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After 2015: Pro-Poor Low Carbon Development

Low carbon development (LCD) debates to date have been mainly about high- and middle-income countries. However, there are good reasons why the poorest countries with low emissions should be interested in pursuing LCD as an opportunity to pursue pro-poor development in a carbon-constrained world.

The MDGs and sustainability

Despite a goal dedicated to environmental sustainability, some of the fundamental criticisms of the MDGs have been based on issues of sustainability and the lack of attention to tackling climate change – the impact of which is likely to affect poor people more than others.

As livelihoods shift in response to more extreme climatic conditions, issues of climate change adaptation and mitigation need to cut across all poverty reduction efforts, including any post-2015 architecture. It is often argued that alleviating energy poverty is a prerequisite to fulfil the MDGs. With energy-related activities being the main contributor to global climate change, energy is closely linked to climate change. Low carbon development (LCD) is a way of reducing energy poverty and achieving the MDGs.

What is low carbon development (LCD)?

‘Actions which include making a contribution towards stabilising levels of CO₂ and other greenhouse gases at a level that will avoid dangerous climate change, through deep cuts in global emissions, demonstrate a high level of energy efficiency and use low-carbon energy sources’.

Source: Skea and Nishioka (2008)

Why would low income countries pursue low carbon development?

There is currently no internationally agreed definition of LCD. Definitions (such as the one in the box, left) mainly focus on mitigation, which neglects the importance adaptation plays in low-income countries.

- Most developing countries rely primarily on traditional biomass such as fuelwood. Fossil fuel resources, which are finite, see increased use as countries develop. Fossil fuels lead to a ‘carbon lock-in’ with infrastructure and investments bound to a carbon-intensive economy for decades. Relying on them can mean greater costs in the long run.
- The emission trading scheme under the United Nations Climate Change Convention (UNFCCC) has introduced a price for carbon. Having a high price attached to carbon could mean a competitive disadvantage for low-income countries in relation to global markets.
- Low carbon development can be beneficial to the poor as it can provide climate-friendly energy for electrification, allow community participation, and provide ‘green jobs’.

Policy responses to low carbon development

LCD can be thought of as changes in production (i.e. supply or economic growth) and/or consumption (i.e. demand, consumption patterns or lifestyles). Table 1 (overleaf) gives four interpretations, resulting from where policymakers place themselves on two different dimensions of response: their approach to growth; and their focus on production or consumption-related policy measures.

The first two types of low carbon development (here labelled ‘Green economy’ and ‘Green lifestyles’) assume that economic growth is compatible with significant reductions in carbon emissions. The latter two (here labelled ‘Equilibrium economy’ and ‘Coexistence with nature’) assume it is not. The Green economy and Equilibrium economy approaches both put the emphasis on reducing the production of carbon through technological changes – whilst the Green lifestyles and Coexistence with nature approaches focus on reducing demand through lifestyle and behavioural changes.

Of course, the options presented in Table 1 are not all mutually exclusive. For example, most country policymakers will favour a mix of production and consumption side approaches to low carbon development. However, the debate about the appropriate mix of policy measures in each country is still ongoing.

After 2015: Pro-Poor Low Carbon Development

Table 1. Types of low carbon development (LCD)

Type of Low Carbon Development	Focus and approach
Green economy: Focuses on the production side of an economy and on how goods and services can be produced with lower emissions. It aims at decoupling economic growth from carbon emissions (e.g. halving emissions, but doubling GDP).	Focus mainly on mitigation, though adaptation also plays a role. Approach: Technological change, sectoral change
Green lifestyles: Focuses on the consumption side of a growing economy and on the consumer's ability to reduce emissions by consuming climate-friendly products. It implies lifestyle changes and behavioural changes and also leads to a decoupling of carbon emissions (e.g. halving emissions, but doubling GDP).	Focus equally on mitigation and adaptation. Approach: Behavioural changes, sectoral change, technological change
Equilibrium economy: Focuses on the production side of an economy and aims at development rather than growth. No decoupling is necessary as growth is neutral (e.g. halving emissions, but keeping GDP stable).	Focus mainly on mitigation, though adaptation also plays a role. Approach: Technological change, sectoral change
Coexistence with nature: Focuses on the consumption side of an economy and aims at development rather than growth. No decoupling is necessary as growth is neutral (e.g. halving emissions, but keeping GDP stable).	Focus equally on mitigation and adaptation. Approach: Behavioural change, sectoral change, technological change

How can low carbon development be pro-poor?

The appropriate types of policy measures will depend on the LCD definition chosen and the resources available. LCD differs between countries that have high fossil fuel resources and those do not. Countries with high fossil fuel resources usually tend to primarily promote so-called 'cleaner' fossil energy while countries with low fossil fuel resources often place emphasis on renewable energy. Forest resource availability is also important: countries with large forest resources aim to achieve LCD through climate-friendly forest and land use management.

What's missing so far are distributional issues (i.e. how do different types of LCD impact on the poor?). Since the main goal of the UNFCCC mechanisms are to reduce greenhouse gas emissions, we need to link up pro-poor policy debates with those on low carbon debates as part of a post-MDG agenda. Key policies for pro-poor LCD can be drawn by linking up pro-poor growth debates (see review of McKay and Sumner, 2008) and LCD debates (see Barrett et al., 2008; NIES, 2006; Ockwell, 2008; Urban, 2009). For example:

- **Redistributive policies and public expenditure:** This can take place when the government revenues made by 'green' industries are distributed to pro-poor sectors such as health and education.
- **Support for specific sectors which are crucial for the poor such as agriculture and forestry:** This requires specific sectoral investments, market development and infrastructure for pro-poor productive sectors.

- **Social protection for adaptation and combining the synergies between mitigation and adaptation:** Such as social protection measures to reduce vulnerability to climate change.
- **Community participation:** LCD provides opportunities to involve communities on a small-scale local level, such as rural electrification with renewable energy. This can enable sharing the profits from LCD on a community level.
- **Development to foster capacity for the legislative, economic and technical frameworks needed to achieve low carbon pathways:** For example, capacity building to ensure local policy-makers can develop the legislative frameworks needed for LCD.
- **Increasing the rate of 'green' job creation:** This will require investments, development of the finance sector and increased investments in small-scale infrastructure.

Further reading

- Barrett, M., Lowe, R., Oreszczyn, T., Steadman, P. (2008). 'How to support growth with less energy', *Energy Policy*, Vol. 36.12: 4592–9
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- Ockwell, D.G. (2008). 'Energy and economic growth: Grounding our understanding in physical reality', *Energy Policy*, 36.12: 4600–4
- Skea, J. and Nishioka, S. (2008) 'Policies and Practices for a Low-Carbon Society', *Climate Policy*, 8, Supplement Modelling Long-Term Scenarios for Low-Carbon Societies: 5–16
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Credits

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