

# SMART DEVELOPMENT GOALS:

## A Promising Opportunity to Influence Aid Spending via Post-MDGs?



### An Evaluation of “Copenhagen Consensus Centre”



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At Giving What We Can, we have recently been considering a promising opportunity by which donors may be able to influence the allocation of large sums of development aid. The Copenhagen Consensus Centre (CCC), known for its research forums on global prioritisation, aims to influence the next round of Millennium Development Goals via research and public advocacy, beginning now and continuing until the post-MDG process completes in 2015. The CCC is of particular interest to us as it represents an outstanding example of an organization engaged in global prioritisation research. We are by nature highly sympathetic to this research, which we have relied upon on many occasions. In addition, we have done some simple modelling suggesting high levels of cost effectiveness for further funding of research of this kind.

Given the pressing demands of its current research work, our investigation on this front has been constrained by the limited time available to the CCC in speaking to us, addressing our concerns, and preparing documents. Nonetheless, we believe the information contained in this report will be useful to both members and the general public.

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## Summary



# SUMMARY

- The Copenhagen Consensus Centre (CCC) aims to synthesize expert opinion and research in the fields of development economics and welfare economics to determine which interventions are most-cost effective in helping the developing world. They advocate on behalf of their research, attempting to influence world leaders to alter aid spending in line with their conclusions. They aim to lobby key parties involved in determining the 2015 Millennium Development Goals.
- The Millennium Development Goals (MDGs) are set by the United Nations every fifteen years and provide guidance for the spending of international aid and development assistance. These goals have previously included cutting extreme poverty and global hunger by half. The process also specifies metrics by which to assess whether targets are met.
- CCC's plan is to influence the next round of MDGs by (a) involving UN ambassadors in full-day sessions exploring the results of their cost-benefit analyses, working with them to set individual priorities, (b) doing the same with the NGO community and journalists, and (c) reaching out to the public with a website and articles in major publications.
- CCC's case for impact is that (1) changes in the MDGs can cause large changes in the distribution of international aid, (2) CCC can recommend goals that predictably deliver better value for money, and (3) CCC will have a good chance of influencing the MDGs. If these claims are true, CCC can potentially move billions of dollars to higher-impact causes through their project.
- Analysis of QWIDs data, alongside testimony from NGOs and governments, shows that the MDGs are highly likely to influence a significant share of the total aid budget. It is also plausible that there is sufficient variance in the cost-effectiveness of the MDGs that rearranging them would be impactful. Finally, by focusing on cost-effectiveness and evidence-based prioritisation to a greater extent than others, CCC has a credible claim to be able to select better goals than other parties involved in the process.
- CCC's research is already fully-funded, but they require more funding to support publicity and outreach.
- While we are very impressed by the work of the CCC, we have a number of lingering concerns that keeps us from recommending this project alongside our top-ranked charities. We are concerned that the CCC is spending too much of their time on controversial arguments challenging the cost-effectiveness of climate change mitigation, that the MDGs might already come to optimal outcomes without their work, and that CCC experts make overly confident predictions about the future.
- Conclusion: While we commend the work of the CCC, we do not feel that we recommend this project alongside our top recommended charities, such as Against Malaria Foundation or Project Healthy Children. We continue to monitor CCC's efforts to influence the MDGs and are prepared to reconsider our recommendation if the concerns noted above prove negligible for this project.

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## 1 Introduction

# 1 INTRODUCTION

## 1.1 What are the Millennium Development Goals?



The Millennium Development Goals (MDGs) are a series of goals designed to guide the allocation of international aid and development assistance, set by the United Nations every fifteen years. The previous round of MDGs included goals such as cutting extreme poverty and global hunger by half, achieving universal primary education, eliminating gender disparity in education, reducing under-five mortality by two-thirds, and reversing the spread of HIV/AIDS.

The next round of MDGs will be in place for another fifteen years -- between 2016 and 2030. Given current trends, the world is projected to spend between \$US2.3 trillion to \$3.6 trillion on development assistance and international aid during this time. While MDGs are not binding, they draw significant attention to particular issues and significantly determine how development aid is spent.

## 1.2 What is the Copenhagen Consensus Centre?



The Copenhagen Consensus Centre (CCC) was originally conceived and founded to aggregate expert research in the fields of welfare and development economics in order to answer the question *If we had an extra \$50 billion to put to good use, which problems should we solve first?* CCC engages in explicit cause prioritization, determining which causes are most cost-effective and which should be put on hold until more funding is available. After their research is concluded, the CCC engages in intensive public outreach to ensure their work is read and implemented. According to the CCC, their past research has influenced

a number of governments and aid organisations.

CCC is currently coordinating a new round of research from subject experts, building on their previous work on global prioritization. The CCC will take the conclusions delivered by their experts and promote these to decision-makers involved in the MDGs process. They aim to influence everyone from UN ambassadors to NGOs and even the general public through a website and op-eds appearing in major newspapers. Their aim is two-fold: (1) to replace strategies that do not deliver with cost-effective alternatives and (2) to increase support for the practice of guiding decisions of this kind via the use of cost-benefit analysis.

The research is expected to cost \$0.8M and is already largely funded. According to the CCC, associated promotional activities could cost up to a further \$1.2M. These expenses are split across media outreach, personal outreach, workshops, and producing websites and other related material. Key costs are transport, facilities, and wages for staff. These activities could be scaled up if additional funding were to become available.



## 1.3 What Will Happen in the Next MDGs Process?

The process works as follows. A “High-Level Panel” is commissioned by the Secretary General of the UN: the current Panel is co-chaired by leaders of the UK, Liberia, and Indonesia. The Panel has already released a final report with recommendations in May. It contains a long list of desired outcomes, including the complete elimination of extreme poverty and ambitious climate change targets, but without a strong sense of priority among the goals specified. A large number of other organisations have begun offering their own views, which are tracked at blogs such as Beyond2015 and Post2015.

At the same time, the UN Open Working Group on Sustainable Development Goals and The Leadership Council of the Sustainable Development Solutions Network have been writing their own reports on sustainable development. Their aim is to increase concern for sustainability and to use the MDGs to achieve both sustainable development and poverty reduction. The Open Working Group plans to meet eight times before February 2014; some of these meetings having already happened.

These two components will be used to inform the office of the UN Secretary General, but are not binding in any form. In September 2014, the Secretary General will present a report outlining proposals for further development priorities in the MDGs, with the goal of creating a single agenda for development globally. This report will coincide with the ‘MDGs Special Event’, which is intended to be a platform for the UN General Assembly to begin developing a more holistic and comprehensive agenda.

The report then goes on to the UN General Assembly where the actual agenda will be determined throughout 2014 and 2015. This will occur through the Open Working Group in 2014 and intergovernmental negotiations in the General Assembly in 2015. This process is not well understood because the positions of the different groups have not yet been declared. We do not yet know what will happen if no consensus within the General Assembly emerges, and unfortunately do not have any prior experience interpreting UN diplomatic processes of this kind.

### Further information:

Two helpful summaries of the post-2015 MDGs process are available: “Post-2015 Development Goals Process and Timeline” and “What Happens Now? The Post-2015 Agenda After the High-Level Panel”.







## 2 The Case in Favour of the Project

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### 2.1 Who We Spoke With

To complete this report, we spoke with Eric Bickle, Stéphane Hallegatte (both worked with CCC on climate change), Prabhat Jha (worked with CCC on infectious disease), Holden Karnofsky (GiveWell), and Roland Mathiasson (Executive Vice President of the CCC).

Samuel Fankhauser, David Canning, and David E. Bloom were contacted but did not reply. We have also received impressions of the CCC's reputation from discussions with two individuals involved in the UK government, who would prefer not to be identified.

### 2.2 CCC's Plan

The next round of research conducted by the CCC will focus on identifying those MDG-targets that would yield the greatest welfare gains. This research is already fully funded, with research questions and researchers currently being chosen. Participants will be drawn primarily from the pool of academics and other experts that have previously worked with CCC.

The CCC recently surveyed past participants on the following questions:

1. *What do you think are the very best targets for the UN to focus on?*
2. *What do you think are the targets that the UN should definitely not engage in first?*
3. *Could I ask you to write up and send us a couple of paragraphs to a full page on your views before August 1?*

Responses to these questions will be used to choose the targets to be assessed. GWWC President Toby Ord has written [a proposal](#) outlining his preferred metrics for measuring progress on health and poverty.

In order to achieve its full impact, this research must be publicized and brought to the attention of responsible parties in the MDG process. CCC intends to take UN ambassadors through a full-day session exploring proposals and cost-benefit research, working with them to set priorities. They would do the same with the NGO community and journalists. Developing and developed world citizens would also be able to weigh in via the press and internet, suggesting which goals they think should be prioritized. The bulk of the publicity budget will be spent on the seminar with UN ambassadors, USAID, UK's DFID, and events with NGOs, as well as the website for the general public. Ideally, the goal will be to identify those parties most likely to be persuaded by CCC's arguments and to focus especial effort on them. The plan is not yet fully specified and could change. The particular parties to be targeted have not yet been identified.

## 2.3 CCC's Central Case

Due to the very large sums of money that can be influenced by the MDGs, only a small probability of success is necessary to make the project worth pursuing.

The CCC's central claims are that (1) changes in the MDGs can cause large changes in the distribution of international aid, (2) CCC can recommend goals that predictably deliver better value for money, and (3) CCC will have a good chance of influencing the MDGs. If these claims are true, then CCC can potentially move billions of dollars to higher-impact causes.

If the MDGs are poorly chosen, trillions of dollars could be spent on suboptimal programs. By contrast, a proper decision procedure could select MDGs that would move trillions of dollars to the world's best causes. If the claims set out in the foregoing

paragraph are to be believed, additional money spent on the CCC will increase the likelihood that the MDGs are well-chosen. Plausibly, the impact of this very large shift in aid spending would be larger than any other opportunity for doing good presently available.

### Do the MDGs have the opportunity to influence a sufficiently significant share of the total aid budget?

- The MDGs have already received buy-ins from most key development organizations (189 world leaders adopted the [Millennium Declaration](#); also directly stated buy-in from [WHO](#), [World Bank](#), [UNICEF](#), [European Union](#), [Australia](#), [Ireland](#), [United States](#), [Norway](#), [New Zealand](#), [Switzerland](#), [Japan](#), [Canada](#), [Iceland](#), [Israel](#), [Singapore](#), [BRAC](#), [Bill and Melinda Gates Foundation](#), [World Vision](#), [CARE International](#), [Médecins Sans Frontières](#), [Ashoka](#), [Clinton Global Initiative](#), and [Heifer International](#)).
- There is a strong consensus among experts that the MDGs affect a significant share of the aid budget.
- However, it is difficult to determine how much of the aid budget is in fact influenced by the MDGs. There is no good measure of the relevant counterfactual: i.e., what would have happened without the MDGs.
- Note that even if the MDGs themselves failed to influence aid budgets - which we regard as unlikely - CCC's research and the resulting promotion could still have a direct impact on spending choices, because development organizations will still want quantitative evidence on which to base their aid decisions.
- Trends in aid spending show that aid continued to increase rapidly after 2001 and the distribution of aid shifted to favor more spending in the categories covered by the MDGs (*Source: [Spreadsheet of QWIDS data](#)*). There is a potential concern that shifts in aid spending could be attributed to disasters like the [Indian Ocean Tsunami](#), but this is very unlikely because even five-year change is positive and there is growth in categories not related to disaster spending.

## **Can CCC research predictably select better goals than others involved in the MDGs?**

- A research budget of \$0.8M looks relatively small for assessing dozens of possible targets. However, academics are willing to write these papers for relatively little money. They largely summarise research that is already complete and published. As a result, the CCC is more of a 'literature review' or 'expert review' than a compilation of original work. In addition, new reports can build on existing CCC research.
- While estimates produced by the CCC have a high degree of uncertainty, CCC's estimates are more evidence-based than those otherwise seen in the post-MDG process, insofar as we can determine by looking at the High Level Panel report (excepting its references to the CCC). This means that CCC's estimates are still *comparatively* better and more useful, which is what matters.
- For those interventions for which less data is available, the CCC produces what are in effect 'back of the envelope calculations' informed by expert judgement. A typical instance is the estimate of the value of further HIV vaccine research. This is a controversial approach due to high variance of estimates and the potential for questionable personal judgement to affect outcomes. This issue is discussed further below.
- Many of the new goals proposed have not yet been analysed by the CCC. This can make their results less reliable and is a legitimate concern. We would recommend that the CCC be cautious in carrying out 'budget' analysis on difficult issues, where promoting preliminary results could damage their credibility.

## **Concretely, what kind of changes would the CCC try to generate?**

- This is hard to say because the research informing their recommendations is only now being organised.
- However, a plausible outcome would be to try to maintain the focus in the current set of goals on poverty reduction, basic health, basic education and gender equality and resist these targets being 'watered down' with new ones that are either unproven or lower in expected value. Our conversations gave the impression that CCC would likely be skeptical of further goals focussed on environmental sustainability that would detract the focus on poverty-reduction in existing MDGs.

## **Would rearranging the MDGs actually create an impact?**

- It is possible that there isn't much to be gained by re-arranging the MDGs, because all goals are equally or near-equally impactful and cost-effective. If true, this would substantially weaken the case for CCC.
- However, it seems initially implausible that this would be the case. We already know that there is a large degree of variation among interventions carried out by existing non-profits, even among those particularly focused in the developing world (*Source: "The Moral Imperative Toward Cost-Effectiveness"*). It seems likely that this is also the case among the MDGs.
- Furthermore, a direct look at the initial slate of MDGs proposed in the High-Level Panel Report leads us to expect that they would differ in impact -- for example, some goals like reducing extreme poverty or reducing the global disease burden have very well understood interventions with lots of room for further aid investment, whereas other goals, like increasing entrepreneurship, increasing jobs available, increasing sustainability, and increasing justice



rely on interventions that are significantly less understood. This is not to say that they are necessarily less good to target, only that they could in theory be significantly better or worse.

### **Does CCC have a credible case that they can influence the MDGs?**

While attributions of causality in this area are subject to significant uncertainty, CCC has been cited as a significant influence in a variety of aid spending decisions:

- The UN High-Level Panel Report already cites the CCC six times. The work of CCC appears to inform the document's rationale for discussing certain interventions (*Source: The High-Level Panel Report*).
- The InterAction NGO Alliance pledged \$750M in nutrition as a result of research from CCC (*Source: Press Release*).
- The UK Government invested over \$4B in nutrition, citing CCC research (*Source: Government Document*).
- The "Zinc Saves Kids" initiative was launched in part based on CCC research (*Source: Zinc Saves Kids website*).
- The Danish government pledged over \$170M to fighting HIV/AIDs as a result of CCC research (*Source: Address by Prime Minister Rasmussen*).
- The Copenhagen Consensus was featured in 43 significant newspaper articles, radio interviews, and TV show appearances in 2012 in addition to other lower-level coverage (*Source: Document sent to us by CCC*).
  - Example Press Appearances: *Financial Times* (May '04), *The Economist* (Jun '04), *TED Talk* (Feb '05), *Foreign Affairs* (Mar '08), *Wall Street Journal* (Jun '08), *TIME* (June '08), *The Lancet* (June '08), *Reteurs* (Sep '09), *USA Today* (Mar '11), *Slate* (Apr '12), *Slate* (May '12), *Huffington Post* (Jul '13)
- The Copenhagen Consensus has access to famous, expert academics including Bjørn Lomborg, Robert Mundell, Nancy Stokey, Thomas Schelling, Vernon L. Smith, Finn E. Kydland, Douglass North, Robert Fogel, and others.

We asked for evidence that these examples did not merely involve attempts to justify choices that would have been made regardless. The CCC pointed out that this evidence was very difficult to supply, and we did not consider it worth our time to investigate this issue in greater detail.

### **Does CCC have room for more funding? What would the CCC do with additional funding?**

- CCC already has sufficient funding to cover their research, but additional funding could produce additional publicity (*Source: Conversation with Roland Mathiasson*).
- Each workshop targeted at world leaders costs around \$200K for the venue and flights and these are not yet funded (*Source: Conversation with Roland Mathiasson*).
- The CCC is pessimistic about fundraising to fill their full publicity budget and is willing to return money to GWWC donors should they do so (*Source: Conversation with Roland Mathiasson*).
- A budget of \$1.2M is not large relative to the hundreds of people, governments and other organisations in the post-MDG process who could be influenced.

### **What do we wish we knew?**

- Who is going to be most influential in the General Assembly.
- Whether a significant share of the audience is receptive to cost-effectiveness considerations.
- Whether the “inform and leave to decide” approach the CCC plans to use in their workshops will cause people to choose sensible projects or merely give them ammunition to back their existing preferences.
- What goals people are most open to being persuaded on by the CCC.
- What share of their effort will be directed toward climate change-related advocacy specifically.

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### 3 Two Common Concerns

## 3 TWO COMMON CONCERNS



**The CCC doesn't discuss the organizations behind the interventions, how effective those organizations might be, and how their context might be different from the actual studies.**

It is true that CCC doesn't focus on particular, existing organizations that can deliver the aid needed. While this might pose a problem to individual donors looking for open opportunities to fund projects of this kind, this isn't a problem for the actual MDGs, because development would be done by government agencies.

Presumably, with the size of the relevant aid budget, entire organizations could be created, if necessary. A real problem is that the CCC's research doesn't put much focus on how much 'room for additional funding' is available for a given intervention, nor the diminishing returns that would be expected as more resources are directed to a particular approach.

**By focusing too much on cost-effectiveness, CCC risks alienating people and making them less enthusiastic about the MDGs.**

It is possible that people might be less enthusiastic about cost-benefit analysis or the CCC if they find their favourite cause is not judged to be cost-effective. However, this seems like an all-purpose objection to promoting cost-effective projects. If we do not believe that cost-effectiveness research is harmful in general, this effect cannot dominate on this issue, even if it should give us some reservations. Furthermore, it is unlikely that the CCC could get cost-effectiveness to be the dominant consideration in the MDGs. Nudging the MDGs in the direction of cost-effectiveness seems unlikely to alienate people.



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## 4 Concerns We Consider More Serious

## 4 CONCERNS WE CONSIDER MORE SERIOUS

### **CCC is overly focused on promoting controversial climate change research.**

Bjørn Lomborg, the key figure associated with the CCC, is famous as the author of *The Skeptical Environmentalist: Measuring the Real State of the World*. In this book, Lomborg argues that while climate change is a significant, existing, and man-made problem, it should not be a priority for limited funding, because reducing greenhouse gas emissions is not cost-effective relative to other things we could be doing with the money, like supplying micronutrients. Lomborg has discussed these ideas in many places, including an [NPR Op-Ed](#) and a [TED Talk](#). The CCC has also published a review of expert opinion in climate economics, entitled [Fix the Climate](#), where they prioritize climate interventions.

Given a lack of consensus in climate economics, there is nothing the CCC could have said that would be widely accepted. In fact, it is good that the CCC is attempting a broad comparison of widely differing causes, including climate change, even if they can't settle the question in a satisfactory way. However, [serious concerns](#) have been raised regarding CCC's research on climate change and Lomborg's approach to climate change in general. Lomborg has become a controversial figure by widely pushing these conclusions. There is no clear scientific consensus one way or another on the accuracy of his views, with many academics coming to both Lomborg's attack and defense.

The controversy surrounding climate change would not be a problem except for the fact that CCC seems to have focused large amounts of energy on this single issue. For example, CCC's monthly newsletters are nearly entirely devoted to pieces focused on climate change. The most recent newsletter sent out on 18 July 2013, had six stories, all of which criticised 'spending' on climate change. Back in 22 Apr 2013, the entire newsletter was also devoted to this topic. CCC has published a total of 71 stories in their newsletter since June 2012 and 57 of them (80.3%) have been anti-climate change. Arguing against climate change efforts also make up two of the past three CCC research reports. CCC has noted that climate change was a "priority" for them in the MDG project.

It is clear that the focus on climate change reflects media selection bias to some extent. Roland Mathiasson says that articles on climate change are the only articles that are reliably picked up by big media outlets. CCC have tried to draw the attention of big media outlets to their recent book *RethinkHIV*, but were unsuccessful. Media attention garnered by discussing climate change can subsequently be leveraged to highlight other issues. One example of this phenomenon is the CCC's collaboration with [Slate Magazine](#) which resulted in detailed articles covering all of the challenge papers released in the CCC's 2012 round of research.

Another potential reason to focus on climate change is to bring attention to other, more cost-effective interventions, such as micronutrient supplementation. However, the articles on climate change that we have been able to access consist solely of discussion of energy policy, only touching on poverty in the context of what kind of energy people living in poverty might use and how they could benefit from access to coal as a power source.

Regardless of whether CCC's own choices or the media are the cause, the focus on climate change will make it less likely that they will successfully promote an effective range of messages during the MDG process. One would expect that CCC's best chance at being influential would be to find the important claim they are most likely to convince people about at any given moment, and talk about that one. Because of the large controversy and range of political issues surrounding the topic of climate change, this seems unlikely to be the optimal topic on which to focus. We also would expect declining returns from repeating the same message; many people have already made up their minds on climate change.

Secondly, there seems to be something wrong with trying to remove the lowest-performing goal rather than trying to add in a higher-performing goal. Because of high variations in cost-effectiveness, one would expect that the difference between a low-performing goal and the average goal is much less than the difference between the average goal and a goal the CCC could be adding.

Thirdly, there's a concern that if the CCC cannot get anything other than discussions of climate change into major publications, they won't be able to use their publicity budget effectively when it comes to lobbying the public.

In light of these concerns, we think it would be better to talk more about initiatives that effectively reduce poverty, even if only as alternatives to climate change spending. CCC's research has identified many such opportunities, in micronutrients, vaccines, food security, and biomedical research. It is a shame these do not get more coverage. CCC is actually selling itself short. It has a wide variety of high quality research in many areas unrelated to climate change that ought to be assigned greater priority in outreach.

There is, however, some reason to downplay concerns related to CCC's focus on climate change. In the proposed cost-effectiveness workshops to be done with UN and NGO leaders, the CCC will be guiding a discussion on prioritization and letting the leaders use CCC research to come to their own conclusions. Since CCC controls this process, there wouldn't be any media selection effects at play. The only risk for these workshops to be dominated by climate change would be if the CCC specifically intended for this to happen.

### **The MDGs process might already come to the optimal outcome without additional work from CCC.**

Not much is known about who will be involved in settling the MDGs because their finalization is still too far away. However, it seems that a lot of those who could potentially be involved already care about reducing poverty and are focused on cost-effectiveness. Therefore, the MDGs process might reach sensible conclusions without CCC's help: the process might independently yield an outcome that is sufficiently good that further money spent lobbying the MDGs would be better spent elsewhere.

There are some arguments in favour of this view:

- CCC's highly quantitative approach neglects some questions, such as how much political support there would be for tackling a given problem, and how much expertise is available to do so. The whole MDG process may therefore reach different conclusions from the ones we think are best, but for good reasons.
- Compelling research into what works in development is already available from a range of sources available to delegates such as the World Bank, Gates Foundation, and MIT's Poverty Action Lab.
- Furthermore, the people more involved with the MDGs may know things that we and the CCC don't. In particular, they are in a much better position to understand political and logistic constraints on proposed interventions.

### **CCC is making excessively bold predictions about the future.**



*RethinkHIV* is a recent book summarizing research by CCC aimed at prioritizing interventions that prevent HIV. The top recommendation is to further development into vaccines. However, this involves making predictions about the scope of vaccine development, the likelihood that additional research will raise the probability of new vaccines, and what the world will look like when a vaccine comes out.

Any of these predictions could be unwarranted.

James Shanteau found in "[Competence in Experts: The Role of Task Characteristics](#)" (see also Kahneman and Klein's "[Conditions for Intuitive Expertise: A Failure to Disagree](#)") that experts perform well when thinking about static stimuli, when feedback and objective analysis is available. Furthermore, experts perform pretty badly when thinking about dynamic stimuli, where feedback and objective analysis are unavailable. The prediction of HIV vaccine development is one such area with dynamic stimuli and a lack of feedback and objective analysis -- exactly where we should expect experts to perform badly.

Moreover, experts are likely to have bad incentives when it comes to making these predictions. Since predictions in this case are unverifiable for several decades, it would be very easy for an expert to make a bold claim with the intention of moving more money into their personal research efforts. Even if it is unlikely that experts would do this consciously, they certainly have a predisposition to make claims favorable to their own research, and there is no feedback loop to prevent this from happening.



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## 5 Other Doubts That Have Been Raised

## 5 OTHER DOUBTS THAT HAVE BEEN RAISED

### **It is too unclear how the panel of experts prioritizes causes based on the research.**

While all the papers are written by authors who are experts in their fields, it is unclear how the expert panel then prioritises the researchers' proposals. It is often the case that the panel disagrees in their priorities, and sometimes seemingly cost-effective proposals are on the bottom of their rankings without any explanation. For example, improving family planning was thrown out of the list without any explanation in CC 2012, even though it had a higher cost-benefit ratio compared to other interventions on the list.

World Bank economist and former CCC contributor Stephane Hallegatte described the expert panel as a "black box" when we talked to him. The panel has to take many other things than the stated BCR into consideration, such as implicit ethical and political preferences and uncertainty in the BCR. This means researchers do not get feedback from the expert panel and their suggestion was given a particular priority and it's impossible for the authors to defend their proposal if the expert panel misunderstood something.

Additionally, it might give the impression that the rankings are far more robust than they actually are, since we don't know if particular panel members voiced strong concerns or not. Furthermore, it is unclear when and if something was chosen because of doubts about the evidence in some papers, personal 'priors' about what works, or implicit ethical and/or political preferences. All of these are acceptable reasons, but currently the public doesn't get to see them.

The expert panel should be made more transparent by having to justify the order of every item in the ranking. Furthermore, feedback loops in the research process should be made tighter, for example by allowing the expert panel to do a 'peer review' of the topic papers before they are published. Reports should be required to feature literature reviews on the particular topics to check that they are not too far from the views of other experts.

The justification offered by the CCC is that they want to do the ranking behind closed doors so they can be completely honest with one another. While this is understandable, frank discussions can't do much good if the actual content isn't passed on to those who will have to make decisions about the MDGs.

To their credit, CCC has made progress to fix these difficulties. Since 2012, their conferences have allowed researchers to interact with the expert panel and respond to questions at meetings that resemble "hearings". Furthermore, CCC argues that the panel of experts is a way to attract the best researchers and media attention, rather than something meant to play a pivotal role in the decision process. If the plan is for workshops where research is presented to UN and NGO leaders and they're allowed to make their own minds on prioritization, the results of the expert panel are less relevant. Unfortunately, the media simplifies the message of their research, which can give the expert panel more weight than is intended or desired.

**There are too many steps that are evaluated at too high of a level of uncertainty to know if CCC is actually going to make an impact, let alone one larger than already outstanding organizations.**

Estimating the impact of the CCC requires four steps: (1) estimating the impact of MDGs on foreign aid, (2) estimating the upside possibilities for changing the MDGs, (3) estimating CCC's chance of influencing the MDGs, and (4) estimating CCC's chance of providing better information in the first place.

Each of these steps involves a moderate degree of uncertainty, which poses a larger risk for the overall case. Even if we were 80% sure that each of the four steps would happen and assumed the steps had independent likelihoods of success, the overall project would only have a 41% chance of success. Therefore, there's a concern that the conjunction fallacy -- or underestimating the low probability of multiple events occurring -- might lead us to think the CCC is more likely to be successful than it actually is.

**CCC does not consider interaction effects between different interventions.**

There is little freedom for paper writers to come up with proposals that contains a mixture of interventions, instead of analysing single intervention in isolation. For example, the value of early warning systems might depend on the availability of transportation, but the CCC researchers are forced to analyse these issues in isolation. CCC currently does not take this into account.

**There are already lots of organizations trying to influence the MDGs, and CCC could get lost.**

The Overseas Development Institute is tracking 243 different organizations attempting to lobby the MDGs. While some of these organizations may not be successful and while some of them might be pushing in the same direction, many of the organizations have divergent goals and will be spending resources fighting each other. This could pull the MDGs in many different ways, swamping CCC's influence, regardless of the resources they have available.

**The expert panel is not sufficiently representative.**

As it currently stands, the CCC panel consists largely of right-wing, white, male Americans. Including more women and economists from other continents will add more perspectives and, more importantly, credibility. This is particularly important when it comes to influencing the MDGs. There may be a risk that policy-makers from other parts of the world with different ideologies (mainly from left) feel alienated if they are not represented. The CCC has, in the past, been accused of being too conservative and Lomborg has been accused of stacking the panels in favor of his preferred verdicts. Whether these criticisms are fair or not, they exist, and will reduce CCC's influence. Moreover, additional diversity of viewpoint is a good way to secure against unconscious bias.



## 6 Conclusion



## **6 CONCLUSION**

While we commend the work of the CCC, we do not feel that we can recommend this project alongside our top recommended charities, such as Against Malaria Foundation or Project Healthy Children. However, we favour a ‘wait and see’ attitude. As noted, this project is only now getting off the ground. We do not yet know what CCC’s recommendations will be and have limited information about their proposed media strategy. We cannot say with very much confidence to what extent climate change is likely to figure as a focus for advocacy, nor to what extent the CCC’s recommendations will diverge significantly from those otherwise favoured by the MDGs process. We continue to monitor CCC’s efforts to influence the MDGs and are prepared to reconsider our recommendation if the concerns raised in this report prove negligible for this project.

## Appendix: Givewell's View

## APPENDIX: GIVEWELL'S VIEW

GWWC spoke with Holden Karnofsky, co-founder of [GiveWell](#), to ascertain his view on this project. The audio can be downloaded [here](#). Although he had not studied the specifics of the MDG process or CCC's business plan, Holden's overall attitude was one of pessimism. His primary concerns are discussed below (note that this is our summary; we take responsibility for any divergence from what is said in the audio):

### Holden's Comments

- Holden has previously reviewed CCC's operations:
  - CCC is one of the only groups making any attempt to rank interventions against others.
  - Early on, GiveWell thought CCC was promising as a basis to inform GiveWell's cost-effectiveness recommendations. However, GiveWell eventually relied very little on CCC's work.
  - The key concern is that CCC provides "back of the envelope" calculations with explicit cost-effectiveness estimates. GiveWell believes that estimates of this kind are too unreliable to be useful.
- CCC needs to provide further elaboration on the robustness of their calculations.
- CCC does not carry out regression to the mean, which is of especial importance in "back of the envelope" calculations.
- CCC does not discuss the organizations carrying out the interventions they assess, how effective those organizations might be, and how their context might differ from interventions examined in published studies.
- CCC is making excessively bold predictions about the future (such as expecting a vaccine for HIV in 20-40 years).
- Experts have bad incentives, especially when predicting the future.
- It is not clear there is an audience in the General Assembly that can be swayed by CCC's advocacy efforts.

- CCC might not bring anything extra to the table because the MDGs are already focused on reducing poverty to the greatest extent possible, as well as on cost-effectiveness. Many groups, notably the World Bank, can provide better advice on these topics.
- The MDGs are largely aspirational and insufficiently concrete.
- CCC risks reducing support for the MDGs.
- It is too difficult to evaluate all the steps needed to see if CCC makes a difference.

### **Copenhagen Consensus Centre's Response**

As a courtesy, the audio of this conversation was forwarded to the CCC in order to provide feedback. We did not expect to receive a response, and to the best of our knowledge none has been offered.

### **Rob Wiblin's Response**

GiveWell's disdain for 'back of the envelope' cost-effectiveness estimates is an unusual position, with which a large number of people engaged in cost-benefit analysis disagree. Ultimately, we still need estimates of impact to guide decisions about what to include in the MDGs, and these do not appear to be obtainable by other means. This remains true for speculative targets or methods. Insofar as the CCC can't provide constructive advice on a question, this suggests that any decision made on that issue independent of their recommendations is likely to be quite poor.

While the wholesale adoption of their recommendations could do harm by neglecting other important considerations, CCC is likely to have a modest impact in cases where they are found to be convincing.

I find it implausible that there is no audience for their recommendations. Options include

- Recipient countries who don't know which targets would help the most.
- NGOs or developing countries who want to reduce poverty and would change their advocacy in response to evidence.
- Countries with no strong opinion or agenda to pursue on this issue.