

Fact Sheet No.1

What are Co-benefits?

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Introduction

For most policymakers, alleviating poverty, securing energy supplies, and reducing environmental pollution take priority over mitigating greenhouse gases (GHGs). Yet as awareness of global warming grows an approach that meets immediate development needs while addressing longer term climate concerns has garnered more attention. This “co-benefits approach” cannot only lead to quicker and more cost-effective greenhouse gas (GHG) mitigation but bring carbon finance to development needs. While different fields of studies have offered support for co-benefits, the concept itself remains elusive. This fact sheet aims to clarify 1) what are co-benefits and 2) how can they be mainstreamed into policymaking processes in Asia?

What are Co-benefits?

At its core, a co-benefits approach is a win-win strategy aimed at capturing both development and climate benefits in a single policy or measure. The term “co-benefits” appeared in the academic literature in the 1990s and generated wider interest around the time of the Third Assessment Report (AR3) of the Intergovernmental Panel on Climate Change (IPCC) was published in 2001. The IPCC AR3 distinguished co-benefits or the *intended* positive side effects of a policy from ancillary benefits or *unintended* positive side effects. As BOX1 shows, “side benefits”, “secondary benefits”, “collateral benefits”, and “associated benefits” have also been used to connote similar ideas (IPCC, 2001).

In recent years, the co-benefits terminology has been used in three distinct ways:

- “Development co-benefits” refer to the local benefits of climate change policies. These benefits can range from improved air quality to cleaner technologies to better jobs.

- “Climate co-benefits” refer to the global climate change benefits of development plans or sectoral policies and measures. This view on co-benefits emerged in response to the belief that developing countries would focus on development before climate (Schipper, 2008).
- “Climate and air co-impacts” refer to the multi-directional impacts of typically air pollution interventions on local, regional and global climate systems. This view is often employed by the air pollution community when discussing short-lived climate warmers such as black carbon or short-term climate coolers such as sulphur dioxide (SO₂) (Bond, 2008).

How can co-benefits be mainstreamed into policymaking processes in Asia?

The varying use of the terms has had two important implications. First, there is no consensus on the best entry point for integrating co-benefits into decisions. Some focus on climate policies; other look at sectoral plans; while others think air pollution agreements. Second, there is no agreement on the tools and methods to evaluate co-benefits. As a result, there is a diversity of measurement tools for even mechanisms such as the Clean Development Mechanisms (CDM) that are clearly supposed to contribute to sustainable development in the host countries as one of its twin goals. All three views are held together by the belief that climate change can best be addressed when it is not only the target of a policy or measure. This is especially the case for Asia.

Rapid economic growth and urbanisation in Asia has not only levelled a costly toll on the environment but transformed how stakeholders tackle these problems. For instance, a growing number of research institutes have used case studies quantifying co-benefits from air pollutants and

GHG to advocate an alternative approach. Meanwhile, co-benefits have also begun to resonate with policymakers of the region with countries such as China developing its own national co-control strategy.¹ In other words, Asia is in a good position with rich potential to bridge the divide between development and climate institutions.

To mainstream co-benefits in Asia further efforts are needed in these areas.

- **Clarifying concepts:**

The concept of co-benefits itself is not yet certain enough to convince policymakers that is prudent to mainstream. Active communication through a discussion platform or policy dialogues such as development, climate and science will help share information on co-benefits, leading to less confusion as well as strengthening planned projects.

- **Building capacity:**

Estimating future emissions and quantifying costs and benefits are critical for better understanding of a co-benefits approach. Capacity building aimed at improving quantification methods is required. Technical cooperation through training using the quantification guidelines can also help generate and disseminate knowledge and skills in developing countries.

- **Removing financial barriers:**

Once co-benefits are recognized and quantified, they will need to be financially rewarded. Currently most policymaking process discount social and economic benefits. Building institutional arrangements and incentive structures that reward co-benefits, could reduce initial cost barriers and draw investors into co-benefits projects. This might be done in the international climate change regime with reforms to the current market mechanisms or through thematic windows in a Green Climate Fund.

¹ At the second East Asia Summit (EAS) Environment Ministers Meeting in October 2010, the Ministers noted in its summary of outcomes the progress of co-benefits initiatives including the newly-established "Asian Co-benefits Partnership".

BOX. Defining co-benefits

So far, there is not a unified definition of co-benefits but many studies have defined respectively. The definition and concepts may vary in targeted area or sector of policy/study. These diverse definitions stemmed from common perspective that not only that policies that are explicitly designed to pursue climate or developmental objectives can generate.

Benefits that accrue as a side effect of a targeted policy.

Pearce, D. Policy Frameworks for the Ancillary Benefits of Climate Change Policies. CSERGE Working Paper GEC 2000-1. <http://www.uea.ac.uk/env/cserge/pub/wp/gec>. p. 1.

The benefits of policies that are implemented for various reasons at the same time—including climate change mitigation—acknowledging that most policies designed to address greenhouse gas mitigation also have other, often at least equally important rationales (e.g. related to objectives of development, sustainability, and equity). The term co-impact is used in a more generic sense to cover both positive and negative side of benefits.

Intergovernmental Panel on Climate Change (IPCC) (Fourth Assessment Report). *Climate Change, 2001: Mitigation*. B. Metz, O. Davidson, R. Swart. and J. Pan. (eds.) Cambridge: Cambridge University Press, 2001. p. 711.

All of the positive outcomes associated with multiple, simultaneous emissions reductions.

Fitzgerald, J. and Villarin, J. R.T. United States Environmental Protection Agency. Integrated Environmental Strategies (IES) Program. Presentation at 2005 International Conference on Atmosphere Protection. CGE Training Workshop on Mitigation Assessments, Seoul, Korea, September 2005.

[The] potentially large and diverse range of collateral benefits that can be associated with climate change mitigation policies in addition to the direct avoided climate impact benefits.

Bollen, J. Guay, B. Jamet S. and Corfee-Morlot, J. —Co-benefits of Climate Change Mitigation Policies. Economic Department Working Papers No. 693. Paris: Organisation for Economic Cooperation and Development (OECD), 2009. p. 5.

In the process of controlling green house gases other pollutants are also abated (SO₂, NO_x, PM). In the process of abating air pollution, CO₂ and other greenhouse gases are also mitigated.

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