

Atelier Climat et développement
coorganisé par l'Iddri et le Cired, Nogent-sur-Marne, 1^{er} et 2 juillet 2002.

Using development priorities
to more effectively frame the debate
over international climate change

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Draft work in progress: limited circulation for discussion, not for quotation.

Iddri-Cired, 2002.

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Climate change damages are far off and, for people in rich countries, they are usually elsewhere. They are not yet that salient for most people, especially for those struggling with deep and immediate problems in their metaphoric households. Whether one uses an economic ("willingness to pay"), political, psychological or other model to understand the salience of climate change and to evaluate possible courses of action, it is difficult to see how support for strong measures could be engendered today, either globally or even within the developed world where ability to pay is much less an issue.

Rather than mobilizing concern and support for climate change action, however, climate change debate has been distanced from other domestic policy issues by its consignment to a multilateral negotiation. Moreover, the multilateral process has intertwined the management of climate change with a much more comprehensive political agenda on international income distribution and "sustainable development". While historical responsibility for greenhouse gas (GHG) emissions has been overwhelmingly in the developed countries, emissions will increase rapidly with the expected economic growth in developing countries. Yet, in the years since the constitution of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, perhaps more acrimony than cooperation has been generated in the collective consideration of the North-South dimensions of climate change. One important reason for this lack of cooperation between developed and developing countries is that climate change is not yet a salient political concern in development policy. It remains marginal to the more

immediately pressing issues of food security, poverty, natural resource management, energy growth and access, or urban transport or land use to capture the sustained attention of leading actors in developing countries.

The persistent lack of climate change salience in development politics is reinforced by the multilateral climate change process. Much well grounded scientific analysis has stressed that the larger part of the major risks of serious climate change will fall in developing countries because of their fragile agricultural ecologies, dense populations in low-lying river deltas and coastlines, and limited capacities for adaptation. These images of asymmetric climate threats have resulted not so much in the perception by developing countries that they must contribute soon and strongly to its mitigation than in the demand that the historical emitters both obviate and compensate the prospective harms. Yet, there is clearly no consensus between North and South on such a "retroactive liability" approach to climate change.

Similarly, in the Kyoto process, the North-South question has been expressed in two equally untenable formulations for developing country parties. On one hand, the United States has insisted on the "meaningful participation" of all important emitting states, past and present. This position reflects in part a concern about the potential economic distortions that can arise from the implementation of significant but uneven (not comprehensive) emission reduction goals. (Now, of course, the US position is based on explicit repudiation of the Kyoto targets and the concepts lying behind them in favour of more politically expedient and palatable growth targets and voluntary approaches.)

The call for more comprehensive, if still undefined, near-term commitments is seen by developing countries as a repudiation of the legal principle of "differentiated responsibility" in the UNFCCC, as well as the political maxim of "early action" to demonstrate the good faith of the developed nation parties. European rhetoric on this subject has been more politically correct but no more convincing. Europe has had its own factors facilitating nominal compliance (East German "hot air," slow economic growth); Europe has been willing to accept quite relaxed rules for carbon sinks (and Russian hot air) to achieve political agreement to what increasingly are seen as nugatory real emission reductions; and many observers think that Europe will end up treating its emissions target(s) as more aspirational than legally binding (witness the emergent controversies around implementation of EU-wide emissions trading).

Even if the Kyoto process escapes from the current impasse over meaningful participation, including US participation, the larger problem looking beyond the initial commitment period is a formidable problem of "burden sharing." The logic of a cap and trade system at some point requires an inclusive allocation of obligations which can be subsequently marketed to find least cost solutions to climate change management. But, key members of the Group of 77 and China insist that they are already sufficiently overburdened with the problems of development that they would not accept hypothetical principles of an equitable allocation that imply environmental

constraints on growth. Most long term burden sharing proposals from developing country advocates have been based on some variant of a global per capital allocation set low enough to achieve some climate protection target. Aside from the unacceptability for the rich countries of the resulting international income transfers, it is not even clear that development authorities in poorer countries have any substantial investment in such a formulation.

What follows is not an argument to put aside the current multilateral climate process. In particular, we support a variety of initiatives to explore mutually compatible "graduation formulae" for broadening international participation in climate protection, as well as efforts to figure out how developed country commitments to climate protection can be nurtured over the longer term. But in the short term, we believe, development interests should be given priority in the search for broader international participation. The formulation we advance is to figure out how meaningful progress in development, something that can benefit North and South alike, can be made more climate-friendly.

Two disparate observations may help us begin to move beyond the present difficulties of North-South collaboration. First, we should note that all of the themes or perspectives that have framed up to now the search for cooperative solutions have been rooted in climate change science and policy. At best, high priority development goals might be served by the ancillary benefits of climate actions. Improved energy efficiency and carbon taxation may reduce existing health costs of local pollution or economically wasteful taxes, but these considerations are more often raised to argue that the costs of assuming climate change commitments are less onerous than they otherwise might be. Where such commitments are not on the negotiating table, these well-taken points by themselves will likely have little consequence. An alternative strategy for the near term is to ground analyses and implementation programs in development objectives and priority development projects and to work out from this foundation to climate objectives.

A second re-orienting observation is that in many developing countries energy initiatives and other climate favouring activities are emerging as ancillary benefits of sound development programs. Price reforms, protection of agricultural resources, sustainable plantation forestry, energy sector restructuring—all undertaken without any reference to climate change mitigation—have had substantial effects on the quantity and quality of the production which lower the growth rates of greenhouse gas emissions. This observation suggests that it may often be possible to build environmental policy upon development priorities that are centrally salient to developing country actors. It opens the potential that climate change may be more favourably seen by development elites not as a legal burden to be parcelled out as much as a positive side benefit of analytically sound and cooperatively implemented development. This reversal of conceptual framework that places development logically prior to climate assumes that there are

alternative, more and less clean paths to politically salient development goals.

The challenge for North-South cooperation is the practical question of how best to choose and stay on the paths that appropriately control the environmental costs of relieving poverty, providing adequate nutrition, getting households and industry electric power, and providing livable urban communities and work opportunities consistent with the expectations of the millions flowing to the cities of developing nations. To re-imagine climate change action in an inverted frame that moves from expressed development priorities to climate policy does not make these individual problems easier to solve. Rather, it suggests that North-South collaboration on climate change should be approached both through mini-lateral and contextualized projects and programs that respond to locally defined development needs, as well as through broadly inclusive efforts to establish multilateral global governance.

It is important not to be unrealistically sanguine about this approach, even though we do believe that it offers some powerful opportunities for economic and environmental progress. The first cautionary point we offer is that the developed world has been only slightly more inclined to pro-active development support than it has been to meaningful climate policy measures. The United States is often singled out for scorn based on its low fraction of national income contributed for ODA, but in fact the rich world as a whole offers a small and declining fraction of income for this purpose. Moreover, this assistance is often thinly veiled trade promotion funding for the products and services of the donor country, investments that are not always in the interest of the recipients. If interest in development assistance broadly defined remains weak and somewhat ineffectual, even the more limited climate protection afforded by making development more climate-friendly will not be realized.

The second point is that while development and GHG limitation often can go hand in hand, that positive correlation is by no means universal. Increased access to energy efficient combustion technology, technical expertise and financial support for making the electricity grid more efficient, and policy support for energy market reforms – all these kinds of measures can increase economic and energy efficiency, thereby paying a healthy carbon dividend. But measures to promote increased access to energy for underserved populations can increase energy use even while generating critical advantages for economic productivity and public health. Investment in high-cost renewables, on the other hand, may be at variance with energy and economic development policy goals. The overarching point here is not just that energy and economic efficiency may not always go hand in hand; the more climate friendly options for development may not be in the interest of development policy makers in the developing countries. If that is the case, then some additional financial or other motivation must be found for someone – presumably actors in the rich countries – to bear the increased cost burden of more climate-friendly options. This leads us back again to the question of developed country motivation.

Finally, framing climate action through more of a development lens requires us to face some unpleasant but important questions about the factors limiting the efficacy of development policy. We have already mentioned the apparently declining commitment of public resources in rich countries to promote development. There can be many reasons for this, but one surely is "donor fatigue" in the face of years of disappointing if not outright failed effort. And while the reasons for disappointment also are many, including some legitimate concerns about the lack of technical, cultural, or other "appropriateness" of rich country programs, development programs also have failed to a considerable extent because of chronic corruption and other problems of inadequate governance in many recipient countries. It strains credulity that donor countries would significantly increase development assistance and make it more climate-friendly in the absence of some tangible means to increase development effectiveness (an admittedly amorphous but politically salient term).

We therefore propose the following composite approach for next steps on international climate and development policy:

While attention clearly needs to remain focused on the longer term, a focus on specific initiatives that can be carried out through smaller and more ad hoc coalitions over the next 5-15 years should assume much greater importance.

Developed countries should continue to adopt and achieve measurable limitations on their own GHG emissions and they should be allowed to use the CDM for international offsets. This will help maintain an economic motivation within the North to invest in climate friendly development beyond what might otherwise be the case. But the goals for developed country emission control over the next 5-15 years should be significantly more modest than was originally envisaged in the Kyoto agreement (as opposed to the watered down goals emerging from COP7). Mechanisms in place or under development at the World Bank and GEF to identify and securitize GHG reduction opportunities and to fund their incremental costs also should continue.

Much more attention also needs to be given to physical infrastructure financing generally. Certain kinds of physical infrastructure, including schools and hospitals as well as roads and grids, remain important for overall economic development and can be done at the margin in more climate-friendly ways. In assessing various kinds of investment options, it is important to be completely clear about the extent to which climate and development goals are aligned or in conflict.

It is just as important to promote the increase in social infrastructure, in particular the march toward greater transparency and accountability in the governance of developing countries. This is crucial if there is to be more fertile ground for international investment in development per se and in climate friendly development specifically.

There are several implications of this strategy:

It will be essential to build up in cooperating developing countries analytical capacities to compare alternative development scenarios for high priority sectors and to describe their links (positive and negative) to climate and other environmental impacts. Analytical techniques and their local applications may often best be transferred through policy exercises involving joint participation by developing and developed country collaborating groups. Implementation and governance capacity also will be a high priority for enhancement; the projects envisaged under this approach cannot be undertaken in a vacuum.

The strategy implies the involvement of new actors, especially from the development community, who have not been central to the multilateral climate change process. These new actors will be primarily drawn from government agencies and policy groups in the priority sectors identified in developing countries, and from developed country business and research (less usually government) experts in the applied field indicated. Implementation teams should be composed principally of operatives experienced in the selected policy area rather than by climate change specialists from either North or South. Environmental knowledge of climate impacts and options should be particularized to the local context rather than regime focused.

It will be necessary in many cooperative projects to transfer resources to support the analytical and operational capacities being developed. However, outside of CDM transactions these resource transfers need not be brought about as part of a general treaty obligation for technology transfer or regime compensation. The adequacy of resources should be measured against the standard of their effectiveness in helping developing countries to grow along relatively more climate benign development paths. Negotiation and completion of plans to assure adequate program resources can then be more closely related to familiar bilateral or mini-lateral development aid or private social fund contributions than to multilateral obligations.

The coalitions of Northern and Southern actors collaborating in any given development field, nation or region may be specific to that project. This allows those actors who agree on the salience and potential economic value of projects to move them forward. Neither blocking coalitions nor debate over contested general principles need precede the initiation or settlement of the operational conditions for each contextualized collaboration. Similarly, individual nations or groups of nations may determine how and if they might integrate or relate their national programs to a multilateral regime for climate change.

New and practically relevant methodologies may be implied by this strategy, which have not emerged in the climate discourse. For example, beginning with one or more environmentally desirable mid-term futures, it should be possible to describe paths for the evolution of institutions and infrastructures that represent the products of development policies. Where there are mismatches between these development paths and the desired futures, such analysis might suggest the value of climate favouring

adjustments in development policies and programs that would be appropriate areas of emphasis for development first collaborations.

This approach would lend itself to a greater emphasis on institutions and infrastructures than is likely to be the case for either general multilateral rules or project based cooperation (e.g. CDM or Joint Implementation) now built into the Kyoto Architecture. Project based cooperation is not always well matched to the politics of development. Whether a project is additional to a hypothetical baseline is in large part a function of the institutions and infrastructure that frame the project's possibilities. Yet institutions and infrastructure are largely the subject of public political choice. Rather than trying to imagine policy baselines as external preconditions to determine project additionality, it may be more simple and politically viable to aim North-South collaboration directly at the design and operation of institutions and infrastructures that both serve development priorities and alter the environmental profile of multiple projects.

Finally the approach we are advocating may have broader implications for the long-term process of managing the risks of climate change. At this stage, as we have noted, neither philosophical, legal, nor political arguments seem to provide a constrained set of negotiating alternatives for global burden sharing narrow enough to lead to significant international agreement. It is at least possible that acceptable meanings of terms of the breadth and ambiguity of global climate equity and sustainable development will emerge from pragmatic attempts to find consensual agreements in the context of the specific measures we have proposed. The result of the process will be a series of uncoordinated and differentiated working definitions of equity and sustainability that will create friction with one another and require further elaboration. But at least the terms of the further evolution of meaning will be more closely framed by previous experience. The social construction of meaning will be from the ground up, rather than driven only by pre-existing norms.