

Workshop 1

Loss and Damage

The Macroeconomic Context of
Climate Finance

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27

August
2023

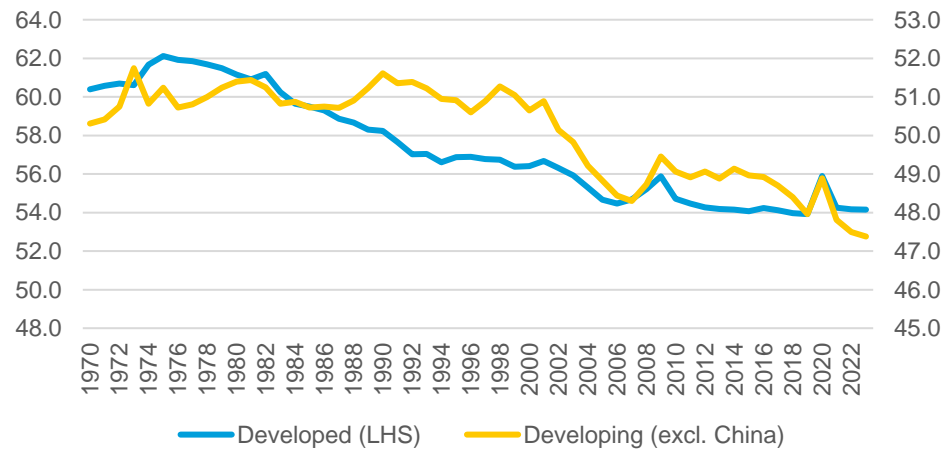
9 a.m.– 4.30 p.m.



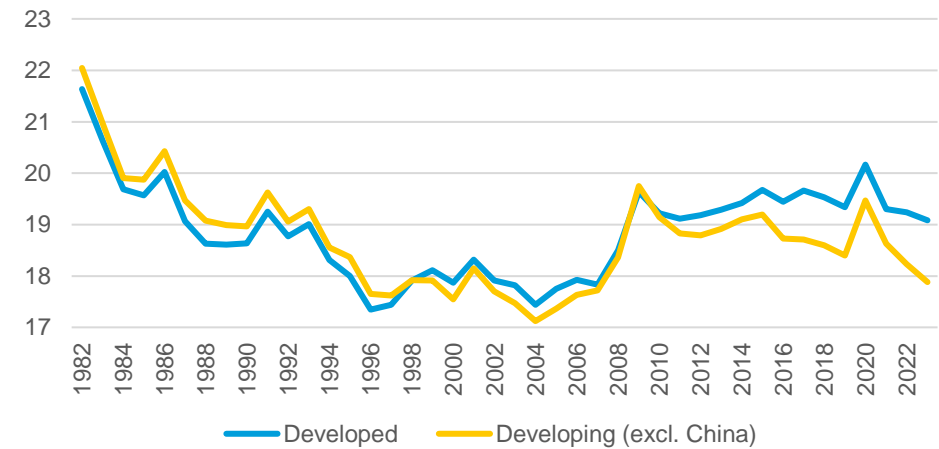
UNITED NATIONS
UNCTAD

Prospects of Global Demand

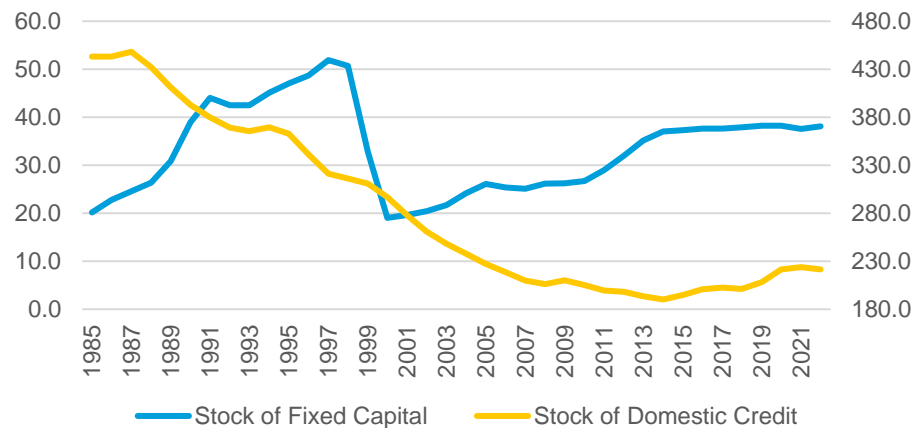
Labor Income Share
(% of GDP)



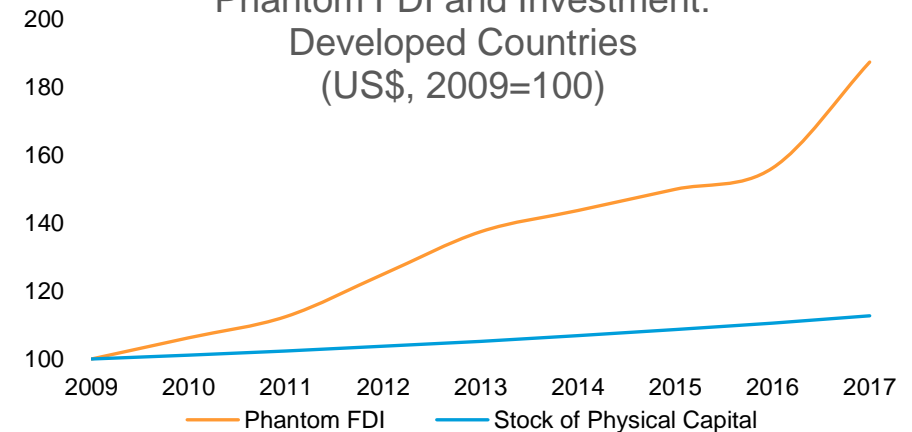
Gov't Spending in Goods and Services
(% of GDP)



Investment and Credit: South Africa



Phantom FDI and Investment:
Developed Countries
(US\$, 2009=100)



A Global Green New Deal: Elements

1. Income redistribution
2. Increase of public spending on goods, social protection, transfers and industrial and environmental transformation
3. Progressive direct taxation and revenue from more activity
4. Private investment push responding to aggregate demand stimulus
5. Domestic credit and international financial flows directed to productive, green and employment intensive activity
6. Reductions in energy intensity of output, accelerating ongoing trends by developed and developing countries
7. Changes in the composition of energy production to reduce CO₂
8. Global policy coordination, including South-South

Global Green New Deal: Financing

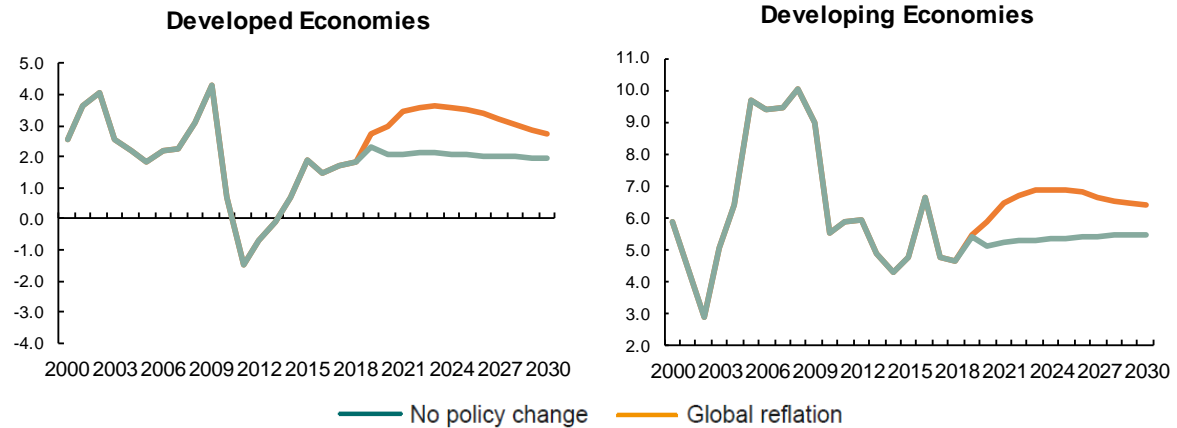
INVESTMENT PROCESS	DEVELOPED ECONOMIES	DEVELOPING ECONOMIES
LOAN	Austerity	Access to finance (PPPs), Austerity
	Financialization, underinvestment, Bottlenecks, Labor Market Policies	Import constraints (FX), tech transfer (FTAs, TRIPs), (*)
CAPITAL GOODS, EMPLOYMENT		
	Austerity	Exports constraints: DEV's climate policy
INCOME		
SAVING PAYS LOAN		

(*) Three options to ease FX constraints: exports, aid (strings attached), multilaterals (SDRs etc)

Scenario: Plausible Path for Fiscal Policy

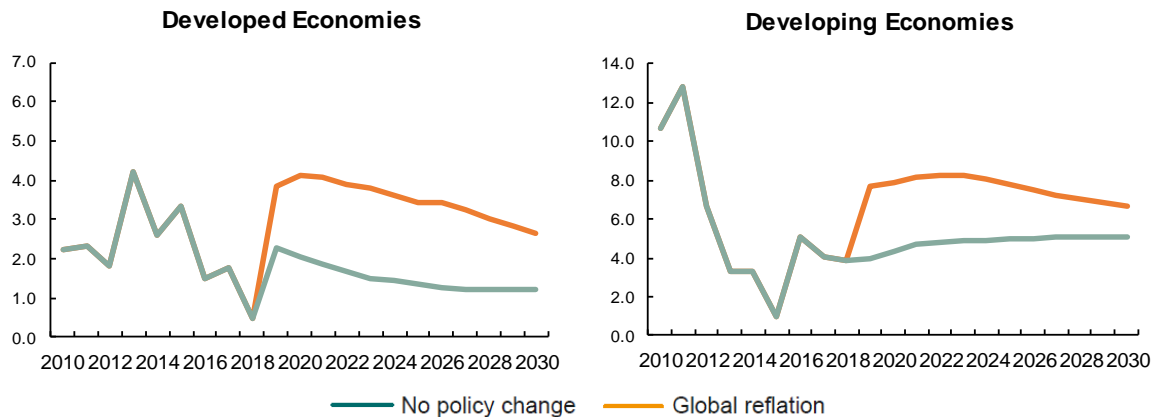
Government spending in goods and services, 2000 - 2030

[constant PPP USD 2005; per cent annual growth]



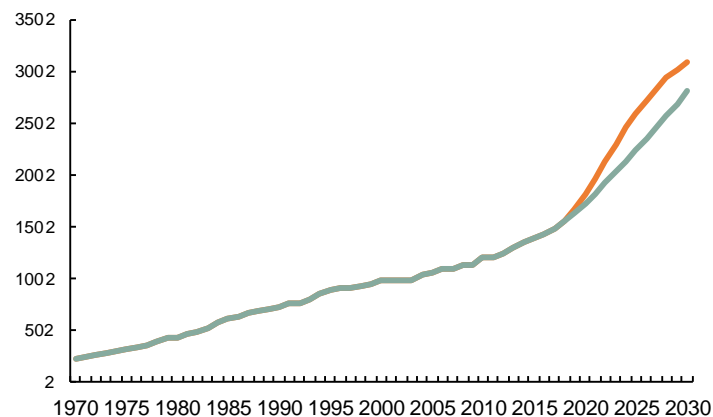
Total tax revenue, 2010 - 2030

[constant PPP USD 2005; per cent annual growth]

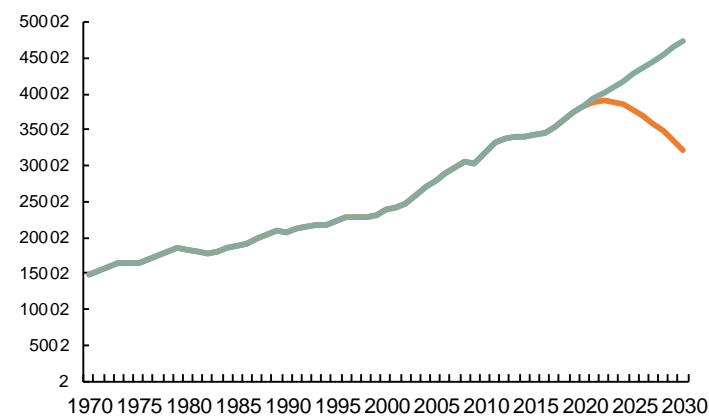


Scenario: Plausible Energy Transition

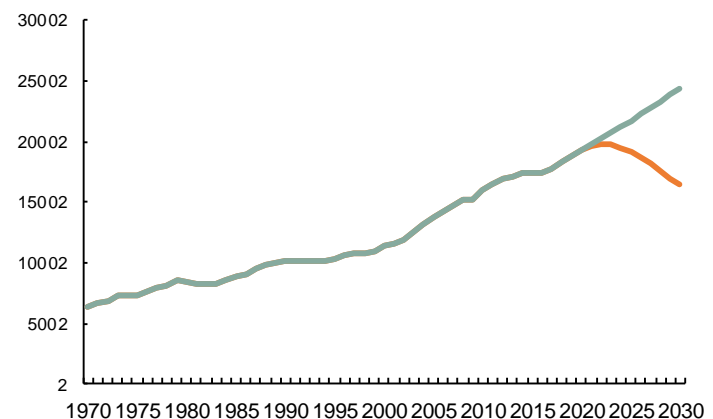
Production of non-carbon energy (MTOE)



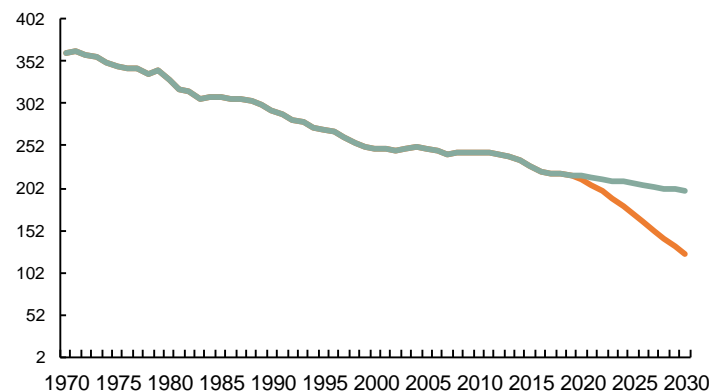
CO2 emissions (gross, Mn tons)



Production of carbon energy (MTOE)



Energy intensity of global output, 1970-2030
[grams of oil equivalent per USD 2005]



— No policy change — Global deflation

Thank you!

