


UNITED NATIONS **NATIONS UNIES**
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
Division for Sustainable Development

A Message from the DSD Director on Climate Change

October 2009

Colleagues,

I want to share with you a rather simple message, based on the analysis made in the World Economic and Social Survey (WESS) 2009: Promoting Development, Saving the Planet. The message is that there is only one way to solve the climate change problem. And this is to have a strategy that results in lowering the costs of renewable energy as rapidly as possible.

The reasons are quite straightforward. Energy is central both to human development and climate change. The burning of fossil fuels is the predominant cause of climate change. Yet, the same burning of fossil fuels on a large scale ushered in the industrial age and resulted not only in the dramatic growth of income and productivity, but also in the determinants of human development: clean water, public health and hygiene, sewerage systems, life expectancy, transport and mobility. However, these gains are distributed enormously unequally. Industrialized countries consume on average 120 kilowatt-hours per person per day (kpd) of total primary energy, while all but a handful of developing countries consume less than 35 kpd, while sub-Saharan Africa and South Asia consume less than 16kpd. The reason is not only the lack of infrastructure but also that even at current prices modern energy services are unaffordable by poor populations in developing countries. A shift to more expensive renewables (as well as the increase in price of non-renewable alternatives because of climate policy) will put these services beyond the reach of an even larger share of the population and effectively derail the development agenda.

The options being considered now are to provide financial assistance from the North to the South, partly to support adaptation activities, and partly to compensate for the incremental costs of mitigation action. However, by itself this cannot be a sustainable strategy. The only possible sustainable strategy is one that ensures that climate friendly alternatives become the default option for developing countries as they seek to overcome their energy poverty and sustain their growth process.

This cannot be accomplished through price manipulation alone, or by individual countries acting alone, with or without financial support. Rather, it requires a global investment strategy, whose goals are, first, to direct investment into promising renewable energy technologies; and second, to achieve the economies of scale and technological learning that would bring down the costs to levels that poor people can afford. The answer is a global partnership that sets a global target for renewable energy generation as well as cost

reduction, organizes a "big push" of investment by using public resources to "crowd in" private sector investment, establishes a mechanism (such as a global feed-in tariff system) that ensures investors of a decent return on their investment and consumers of an affordable price for the resulting services, and supplements this big push with a Global Climate Corps to assist, educate and build awareness.

Developed and developing countries have a common interest in solving the climate problem, but they also share a need for the energy security and affordable energy access that accompany growth and development. Abundant renewable energy is therefore the lattice work upon which a climate consensus must grow.

Tariq Banuri
Director
Division for Sustainable Development
United Nations Department of Economic and Social Affairs