

CLIMATE CHANGE CAN WAIT. WORLD HEALTH CAN'T

With \$50bn, we could make the planet a better place but money spent on global warming would be wasted

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A city council has a £10m surplus, which it wants to allocate to a good cause. Ten groups clamour for the cash. One wants to buy new computers for an inner-city school. Another hopes to beautify a park. Each puts a persuasive case for the benefits they could achieve. What should the councillors do? The straightforward answer might seem to be to divide the cash into 10. But the obvious answer is wrong.

Some options will always be better than others. If we know which causes produce the greatest social benefits, then it is reasonable to propose the money goes to those causes.

On a larger scale, governments and United Nations agencies have massive - but finite - budgets to reduce suffering in the world. They, too, tend to distribute money thinly across different causes, often following the media's roving attention. A little extra is spent battling HIV/Aids, malaria and malnutrition. Some more is devoted to stamping out corruption and conflict. Other cash is set aside to holding back climate change and warding off avian flu.

After all, if politicians give everyone something, nobody complains. But like the council with a surplus, they, too, would do better with a rational framework which would help determine explicit priorities. For policy-makers, the list of spending possibilities is like a huge menu at a restaurant. But it is a menu without prices or serving sizes.

Currently, there is considerable momentum to ensure governments commit to combating climate change. Former US Vice-President Al Gore has turned movie-maker, creating a documentary called *The Inconvenient Truth*

Yet the really inconvenient truth, demonstrated by a group of economists who gathered in Denmark in 2004, is that combating climate change through the Kyoto Protocol has a social value of less than a dollar for each dollar spent. These economists, who included four Nobel laureates, took part in a project called the Copenhagen Consensus which compared the social value of solutions to different challenges facing humankind. The question that they strove to answer was: 'How could you spend \$50bn to achieve the most good possible?'

The costs and benefits of different ways of combating HIV/Aids, starvation, global conflict, climate change, corruption and other challenges were studied in detail. With access to specially commissioned research, the team came up with a concrete, prioritised 'to do' list that outlined how policy-makers could achieve the most good possible.

The economists found that spending \$27bn on an HIV/Aids prevention programme would be the best possible investment for humanity. It would save more than 28 million lives within six years and have massive flow-on effects, including increased productivity.

Providing micronutrient-rich dietary supplements to the malnourished was their second-highest priority. More than half the world suffers from deficiencies of iron, iodine, zinc or vitamin A, so cheap solutions such as nutrient fortification have an exceptionally high ratio of benefits to costs.

Third on the list was trade liberalisation. Although this would require politically difficult decisions, it would be remarkably cheap and would benefit the entire world, not least the developing world. A staggering GDP increase of \$2,400bn annually would accrue equally to developed and developing countries with free trade.

The economists would then focus on the huge benefits possible from controlling malaria with chemically treated mosquito nets. Next on their list would be agricultural research and improving sanitation and water quality for a billion of the world's poorest people. The benefits of these ventures far outweigh the costs.

Forty dollars of good would be achieved for every dollar spent on HIV/Aids prevention. In other words, a dollar's worth of condoms in the right place would bring benefits an Aids-affected community would value at \$40.

Some will ask why, then, that community doesn't spend the dollar itself? Typically, the answer is because the spending power lies elsewhere, in wealthier nations or with the UN. Information about risks are often hard to come by. Also, the effects of HIV/Aids are far-reaching. One infection today will cause more infections in the future and devastate families and communities. Yet the individual investment in prevention rarely takes these downstream costs into consideration.

The panel examined proposals relating to climate change, including implementing the Kyoto Protocol and taxing carbon dioxide emissions. All ranked badly. Spending the world's limited resources combating climate change would achieve good, but would cost more than it would achieve. That money could be better spent elsewhere.

That's why the Copenhagen Consensus economists crossed drastic climate change measures off the list of things that the world needs to do right now.

The prioritising exercise undertaken by these economists must go beyond being an academic exercise. It has to become part of the political discourse if decisions about reducing suffering are to have greater transparency and legitimacy.

Last month, at Georgetown University, a distinguished group of UN ambassadors gathered to come up with its own 'to do' list. The occasion brought together representatives from countries which collectively represent about half of humanity, including the US, China, India and Pakistan.

Their choice? They came out with a list of priorities surprisingly close to the Copenhagen Consensus economists. They agreed that the world's top spending priorities should be around the areas of health, water, education and hunger. And, perhaps more courageously, they also said what should not come at the top - financial instability and climate change ranked at the bottom of the list.

The project was a significant step towards putting the concept of prioritisation on the agenda for global decision-makers. And they were all keen on taking the exercise further, hoping to have 40 or 50 UN ambassadors participate in a similar exercise in New York in the autumn. But, at the end of the day, priorities are not the ones Nobel economists or UN ambassadors set; they are something societies debate and democracies decide.

In a world where politicians and voters are faced with ever-increasing and competing demands for time and money, the Copenhagen Consensus process can help decision-makers focus on those initiatives with the greatest benefits, rather than just the ones with the most vocal advocates.

The provision of a principled framework for decisions could ultimately ensure that the world's limited resources are spent doing the most for humanity. And that option is very hard to ignore.