



# CLIMATE CHANGE

V I E W P O I N T P A P E R

*Benefits and Costs of the Climate Change Targets  
for the Post-2015 Development Agenda*

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## Post-2015 Consensus

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## Introduction<sup>1</sup>

There is now widespread acknowledgement of the links between climate change, development and poverty reduction. Negotiations towards a 2015 UNFCCC climate agreement and discussions to set goals and targets for a post-2015 development agenda are taking place at the same time. This provides a rare opportunity for global leaders of both negotiations to send strong signals about the importance of tackling climate change.<sup>2</sup>

Historically climate change and development have been addressed through separate UN processes. It looks like this will fundamentally remain the case. In particular, there is a concern that formally merging climate negotiations with the post-2015 agreement risks disrupting the post-2015 process due to the acrimonious nature of global climate politics. However, the seventh session of the Open Working Group on the Sustainable Development Goals at the start of 2014 saw a strong consensus that climate change needs to be integral to the post-2015 development framework. The question is therefore no longer if, but how, climate change is to be incorporated into the international development agenda.<sup>3</sup> It is important that this occurs in a manner that is consistent with the ambition and objectives of the UNFCCC process but yet does not duplicate the UNFCCC proceedings.

## How to include climate change in the post-2015 agenda?

As a starting point the post-2015 development framework is likely to incorporate a narrative outlining the links between climate change and development, and the importance of tackling climate change to achieve broader development objectives, including the eradication of extreme poverty.<sup>4</sup>

In addition, the thirteenth session of the Open Working Group on Sustainable Development Goals proposes to incorporate climate policy by:

- Mainstreaming climate change through targets related to shifting to low carbon development pathways, adaptation and resilience. Climate change and the policies needed to tackle it are contained within six of the 17 goal areas. This mainstreaming though, seems to be incomplete, for example with no reference to climate change under the health goal among others.<sup>5</sup>
- A goal to ‘Tackle climate change and its impacts’ accompanied by targets. The Open Working Group notes that these targets may be part of, or complementary to, possible targets to be agreed within the framework of the UNFCCC negotiations, stressing that the UNFCCC is the primary international, intergovernmental forum for negotiating the global response to climate change. While the 12th session of the Open Working Group

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<sup>1</sup> The views expressed in this paper are those of the author alone.

<sup>2</sup> CDKN (2014) Integrating climate change in the post-2015 development agenda. March 2014. Climate Development and Knowledge Network

<sup>3</sup> Scott, A. (2014) 5 propositions for tackling climate change in the post-2015 agenda. IRF 2015 Blog 21 January 2014. <http://www.irf2015.org/5-propositions-tackling-climate-change-post-2015-development-agenda>

<sup>4</sup> CDKN (2014)

<sup>5</sup> Maxwell, S. (2014) Post-2015 Arriving or Departing? Blog 30 July 2014. <http://www.simonmaxwell.eu/blog/post-2015-arriving-or-departing.html>

proposals included a target on holding the increase in global average temperatures below  $X^{\circ}\text{C}$  rise in accordance with international agreements, this target was dropped from the outcome document of the Open Working Group. This in part may have been due to concerns that this objective should not pre-judge or rely on time-specific outcomes from the ongoing UNFCCC negotiations.

## **Assessing the benefit-costs of targets on low-carbon development and adaptation**

The recent Post-2015 Consensus Challenge paper (Galiana 2014) discusses the benefit-costs of potential climate policy targets for inclusion in the post-2015 framework. It takes as its starting point UNFCCC discussions and targets, particularly those around reductions in emissions and the goal of limiting climate change to a  $2^{\circ}\text{C}$  rise in average global temperature. It critiques this approach as failing to recognise the fundamental nature of the climate problem – the lack of scalable, renewable and cost-effective sources of low carbon energy. Instead, international discussions assess the climate problem as being one of an inadequate incentives and limited political will to adapt and adopt existing energy technologies. This means that in current discussions, they do not acknowledge that there are huge uncertainties about the ability of the world to reach any emissions target, and the potentially large costs of developing sources of low-carbon energy. If one of the guiding principles for setting the post-2015 targets is that they are to be based on ambitious, yet reasonably achievable expectations,<sup>6</sup> then this target may not meet that criterion. It appears that someone else may have thought so too; it is no longer being proposed by the Open Working Group. What this means for the relationship between the levels of ambition and objectives of the post-2015 framework and the UNFCCC agreement is unclear. It seems that the strategy of the Open Working Group is to make general statements on climate change combined with practical measures at the sector level.<sup>7</sup>

The Copenhagen Consensus paper assesses the benefit-costs of five potential targets before recommending one target related to promoting a low-carbon development pathway – ‘invest 0.5% of GDP in energy technology RD&D which has a B/C ratio of 1.3 – 10’ and one related to adaptation – ‘invest X% of GDP in adaptation’. Both of these targets then, are related to inputs rather than outcomes, arguably lacking the ambition which should be expected of the post-2015 framework. The implicit recommendation seems to be that these spending targets be applied to all countries. However, should developing country governments be expected to meet yet another spending-target (particularly one on investment in energy R&D, which has extremely uncertain future returns)? To put this in context, the ILO estimates that the level of government spending needed to provide basic social protection (excluding health care) is between 2.9 and 5.2 per cent of GDP.<sup>8</sup> Of the 26 African countries for which data are available, only Burundi, Kenya and Rwanda spent over 1 per cent of GDP on social protection during 2011 or 2012.<sup>9</sup>

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<sup>6</sup> Vendemoortele, J. (2011) “If not the Millennium Development Goals, then what?” *Third World Quarterly* 31, no 1: 9–25.

<sup>7</sup> Maxwell (2014)

<sup>8</sup> ILO (2008) ‘Can low-income countries afford basic social security?’. Social security policy briefings Paper 3, Geneva: International Labor Office.

<sup>9</sup> Putting Progress at Risk? MDG spending in developing countries. Government Spending Watch Report, May 2013.

Meanwhile, the paper assesses just one target for adaptation, again recommending a target on investment. A benefit of investing in adaptation is that it minimises the impacts, not just of future climate change but of current climate variability. As the paper explains, there is a well-explored link between adaptation and development. What it does not do though, is discuss how you would therefore define an investment in adaptation - something which would seem to be a minefield.

## **Moving forwards: an outcome target on resilience**

The paper does not discuss a third area of targets through which climate change can be mainstreamed into the post-2015 framework – resilience.<sup>10</sup> Assessment of a target here, particularly one focused on an outcome rather than a level of investment, would add to the debate. Currently proposed under the climate change goal is a target to ‘strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries’. Meanwhile, under the poverty goal is another resilience outcome target, ‘by 2030 to build the resilience of the poor and those in vulnerable situations to disasters, shocks and climate-related events’. This second target then, explicitly acknowledges that climate-related events are just one of a range of negative-events which poor people have to manage and which threaten to drive people either into poverty, or further into poverty.

The Chronic Poverty Advisory Network (CPAN) is advocating a target, which while focused on resilience, helps to overcome the problem of its definition and instead expresses this in terms of; ‘no one becomes poorer in the medium term as the result of a negative event. The medium term is defined as from 3 months – 1 year after the event.’ CPAN proposes the establishment of national level panel data sets to measure progress towards this target. The advantages of this proposal are: (i) that climate related events are put in their proper place vis-à-vis the eradication of poverty: as one of several major sources of impoverishment (the others are ill-health and conflict and insecurity); (ii) secondly, that a variety of policies would be needed to prevent post-event impoverishment. These might include disaster risk management, social protection, and universal health coverage.

## **Conclusions**

How climate change will be included in the post-2015 framework remains a live issue. While the fact that negotiations for the post-2015 development agenda and for the next UNFCCC agreement are occurring together provides an opportunity for bringing together the two domains, it is also rather awkward for those involved in setting the post-2015 framework. The Open Working Group has had to be careful not to second guess the UNFCCC, the agreement of which will not be finalised until after the post-2015 agenda.<sup>11</sup> It has tried to avoid duplication with the UNFCCC and the need to rely on time-specific outcomes from it. The proposals by the Open Working Group still have climate change as a goal, but it is still far from certain that this will remain the case. An unofficial list circulated by the Open Working Group after the first day of its latest meeting combined the climate

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<sup>10</sup> CDKN (2014)

<sup>11</sup> Maxwell (2014)

change goal with that on sustainable production and consumption (as well as combining the goal on inequality with that on poverty).<sup>12</sup> Some countries remain against a climate change goal. While it may well be true that tackling climate change requires technological advances in the development of scalable, cost-effective low-carbon energy (as in Galiana 2014), how it is to be included in a post-2015 framework is very much a political, rather than a technical, conversation.

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<sup>12</sup> Bridges News (2014), volume 18, number 23. UN Group Reviews Sustainable Development Goals 'Zero Draft'. 26 June 2014. <http://www.ictsd.org/bridges-news/bridges/news/un-group-reviews-sustainable-development-goals-zero-draft>

This paper was written by Lucy Scott, Research Officer at Overseas Development Institute. The project brings together 62 teams of economists with NGOs, international agencies and businesses to identify the targets with the greatest benefit-to-cost ratio for the UN's post-2015 development goals.

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