



Inclusive Growth and Climate Change

Lessons Learned from the NDC Partnership



KEY MESSAGES

- **The COVID-19 crisis has raised the importance of linking climate policies to inclusive growth, including whole-of-government approaches, increasing the involvement of sectoral ministries in climate action, incorporating gender responsiveness, and mainstreaming climate change in general development policies.**
- **An assessment of country requests to the Partnership from before the pandemic shows countries taking a range of approaches to these issues.**
- **Most of the requests received by the Partnership are linked to the NDC enhancement process, where country requests insist on poverty reduction and social inclusion.**
- **In the implementation of their NDCs, countries have focused on social inclusion and reduced inequalities.**
- **A number of requests have not yet attracted support, and these are summarized in this Insight Brief.**

The COVID-19 crisis and the development of recovery plans have put the concept of inclusive growth in an unprecedented spotlight. Inclusive growth should be central to post-COVID-19 economic recovery packages, as they need to be more inclusive, benefit all segments of society and leave no one behind¹. Inclusive growth is also closely linked to climate change, the impact of which will force us to “redefine economic growth”², and the concept appears in a number of Nationally Determined Contributions (NDCs).

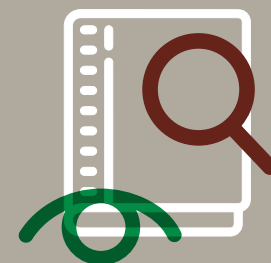
DEFINITION OF INCLUSIVE GROWTH AND ITS LINK TO SDGS

The concept of inclusive growth encompasses a wide range of topics and is not easy to define systematically in country requests. This brief gives a first-order overview of requests made to the Partnership in relevant fields.

Inclusive growth is defined by the Organization for Economic Co-operation and Development (OECD) as “economic growth that is distributed fairly across society and creates opportunities for all.” Meanwhile, the International Monetary Fund (IMF) establishes that inclusive growth is linked to number of policies, including poverty reduction, growth sustainability, employment creation, and poverty reduction³. This concept relates to a number of sustainable development goals (SDGs), the main ones being:

- **SDG 1 on No Poverty,**
- **SDG 8 on Decent Work and Economic Growth, and**
- **SDG 10 on Reduced Inequalities.**
- **Additionally, we added SDG 5 on Gender Equality, given the centrality of this topic both in economic growth and climate issues⁴.**

This analysis will be framed around these 4 SDGs, but it should be considered that inclusive growth can also relate to all other SDGs.



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1 See, for instance, Kristalina Georgieva (2020) “[The Economic Reset – Promoting a More Inclusive Recovery](#)”, International Monetary Fund (IMF) Blog, 11 June 2020.

2 Nicholas Stern (2018) “[Climate change will force us to redefine economic growth](#)”, World Economic Forum, 11 July.

3 Elena Ianchovichina and Susanna Lundstrom Gable “What is Inclusive Growth?”, in Rabah Arezki, Catherine Pattillo, Marc Quinyun, and Min Zhu (eds.), *Commodity Price Volatility and Inclusive Growth in Low-Income Countries*, Washington DC: International Monetary Fund, 2021, pp. 147 – 161.

4 See for instance Diane Elson and Anuradha Seth (eds), *Gender Equality and Inclusive Growth: Economic policies to achieve sustainable development*, UN Women, 2019.

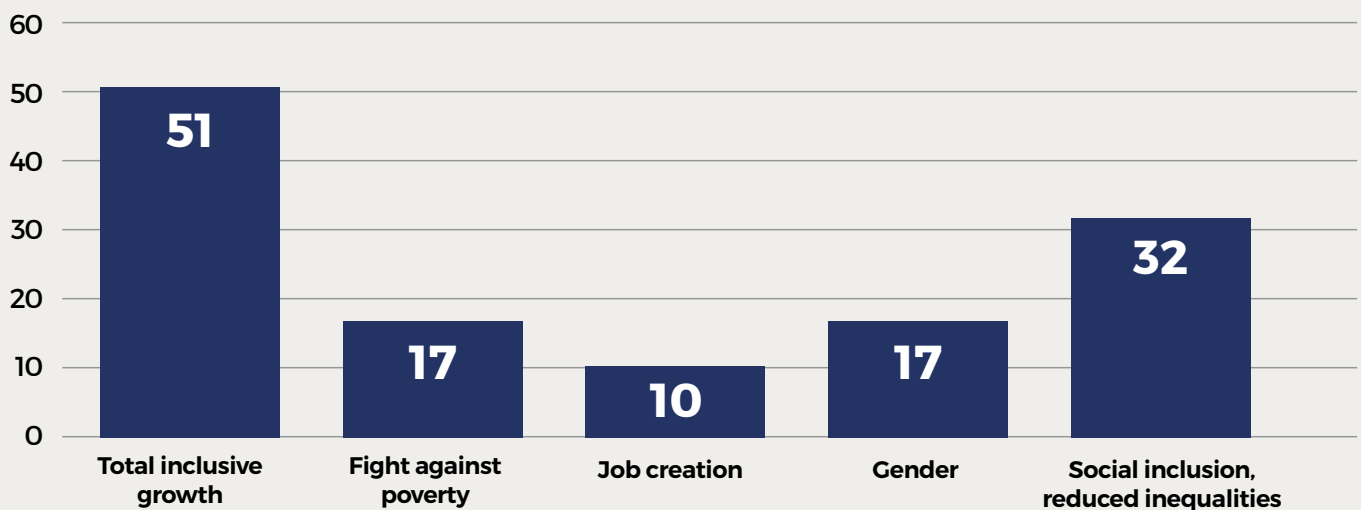
GENERAL CHARACTERISTICS OF THE REQUESTS

Within the NDC Partnership, 53 countries have made requests to work on climate and issues such as the fight against poverty, job creation, gender, social inclusion, and reduced inequalities (see Figure 1). Among these, inclusive growth requests related to NDC Implementation are more limited and focus mostly on social inclusion and reduced inequalities.

In the meantime, a larger number of requests from 29 countries have been made in the context of their work on NDC enhancement—with an important share of demands oriented toward social inclusion and reduced inequalities. This reflects a change of direction and a recognition of the links between climate change and other areas, such as social inclusion, during the preparation of the second round of NDCs. It also reflects increasing efforts to mainstream climate into different policy areas with countries expanding their “whole-of-government” approaches, as well as possibly a growing number of stakeholders being able to express their needs in these areas, thanks to wider public consultations and more inclusive processes.

Only two countries included job creation in their enhancement requests (the Central African Republic and the Dominican Republic). Several of these requests are linked to adaptation policies—for instance, national adaptation plans—that some countries are using to support their economic plans. This is the case with **Nigeria**, which requested NDC Partnership support to better align and mainstream its NDC, SDGs, and NAP targets into their Economic Recovery and Growth Plan⁵.

FIGURE 1. NUMBER OF COUNTRIES REQUESTING INCLUSIVE GROWTH-RELATED ACTIVITIES WITHIN THE NDC PARTNERSHIP (AS OF JULY 2020)⁶



⁵ Please see Ralien Bekkers, Ariege Besson, Talia Chorover, Sam Morton and Ivana Valdez: “Adaptation and the NDCs”, *Insight Brief*, NDC Partnership, October 2020.

⁶ Some countries have requested to work in more than one of the four areas listed here. For this reason, the sum of the three columns (Fight Against Poverty, Job creation and Social inclusion, reduced inequalities, and gender) does not equal the total for Inclusive Growth.

OVERVIEW OF REQUESTS AND ACTIVITIES

Member countries have indicated various ways they intend to include inclusive growth in their NDCs through their requests for support to the NDC Partnership. These requests are an indicator of how countries intend to achieve inclusive growth in NDC development and implementation.

NO POVERTY

In recognition of the exacerbating effects of climate change on poverty, countries have prioritized mainstreaming NDC's into poverty reduction plans, mostly in adaptation.

For example, **Jordan** has identified key groups of people, including rural communities or women living in the countryside, that benefit from climate actions. The country is working on measures that would allow it to promote job creation or increase local household incomes. These measures include increasing the vegetation cover and livestock production, improving gender-based resiliency, and enhancing local governance and social conditions.

Similarly, **Morocco** developed multi-crop planting programs by planting 679,000 ha of olive trees in areas unsuitable for annual crops, with the objective of improving the income of small farmers and of combating soil erosion.

GENDER EQUALITY

Integrating gender equality considerations into NDC planning and implementation is a core component of supporting inclusive growth and more effective climate action. By addressing the differential impacts that climate change has on women and men, it is possible to achieve greater poverty reduction and equal access to economic opportunities and decent work. By understanding the contributions of both women and men in local settings, all members of society can play an active role in mitigation and building resilience for more lasting climate outcomes.

Countries recognize these positive co-benefits and have requested support for activities that enable equal access to training, resources, and economic opportunities in key sectors like agriculture, where women comprise a significant share of the labor force. For instance, the **Republic of the Marshall Islands** requested support to strengthen women's economic empowerment through the creation of alternative and enhanced local sustainable income-generating livelihoods such as traditional crafts, agriculture, and gardening. Countries have also sought to increase women's participation in climate consultation processes to understand their concerns and contributions, which will inform more equitable NDC planning, implementation, and enhancement.

DECENT WORK AND ECONOMIC GROWTH

Climate change can have detrimental impacts on access to jobs and the job market within a country. Green growth refers to integrating environmental sustainability in efforts to promote economic growth. Green growth requests submitted to the Partnership specified creating jobs for key target populations such as the youth, women, and rural population. Additionally, these requests specified the creation of jobs that are intended to transform country economies.

The **Dominican Republic** has requested an analysis of the costs and benefits of a green growth strategy to uncover climate-resilient pathways for economic growth. Many other countries have also integrated NDC considerations into their national development strategies. **Ecuador**, for example, is boosting its productivity and competitiveness for sustainable economic growth in a redistributive and supportive manner.

REDUCED INEQUALITIES

Social inclusion, as defined by the World Bank Group, refers to improving the ability, opportunity, and dignity of those disadvantaged on the basis of their identity, to take part in society.⁷ Social inclusion requests submitted to Partnership define needs for increased support in monitoring and evaluating the social impacts of climate policies as well as mainstreaming climate actions into social policies. Social inclusion requests to the Partnership include assessments that aim to measure the social impact of climate policies. For example, the **Philippines** requested economic modeling and analyses to project the country's long-term economic growth and use this to analyze the trade-offs between GHG emissions reduction, economic growth, and poverty. The result of the modelling was used in the recalculation of the sectoral mitigation options, and more specifically the projected increase of GDP. Likewise, **São Tomé and Príncipe** requests the inclusion of technical, environmental, social, and economic feasibility assessments for all NDC implementation activities.

PARTNER RESOURCES

A number of partners are working on climate actions that accelerate inclusive growth. They include Belgium, France, Germany, the Netherlands, Sweden, the United Nations Food and Agriculture Organization (FAO), the ILO, the International Renewable Energy Agency (IRENA), The United Nations Development Programme (UNDP), UN Environment, UN Women, and the World Bank. However, as of July 2020, some of the requests from countries to the Partnership in the field remain unaddressed, shown in the table below. Most of these unaddressed requests touch upon work on macroeconomic assessments, impact mapping, and other studies (for instance in Belize, the Dominican Republic, Benin, or Sudan). To a lesser extent, capacity building and training requests have also been left over (for instance in Antigua and Barbuda, São Tomé and Príncipe, Mongolia, Mozambique, and the Marshall Islands).

7 World Bank (2013) "Inclusion Matters : The Foundation for Shared Prosperity. New Frontiers of Social Policy."

THEME	FOCUS OF THE UNADDRESSED REQUESTS:	
	NDC IMPLEMENTATION	NDC ENHANCEMENT
SDG 1 on the Fight Against Poverty	Jordan	Belize and the Dominican Republic
SDG 5 on Gender Equality	Grenada, Jordan, Mali, Mozambique, and the Marshall Islands	The Dominican Republic
SDG 8 on Decent Work and Economic Growth	Jordan, Mozambique, and the Republic of the Marshall Islands	Antigua and Barbuda, the Dominican Republic, and São Tomé and Príncipe
SDG 10 on Social Inclusion and Reduced Inequalities	Jordan, Mozambique, and the Republic of the Marshall Islands	Benin, Jordan, Mongolia, and Sudan

ADDRESSING CLIMATE CHANGE THROUGH ECONOMIC RECOVERY SUPPORT

Most of the requests listed here were formulated before Spring 2020 and so do not yet reflect the challenge of COVID-19. Responses to the pandemic and the need for economic recovery pose many challenges to countries, including to their climate and inclusive growth policies.

Following a survey of its members in April 2020, the NDC Partnership is providing economic advisors in ministries of planning and finance, and in support of specific technical areas, to countries that have requested them. The highest number of requests received from around 30 countries are about assessments of COVID-19 impacts on climate action (almost 30 percent of the requests, covering close to 90 percent of the countries), followed by the identification of low carbon and/or resilient projects (15 percent of the requests, covering 63 percent of the countries).

The economic advisors are deployed for periods of 6 to 12 months and are supported by a Thematic Expert Group that provides technical advice on specific sectors or themes. The Partnership has also created an Economic Advisor Network and Country Exchange to share lessons learned and best practices, as well as to coordinate country-to-country exchange so that governments can directly learn from each other. The initiative is supported by 15 members.

CONCLUSION

Even before the beginning of the COVID-19 crisis, countries included ambitious and transformative green growth targets in their NDC or enhanced NDC plans. The importance of this topic in the NDC enhancement requests the NDC Partnership has received probably shows that in this process, countries are aiming to:

- Adopt whole-of-government approaches, broadening and/or increasing the involvement of sectoral ministries in climate action.
- Accelerate the mainstreaming of climate change in their general development policies.
- Integrate gender considerations into NDC planning and implementation.
- Consider all co-benefits of climate actions.

Finally, these new increased ambitions in terms of green and inclusive growth also allow a further engagement with key stakeholders, such as civil society organizations or the private sector.

ADDITIONAL NDC PARTNERSHIP RESOURCES ON INCLUSIVE GROWTH

In addition to their in-country activities, some partners have developed important resources that can help countries and practitioners address inclusive growth issues.

On Gender issues, these include the African Development Bank (AfDB), which developed a Gender Strategy aiming to uplift women and disadvantaged groups in order to promote economic and social development. Additionally, UN Women published a report on Gender Equality and inclusive growth: Economic Policies to achieve sustainable development and the World Bank developed a document on Gender and Climate Change: three things you should know.

Just transition has been addressed by the ILO's Guidelines for a just transition towards environmentally sustainable economies and societies for all, which was completed by an initiative launched in 2019 on Climate Action for Jobs. The International Chamber of Commerce also issued some Principles for a Just Transition, focusing on "climate change and the economic and social viability of communities."

Member countries seeking support on how to combine inclusive growth policies and climate action can also tap into the NDC Partnership resources by accessing:

- **The NDC Partnership Gender Strategy.**
- **The Economic Advisory Support webpage.**
- **Diverse NDC Partnership publications about adaptation, which address the links between adaptation, resilience, and inclusive growth (e.g., the Insight Brief on "Adaptation and NDCs,"**

the extended report “[From Analysis and Planning to Action and Ambition Raising](#)”, and the Insight Brief on “[Adaptation and Risk Finance in NDCs](#).”

- The [blog](#) highlighting a peer-to-peer event co-organized in June 2020 with the ILO and the Thematic Working Group on Agriculture (hosted by the FAO).
- The [Knowledge Portal](#) with several available resources, including:
 - [Good practices](#) from all around the world.
 - A Climate Toolbox that provides tools, guidance, platforms, and advisory support.
 - A Climate Finance Explorer.
 - [Links to other relevant data sources](#).

CREDITS

This Insight Brief was written by Kasonde Chisaka and Thibaud Voïta of the NDC Partnership Support Unit, with valuable input from many members of the Support Unit.



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