

# Can Developing Countries pursue the dual goal of Carbon Neutral and Economic Growth?

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# Is Carbon Neutral interrupting Developing Countries from Economic Growth?

- Economic growth a limited objective if inequalities persist
  - Creates limited opportunities
  - Enhances vulnerabilities
  - Increases insecurities
- COVID-19 has brought inequalities of all kinds into sharp relief
  - The poor
  - The mobile/migrants
  - Gender gaps
  - Nutritional gaps
  - Digital divide
  - ...

# How is the **world's wealth** shared amongst its population?



 % of the world's population     % of the world's wealth



"Wealth" is defined as the marketable value of financial assets plus non-financial assets (principally housing and land) owned by an adult, less debts  
Source: Global Wealth Report 2015, Zurich: Credit Suisse

**Wealth (USD)**

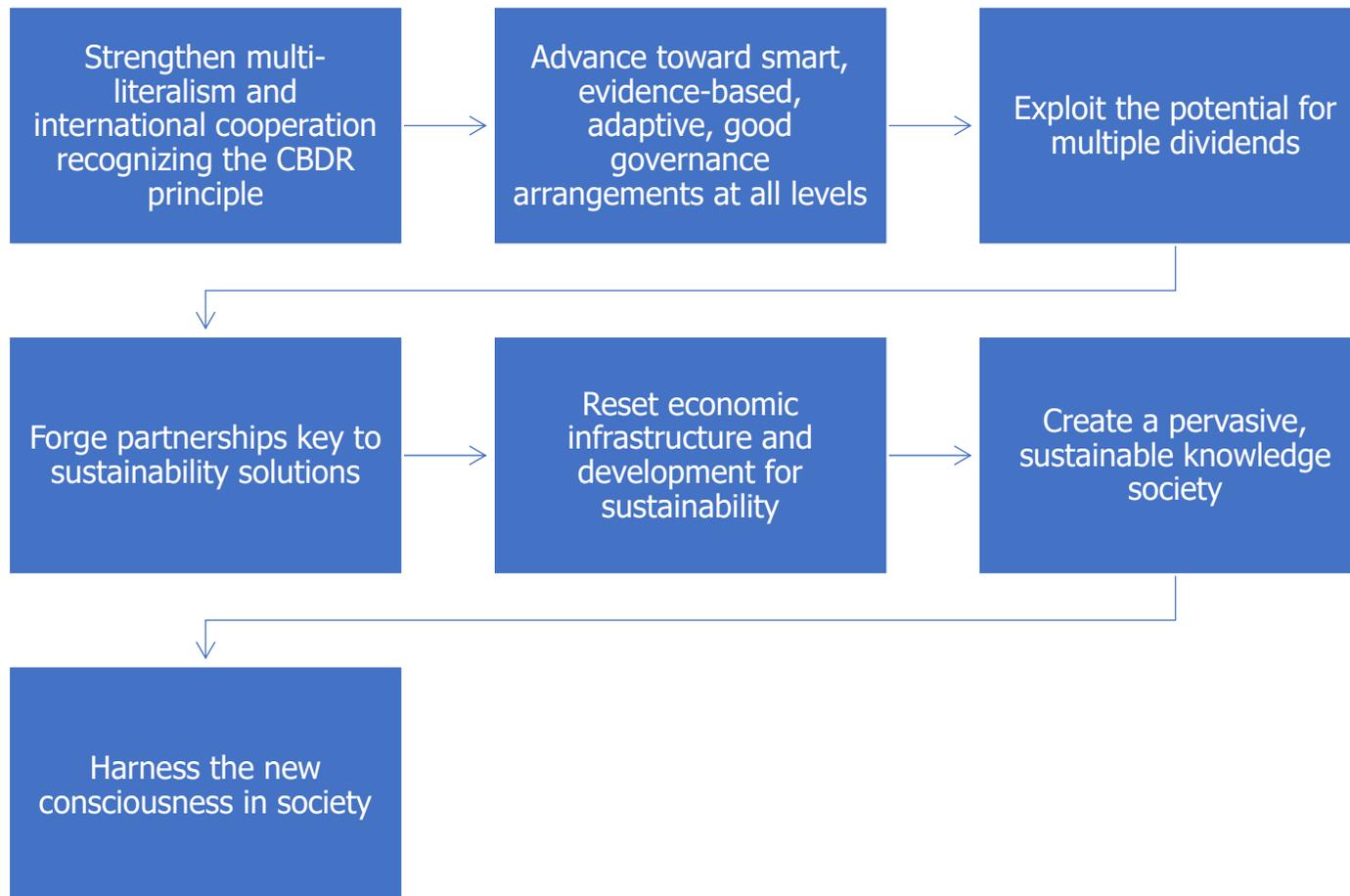
- Over the long haul, countries that have managed to limit excessive inequality are countries that enjoy both faster growth and more sustainable growth.
- On average – over many countries and across many time periods – the redistributive fiscal (tax and transfer) policies that (advanced and developing) countries have pursued have not been harmful.

**“Can redistributing wealth also be good for growth?”** *Jonathan D. Ostry, Deputy Director, Research Department, IMF. At the WEF October 2015*

## So, the question really is: How can we ensure sustainable growth – green (also carbon-neutral), equitable and resilient

- There have been many studies to demonstrate the feasibility of ‘deep decarbonization’, ‘100% Renewable energy scenarios’, ‘net-zero’ emission pathways etc. for key developing countries.
- The technological options that exist today would go a long way to achieve a carbon-neutral growth and, with the addition of select new technologies/fuels combined with sequestration options, this would almost certainly be achievable.
- The key challenges are:
  - What needs to change to realize this potential?
  - How can we ensure that we ‘leave no one behind’?
  - Given systemic, compound risks, how do we bring resilient growth center-stage?

# Novel Options to be Considered based on a just approach...





# Thank you