



**Comments received on the paper:
“Development and Climate Change:
A Strategic Framework for the World Bank Group”**

Chapter 4

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At Figure 5: are there calculations (as there are for trade) of the percentage by project of spending that is intended to have a climate-change related effect?

Figure 5: business warehouse is a method, a software application, not a source. I assume the source is WB? Avoid internal jargon in an externally published paper.

Para 67 ‘no regrets’: unclear use of jargon. Do you mean projects that meet some minimum standard of development impact in any climate change scenario? Or that have the maximum development impact based on a weighted probability average of climate change outcomes? These are not (necessarily) the same as each other or as maximising the development impact given a specific climate change scenario, so, to use your ghastly jargon, under particular climate change outcomes, there could be ‘regrets’. Clarify what you mean: good economics is about clarifying choices.

Para 68: ‘strengthening resilience’, which I assume means adaptation, probably can sometimes be done on a country basis, but mitigation cannot, and the effects of both mitigation and adaptation (for example information provision) will have benefits beyond borders so a purely country approach to assessing ‘demand’ will lead to under-provision. How is this to be managed? All this stress on ‘customised’ approaches seems to neglect this problem. Para 71 recognises the problems in implementation, although not the problem of ensuring that ‘demand’ takes account of multi-country benefits, but it does not say how it will be solved.

Para 70 footnote 8: I suppose the ‘Bank’s water anchor’ has some technical organisational meaning, but can’t you hear how foolish it sounds? The whole report needs to be edited by someone with a better ear for language.

Box 11: I assume this means cover half the land surface, not the total surface? This deals with some of the technical problems of cross-country action, and could be revised to include the incentive ones as well.

Box 13: the first para on Brazil mainly needs rewriting: I assume you mean a ‘high’ ratio of oil prices to sugar prices? Not ‘energy prices’: sugar also provides energy. And it is important to point out that it required substantial subsidy and government regulation on using substitutes, not just autonomous investment.

The second para needs to note that some biofuels (e.g. US maize; possibly also Indian biodiesel) do not save carbon emissions, as well as requiring uneconomic subsidies. It is not just the right land; it is the right crops and methods of production. Given that this is a very controversial area, either include a much more rigorous comparison of current programmes or cut out this para.

Para 79: as a general statement of principle, this is better than the nonsense in para 67 about ‘no regrets’, but why not put it at the beginning of the report? And footnote 9 doesn’t seem to mean anything: perhaps some punctuation is missing?



Para 80: the 3rd bullet seems to be about making low carbon projects available, not about demand, but I really couldn't understand it at all.

Box 14 is useful; para 81 is jargon-ridden and almost impenetrable.

Para 82: it would be better to have all these %s in a table: are they % of all projects? Of all energy projects? Low carbon energy compared to other low carbon projects?

Keith Openshaw

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In my opinion all the proposed actions will have limited success because the document ignores two all-embracing and over-riding challenges, namely POPULATION INCREASE and THE LIMITS TO SUSTAINABLE GROWTH. These are not mentioned in 'The challenge' (page 1) nor on any other the pages in the report.

In Box 12 (page 29) one initiative is to try and reduce emissions from deforestation and degradation. Population increase has been the largest cause of deforestation, because in many countries, especially in Africa, agricultural productivity has not kept pace with population growth. In fact in many areas unit output of grain has declined. Between 1950 and 2000 the population of developing countries has increase nearly 3 times (1.8 to 5.0 billion). Subsistence farmers are moving into forest areas that should be preserved as watersheds or conservation areas. The former is affecting the flow of water and its year-round availability for agriculture and hydro-electricity development. Paragraph 69 (page 26) does talk about the key importance of agriculture and water, but does not mention the affect of population increase to these vital resources.

By 2050, if no aggressive action is taken to reduce the increase in population growth, population is forecast to increase to 7.9 billion in developing countries (8.9 billion world-wide). How can the WBG hope to promote development when the developing countries are faced with mounting pressures on food, other biomass production and water availability? Even in the USA, population increase and economic growth has led to urban sprawl and excessive consumption, leading to decease of agricultural and forest lands near urban centers and more and more consumption of fossil fuels.

In passing the document does mention initiatives with HIV/AIDS (para. 48, p. 17), which probably includes promotion of condoms amongst other measures and collaboration with other agencies in the UN system (para. 36, p.13). But unless the UN Dept. of Economics and Social Development deals with population issues, the document is silent on population increase and its negative affect on climate change. This is a shocking omission.

Already, many 'experts' and other people, including myself, think that even with the current population of 6.5 billion, the world cannot support living standards similar to that enjoyed by developed countries. What will be the consequences in 2050 if the population is 9 billion? If developing countries are to increase their economic well being, developed countries have to curtail their economic growth (and also redistribute wealth within and between countries). The document does not tackle this challenge, but implicitly assumes that developed countries can go on growing at 2-3% per year (doubling income in 25 to 35 years), while hoping that through various initiatives a 5% increase in per-capita wealth can be achieved in developing countries, thus doubling income in 15 years. There are just not the resources available to achieve this without irreversible damage to the climate and catastrophic affects on large portions of the human population. I am afraid that all the good intentions in the document will be greatly diminished by reality. Is there no one in



the WBG that recognizes these two large elephants in the room?

Box 13 (page 30) deals with Biofuels and talks about the conflicts and opportunities of producing bio-ethanol and bio-diesel. No mention is made of bio-methanol (wood alcohol), producer gas, biogas, or synthetic gas etc. from biomass. Wood alcohol is made by the destructive distillation of (waste) biomass such as sawmill and crop waste and black liquor (from pulp production). It can be used directly as a fuel or be the starting point for hydrogen or petroleum production etc. It is as cheap to make as ethanol and does not compete with food production. This is one area of research that is grossly neglected.

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1. In middle income countries, plus China and India, the Bank ought to reverse its stance of not supporting nuclear energy projects. Given the massive challenge of adding much more generating capacity in fast growing emerging economies, the nuclear option must be placed back on the table. Even if the Bank sticks to its decision to stay clear on nuclear power projects, its strategy papers (energy and climate) must at least discuss this option and be explicit about why the Bank may not support it in developing countries. Instead, the current climate paper has only one reference to nuclear on page 87, and only in stating that an increased share of energy generation for the ECA region will come from nuclear.

2. The entire area of how international trade and WTO rules can help address the environmental challenge seems to be ignored...e.g. countries should be encouraged to increase their trade in environmental goods and services by reducing tariffs and streamlining regulations...

Name

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