Bridging development goals and climate action

Achieving both the SDGs and Paris climate framework will require a profound transformation of national economies. It will also need a new mindset that does not consider the attainment of one to be at the expense of the other

By **Leo Horn-Phathanothai**,
Director for International Cooperation,
World Resources Institute

2015 was a momentous year for political commitment and agenda-setting on two of the most urgent challenges of our times: stabilising the climate and eradicating hunger and poverty. The adoption of the Sustainable Development Goals (SDGs) and the agreement of a landmark climate deal in Paris mark important steps forward for multilateralism and provide important frameworks to guide future development efforts and climate action.

The real tests for both agendas, however, will be how they are translated and acted on after 2015, and the extent to which they spur complementary and commensurate action by non-governmental actors, such as businesses, financial institutions, cities and the academic community.

▲ **Crossing a dam breached by cyclone Aila in Satkhira, Bangladesh. The success of Bangladesh's Comprehensive Disaster Management Programme demonstrates how climate action can be integrated with development**

The SDGs and climate commitments cannot be successfully delivered in isolation from one another. A key implementation challenge will be to foster synergistic solutions where the two agendas meet. But this is easier said than done. For starters, each agenda is hugely ambitious and demanding on its own, before even considering how to manage the interlinkages between them. Moreover, inertia, institutional incentives and sectional interests reinforce existing silos and work against the kind of joined-up and transformative approaches that are required.

Delivering on both the SDGs and climate objectives will require a mindset of partnership between two professional and policy communities that to date have been operating largely separately, within distinct bureaucracies and institutions. The 'development' and 'climate' tribes speak different dialects, draw from different knowledge bases, and far too seldom collaborate. The resulting fragmentation of knowledge and action has bred the deeply misguided notion that climate action and development are separate concerns, if not conflicting interests. Looking forward, the SDGs and the climate deal agreed in Paris promise a new era of more joined-up action on climate and development.

Interlocking agendas

Climate action and development are intricately intertwined due to: (a) the increasing risk of climate change impacts undermining development gains; (b) the need to transform key sectors that drive development as a means of curbing climate change; (c) the risk of development paths becoming dead-ends in the long term if they are not climate smart and environmentally sustainable.

How we address climate change – both in reducing emissions and building resilience to impacts – cannot be divorced from goals such as ensuring access to energy, building appropriate transport systems, and ensuring food and water security. Activities to reduce disaster risk and enhance resilience will become integral to development, and the benefits of taking these steps have already been widely demonstrated. For instance, the

introduction of Bangladesh's Comprehensive Disaster Management Programme helped reduce deaths from comparable cyclones by more than 95 per cent.

Developing countries can seize enormous opportunities from sustainable, low-carbon development. Distributed renewable electricity systems can increasingly fulfil the energy needs of rural communities, particularly as the cost of such technology continues to fall. Sustainable urban transport can reduce emissions while providing necessary transportation options. Agricultural practices that integrate forestry can boost resilience to climate impacts while also storing carbon.

Beyond the extensive causal interrelationships, the two agendas are converging in an important normative sense, as notions of universality, equity, responsibility and sustainability emerge as core principles guiding how both development choices and climate actions are framed and assessed. And these principles also raise similar operational challenges for both frameworks – for example, on measurement, tracking, reporting, financing – that call for more integrated solutions across the agendas. Of note, the outcome document of the Third International Conference on Financing for Development, held in July 2015 in Addis Ababa, explicitly connects development financing to the fight against climate change.

The synergies and interdependence between both agendas is already strongly reflected throughout the text of the SDG outcome document and the climate agreement. The interlinkages are also apparent in many of the national climate action pledges – known as Intended Nationally Determined Contributions (INDCs) – that countries have put forward and that will take effect under the new climate agreement. A stable climate is indeed integral to the SDGs, as expressed in Goal 13. References to climate resilience and adaptation are interlaced throughout the SDGs, and many of the targets incarnate key features of what a low-carbon, climate-resilient future would look like. At the same time, many developing-country INDCs are explicitly framed through a development lens. The INDCs produced by Kenya, Ethiopia and Mexico provide some good examples of this.

One common destination

The SDGs and climate agreement share common parentage in the Rio Conference of 1992, and are best seen as two sides of the same sustainable development coin. Both point in the same direction in their call for a break with business-as-usual, and presage a radical transformation of our economies and societies.

One must of course reckon with the very real concern that bringing these two complex agendas together could create significant burdens on already stretched bureaucracies and decisional structures, which tend to be especially weak in some developing countries. Indeed, that consideration alone should force the crucial issue of institutional coherence to the fore. Institutional fragmentation encourages inter-departmental competition for scarce resources and political attention, and it means key technical capacities are spread thin across a number of agencies. It also weakens incentives for collaboration, information- and data-sharing.

> *Developing countries can seize enormous opportunities from sustainable, low-carbon development*

Beyond these considerations, an important pre-requisite for effective joined-up implementation is for national leaders to devise and propagate a succinct, resonant political narrative that brings these grand agendas down to earth, relates them to national aspirations and translates them into terms that business and citizens can get on board with.

Poverty eradication and shared prosperity form a common core from which a broader universal agenda of transformation can be constructed. A successful narrative would need to underscore interlinkages, recognise that the two frameworks are stronger together than they are apart, crystallise strategic priorities at the intersection of climate protection and SDGs, and make the case for an economic transformation to drive low-carbon development that leaves no one behind. To be successful, such a narrative needs to be propagated at the highest levels of government, sending clear signals to bureaucrats, investors, businesses, knowledge institutions and citizens about the inseparability of both agendas, and rallying these diverse actors around a common national sustainable development agenda.

Linking development and climate action to drive economic transformation

If stabilising our climate and achieving the SDGs represent one common destination, the choices we make about how we grow and develop our economies will ultimately determine if and how fast we get there.

Too many people still cling to the outdated view that climate is a 'green' concern and as such a luxury that poor countries needn't consider until they grow richer and acquire the means to 'clean up'. I appeal to common sense alone to put to rest the absurd notion that poor people are somehow more willing to accept daily exposure to life-endangering toxic fumes and to trade their children's health for a faster GDP growth when alternatives for cleaner development exist and are within reach.

The most influential arguments pitting development against climate action in a zero-sum struggle stem from the discourse of economic cost-benefit analysis (CBA). As the argument goes, tough choices are required given limited financial means, and poor countries must prioritise those development interventions that yield the biggest bang for buck. In its most outlandish form, we have arguments like those of Bjørn Lomborg who wields the humble tool of CBA with bravado to make a wholesale case against bold action to forestall climate change. There is no room here to pick apart Lomborg's arguments.[1] The broader point about trade-offs and prioritisation, however, merits serious consideration.

Certainly there may at times be tensions between development and climate actions. More often though, policy options exist to deliver on climate objectives while also advancing development. Indeed there is growing recognition among leading economists that previous CBAs may have grossly underestimated the co-benefits of climate action.[2] There are sizeable opportunities that lie in unlocking synergies in infrastructure development, forest management or energy security, for example. That is why the government of Ethiopia is implementing a long-term strategy to achieve middle-income status by 2025 based on carbon-neutral economic growth.

Countries will of course need to establish priorities. It may well be that in very poor countries with large populations exposed to preventable diseases, priority is given to interventions that can dramatically reduce the burden of these diseases. This does not distract however from the point that, where linkages are salient, climate knowledge or action may assist and in some cases offer more cost-effective solutions. For example, knowledge of how climate change generates new patterns of vulnerability to malaria can help better target preventive interventions. In the same vein, improving public transport systems may yield considerable health benefits – through fewer road accidents and deaths and reduced air pollution.

Unlike the Millennium Development Goals, the SDGs are not about establishing priorities for the international community within a given and accepted status quo. The SDGs are about driving system-wide change towards a qualitatively different future. Interventions that may not be fully justified in narrow CBA terms on a case-by-case basis could, in fact, make good economic sense when carried out as part of a comprehensive package of transformative change.

This is demonstrated, for example, in infrastructure investments. About $6 trillion is due to be invested every year in infrastructure globally over the next 15 years. According to a recent report[3] of the Global Commission on the Economy and Climate – comprised of former heads of government, finance ministers and leaders in the fields of economics and business – choosing low-carbon and climate-resilient infrastructure would result in a capital cost increment of only $270 billion a year, or less than five per cent.

The additional capital cost could potentially be fully offset by lower operating costs – for example, from reduced expenditure on fuel. This is before even considering other co-benefits, such as the significant savings on health costs that can be expected from reduced air pollution.[4] Beyond these cost savings, sizeable opportunities for innovation and greater economic efficiency are made possible by structural and technological changes that would unfold as part of this broader economic transformation. The report's broader conclusion is that countries at all levels of income have the opportunity to reconcile economic growth and climate goals.

Where transitional upfront costs may be significant, the Paris climate deal makes provisions for developing countries to access external support in the form of finance, technology transfer and capacity-building.

Conclusion

Climate and development goals can only be delivered in a joined-up and mutually reinforcing manner. Failure to address climate change will jeopardise future development efforts and bequeath a depleted and degraded Earth to our children and future generations. How we choose to develop in the next 15 years will be the determining factor in our efforts to avert a major climate crisis.

A unified political narrative that links development and climate goals to national aspirations, and the realignment of institutions around these priorities are two important preconditions for effectively bridging climate action and SDGs to drive low-carbon development that leaves no one behind. While there will be trade-offs between specific policy objectives, the SDGs provide an overarching framework within which these trade-offs could be more smartly assessed and addressed.

To those in the development community who remain sceptical about climate action, Blaise Pascal's famous wager comes to mind.[5] Let's bet that bold action will be required to avert the worse impacts of climate change. Even if we lose that bet, we still gain by having created more inclusive and liveable cities; by ensuring that farming that is gentler to nature and more productive by cleverly harnessing the carbon that would otherwise go to waste; by developing energy and transportation systems that do not pollute the air we breathe. That, surely, is a future worth fighting for together.

Ultimately, meeting the twin climate and development challenges needs more than incremental adjustment. It requires a transformation of our economies. China's experience offers a profound lesson about economic transformation, which I would like to leave the reader with: that it is not so much about effectively executing some well-conceived blueprint, as about a willingness to experiment, take risks, allow local initiative, learn by doing, and make course-correcting adjustments along the way.[6] It will require a profound change in the mindsets of both the 'climate' and 'development' tribes to give up the illusion of control and embrace the fundamentally uncertain and fluid nature of the transformation that beckons. ●

This paper draws on research conducted in collaboration with David Waskow, Eliza Northrop, Mathilde Bouyé and Alex Evans, and from the textbook 'Climate Change and Development', co-written by the author and Thomas Tanner.

1 Interested readers may refer to environmental economist Frank Akerman's book 'Can we afford the future?', which devotes an entire chapter to debunking Lomborg's sweeping assertions and questionable methods.
2 See OECD (2010) 'The Benefits of Climate Change Policies'. The economic benefits of climate action are also investigated in depth by the Global Commission on the Economy and Climate http://newclimateeconomy.net
3 'Better Growth, Better Climate' available at: http://2014.newclimateeconomy.report/
4 These savings could be considerable given that fossil-fuel-related air pollution accounts for health costs in the region of four per cent of GDP in the 15 highest-emitting countries
5 French Philosopher Blaise Pascal posited that all rational humans should live as if God existed because they'd have little to lose if he didn't, and everything to gain otherwise
6 I elaborate on this argument in the article 'Challenging the China model': www.chinadialogue.net/article/show/single/en/2252-Challenging-the-China-model-