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INSTITUTE FOR
CLIMATE
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LTS dashboard for Finance Ministers

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Implementing the transition to a low-carbon and resilient economy

National long-term decarbonization strategy



Low-carbon and resilient economy

60 countries have submitted their Long-term low greenhouse gas emission development strategies (LT-LEDS) to the UNFCCC

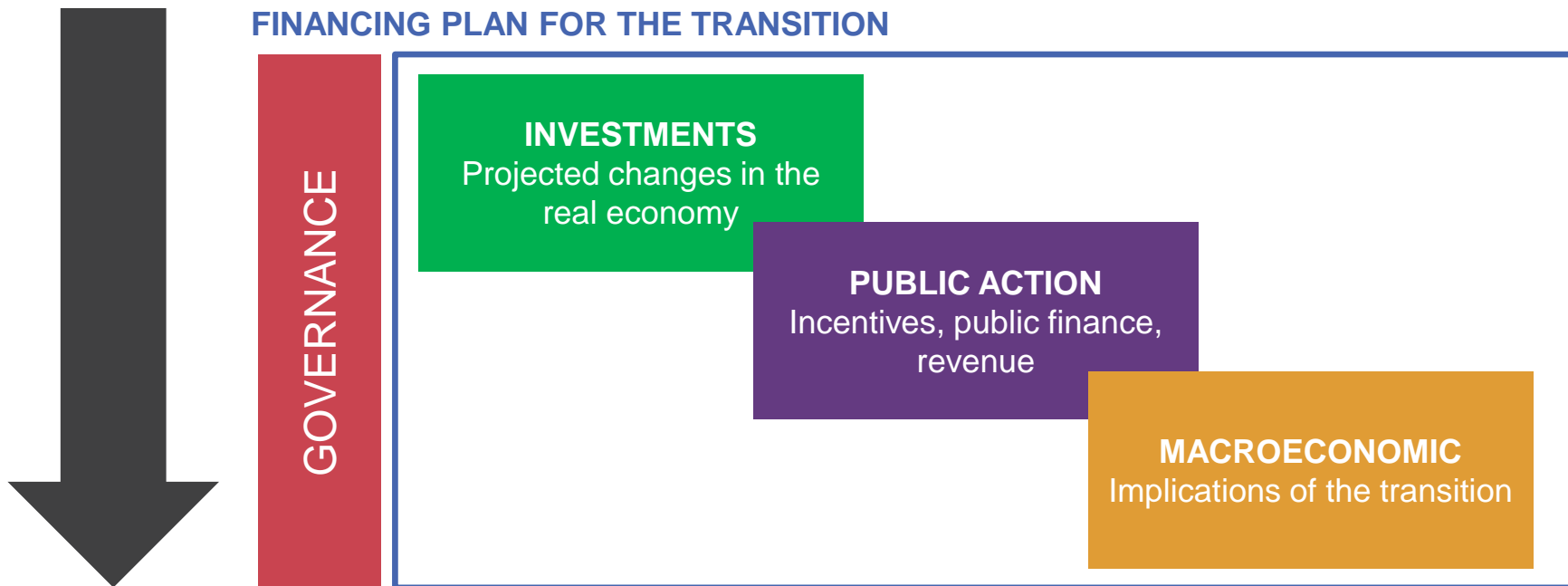
No country is currently compatible with the 1.5C objective of the Paris Agreement

Source: Climate Action Tracker

Implementing the transition to a low-carbon and resilient economy

National decarbonization strategy / LTS

FINANCING PLAN FOR THE TRANSITION



Low-carbon and resilient economy

An LTS-dashboard for Finance Ministers

Dashboard overview

Project objective : to develop a dashboard of economic indicators contextualizing national long-term low-emission strategies (LTS), to be used by Finance Ministers

- Useful
- Flexible
- Easy to use

LTS dashboard for Finance Ministers



An LTS-dashboard for Finance Ministers

1 – LTS Overview

Salient elements from the LTS:

- LTS objectives and milestones
- Projected real economy changes
- Key challenges and levers for the transition



An LTS-dashboard for Finance Ministers

2 – Climate investments

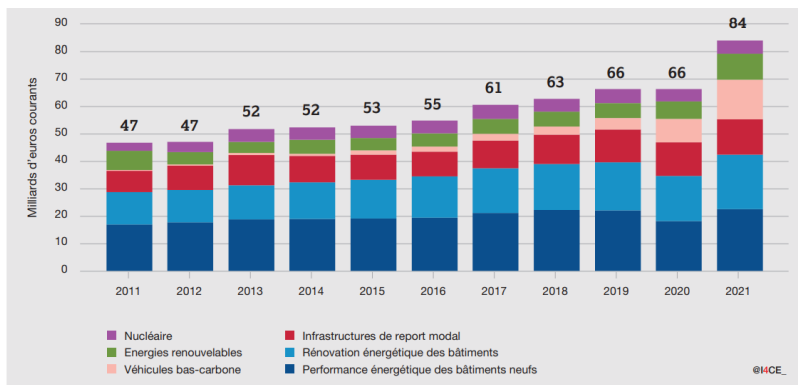
Investment needs assessment:

- How projected 'real economy' changes translate into sectoral climate investment needs

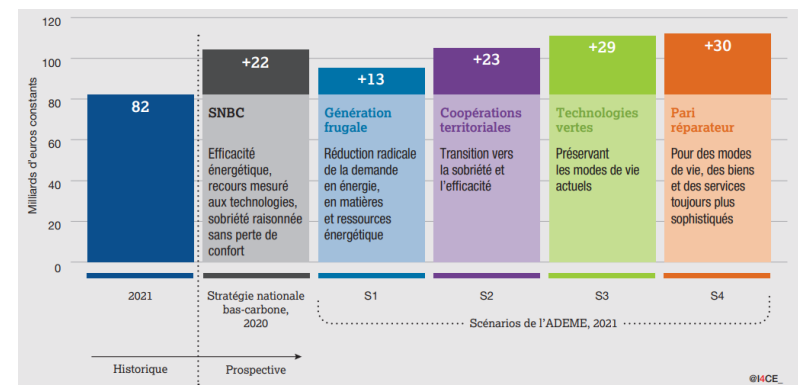
- A country's GHG emissions are directly linked to the type of equipment and infrastructure on the ground
- Real economy investments: energy-efficient renovations, RE power plants, EV replacing ICE vehicles, etc.



Total climate investments



Investment needs assessment / investment gap



An LTS-dashboard for Finance Ministers

3 – Policies & financing

Implications of the LTS for the national budget:

- Overview of policies in place to trigger climate investments
- Estimates of the volumes of public funding which support / go against LTS objectives
- Available & potential resources which can be mobilized to support LTS implementation



Public policies, incentives

- *Policies to trigger the required investments*
- *Design + evaluation*

Public spending needed for these policies

- *Projected expenditure*
- *Funding gap*
- *Green budgeting*

Sources of revenue which could be mobilised

- *Tax revenues, sustainable finance instruments*
- *Reform of fossil-fuel subsidies, etc.*

Dashboard structure

Key macro economic implications of the LTS:

- The real economy changes needed to achieve LTS targets are expected to have significant impacts on the structure of the economy



- The transition to a low-carbon / resilient economy could also support the **achievement of development objectives**
- The following macroeconomic indicators are likely to be affected:
 - **Output:** growth rates, income levels, poverty rates, inequality
 - **Employment:** shifts between sectors
 - **Prices:** inflation, food and energy prices
 - **Debt**
 - **Trade balance:** shifts in exports and imports
 - **Foreign exchange:** exchange rates

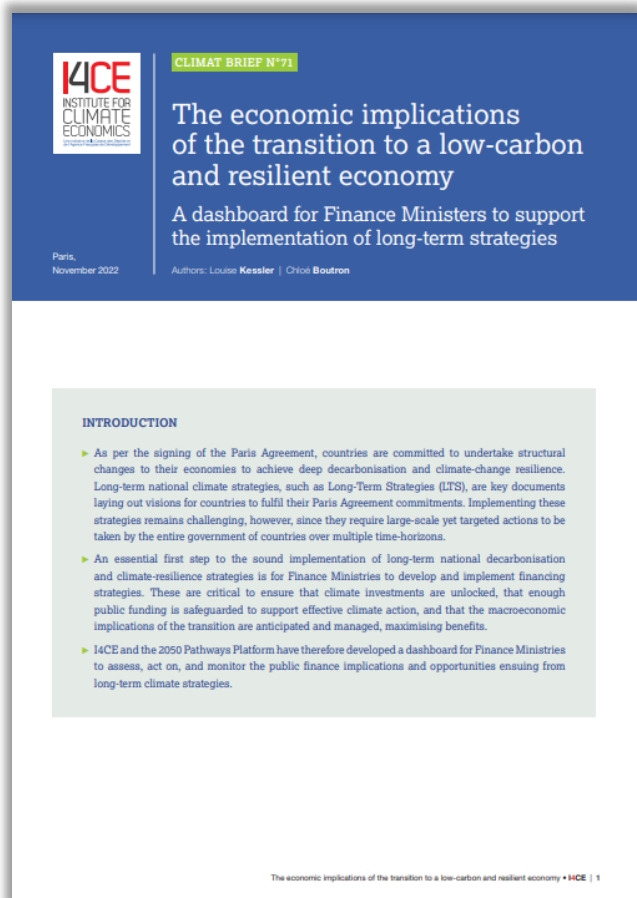
How does this work help policymakers?

The development of financing strategies is an essential first step to the sound implementation of long-term national decarbonisation and climate-resilience pathways

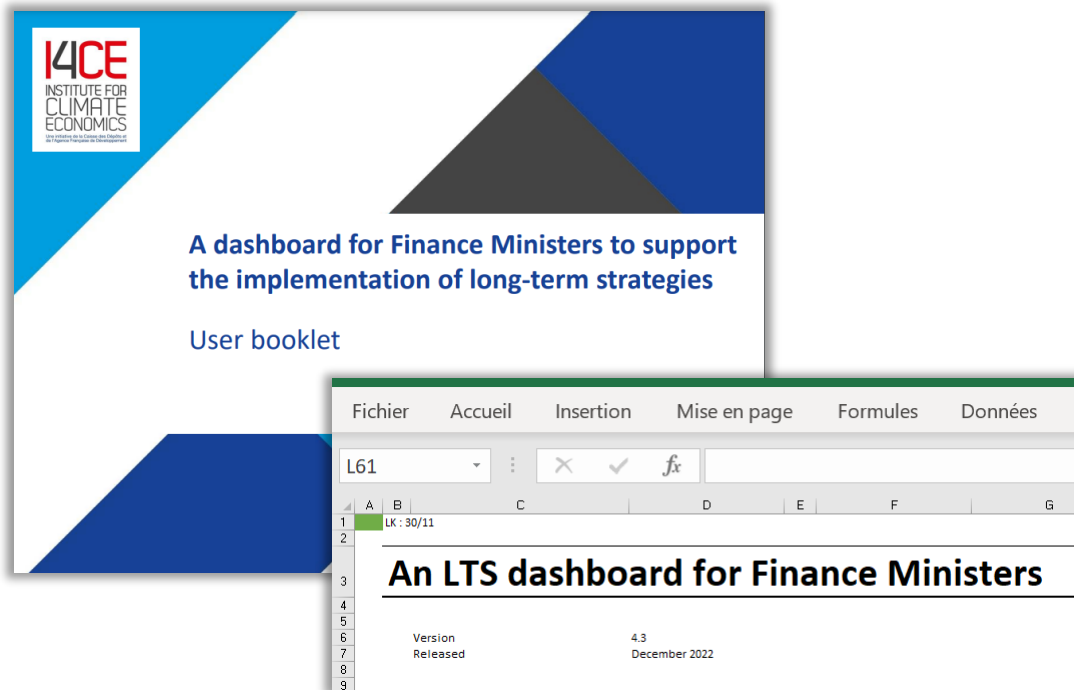
- The LTS dashboard template features **key economic indicators** to help Finance Ministers visualise the alignment of **investments and policies** with LTS
- It proposes a coherent structure to assess the **macroeconomic implications** of LTS implementation
- The dashboard template is meant as a **flexible decision-making tool** that countries can adapt, based on their capacity and the availability of economic and climate data

LTS dashboard for Finance Ministers

Supporting documents



User guide and Excel file



To know more:
[An LTS-dashboard for Finance Ministers](#)



Thank you for your
attention

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