrum: who pays for the provision of these global public goods? In this respect, the absence of an explicit financial target for environmental sustainability in the MDGs era may have undercut the motivation of development partners to commit resources to these issues (Thiele et al., 2006; Martin & Walker, 2015). It may also be argued that ODA has a limited role in certain sectors such as environment, where the private sector can play a much more significant role, through investments in low-cost technologies to reduce carbon emissions and scaling up clean energy initiatives. While this may partly explain the near-negligible ODA financing for these goals, we anticipate that our methodology may not be capturing all project-level environment-relevant investments (see Box 1).

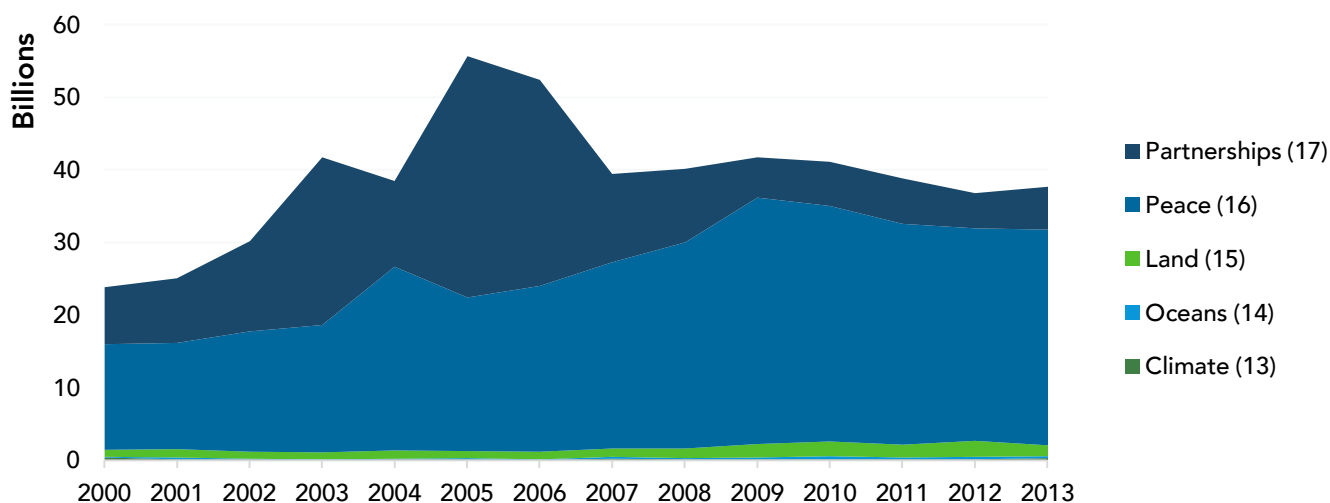
As we conclude this section, it is important to acknowledge a few reasons why using historical ODA financing towards the SDG-like activities prior to 2015 as a baseline may be misleading.⁶³ First, policy discussions and debates around the SDGs have explicitly identified that ODA will simply not be sufficient to achieve the global goals, and simultaneously emphasized the importance of domestic resources which are not yet captured here. Second, the substantive focus of some of the SDGs (e.g., economic growth, energy, industry, responsible production and consumption) may be more conducive to attracting larger shares of unofficial sources of finance, particularly private sector investments, than was the case with the MDGs, which were more focused on basic needs. Third, it is unclear whether the codification of new goals within the broader SDGs agenda may have a displacement effect and alter donors' spending patterns in unpredictable ways.

Our baseline assessment of financing for the SDGs is imperfect, but it is an important starting point to anticipate the likely funding trajectory for achieving Agenda 2030 and monitor changes over time. We see that development partners have historically responded with greater enthusiasm to some goals than others; however, even among goals that were relatively better financed, current funding levels may fall short of the estimated annual costs of what it will take to achieve them.

In the final section, we seek to distill the historical insights we have gleaned from the MDGs era to identify several forward-looking strategies for governments and their development partners to optimize future financing for the SDGs.

Figure 13

ODA commitments to SDGs that support environment and international cooperation (2000-2013)



Notes: All figures are in billion 2011 USD. Source: AidData Research Release 3.1

reach this point, countries must have achieved certain reforms and taken concrete steps to reduce poverty (World Bank 2014). As of 2014, 36 out of 39 HIPC countries received the full amount of debt relief.

⁶³ A note of thanks to one of our reviewers, Elizabeth Dodds, for her excellent suggestions in raising these valid points.

Box 2

Financing toward SDG16

Peace, justice, and strong institutions create an enabling environment that can help countries achieve the other SDGs. Good governance and effective institutions have been promoted as necessary prerequisites to sustainable development, and the levels of financing recorded for this goal reflect its importance in recent development discourse.

SDG16 received almost three times as much financing as any other goal. In part, this is due to the breadth of projects relevant to this goal, which include promoting post-conflict peace and reconciliation, building police forces and justice systems, strengthening legislative capacity, and promoting human rights. However, when we break down financing at the target level, we can see that almost 60% of investments in SDG16 go to target 16.6, which aims to “develop effective, accountable and transparent institutions at all levels.”

Our methodology takes a broad view of what counts as building effective institutions. Projects that target policy and administrative management and institutional capacity building were coded to target 16.6, regardless of the primary sector of focus. For example, a project to strengthen the institutional capacity of the education ministry would receive codes for both education (SDG4) as well as SDG16, resulting in the money for the project being split between the two goals.

Certain projects that are less directly related to institution building are likely to have been linked to target 16.6 through this methodology. The activity codes on which our crosswalk relied include categories for “policy, planning, and programs” in a number of different development sectors. This category was considered relevant to target 16.6, but in practice these codes seem to have been used as a general catchall for some projects that did not include a detailed enough description to receive a more specific code. This likely resulted in projects that were linked to target 16.6 despite not having institution building as a primary component, and a resulting overestimation of the total investments in target 16.6 and in SDG16 as a whole.

We are currently developing an updated methodology that will assign SDG targets directly to individual projects, rather than through a crosswalk, allowing us to more accurately exclude projects that do not have a direct link to peace, justice, and strong institutions. While this new methodology will likely result in fewer investments linked to SDG16, this goal is still likely to remain in the lead for overall financing.

Conclusion: Not just more, but better financing for the SDGs

It's not just more financing we need, it's better [and] more strategic financing

MAGDY MARTÍNEZ-SOLIMÁN,
DIRECTOR OF UNDP'S BUREAU FOR POLICY AND PROGRAMME
SUPPORT

September 2017 marks the two-year anniversary of the landmark adoption of the 17 SDGs as a global framework to focus investments and measure development progress in the lead up to 2030. In its relatively short lifetime, the SDGs have been a lightning rod for controversy. Skeptics express concerns about the underlying wisdom of the agenda – questioning the feasibility of achieving such a utopian set of goals, deriding the costs of monitoring progress, and lamenting the displacement effect in shifting attention away from 'less favored' development priorities.

Yet, skeptics and advocates of Agenda 2030 can agree on one point: achieving the global goals will require an unprecedented coalition of people, organizations, and countries to translate rhetoric into reality. In addition to money, data will be another important currency to inform real-world decisions about where to focus future resources, monitor past progress, and ensure accountability for results. In recognition of this, there has been a growing emphasis on the need to foment a "data revolution for sustainable development" (United Nations, 2014) and transform

disparate data points into "actionable insights" (Custer & Sethi, 2017).

In the preceding sections, we analyzed two novel data sources to assess how international donors and domestic policymakers responded to the MDGs in terms of their ODA financing and national development priorities, as well as establish a baseline of ODA financing to the SDGs prior to 2015. In this concluding section, we turn these retrospective insights from the MDGs era into **five forward-looking strategies** for governments and organizations to ensure that the SDGs live up to their rhetoric to crowd in financing and help countries make measurable progress on the road to 2030:

- Routinize ongoing tracking of ODA financing to the SDGs in the lead up to 2030 to enable course corrections
- Incentivize project-level reporting on *all* sustainable development finance flows, not just aid
- Invest in more reliable costing estimates disaggregated by goal and target to credibly anticipate shortfalls
- Focus SDG financing to align with national development priorities for greater influence
- Create a race to the top for funders to codify their financial commitments and report on their follow-through

Section 6.1

Strategy #1: Routinize ongoing tracking of ODA financing to the SDGs in the lead up to 2030 to enable course corrections

While aggregate numbers are impressive, governments and organizations can easily fall victim to the 'tyranny of averages' and fail to detect goals that are lagging behind in financing for sustainable development. Aid investments were largely on-strategy with global goals during the MDGs era. Nonetheless, inclusion in a global agenda does not guarantee equal mindshare: donors converged on some goals, but others were neglected. The risk of goals being 'left behind' is more pronounced given the breadth of the SDGs agenda.

Continuous monitoring of financing committed and allocated towards each of the SDGs at the goal and target level will be critical to ensure that no part of the agenda is inadvertently 'dropped off' on the road to 2030. Policymakers at all levels need disaggregated data on funding by goal and target to detect financing gaps and trends, as well as make course corrections.

One option could be having funders self-report with greater specificity on the intended outcome of those flows, perhaps utilizing standardized OECD purpose codes⁶⁴ or performing a crosswalk between the goals and a funder's own

- As described by the OECD, coding a development project or investment by its purpose involves determining "the specific areas of economic or social

development that the [financing] intends to foster". For more information, see: <http://www.oecd.org/dac/stats/purposecodessectorclassification.htm>

sectoral/thematic classification scheme for managing their investment portfolio. AidData has experimented with both approaches (see Box 3), each with their own pros and cons.

An alternative to self-reporting would be requiring public and private providers of sustainable development finance to transparently disclose project-level detail (e.g., project

name/title, description) on their investments. Third-party organizations, governments, or multi-stakeholder initiatives interested in closely monitoring sustainable development finance could use this granular information to directly map project-level investments to specific SDGs for a disaggregated view.

Box 3

Weighing the trade-offs of different approaches to disaggregation

OECD purpose codes were the bedrock of the first and second generations of AidData's *Tracking Financing for Sustainable Development* methodology applied to global ODA and South-South Cooperation providers, and extended to domestic public finance in a pilot in Colombia. Our first attempt, piloted in 2015, relied exclusively on OECD purpose codes. The second iteration, used in this report, augments the purpose codes with AidData's activity coding schema for additional granularity.

Building upon an existing standard for funders to self-report on their contributions at the goal and target-level could provide a common schema that is comparable across funders and keeps the reporting burden at a minimally acceptable level. However, since existing standards were designed for a different use case, they are admittedly more cumbersome to extend to new flow types and may be less precise in guarding against the risk of under- or over-reporting financing ascribed to the SDGs. Another consideration is that this manual process of applying purpose codes to specific project investments could increase the risk that funders will either fail to report on all relevant financing or misclassify flows, inadvertently or intentionally (Griffiths, 2016). This concern is likely not overstated, in light of the fact that government officials already express frustration with incomplete and inconsistent reporting by development partners into country-owned aid information management systems (Custer & Sethi, 2017).

AidData also helped the World Bank design a customized solution that cross-walked their new sector and theme codes to the SDGs to routinize reporting on their investments by Bank staff. The primary advantage of the customized crosswalk approach is that it may be better suited to routinize reporting within a single organization or government. This may bolster compliance and consistency in self-reporting and simultaneously increase use of the resulting data by funders themselves if there is a clearer linkage between the SDGs and how they typically organize their investments. Nonetheless, the main drawback of customization is scale and the difficulty of ensuring coherence and comparability across multiple funding partners – not to mention entirely different financial flow types.

While AidData's methodology provides the most detailed look currently available at funding going to each of the SDGs, we have come to the conclusion that a schema to directly code project descriptions to SDG goals and targets would provide a more reliable way of measuring financing, particularly at the target level. For this reason, AidData is developing and testing a third iteration of our methodology that will directly code project descriptions to the SDG goals and targets.

Strategy #2: Incentivize project-level reporting on *all* sustainable development finance flows, not just aid

A critical paradigm shift from the Millennium Declaration to Agenda 2030 is that countries have more sources of financing at their disposal than ever before – public and private, domestic and international.⁶⁵ There is an urgent need to systematically capture how a more diverse set of actors and financing modalities are contributing to sustainable development beyond aid alone.⁶⁶ We would argue that incentivizing transparent, project-level reporting on these investments is critical to helping policymakers have practical information they can use to effectively manage the total resource envelope of financing for sustainable development in their countries (Desai et al., n.d.).⁶⁷

The current effort led by the Organization for Economic Cooperation and Development to build consensus around a new measure of total official support for sustainable development (TOSSD) is an important move in the right direction.⁶⁸ The proposed measure would provisionally include “all officially supported resource flows to support sustainable development in developing countries...including private finance mobilized through public interventions” (United Nations, 2017, p.74).

Drawing inspiration from this discussion, Kharas and Rogerson (2016a, p.3) advocate for a simplified alternative of international development contributions (IDC) that would narrow the aperture to focusing on only “funding of investments in the public interest”.⁶⁹ However, the real litmus test for both TOSSD and IDC should be the extent to which they will improve the real-world capacity of countries to effectively mobilize, deploy, and manage a diversified pool of financing for sustainable development.

The fact that the public consultation draft of TOSSD recognized the importance of capturing project-level detail on development investments from “a variety of sources” as part of its mandate is encouraging (OECD, 2016, pp.8, 40). Ensuring consistent compliance with project-level reporting is controversial, as funders may decry the additional reporting burden, but we would argue this transparency is essential for countries and organizations to monitor and manage sustainable development financing (Desai et al., n.d.).

Section 6.3

Strategy #3: Invest in more reliable costing estimates disaggregated by goal and target to anticipate shortfalls

Domestic and international public finance must be “adaptive and politically smart” to meet the challenges of the post-2015 era (Greenhill et al., 2015). Countries will have to mobilize an unprecedented amount of financing to realize this vision. Success will necessitate not only crowding in additional resources to move from “billions to trillions” in financing for development (African Development Bank et al., 2015),⁷⁰ but also the ability to more accurately estimate the

likely costs to achieve each of the goals at global and national levels.

When it comes to quantifying how much it will take to achieve each of the SDGs, there have been numerous one-off costing studies, but limited consensus around reliable estimates that policymakers at all levels can use to optimize their investments. For example, the World Bank has approximated the likely costs of achieving the water, sanitation, and hygiene-related targets related to SDG6.⁷¹

⁶⁵ For example, according to Martin and Walker (2015), host governments in low- and middle-income countries have rapidly increasing capacity to raise domestic revenues, underscored by the fact that they already finance 77 percent of spending for the MDGs (Martin & Walker, 2015).

⁶⁶ Evans (2010) enumerates this proliferation of actors within aid financing, including: 126 bilateral agencies from the OECD Development Assistance Committee (DAC), 23 non-DAC development partners and 263 multilateral aid agencies.

⁶⁷ For example, the response of the Philippines National Economic and Development authority to the TOSSD public consultation was to rightly argue for a “metric that is useful and practical to partner countries...[so that they can] better manage all development flows”. Eurodad and the World Bank similarly argue that the measure should take a “recipient” rather than a “provider” perspective. See: <http://www.oecd.org/dac/financing-sustainable-development>

⁶⁸ As reported by the Inter-Agency Task Force on Financing for Development (2017), the OECD has admirably sought to open up the process of the development of the TOSSD measure, through a series of consultations with stakeholders as well as a public consultation process in June 2016 that attracted inputs from numerous governments and organizations, including

AidData. See also: <http://www.oecd.org/dac/financing-sustainable-development/tosssd-public-consultation.htm>

⁶⁹ Two of the main benefits of this alternative IDC approach would be to reduce the measurement burden and increase the certainty that the measure is picking up only that financing which is truly contributing to the SDGs. A major critique of TOSSD is the concern that it is a fuzziest approach that blurs the lines and may overstate financing for the SDGs. For further discussion, see: IATF-FFD (2017), OECD.org (2017), and Kharas and Rogerson (2016a, 2016b).

⁷⁰ “Billions to trillions” reflects the implication of the SDGs as requiring “more than billions in ODA to trillions in investments of all kinds: public and private, national and global, in both capital and capacity”. This is also the title of a document prepared by the African Development Bank, the Asian Development Bank, the European Bank of Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund, and the World Bank regarding post-2015 financing for development in advance of an April 2015 Development Committee meeting.

⁷¹ This includes only two of SDG6 targets related to: achieving universal and equitable access to safe and affordable drinking water (target 6.1) and

Similarly, the World Health Organization developed the “SDG Health Price Tag” which estimates the costs of reaching 16 health-related targets under SDGs 2 (zero hunger), 3 (health and well-being), 6 (water and sanitation), and 7 (clean energy).⁷² UNESCO has also “priced” the right to education by creating estimates to achieve targets related to SDG4 (quality education).⁷³

Other costing studies take a broader view, such as that by Schmidt-Traub (2015) and Greenhill and Ali (2013), which approximate annual costs to achieve the SDGs in eight investment areas and five sectors, respectively. However, even these ambitious efforts rely upon aggregate estimates, rather than breaking this down by country, goal, and target. The Government of Bangladesh is a notable exception, having undertaken an extensive “SDG Need Assessment and Financing Strategy” to anticipate additional costs to achieve each of the 17 goals in its country through 2030 (Alam, 2017).

Policymakers at all levels need far better intelligence than what is presently available if they are to effectively allocate resources and remedy shortfalls in the lead-up to 2030. International organizations and governments should place

greater emphasis on supporting more systematic needs assessments at the sector and country level to approximate costs to achieve the goals versus available financing and update this information in 3- to 5-year increments.⁷⁴

However, even the more routinized completion of needs assessments is insufficient if it is not in a form that makes it easy for funders, policymakers, and watchdogs to use in monitoring progress against the SDGs. Building upon a recommendation by Schmidt-Traub (2015), international organizations such as the UN and host country governments could commission a series of Global and Country-Level Monitoring Reports that “track public and private investments in the SDGs” and “compare these flows against projected investment needs” on a 3 to 5-year basis.

Finally, as the lead institution on architecting the Agenda 2030 framework, we recommend that the UN system create and maintain a publicly available database of the most up-to-date costing estimates by sector, goal, and country in order to empower public, private, civil society, and academic organizations to conduct their own assessments of the distribution and effectiveness of financing for the SDGs.

Section 6.4

Strategy #4: Focus SDG financing to align with national development priorities for greater influence

The SDGs could be poised to have even greater influence in future than the MDGs across stakeholder groups and sectors. Negotiations around Agenda 2030 were arguably more inclusive of civil society and private sector actors from the start than the Millennium Declaration, as policymakers at global and national levels recognized the need to crowd in additional resourcing to achieve the much larger mandate of the SDGs.

There has also been greater attention to grassroots advocacy campaigns to generate awareness of the SDGs at local levels. If these information campaigns are successful, we would expect a growing number of local champions helping to increase familiarity with, and the influence of, the SDGs in their communities. Of course, the breadth of the SDGs agenda could also prove to be its Achilles heel, if in broadening the range of issues and target constituencies, Agenda 2030 becomes more diffuse and less memorable for any one group.

Ultimately, the success (or failure) of the global goals will be largely determined by the willingness of domestic leaders to embrace them as national priorities and their ability to convert resources into results on the ground. Based upon the responses to our *2014 Reform Efforts Survey*, we know that domestic leaders want the global goals to help them

identify practical solutions to pressing policy problems and complement existing domestic reform efforts. The survey responses give us an important insight into how to position the SDGs for maximum uptake at the country level: focus financing and implementation of the SDGs as closely as possible with national development priorities.

International organizations and host country governments could employ a number of strategies to achieve this alignment. One approach could be to conduct country-level mapping exercises that explicitly look for areas of overlap and synergy between existing national development strategies and the SDGs in order to prioritize public and private investments. A second approach would be to more fully utilize surveys of citizens and leaders to triangulate their perspectives on the most important SDGs to address in their country and use these data points to inform investment strategies that are responsive to revealed demand.

By way of example, AidData is presently conducting an analysis of the degree of alignment or misalignment between what citizens say they want (using citizen surveys produced by AfroBarometer and others), what leaders say they want (using our new 2017 *Listening to Leaders Survey*), and SDG-coded financial data to approximate the revealed priorities of development partners.

achieving access to adequate and equitable sanitation and hygiene for all and ending open defecation (target 6.2). See Hutton and Varughese (2016) for more information.

⁷² See WHO (2017) for more information.

⁷³ See UNESCO (2015).

⁷⁴ Guido Schmidt-Traub (2015) offers one methodology for consideration in conducting sector needs assessments and proposes that country needs assessments should also integrate economic growth modeling.

Strategy #5: Create a race to the top for funders to codify financial commitments and report on their follow-through

In our retrospective assessment of ODA financing to the MDGs and SDGs, it is clear that some goals succeeded in capturing development partner attention to a greater degree than others. What can we take away from this? First, it is evident that putting an issue on an international agenda simply is not enough. There is a need to mobilize stronger coalitions at all levels to crowd-in resources and monitor follow-through on commitments. Second, it is possible that development partners may be predisposed to think big regarding what should be done collectively and act modestly when it comes to what they take on individually. This has come to a head in the post-2015 era, as the SDGs have garnered both praise and criticism for their comprehensiveness.

Of course, it is also important to recognize that development partners are often pulled in many different directions in terms of their own organizational mandates, other international agendas, and the desire to be responsive to the priorities of their host government counterparts. Moreover, while there may be fanfare when governments, organizations, or companies make financial commitments to

support the SDGs, this information is seldom captured systematically, and the extent to which these actors follow through on their promises is often a black box. These forces create powerful incentives for development partners to direct resources to areas that are not necessarily aligned with the SDGs.

At the national level, transparency advocates could work together with reform-minded leaders to spotlight the extent to which their country's public finance is 'on-strategy' with the SDGs and whether governments, companies, and donors are living up to their commitments. At the international level, there is much that can be learned from third-party benchmarking exercises that report on how countries and organizations perform relative to a set of objective measures and then utilize ranking indices to galvanize attention and influence behavioral change with key policymakers. We propose a similar effort to focus on the extent of contributions of governments, multi-national companies, and international organizations to financing the SDGs, comparing their public statements against their actual investments.

Final thoughts

Two years into the implementation of Agenda 2030, money and partnerships remain at the center of the discussion. Estimates of the 'price tag' to realize the SDGs range from \$3-5 trillion per year, with an annual gap of \$2.5 trillion in low- and middle-income countries (UNCTAD, 2014). To what extent will international and domestic actors rise to the challenge of mobilizing the additional financing needed to achieve the SDGs?

While admittedly preliminary and not without limitations, we hope that this research serves as an important reference point for the international community as it sets out to implement the SDGs. With this report, we took stock of how donor dollars (i.e., ODA) and domestic policymakers responded to the MDGs to give us an initial indication of what the international community is up against in realizing

the SDGs by 2030. We approximated historical ODA financing for SDG-like activities prior to 2015 as a yardstick to anticipate likely shortfalls in financing for the goals absent changes in future giving. Finally, we turned these retrospective insights into five forward-looking strategies for governments and their development partners to ensure that we mobilize not just more, but better financing to achieve the SDGs.

From this foundation, AidData will continue to refine its methodology to track financing for sustainable development beyond ODA and to monitor changes in funding levels over time. We see this not as a mere academic exercise, but rather an essential ingredient to producing intelligence that governments, companies, and organizations can use to optimize their investments to achieve the SDGs.

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Appendix 1: Methodology to estimate Baseline Aid to the Sustainable Development Goals

Matthew DiLorenzo, Sid Ghose, Jennifer Turner

The AidData Sustainable Development Goals (SDGs) estimates provide project-level estimates of contributions to the SDGs (and their associated targets) using development project descriptions. This methodology lets us see where development financing is targeted, allowing comparisons among SDG goals and individual SDG targets.

This research note first describes the methodology for estimating aid contributions to the SDGs throughout the period of 2000 to 2013 that AidData employed for its flagship report *Realizing Agenda 2030: How will donor dollars and country priorities align with global goals?* We then reflect on some methodological and conceptual issues involved in estimating funding for the SDGs. We conclude by discussing our revised, in-progress methodology that we will use in estimating financing for the SDGs in the post-2015 era.

Method

Our methodology is based on an analysis of development project descriptions and builds on an existing activity coding schema developed at AidData, through which student researchers assigned codes based on a project's activities. Students had previously assigned activities and purposes to over 800,000 project descriptions in AidData's core research release (v3.1).

This methodology involves three critical steps: (1) creating a mapping between activity codes and SDG targets, (2) splitting an aid project across designated activities, and (3) splitting activity amounts across SDG targets, as an activity may be linked to multiple targets. From these calculations, we can sum target-level estimates up to the goal level.

We incorporate as much information about an aid project as is possible in generating SDG estimates. Where activity codes are available, we use those as an intermediary to link SDG targets to projects. Where activity codes are unavailable, we use purpose codes, which are not as granular as activity codes. When only purpose codes are available, we generate estimates based on a naïve diffuse assumption about what activities were involved in a project with a given purpose code.⁷⁵ Both methods are based on an initial mapping between the AidData activity codes and the SDG targets, as described below.

Mapping Activity Codes to SDG Targets

As a first step, and core to our methodology for linking development projects to the SDGs, we mapped SDG targets to AidData activity codes. Activity codes are based on the OECD's Creditor Reporting System (CRS) sector and purpose codes, but go one step deeper, providing a more disaggregated breakdown of development activities that are relevant to each CRS code.

To link AidData activities to SDG targets, student coders went through the 544 AidData activity codes and assigned SDG targets to each activity.⁷⁶ Multiple coders contributed to the initial round of coding, with different students coding different sections of activities, resulting in a single mapping of activity codes to SDG targets. Once this initial round of coding was complete, two student research assistants from AidData's Research and Evaluation Unit reviewed the coding and made suggested changes. Three members of the AidData Policy Analysis Unit then reviewed the coding and arbitrated cases of disagreement in consultation with the Policy Analysis Team to resolve unclear cases.

Students linked AidData activity codes to SDG targets using a few guidelines. First, we required that students take into account both the text of the activity code and the purpose category name. Second, cases in which the coders were unable to find a link between an activity and a specific target but felt that an activity was relevant to an overall goal were coded to the number of the SDG and appended with ".0" to indicate that they were linked to the goal but not to any specific target.⁷⁷ Third, we advised students that coding from specific activities to general targets was appropriate, while coding from general or vague activities to specific targets was not appropriate. Fourth, we directed the students to link activities to as many SDG targets as appropriate. Finally, we instructed students not to make inferences about the likely effects of aid projects with given activities in terms of how they would achieve the SDG targets. In other words, we wanted students to avoid imagining a chain of events that might

⁷⁵ In particular, we assume that any activity that appears under that purpose code is equally likely to have been part of a project.

⁷⁶ There are a total of 17 SDGs with 169 associated targets across the 17 goals.

⁷⁷ For example, a project on health policy that could not be linked to any specific goal 3 target would be coded as 3.0, indicating that it was relevant to SDG3 but not any specific target under SDG3.

potentially link an activity to outcomes that would not be directly related to that activity. This likely provides a conservative estimate of funding that would contribute to the various SDGs and explains some of the coding difficulties and features of the data we describe later.

Within groups of SDG targets, there is a distinction between level 1 and level 2 targets. The level 1 targets pertain to more specific, concrete aspirations with associated deadlines, while the level 2 targets summarize broader, open-ended aspirations that apply mainly to developed countries. We include both sets of targets in our coding scheme. Some of the level 2 SDG targets are focused on increasing international support (i.e., foreign aid) for various goals, and in some cases where these targets also allude to broader aspirations, we code specific activities to these targets. Otherwise, our coding is focused on making more direct connections between foreign aid projects and the specific level 1 SDG targets. Researchers interested in studying trends in contributions to these level 2 projects would likely be interested in summing all contributions to any target under a given goal.

Splitting Project Values Across Activities

After mapping activity codes and SDG targets, the next step in estimating historical funding to the SDGs is splitting an aid project's value across activities. Although most development projects in AidData's core research release (v3.1) have been activity coded, project values have not been split across activities. We assume that dollar amounts for a project are distributed equally across activities. Although projects will actually have different distributions of dollar amounts across activities in practice, there is unfortunately no reliable way to infer this given existing data sources. While this requires a strong assumption about the relative prominence of different activities within a project, this approach is similar to previously published research on tracking aid projects for nutrition (Ickes, Trichler, and Parks 2015).

Distributing Activity-dollars Across SDGs

Having split the dollar value of a project across unique activities, the next task is to distribute those activity-dollar amounts across the SDGs. Since we are primarily interested in the goals rather than targets, we "roll up" to goals from targets and weight an activity's contribution to the SDGs proportional to how often the targets associated with a goal appear in the mapping between that activity and the targets. For example, if activity a_j with $j = \{1, \dots, 544\}$ is linked to targets 1.1, 1.2, 1.3, 2.1, and 3.1, we say that $\frac{3}{5}$ of activity j contributed to SDG 1, $\frac{1}{5}$ to SDG 2, and $\frac{1}{5}$ to SDG 3. For each activity, we have a vector of weights of length 17 (corresponding to the seventeen SDGs), that we can call ω_j . This vector satisfies the condition that $\omega_j \geq 0$ and $\sum \omega_j \in \{0, 1\}$. In words, every element of ω_j is greater than or equal to zero, and the sum of the seventeen entries must be either 0 or 1. This means that if an activity is linked to at least one target, the entire value of that "activity-dollar amount" will be distributed to the SDGs, either to one or multiple goals. In this case, $\sum \omega_j = 1$. If an activity is not linked to any targets, then all of the entries in ω_j are zeroes, and $\sum \omega_j = 0$.

Distributing Activity-dollars Across SDGs

Approximately 58% of projects in AidData's core research release have been activity coded. The remaining projects that do not have activity codes have purpose codes, which are less granular than activity codes. Where only purpose codes are available, we generate estimates based on a naïve diffuse assumption about what activities were involved in a project with a given purpose code by compiling the list of activity codes "under" a given purpose code along with the list of targets associated with those activities. This is a second-best solution, but a reasonable one given the limitations of the data. We strip out the "target-level" information to obtain a list of SDGs for each activity. We estimate the weights to each goal as the proportion of times that the goal appears for any activity under a given purpose code out of the total "goal appearances" for a purpose code. Finally, we scale these weights with a proportional measure that indicates the ratio of activities that are linked to at least one SDG to the total number of SDGs under a purpose code.

For example, for purpose code A , we might have activities $A.1$, $A.2$, and $A.3$.

Activity	SDG Targets
A.1	1.1, 2.1
A.2	(none)
A.3	1.1, 3.1

Stripping away the target-level information, we have the following goal "appearances": 1, 2, 1, 3. Based on this, we assign Goal 1 a weight of $\frac{1}{2}$, Goal 2 a weight of $\frac{1}{4}$, and Goal 3 a weight of $\frac{1}{4}$. However, since activity $A.2$ is not linked to any targets, we rescale these weights. Since two thirds of the activities under purpose code A contribute to the SDGs, we multiply each weight by $\frac{2}{3}$. This results in the final weights for purpose code A : Goal 1 gets a weight of $\frac{1}{3}$, Goal 2 a weight of $\frac{1}{6}$, and Goal 3 a weight of $\frac{1}{6}$. We use this same weighting scheme when generating the target-level estimates, but instead of 17 categories, there are 169, corresponding to the SDG targets.

Coding Decisions and Difficulties

This section details some of the issues we encountered and decisions we made in mapping activity codes to SDG targets that may be relevant for analysts interested in using our data or tracking funding to the SDGs.

Requiring Activities to be “Sustainable.” Many of the SDG targets make specific reference to “sustainable” investments. We generally do not require that activities have a “sustainable” focus even when some of the targets include references to sustainability. For example, Target 2.4 seeks to “ensure sustainable food production systems” by 2030. We link a number of activities to this target that are relevant for food production systems, not all of which have a sustainable component. Similarly, Target 8.9 aims to promote “sustainable” tourism. We link the AidData “Tourism policy and administrative management” activities (codes 33210.01 through 33210.04) to this target.

How Will the Activity Likely Affect the Target? We attempt to account for whether the activity in question should generally advance or work against progress on the target in question, and we link activities to targets only when we think there is a good argument that the activity should advance the goal. In other words, we are not interested in tagging activities that are simply *relevant* for a target, but activities that will plausibly contribute to *progress* on that target. For example, we do not count activity 31140.05 “Ground Water Exploitation” (for agriculture) as contributing to the water SDG or any of its targets. The same goes for activities related to increasing fish catch. These activities are clearly *relevant* for the SDG targets related to sustainable water resources and fisheries, but, if anything, they would seem to work against those targets. So that our baseline estimates of funding for the SDGs are not biased by activities that are nominally related to the SDG targets but inconsistent with their aims, we made an effort to discern their likely impacts on SDG targets.

Indicators as a Clue for Target Intent. In cases where the wording of SDG targets is vague, we looked to the SDG indicators to get a better sense of the priority of the target. For example, Target 9.3 aims to “Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.” From the text of the target alone, it is unclear whether the aim is limited to “small-scale” enterprises. The indicators for this target make clear that “small-scale” is, in fact, an essential part of the target.

Budget Support and Humanitarian Aid. Two major categories of aid do not get mapped to the SDG targets in our method: budget support and humanitarian aid. Given research that suggests recipient governments often do not put budget support to use in ways that promote development goals and the fact that it is impossible to know in advance how recipients will use budget support, we do not directly link budget support to any SDG. Although humanitarian aid is relevant in the short-term for many SDGs, the focus of the SDGs is on factors that promote sustainable development in the long-term. As such, we did not link humanitarian aid directly to any of the targets, even though it is easy to imagine ways in which humanitarian aid might indirectly advance certain goals. This is also consistent with OECD reporting standards, which track humanitarian assistance separately from other forms of Official Development Assistance.

Connection to Recipient Country. In some cases, we do not code when it is not clear that the activity benefits the target/goal *in the recipient country in question*. For example, building fertilizer plants (activity 32120.10) may produce fertilizer that is used in the recipient country or produce fertilizer that the recipient country then exports. For this reason, we linked the activity to Target 9.2 for industrial development but not to any targets pertaining to agricultural productivity. This falls under our general rule for coding targets to activities only when there is a reasonably close and direct link between the activity and the target in question. An additional implication of this coding decision is that there are few activities tagged to targets that emphasize progress on problems that are transnational in nature (e.g., oceans, climate change).

Weaknesses and Challenges

The exercise of developing a map between existing aid categorization schemes (in this case, the AidData activity codes) and SDG targets highlights a number of limitations and challenges in tracking financing to the SDGs. In some cases, this may simply be a reflection of donor practices; donors may not give aid in ways that map well to SDG targets. In other cases, there is a more distinct mismatch between activity codes and SDG targets that likely results in an under-counting of financing to certain goals.

AidData’s activity coding scheme, though more granular than alternative aid coding schemes, is not consistently well-aligned with the SDGs. As a result, our methodology is more reliable at tracking financing to certain goals, such as SDG3 (health) and SDG4 (education), for which activity codes map more neatly to SDG targets.

Little funding is reported for certain SDGs, particularly those focused on the environment (SDGs 13, 14, and 15). While this may reflect lower donor priorities given to the environment during the MDG era, it is also likely due to a mismatch between activity codes and the resulting inability to link these projects to SDG targets. The SDGs lay out a very specific set of environmental targets under distinct goals related to climate change, oceans, and land ecosystems, while AidData’s activity coding scheme groups many of these projects together under categories such as “General environmental protection.” Since this category is too broad to be linked to any specific SDG, projects that were assigned this activity code are not counted as contributing to the SDGs. For example, a project on preserving marine ecosystems is not counted as contributing to SDG14 even though there is an SDG target directly related to that activity (Target 14.2) because the only relevant activity code is “general environmental protection,” which is too vague to be linked to SDG14.

This same issue exists for a number of different activity coding categories, such as rural development and population. Even though many projects coded to these categories are seemingly relevant to the SDGs, because they couldn't be linked to specific SDG goals or targets, the projects are not included as contributing to the SDGs.

Next Steps

In light of these limitations, AidData is moving toward a process of directly coding aid projects to the SDGs. That is, rather than the intermediate step of having human coders assign activity codes to projects and then linking projects to SDGs based on activities, human coders will read project descriptions and assign SDG targets directly to the projects. With a direct coding scheme, projects described as "rural development" would still not be able to be coded, but project descriptions describing the types of activities undertaken in a rural development project, like irrigation development or agriculture training, could be coded to a specific SDG target. This "direct coding" methodology will address some of the shortcomings related to the mismatch between SDGs and AidData activity codes and has the potential to more accurately track financing to the SDGs.

In developing the direct coding methodology, we used the original mapping of activity codes to SDG targets as a starting point for developing a codebook to guide student coders. Since the text of SDG targets is often complex and subject to differing interpretations, members of AidData's Policy Analysis Unit also developed summaries and keywords relevant to each target that were then used as a basis for assigning codes. As with the original methodology, coders were instructed to code projects to the number of the SDG, appended with ".0," if they are linked to the goal but not to any specific target. They also were instructed to focus on the most direct link with project activities when assigning SDG targets. For example, many project descriptions state that an aim of the project is to reduce poverty or reduce hunger. However, the activities described are more directly related to agricultural productivity or job training. Students were told to focus on this direct activity rather than desired outcomes that could potentially be attributed to an activity. As a result, certain targets, like Target 1.2 (By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions) were assigned to relatively few projects.

We continued to refine and update our codebook during an initial testing phase, with members of the AidData Policy Analysis Unit reviewing students' coding and making recommendations about how to code borderline projects.

Remaining Challenges and Unresolved Issues

In developing the direct coding scheme, several outstanding issues remain, particularly surrounding what projects and activities count as relevant to the SDGs and how to split financing among a project's different activities. In this section, we detail several of these issues.

Lack of Alignment Between Donors and the SDG Agenda. In some cases, donors give aid in ways that do not map well to SDG targets. The environmental agenda through the MDG period was more vague, resulting in many broad projects descriptions that are not easily linked to the specific environmental SDGs or targets. Other problems arise from the fact that some donors give few details about their projects, preferring categories like general "development assistance" that cannot be linked to any specific SDG. While many of these projects are likely relevant to the SDGs, we have not found a way to reliably assign them to specific SDG targets or goals.

The Interrelated Nature of the SDGs. A key challenge is that the interrelated nature of the targets themselves— by design of the international community — makes tracking discrete project amounts to individual targets difficult. While progress on one target may reinforce progress on other targets, for the purpose of tracking finance to the targets, it seems unreasonable to assume that project interventions will have their intended effects. For this reason, endeavors focused on tracking financing for the targets should strive to be conservative. Whether progress spills over to other targets is an empirical question that will be more easily answered further into the SDG era.

Projects with Multiple Activities. Project descriptions often include long lists of ancillary activities that may not be core aspects of the project. A project focused on building a dam may also include small side projects to provide supplies to a local school and health clinic. AidData's activity coding scheme coded every project activity that could be identified in a project description. However, if all three parts of the above project are coded, project financing would be split evenly among the three, significantly overcounting financing to education and health and undercounting financing to the dam project. In the pilot phase of the direct coding methodology, students were instructed to only code to project activities that were considered "significant" to the project.

How to Divide a Project's Financing Among Different SDGs. While we made the decision to split financing evenly among the different activities (and their related SDGs) in our original methodology, questions remain as to whether this is the right decision in all circumstances.

Projects can be coded to multiple SDGs for two reasons. In the first case, a single activity is relevant to multiple SDG targets. Target 3.7 and Target 5.6. both address sexual and reproductive healthcare, so projects relevant to reproductive health are systematically coded to both targets. Similarly, projects to build infrastructure, like roads, hospitals, and electric grids, are coded

to both the relevant sectoral targets as well as Target 9.1 for infrastructure. In these cases, splitting financing among the targets undercounts relevant financing for each individual target. If someone is interested in analyzing the total amount of financing going to Target 3.7, it would seem reasonable to assign the full value of the project to that target, rather than only half the value as would happen if financing is split.

In the second case, projects have discrete activities that are coded separately. For a project that provides both job training and water and sanitation services, splitting the financing between the SDGs associated with the two activities seems more reasonable than assigning the full value of the project to each related SDG.

Appendix 2A: Purpose codes and SDGs

Goal	# activities	Purpose code names
Goal 1	14	social/ welfare services; disaster prevention and preparedness
Goal 2	76	basic nutrition; agriculture, purpose unspecified or does not fit under any other applicable codes; agricultural policy and administrative management; agricultural development; agricultural land resources; agricultural water resources; agricultural inputs; agricultural education/training; agricultural research; agricultural services, purpose; forestry development; fishery development; fishing development; fishery education/training; fishery research; fishery services; food aid/food security programmes
Goal 3	47	health policy and administrative management; medical education/training; medical services; basic health care; basic health infrastructure; infectious & parasitic disease control; health education; health personnel development; population policies/ programmes and reproductive health, purpose unspecified or does not fit under any other applicable codes; population policy and administrative management; reproductive health care; family planning; std control including hiv/aids; personnel development for population and reproductive health; industrial development
Goal 4	52	education facilities and training; teacher training; primary education; basic life skills for youth and adults; early childhood education; secondary education; vocational training; higher education; advanced technical and managerial training; medical education/training; tourism policy and administrative management
Goal 5	3	family planning; strengthening civil society
Goal 6	26	water supply and sanitation, purpose unspecified or does not fit under any other applicable codes; water resources policy and administrative management; water resources protection; water supply and sanitation - large systems; basic drinking water supply and basic sanitation; river development
Goal 7	30	energy generation and supply, purpose unspecified or does not fit under any other applicable codes; energy policy and administrative management; power generation/non-renewable sources; power generation/renewable sources; electrical transmission/ distribution; gas distribution; petroleum distribution and storage; industrial development

Goal 8	47	economic and development policy/planning; child soldiers (prevention and demobilisation); employment policy and administrative management; banking and financial services, purpose unspecified or does not fit under any other applicable codes; financial policy and administrative management; monetary institutions; formal sector financial intermediaries; informal/semi-formal financial intermediaries; education/training in banking and financial services; business support services and institutions; business education and training; agricultural services, purpose; forestry services; fishery services; small and medium-sized enterprises (sme) development; cottage industries and handicraft; tourism policy and administrative management; women in development; non-agricultural alternative development
Goal 9	110	education facilities and training; primary education; secondary education; higher education; basic health infrastructure; water supply and sanitation - large systems; river development; water research; government administration; social/ welfare services; road transport; rail transport; water transport; air transport; communications, purpose unspecified or does not fit under any other applicable codes; communications policy and administrative management; telecommunications; radio/television/print media; information and communication technology (ict); communications, education and training.; energy research; banking and financial services, purpose unspecified or does not fit under any other applicable codes; financial policy and administrative management; formal sector financial intermediaries; business support services and institutions; agricultural development; agricultural water resources; fishery services; industry, purpose unspecified (includes manufacturing of goods not specified below) or does not fit under any other applicable codes; industrial policy and administrative management; industrial development; small and medium-sized enterprises (sme) development; cottage industries and handicraft; industry education and training; technological research and development; industry services; mineral resources and mining, purpose unspecified or does not fit under any other applicable codes; mineral/mining policy and administrative management; mineral/metal prospection and exploration; mining education / training; construction policy and administrative management; tourism policy and administrative management; urban development and management; rural development; import support (capital goods)
Goal 10	6	social/ welfare services; financial policy and administrative management
Goal 11	52	waste management/disposal; social/ welfare services; housing policy and administrative management; transport and storage, purpose unspecified or does not fit under any other applicable codes; transport policy and administrative management; road transport; rail transport; water transport; air transport; education and training in transport and storage; agricultural development; biosphere protection; site preservation; flood prevention/control; urban development and management; rural development; disaster prevention and preparedness
Goal 12	1	agricultural services, purpose
Goal 13	3	flood prevention/control

Goal 14	6	fishing policy and administrative management; fishery development; fishery research; biosphere protection
Goal 15	27	agricultural land resources; forestry, purpose unspecified or does not fit under any other applicable codes; forestry policy and administrative management; forestry development; forestry education/training; forestry research; forestry services; bio-diversity
Goal 16	120	education policy and administrative management; primary education; secondary education; higher education; health policy and administrative management; population policy and administrative management; water resources policy and administrative management; government and civil society, purpose unspecified or does not fit under any other applicable codes; economic and development policy/planning; public sector financial management; legal and judicial development; government administration; strengthening civil society; conflict prevention and resolution, peace and security, purpose unspecified or does not fit under any other applicable codes; security system management and reform; civilian peace-building, conflict prevention and resolution; post-conflict peace-building (un); reintegration and salw control; land mine clearance; child soldiers (prevention and demobilisation); social/ welfare services; employment policy and administrative management; housing policy and administrative management; transport policy and administrative management; communications policy and administrative management; information and communication technology (ict); energy policy and administrative management; electrical transmission/ distribution; financial policy and administrative management; monetary institutions; business support services and institutions; agricultural policy and administrative management; forestry policy and administrative management; fishing policy and administrative management; industrial policy and administrative management; mineral/mining policy and administrative management; construction policy and administrative management; trade policy and administrative management; trade facilitation; tourism policy and administrative management; environmental policy and administrative management; women in development; urban development and management; rural development; disaster prevention and preparedness
Goal 17	29	population policy and administrative management; public sector financial management; social/ welfare services; business support services and institutions; trade policy and regulations, purpose unspecified (includes trade and trade promotion activities) or does not fit under any other applicable codes; trade policy and administrative management; trade facilitation; regional trade agreements (rtas); multilateral trade negotiations; rural development; export support; action relating to debt; debt forgiveness; relief of multilateral debt; rescheduling and refinancing

Appendix 2B: List of donors included in the dataset

DAC donors

1. Australia
2. Austria
3. Belgium
4. Canada
5. Czech Republic
6. Denmark
7. Finland
8. France
9. Germany
10. Greece
11. Iceland
12. Ireland
13. Italy
14. Japan
15. Korea
16. Luxembourg
17. Netherlands
18. New Zealand
19. Norway
20. Poland
21. Portugal
22. Slovak Republic
23. Slovenia
24. Spain
25. Sweden
26. Switzerland
27. United Kingdom
28. United States
3. African Development Fund (AFDF)
4. Andean Development Corporation (CAF)
5. Arab Bank for Economic Development in Africa (BADEA)
6. Arab Fund for Economic & Social Development (AFESD)
7. Asian Development Bank (AsDB Special Funds)
8. Asian Development Bank (ASDB)
9. Asian Development Fund (ASDF)
10. Caribbean Development Bank (CDB)
11. Congo Basin Forest Fund (CBFF)
12. European Communities (EC)
13. Global Alliance for Vaccines & Immunization (GAVI)
14. Global Environment Facility (GEF)
15. Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM)
16. Global Green Growth Institute (GGGI)
17. Global Partnership for Education
18. Inter-American Development Bank (IADB)
19. International Fund for Agricultural Development (IFAD)
20. International Monetary Fund (IMF)
21. Islamic Development Bank (ISDB)
22. Joint United Nations Programme on HIV/AIDS (UNAIDS)
23. Nigerian Trust Fund (NTF)
24. Nordic Development Fund (NDF)
25. OPEC Fund for International Development (OFID)
26. Organization for Security and Co-operation in Europe (OSCE)
27. United Nations Children's Fund (UNICEF)
28. United Nations Democracy Fund (UNDEF)
29. United Nations Development Programme (UNDP)
30. United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
31. United Nations Economic and Social Commission for Western Asia (UNESCWA)
32. United Nations Economic Commission for Europe (UNECE)
33. United Nations High Commissioner for Refugees (UNHCR)
34. United Nations Peacebuilding Fund (UNPBF)
35. United Nations Population Fund (UNFPA)
36. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
37. World Bank - International Bank for Reconstruction and Development (IBRD)
38. World Bank - International Development Association (IDA)
39. World Health Organization (WHO)
40. World Trade Organization (WTO)
41. International Trade Centre

Non-DAC donors

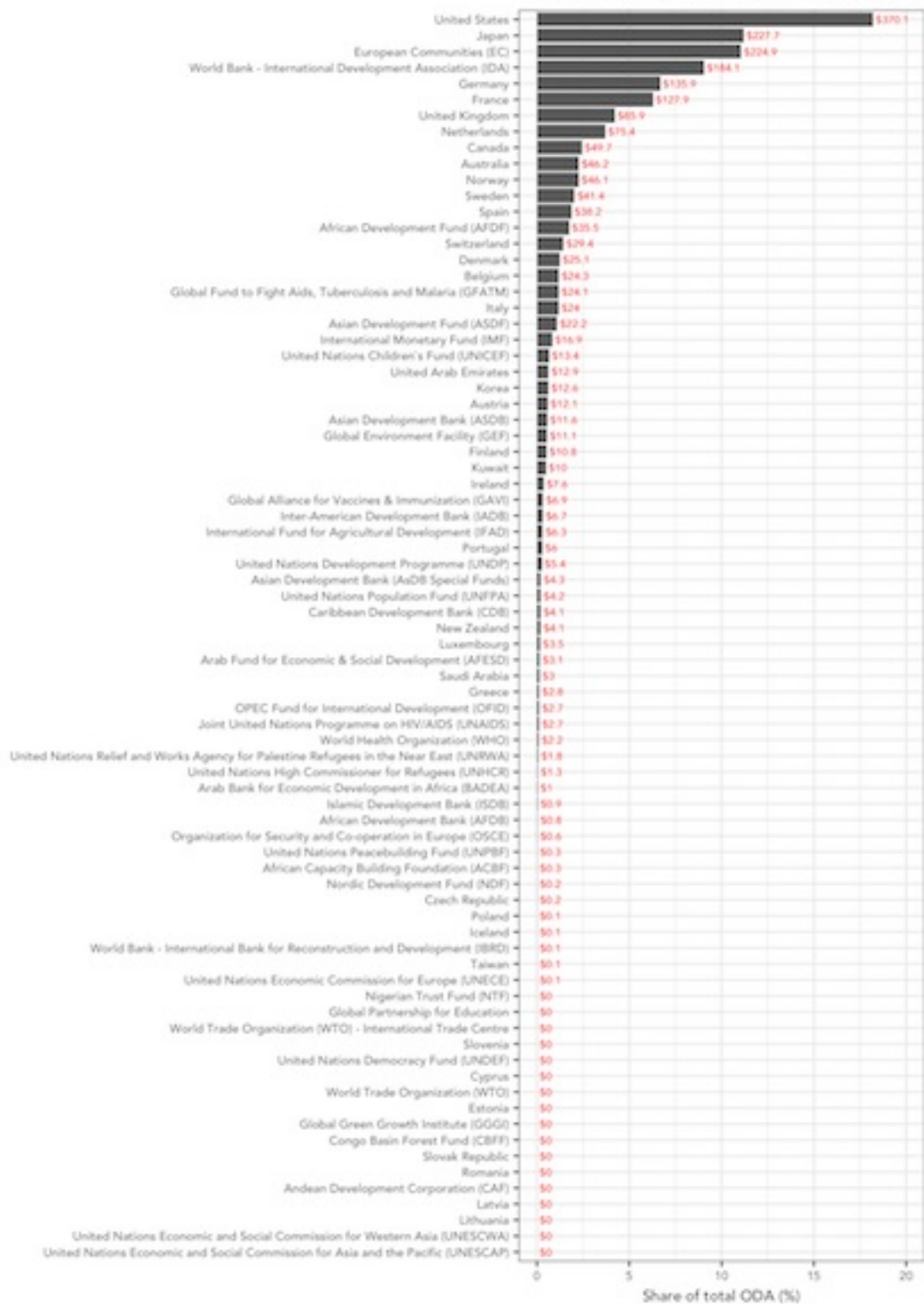
1. Cyprus
2. Estonia
3. Kuwait
4. Latvia
5. Lithuania
6. Romania
7. Saudi Arabia
8. Taiwan
9. United Arab Emirates

Multilaterals

1. African Capacity Building Foundation (ACBF)
2. African Development Bank (AFDB)

Appendix 2C: ODA flows by donors

Top ODA donors, 2000-2013
(totals and shares; commitments 2011 USD bil.)



About AidData

AidData is a research lab at the College of William & Mary. We equip policymakers and practitioners with better evidence to improve how sustainable development investments are targeted, monitored, and evaluated. We use rigorous methods, cutting-edge tools and granular data to answer the question: who is doing what, where, for whom, and to what effect?

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Institute for the Theory and Practice of
International Relations
College of William & Mary
427 Scotland St.
Williamsburg, VA 23185



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