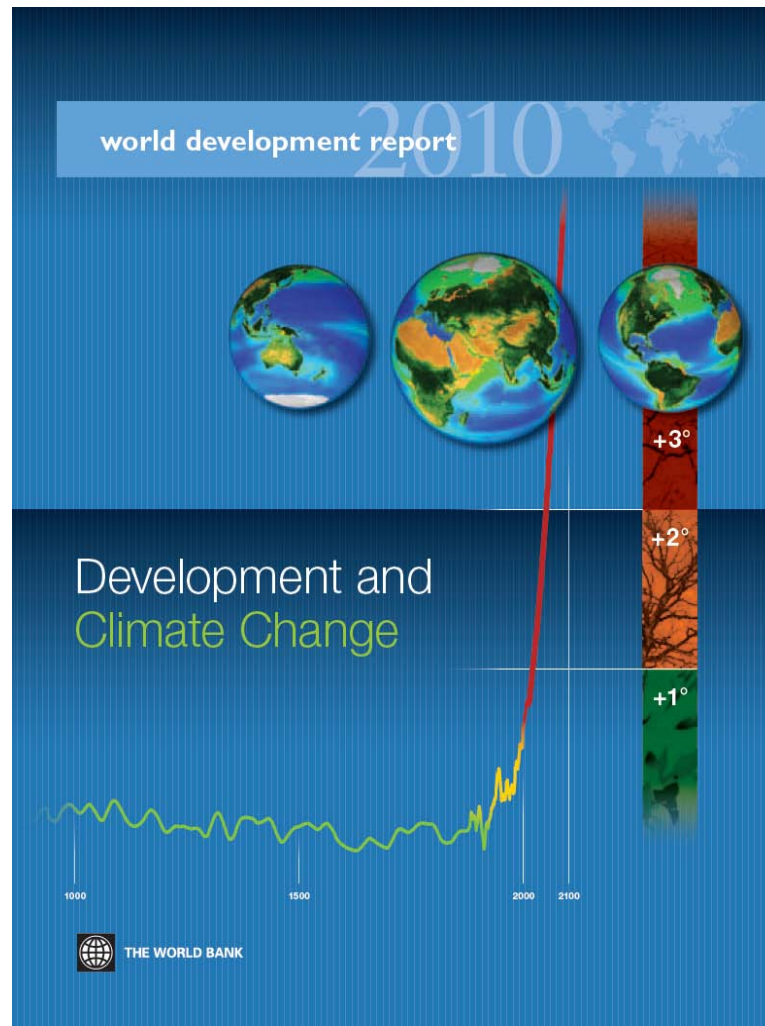


DEVELOPMENT AND CLIMATE CHANGE:

World Development Report 2010



Marianne Fay

January 2009



CLIMATE CHANGE IS AN IMMEDIATE AND SERIOUS THREAT
BUT A CLIMATE-SMART WORLD IS POSSIBLE IF WE...



Act now



Act
together

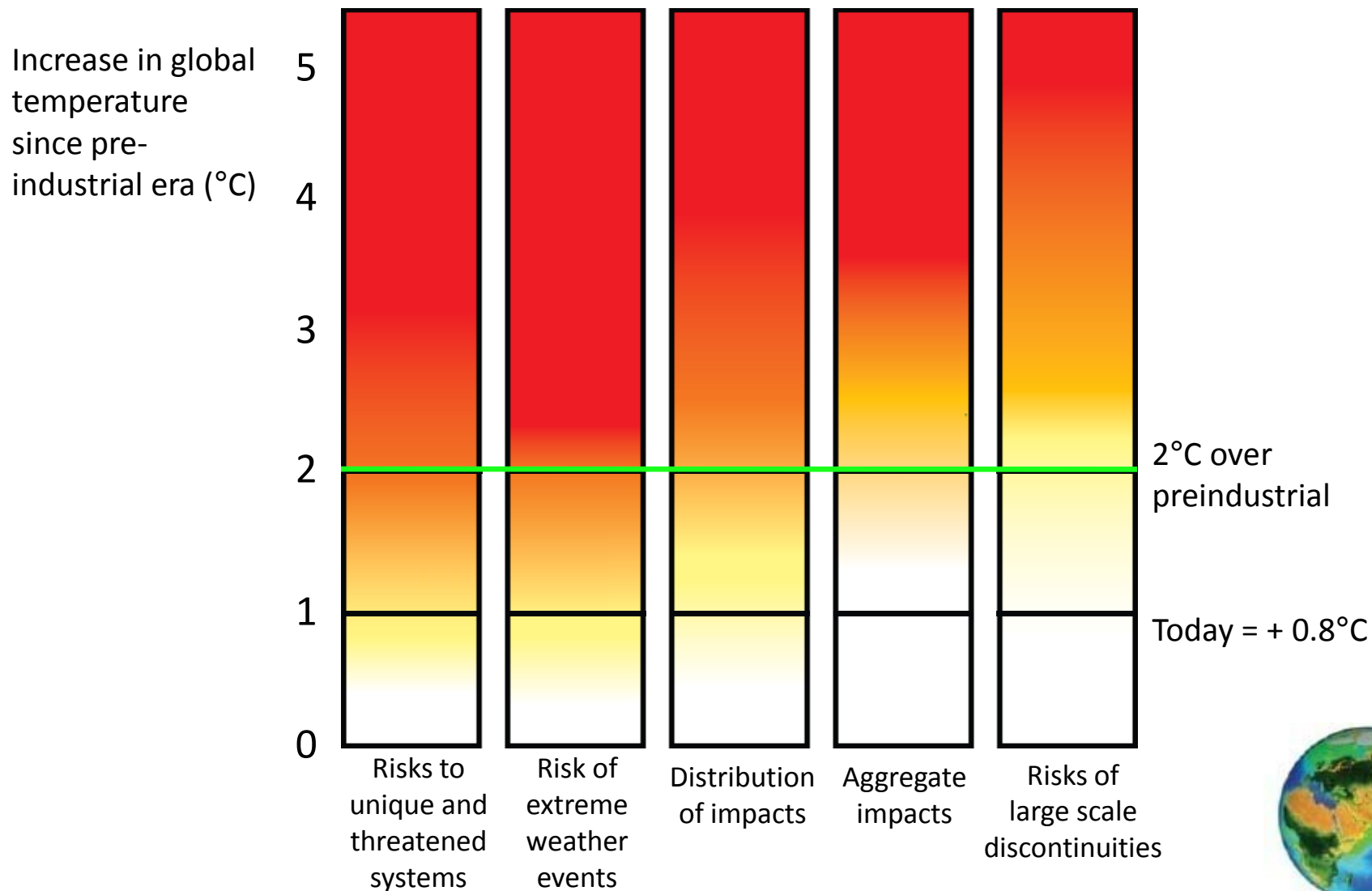


Act
differently

New finance, instruments and
pressures can help

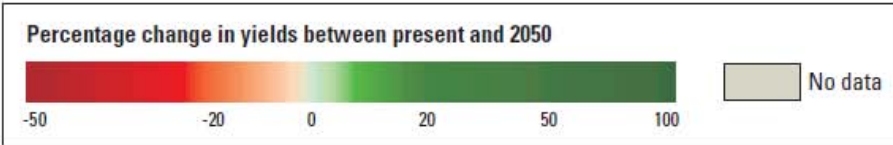
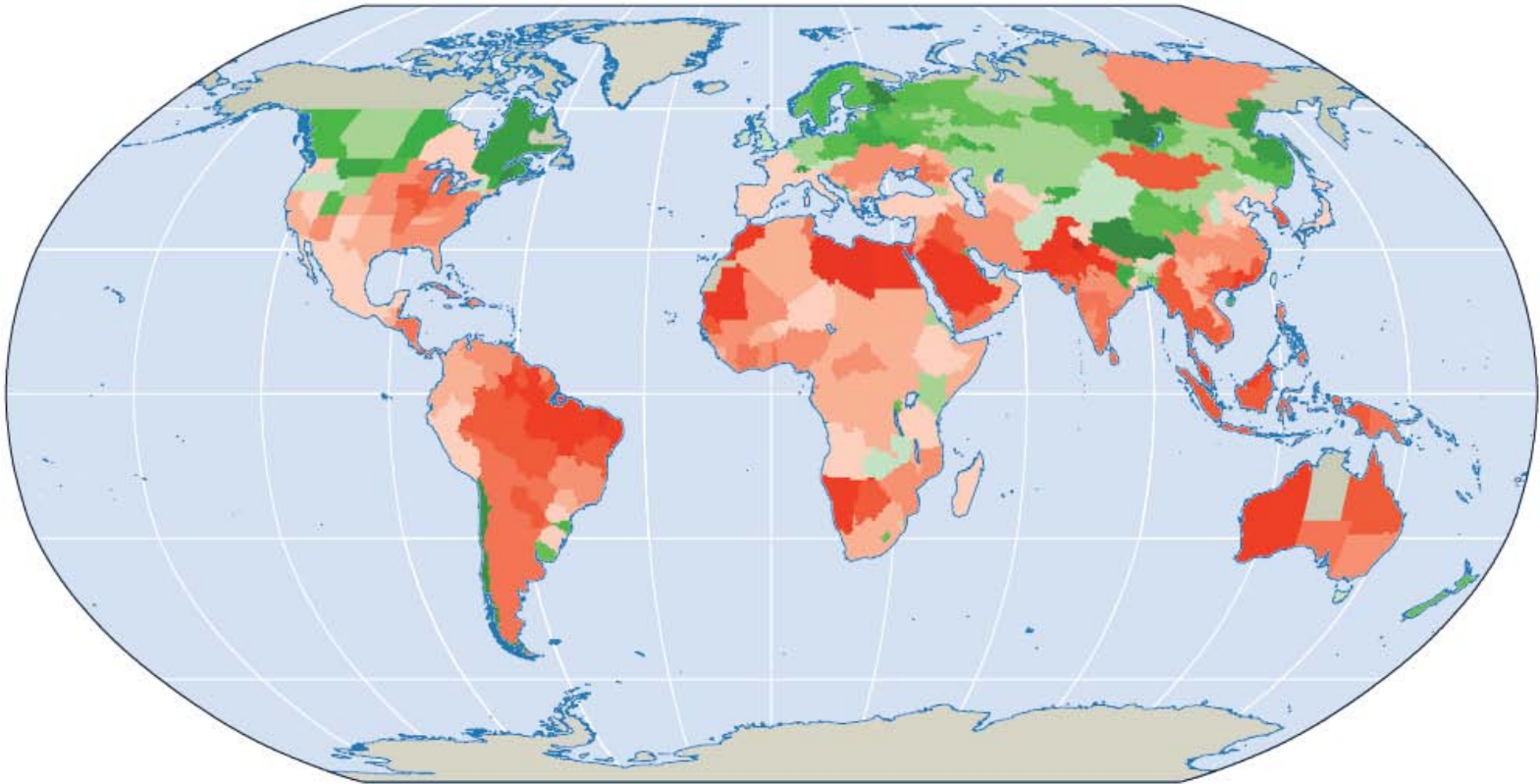
SCIENTIFIC CONSENSUS: SERIOUS AND IMMEDIATE

2007 assessment



Source: Smith and others, 2009

DEVELOPMENT CONSENSUS: THE POOR WILL SUFFER MOST



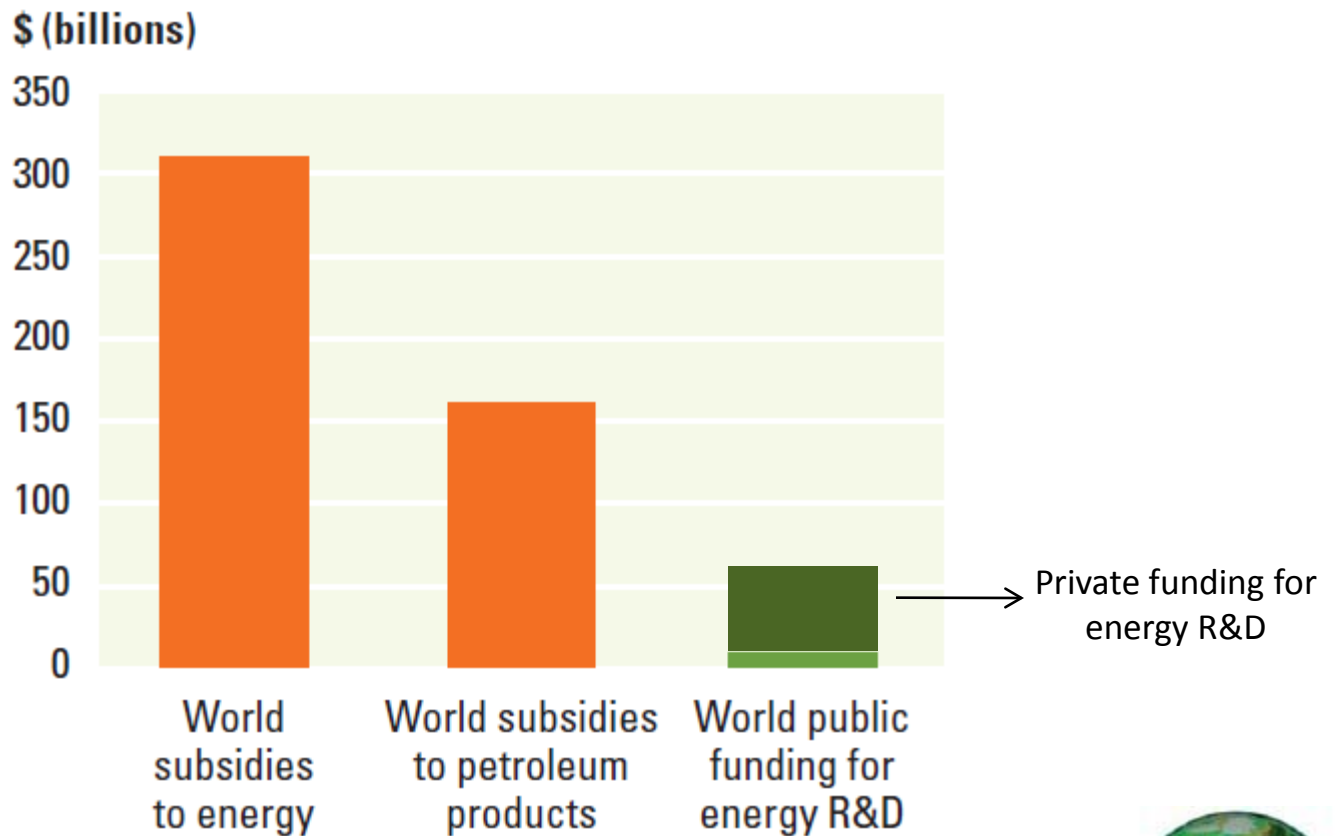
countries
1.1 billion people

countries
5.6 billion people



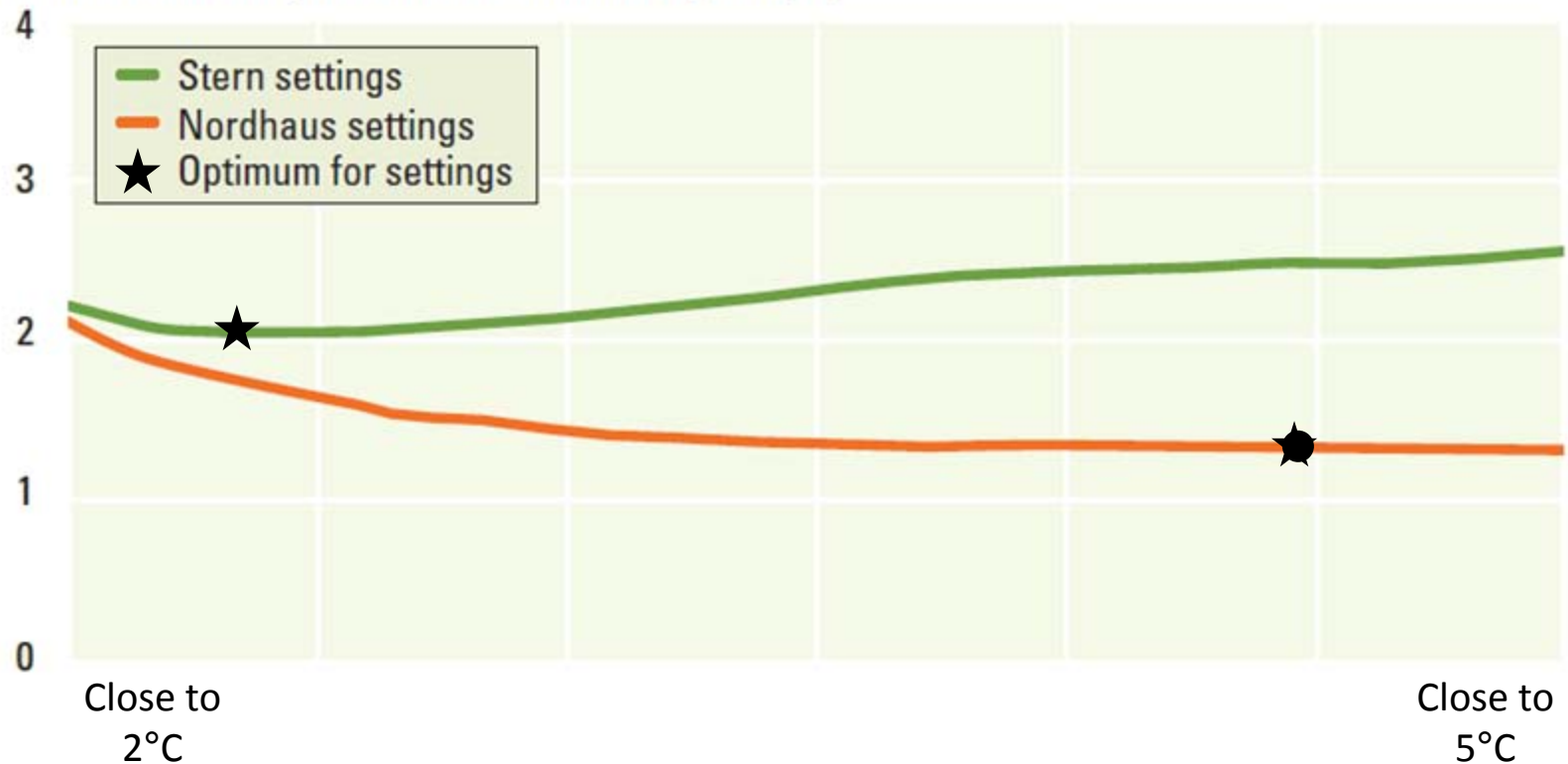
A CLIMATE-SMART WORLD IS POSSIBLE...

Annual public subsidies



...AND AMBITIOUS, PRECAUTIONARY POLICIES ARE NOT MUCH MORE EXPENSIVE.

Reduction in net present value of consumption (%)



Source: Adapted from Hof, den Elzen and Van Vuuren 2008



TO MEET THE CHALLENGE, WE MUST

- **ACT NOW**
- **ACT TOGETHER**
- **ACT DIFFERENTLY**



ACT NOW:

TODAY'S ACTIONS DETERMINE TOMORROW'S OPTIONS

Inertia in the
built environment
costs



Inertia in
institutions and
individuals' behavior
political momentum

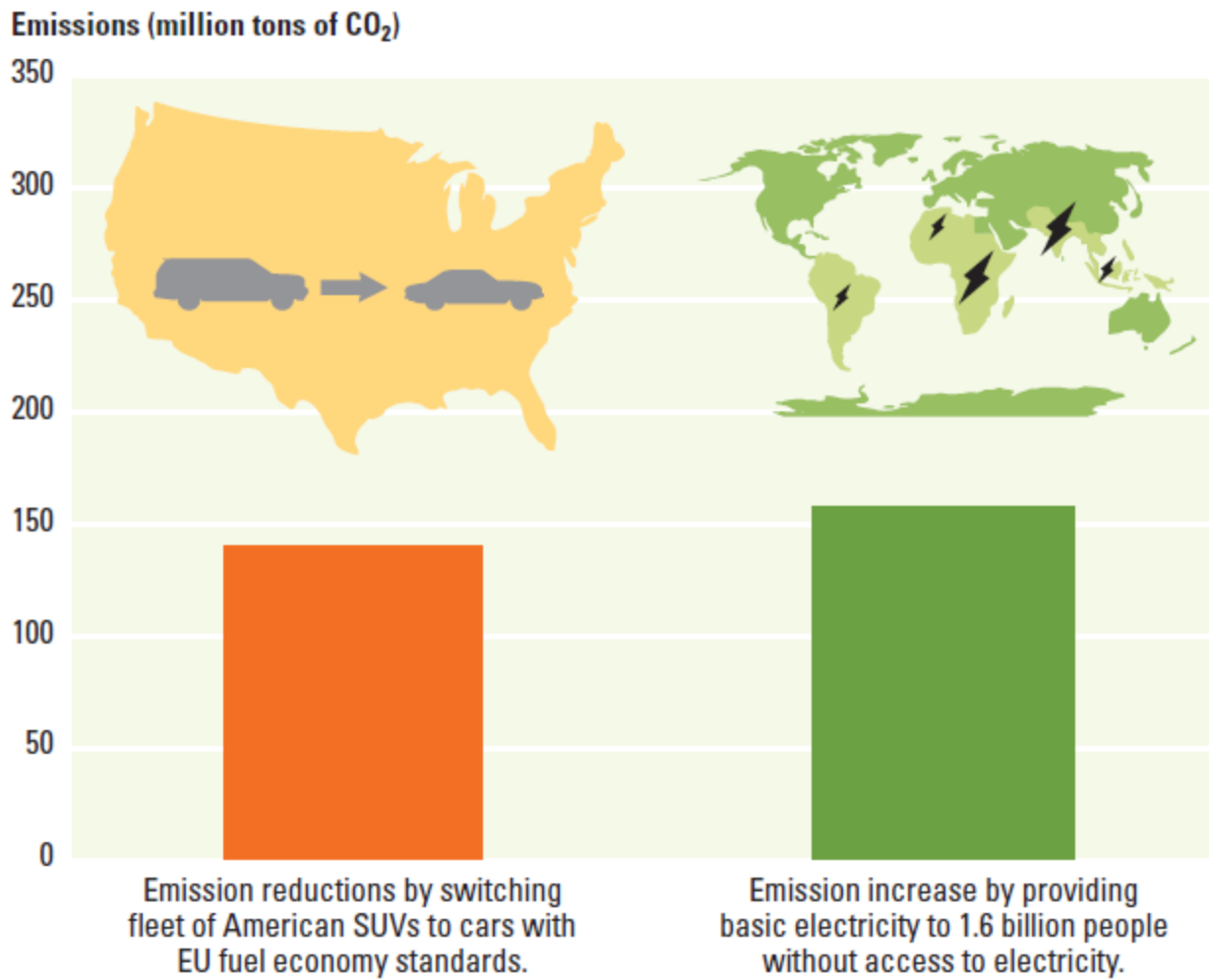


Inertia in the climate
system
feasibility



ACT TOGETHER:

HIGH-INCOME COUNTRIES NEED TO TAKE THE LEAD

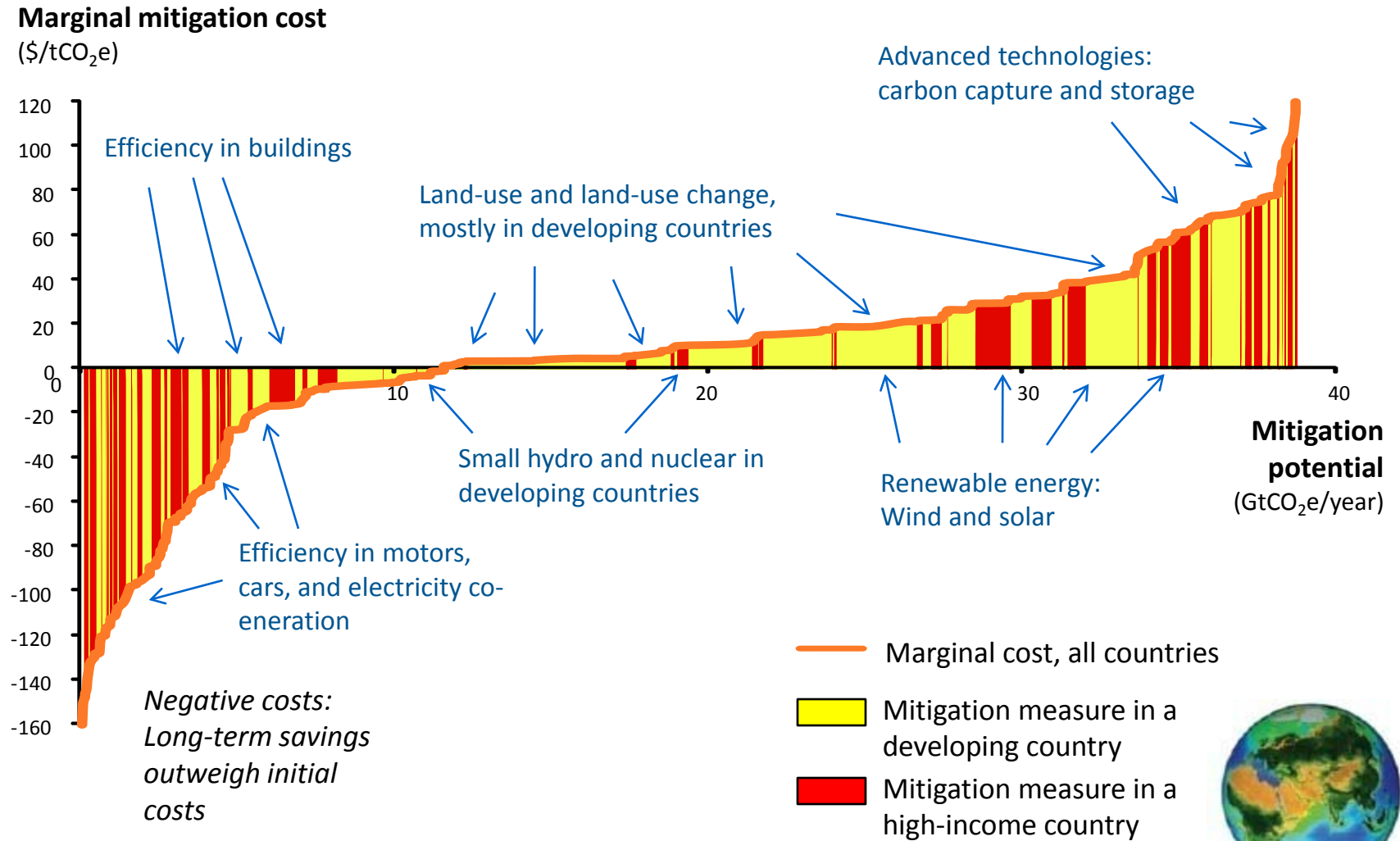


Source: WDR team calculations based on BTS 2008.



ACT TOGETHER:

ALL HAVE A ROLE TO PLAY TO MANAGE COSTS

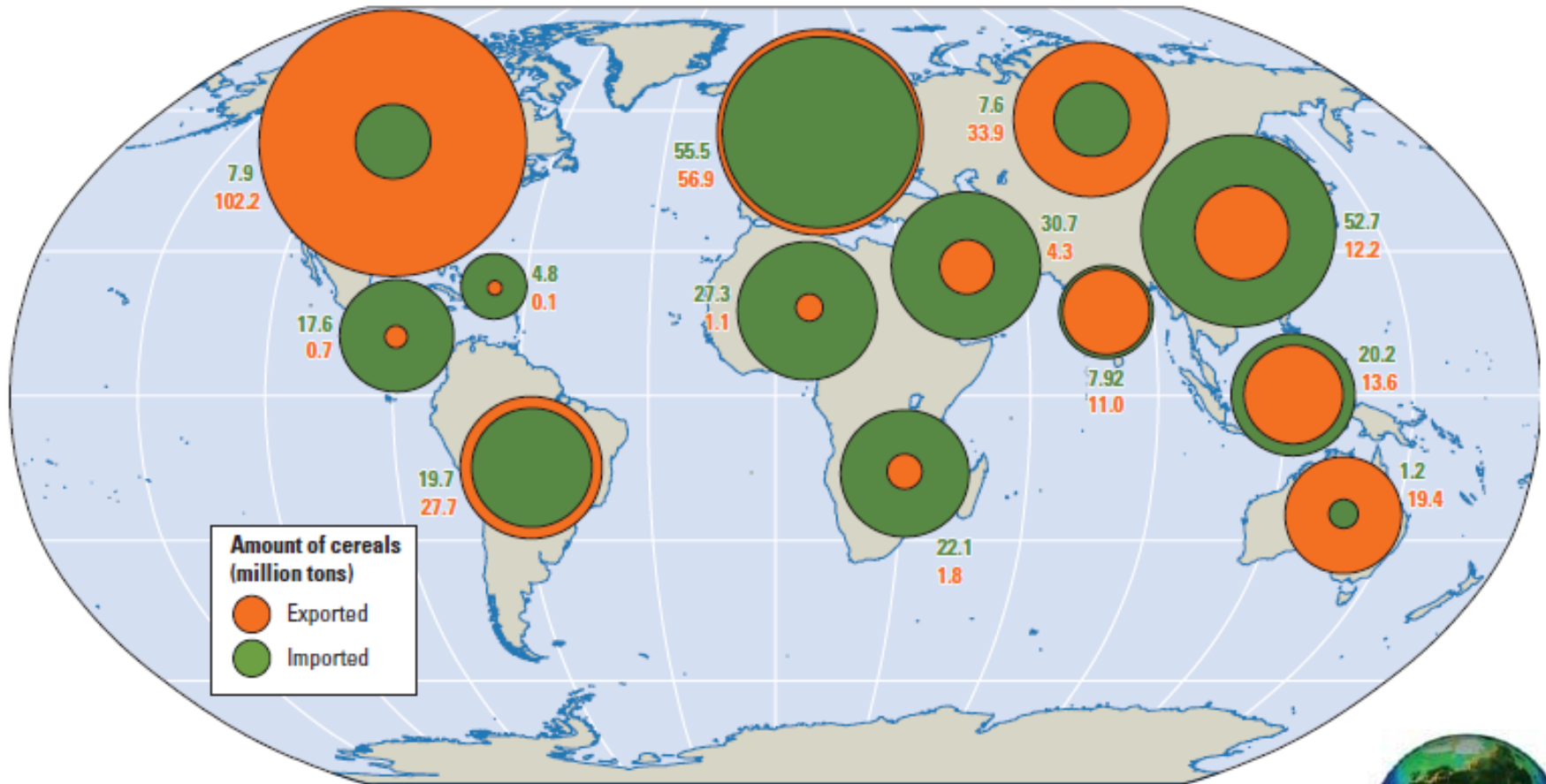


Source: McKinsey 2009

ACT TOGETHER:

COOPERATION HELPS BUFFER SHOCKS

Global food trade depends on very few countries



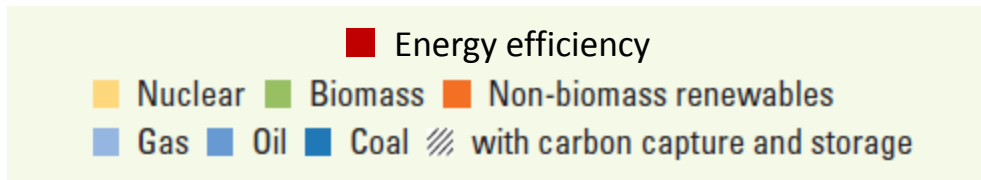
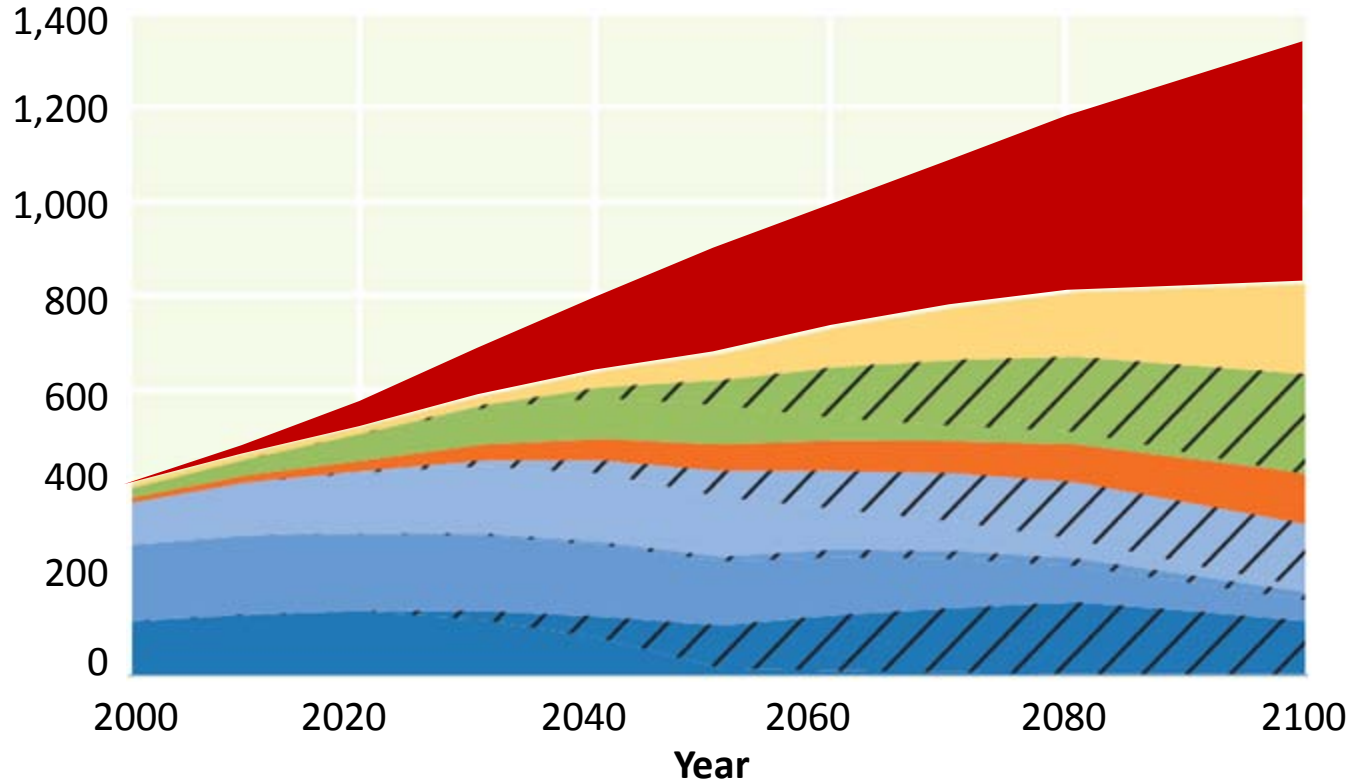
Source: FAO 2009c.



ACT DIFFERENTLY:

RADICALLY TRANSFORM ENERGY SYSTEMS

Global primary energy mix (exajoules)



ACT DIFFERENTLY:

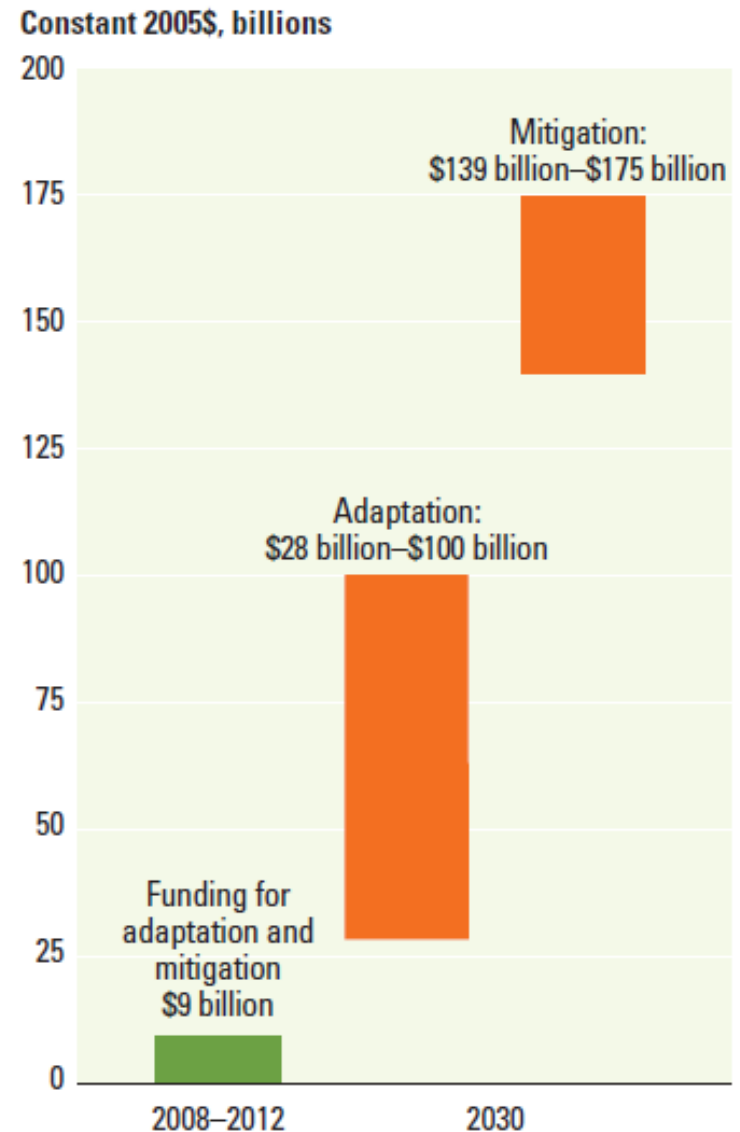
MAKE *ROBUST* RATHER THAN OPTIMAL DECISIONS



MAKING IT HAPPEN:

NEW RESOURCES

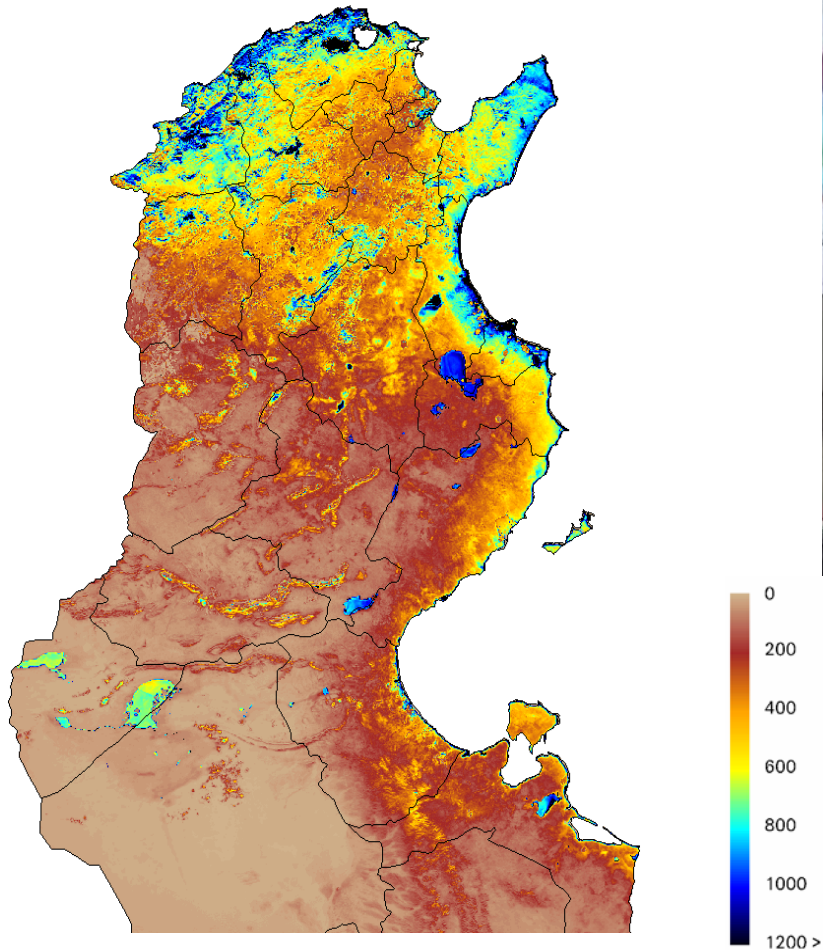
- To reconcile equity and efficiency
- Requires massive scaling up:
 - From \$9 bn to some \$200-275 Bn in 2030
 - A financing challenge: up to \$550 bn in associated mitigation finance
- It can be done:
 - Costs = 0.4% of high-income country GDP to 2100
 - Financing = 3% of current global investments
 - But requires all options available



MAKING IT HAPPEN:

NEW INSTRUMENTS

- To support communities and decisionmakers
- Low-tech and high-tech



MAKING IT HAPPEN:

NEW PRESSURES

- We've come a long way
 - Drumbeat of science
 - Politics are changing
- More is needed to turn awareness into the needed actions
 - “Soft” policy tools - communication and education; social norms



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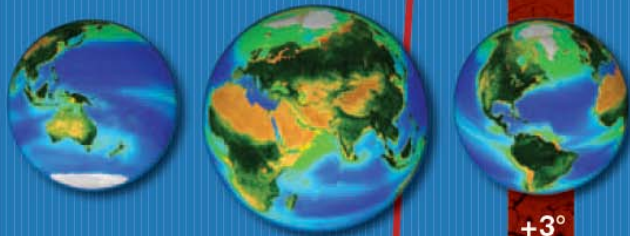
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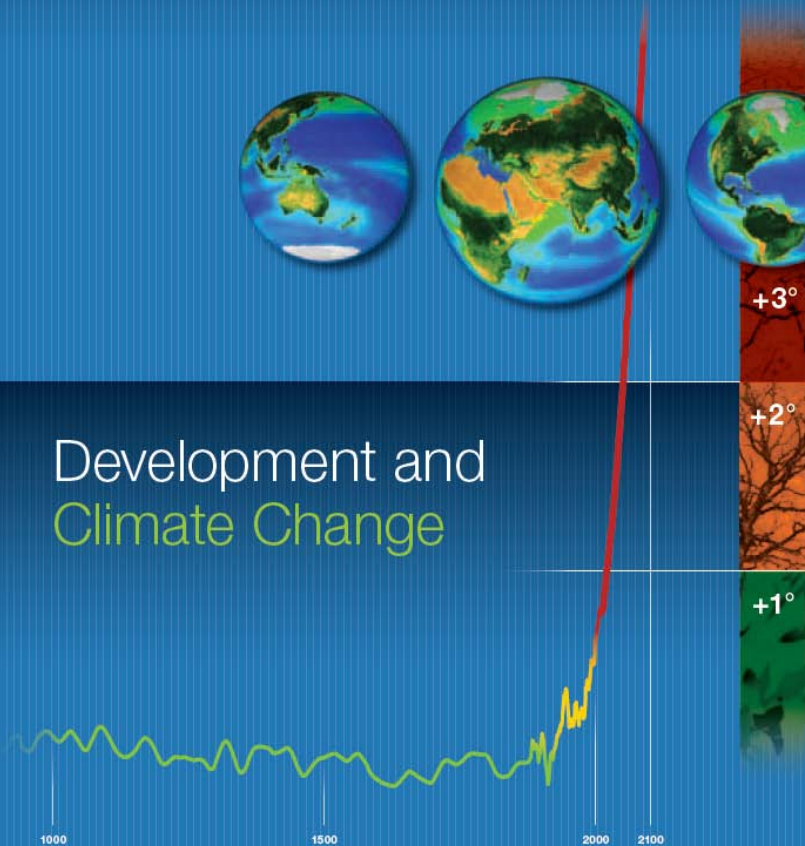
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New finance, instruments and
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world development report 2010



Development and
Climate Change



[http://blogs.worldbank.org/
climatechange/](http://blogs.worldbank.org/climatechange/)

<http://worldbank.org/wdr2010>

